2013

Registration document and annual financial report

This registration document was filed with the *Autorité des marchés financiers (AMF)* on April 23, 2014, pursuant to Article 212-13 of the AMF's General Regulations. It may be used in support of a financial transaction if it is accompanied by a memorandum approved by the AMF. This document was prepared by the issuer and is binding on its signatories.

Chairman's statement

CIC ended the 2013 fiscal year with a net profit of €851 million, an increase of 18%. Its fundamentals are solid, as is its business model which enables it to achieve high ratios.

It continued to pursue its development drive with a focus on three objectives: to provide a quality service to all its customers; to offer adapted, competitive products by diversifying its offer; and to help finance the French regional economy whilst taking account of the expanding European economy.

Building on the expertise and skills of its 20,000 employees serving more than 4.8 million customers, it posted good growth across all segments, including loans and deposits and traditional banking services as well as in the insurance sector.

As a bank for self-employed professionals and corporates, it actively participates in the economic life of the regions, with a strong emphasis on job creation. As a bank for individuals and associations, every day it helps bring to fruition the projects that build our society.

Its dynamism is based on the strength and solidity of its parent company, Crédit Mutuel, a bank that now has a European reach. In 2013, Crédit Mutuel posted more than €40 billion in equity attributable to owners of the company and one of the best Core Tier 1 solvency ratios in the market (14.5%) according to Basel 2.5 standards. This financial profile is both a guarantee of the institution's sustainability and a source of security for its customers.

Balancing growth, efficiency and risk management, based on the professionalism, creativity and dynamism of the men and women who contribute to its development, CIC has the resources necessary to meet the challenges of the coming years.

Michel Lucas
Chairman and chief executive officer

Contents

PRESENTATION OF CIC

CIC Profile

CIC, the holding company and network bank serving the Greater Paris region, comprises five regional banks and specialist entities covering all areas of finance and insurance both in France and abroad.

4,688,233 customers, including:

3,872,578 individuals

75,642 associations

619,570 self-employed professionals

120,443 corporates

20,083 employees*

2,067 branches in France

3 foreign branches
35 foreign representation offices and
25 foreign private banking offices

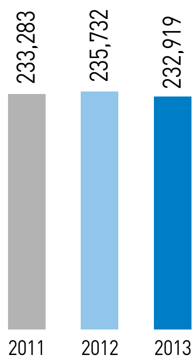
Figures as of December 31, 2013.
* Full-time equivalent.

Key consolidated figures

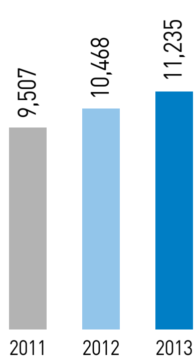
Capital in € millions

	2013	2012	2011
Net banking income	4,466	4,260	4,166
Operating income after provisions	1,211	960	807
Net income attributable to the company	845	698	555
Cost/income ratio[1]	64.7%	69%	67%

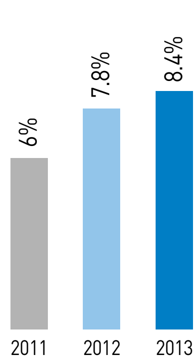
(1) Overheads as a percentage of net banking income.



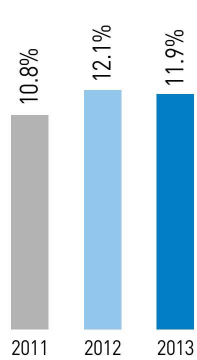
TOTAL ASSETS



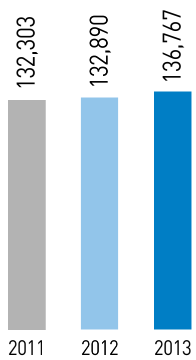
EQUITY
(incl. minority interests)



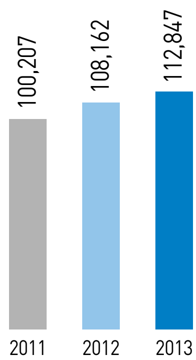
RETURN ON EQUITY[1]



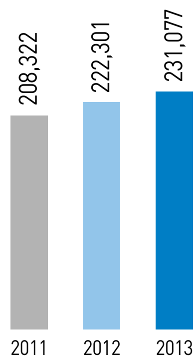
TIER 1 SOLVENCY RATIO
(see p. 85-87)



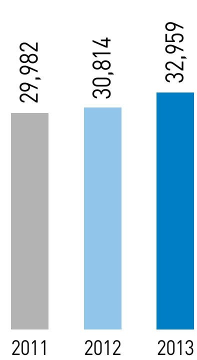
LOANS AND ADVANCES
TO CUSTOMERS



CUSTOMER
DEPOSITS



SAVINGS MANAGED
AND HELD IN CUSTODY[2]



LIFE INSURANCE[3]

(1) Net income attributable to the company as a percentage of opening equity less dividends paid.

(2) Managed savings (life insurance, employee savings plans and UCITS) and customers' securities in custody.

(3) Month-end outstandings.

Source: consolidated financial statements.

Simplified organization chart

The percentages indicate the portion of the entity controlled by CIC as defined under Article L.233-3 of the French Commercial Code *(Code de Commerce)*. Crédit Mutuel also holds shares in companies not controlled by CIC (i.e. in which ownership is less than 50%). They are therefore controlled by Crédit Mutuel-CIC group in accordance with the terms of the same article of the French Commercial Code.

CIC

RETAIL BANKING NETWORK	100% CIC Nord Ouest	100% CIC Ouest	100% CIC Sud Ouest	100% CIC Est	100% CIC Lyonnaise de Banque
PRIVATE BANKING(1)	100% CIC Banque Transatlantique	100% Banque CIC Suisse	100% Banque de Luxembourg	100% CIC Private Banking-Banque Pasche	
PRIVATE EQUITY	100% CM-CIC Capital Finance				
SPECIALIZED BUSINESSES	23.5% CM-CIC Asset Management	99.9% CM-CIC Epargne Salariale	100% CM-CIC Securities	99.2% CM-CIC Bail	
	54.1% CM-CIC Lease	95.5% CM-CIC Factor	100% CM-CIC Aidexport		
INSURANCE	20.5% Groupe des Assurances du Crédit Mutuel				
SHARED SERVICES COMPANIES	12.5% Euro Information	No capital GIE CM-CIC Titres	No capital GIE CM-CIC Services		

(1) Private banking activities are also conducted by CIC's Singapore branch (in situ and via CIC Investor Services Limited in Hong Kong).

CIC comprises:

- CIC (Crédit Industriel et Commercial), the holding company and head of the bank network, which also acts as the regional bank for the Greater Paris region and through which investment, financing and capital markets activities are carried out;
- five regional banks, each of which serves a clearly defined region;
- specialist entities and service companies serving the whole group.

Crédit Mutuel stockholdings by business:

SPECIALIZED BUSINESSES
CM-CIC Asset Management: 76.5%
CM-CIC Bail: 0.8%
CM-CIC Lease: 45.9%
CM-CIC Factor: 4.5%

INSURANCE
Groupe des Assurances du Crédit Mutuel: 79.5%

SHARED SERVICE COMPANIES
Euro Information: 87.5%

Review of operations

Retail banking*

With net banking income of €3,330 million, operating expenses of €2,202 million and net provisioning of €312 million, retail banking posted pre-tax income of €918 million.

Retail Banking: key figures (€ millions)	2013	2012	Change
Net banking income	3,330	3,083	+8.0%
General operating expenses	(2,202)	(2,245)	-1.9%
Operating income before provisions	1,128	838	+34.6%
Net additions to/reversals of provisions for loan losses	(312)	(201)	+55.2%
Income before tax	918	743	+23.6%
Net income attributable to the company	604	518	+16.6%

Source: consolidated financial statements.

Retail banking, the group's core business, continued to grow in 2013.
The number of customers in the banking network increased by 120,573 or 2.6%.
The network's total commitments increased by 2.6%, thanks, in addition to home loans (+67.9%), to new investment loans, up 10.7% for companies and 9.2% for self-employed professionals, resulting in an active contribution to the economy.
Customer savings ended the year up by 3.3%, with savings accounts up 2.7% and customer deposits up 9.2%.
Life insurance outstandings increased by 4.9%; multi-mode life insurance outstandings increased by 10.7%.
Service activities associated with electronic payment systems showed strong growth:

- number of cards in circulation up by 2.9% including high value added cards for individuals up by 4.7%;
- number of active merchant payment terminals up by 7.2% to 113,568 units;
- flow of card payments with merchants and corporates up by 5.8%.

In property insurance, the number of policies grew by 7.3%, of which 4.6% were for auto and 5.3% for home.
The number of mobile telephone subscriptions rose to 344,071, an increase of 13.5%.

* Outstandings are cumulative average outstandings for all CIC banks.

NETWORK

Points of sale

With 15 new branches opened, CIC maintained its policy of improving and structuring its network. At the end of 2013, it had 2,067 points of sale.

ATMs

The total number of machines stands at 3,782 including 1,323 equipped with deposit modules and 2,459 cash dispensers. Overall, CIC recorded 117 million transactions, including 71 million cash withdrawals and 46 million other transactions, 17 million of which were deposits.

cic.fr

Smartphones accounted for 91 million out of 269 million connections, a leap of 41.4% compared with 2012.
The development of an iPad/Android tablet application in 2013 opened up new prospects for customers' use of online tools.
Security has been enhanced by implementing the resetting of passwords.

Personal banking customers

New customers

The number of customers increased by 2.4% to 3,872,578. The most highly represented age groups were 26-49 years and over-60.

Customer deposits

Overall savings book balances grew by 2.2% to €19.9 billion, with *Livret A* Savings Books up by €1.3 billion (+32.5%) and sustainable development savings accounts (*LDD*) up by 33.2% to €1.1 billion after a continued recovery, while *Livrets Ordinaires* (-17.4%) and term deposits (-1.7%) experienced a decline.
Growth in home savings plans and accounts outstandings doubled to 4.1% (up 2% in 2012) at €6.4 billion.

Managed savings

Excluding employee savings plans and life insurance, managed savings recorded an increase of 2.9% consisting of mixed results: group UCITS outstandings were down by 8.1% while "custody of other securities", based on directly held equities, was up by 12.2%.

Lending

New home loans amounted to €9.3 billion (up 78.3%), with outstandings up 1%.
In consumer lending and revolving credit, outstandings fell by 2.1% to €3.7 billion; new lending was stable at €1.8 billion, due to the availability of the standby credit facility to a growing number of customers.

Service contracts

The total number of contracts rose by 5.4% to 1,201,622, thanks to the "global" and "adjustable" contract offering and the success of the web-based option which offers a reduction in monthly subscription fees by opting to receive statements through the website *cic.fr*.

Remote banking

Thanks to enriched content and marketing through personal contracts, 86,383 new customers signed up for *Filbanque,* bringing the total number of contracts up to 1,401,106, an increase of 6.6%.

Cards

The total number of cards increased by 2.5% to 2,135,318 cards including 339,390 value added or prestige cards, representing 15.9% of the total. The "deferred plus" service contributed to the success of "trading up" campaigns.

Mobile telephony

Despite fiercer competition, and with the launch of 4G bringing in 40,877 new contracts, the number of lines increased to 344,071 (an increase of 13.5%).

Self-employed professionals

Dedicated sales force

The 2,166-strong team of specialist relationship managers confirmed CIC's determination to respond appropriately to the needs of various market segments.

New customers

Targeted prospecting actions led to 63,934 new accounts being set up for self-employed professionals.

Lending

New investment loans totaled €2,838 million (up 9.2%), while new finance leases amounted to €581 million, and 1,502 long-term rental finance contracts were signed.
Action in support of entrepreneurs led to 1,642 business start-up loans being granted.
The €2,347 million in new home loans granted to self-employed professionals (up 38.1%) accounted for 20% of CIC network's total new lending.

Savings

Outstandings remained stable at €22.1 billion. This is mainly due to a negative change in savings accounts, which fell 2.1% to €175 million, offset by an increase in sight deposits of €308 million (up 4.8%) and in life insurance of €75 million (up 1.9%).

Customer loyalty

Products and services were actively marketed:
- the total number of remote banking contracts increased by 16,396, or 7.1%, bringing the total to 245,960;
- the number of *Contrats Professionnels* (packages of services designed to meet daily transaction needs) increased by 11,073, or 6.9%, to 170,671;
- in the banking network, electronic payment flows grew by 5.8%, as a result of both increasing the number of active terminals (up 7.2%) and the volume of transactions carried out, which increased by 9%.

... Retail banking

Employee savings management

4,686 contracts were signed, bringing the total to 30,215.

Life, health and personal protection insurance

Self-employed professionals accounted for €4,116 million or 13.6% of total life insurance outstandings.
The addition of 3,024 new health insurance policies and 15,173 personal protection insurance policies brought the total number of policies outstanding to 9,634 (up 16.3%) and 68,336 (up 7.5%) respectively.
A total of 2,647 *Madelin* plans were sold (pension savings plans providing a retirement annuity).

Partnerships

Further new agreements were signed with branded networks, bringing the total to 121 (115 at the end of 2012).

Agriculture

The division acquired 3,265 new customers, bringing the total to 31,920, and granted €417 million in loans, bringing total commitments to €2,100 million, an increase of 6.3%.
Savings balances grew by €1,206 million, largely due to the increase in customer deposits, which grew by 12.5% to €270 million.

Communication

Sales drives included a radio campaign aimed at the liberal professions while CIC took part in several events designed for the self-employed professionals market (trade fairs, etc.).

Corporates

New customers

CIC's strategy revolves around values such as close contact, responsiveness, and expertise, which make it the go-to bank for companies and their managements. Its constant willingness to adapt its offerings to customers' needs, capacity for innovation and the expertise of its business centers, account executives who guarantee the quality and effectiveness of a one-to-one relationship make up a sales structure the effectiveness of which is supported by the gaining of 11,118 new SME and LME customers in 2013.
The *TNS Sofres* study entitled "Les entreprises et les banques 2013" confirmed CIC's penetration rate of 30%.

Lending

New medium- and long-term lending amounted to €3,886 million (up 10.7%) taking total outstandings to €12,199 million (up 7.4%).
Equipment leasing totaled €1,145 million and real estate leasing 265 million, confirming a constantly changing offering in terms of lease financing.
Short-term funding outstandings registered a drop of 5.5%.
Overall, market commitments grew by 5.7% to €31,776 million.

Treasury management and financial investment

In 2013, CIC continued to adapt its solutions to meet companies' needs in terms of security, liquidity, transparency and performance.
Total savings increased by 2.1% to €29,244 million, driven by current accounts (7,792 million outstanding, an increase of 16.9%).

Cash management

Support for migration to the new SEPA (Single Euro Payments Area) payment system was a concern in 2013.
Mandate management, enrichment and conversion of transactions to the SEPA format for remote banking customers, conversion of RIB codes (French national bank identifiers), and BIC security were some of the issues involved. These solutions were integrated into *Filbanque* confirming the group's ability to build innovative, effective banking interface tools.
CM-CIC P@iement allows anyone wishing to develop their online sales to use a dashboard to manage daily transactions, and also includes a "fraud prevention" module that configures the filter criteria to control activity on the site, among other features.
The volume of merchants' electronic payment transactions processed by the corporate network rose 5.4% to €15,534 million.

International operations

Relying on the group's network of branches and 35 representative offices worldwide, CM-CIC Aidexport offers companies "tailor-made" solutions to implement their projects.
CIC is the leader in financing companies' international development activities, backed by prospecting insurance.
With regard to transaction processing, the international business center, managed by CM-CIC Services, is in the middle of a process to improve performance and quality.
By deploying synergies with its subsidiary, TARGOBANK Spain, the group supports companies in Spain and Portugal, in terms of cash management and lending.

Employee benefit schemes

CIC has expanded its range of secured solutions that allow managers to closely involve their employees in developing their business while controlling the management of employment-related costs (incentive plans, profit-sharing, employee savings plan).
2,947 employee savings agreements were concluded in 2013.
SME Health Collective agreements serve to protect and motivate employees and increase their loyalty to employers.

Associations

The number of customers increased by 4.4% to 75,642.
Outstanding loans increased by 8.9% to €659 million.
Simultaneously, thanks to special product marketing, outstanding investments grew by 16.4% (including 35.6% for savings accounts) to €6,412 million.
In 2013, CIC's solidarity products – *the Carte pour les autres* and the *Livret pour les autres* (savings accounts and bank cards incorporating humanitarian or charitable donations) facilitated the collection of donations from partners.
With innovative services such as *Dynaflux Global'Collect* that enable associations to delegate all or part of the donations chain, CIC has positioned itself as the banker of choice for many organizations.

SUPPORT SERVICES

Insurance

GACM designs and manages the insurance product offering of Crédit Mutuel-CIC consisting of more than 26 million policies.
Revenue in 2013 amounted to €9,921.8 million, 3,631.2 million of which was achieved in the CIC network.
Property and personal insurance continued to grow steadily, up 7.3% and 8.6% respectively. Inflows for life insurance rebounded sharply (+29.8%).
Commissions received amounted to €1,089.5 million including €293.2 million to CIC.

Property insurance

In auto insurance, thanks to the comprehensive offering and a finely targeted approach to premiums, the portfolio grew by 1.9% to 2,182,537 policies. The product range covers the needs of all customer groups: individuals, self-employed professionals and businesses, from basic to fully comprehensive services.
Support services have been expanded and a new "mechanical breakdown" warranty has been added to the "breakdown" cover.
With regard to home insurance, which caters for tenants, owners, joint-tenants or landlords, the number of policies grew by 4.3% to 2,129,116. Work assistance has been extended.
Despite frequent bad weather in 2013, the Constatel telephone platform was able to cope with the influx of insurance claims and has improved the quality of services provided to policyholders.

Personal insurance

Adjustments have been made to the personal protection range. The new *Plan Prévoyance* policy provides an "Access" formula for customers who want an all-risks death benefit with fewer medical formalities. Nursing care insurance now provides assistance benefits for relatives. With 2,106,766 policies at year-end, the number of personal protection polices grew by 8.3%.
The number of loan guarantee insurance policies increased to over 6 million. CIC's offering is composed of *Assur Prêt* with extended cover and *Perspective Crédit* for borrowers looking for a solution at the best price.
Assurance Santé added optical and dental cover.

... Retail banking

The *Avance Santé* card avoids policyholders having to pay medical costs up front. It is available to employees who are members of a group policy under the national inter-professional agreement (ANI) of January 11, 2013 which provides for the arrangement of cover for all employees of private companies before January 1, 2016.
Approved health insurance policies designed for local and regional authorities were supplemented by a personal protection component.

Life insurance

Life insurance rebounded sharply with revenue of €6,165.7 million (up by 29.8%).
CIC inflows amounted to €2,823.5 million, including €524.2 million from *CIC Banque Privée* branches and wealth advisers for *Sérénis Vie* policies.
Plan Assurance Vie, the multi-mode product that can be tailored to suit individual situations, developed to include a version designed for self-employed professionals and farmers, consolidated its position as the leading product in the range.
Net rates of return on policies and funds in euros ranged from 2.63% for the *Plan Retraite Revenus* to 3.05% for the *Plan Assurance Vie Privilège.*

Online insurance services

Filbanque subscribers have access to their policies in a dedicated area of the site which offers a completely personalized service, in conjunction with the branches.
Users can obtain quotes, subscribe online, change certain aspects of cover or even switch between life insurance policies.
On their smartphone or tablet, customers can also find useful telephone numbers, advice in the event of an auto or home accident, as well as view their health cover and latest reimbursements.

Key figures for 2013

Revenue (€ millions)	**Groupe des Assurances du Crédit Mutuel**	**2013/2012**	**Of which: CIC**	**2013/2012**
Property and casualty	1,391.6	+7.3%	277.4	+10.7%
Personal	2,355.2	+8.6%	530.4	+6.4%
Life	6,165.7	+29.8%	2,824	+37.4%
TOTAL	**9,921.8**	**+20.6%**	**3,631.2**	**+29.5%**
Number of policies				
Property	10,394,795	+4.1%	2,995,029	+6.4%
Of which: Auto	*2,182,537*	*+1.9%*	*402,176*	*+4.6%*
Of which: Home	*2,129,116*	*+4.3%*	*507,676*	*+5.3%*
Personal insurance	12,510,189	+5.4%	3,591,463	+3.1%
Of which: Personal accident and injury	*2,106,766*	*+8.3%*	*661,915*	*+3%*
Of which: Loan guarantee insurance	*6,007,692*	*+0.6%*	*1,522,273*	*+1.2%*
Life	*3,270,733*	*+9.3%*	*807,004*	+3.2%
TOTAL	**26,175,717**	**+5.4%**	**7,393,496**	**+4.4%**

Investment funds

In 2013, CM-CIC Asset Management, the core of the Crédit Mutuel-CIC group's asset management business, ranked fifth among Paris-based asset management companies, posted 1.6% growth in assets in the French market, rising from €57.8 to 58.7 billion* and increasing its market share from 5.5% to 5.7%*.
This increase is mainly due to the inflow of an additional €525 million* in low-risk assets (government securities).
Despite continued low short-term rates, money market UCITS, among the highest ranked in the market - first decile for *Union Moneplus* and *Union Monecourt* as of December 31, 2013** – continued to rise with subscriptions from corporates and institutional investors, enabling CM-CIC AM to be ranked second in France in terms of collections for money market UCITS in 2013.**
With reference to equity UCITS, CM-CIC Asset Management performed in line with the market trend, again on the up.
The relative share of volumes in equity UCITS thus rose from 8.9% to 10.4% of the total*.
To provide the best support to Crédit Mutuel and CIC networks, restructuring work began on managed product ranges.
Thus, the entire Mid Cap range was reviewed with two funds, *Union Entrepreneurs* and *Union Mid Cap* being resized and renamed. The new SME PEA equity savings plan was launched within the group with two funds being created after this review, *Union PME ETI actions* and *Union PME ETI diversifié.* In 2013, total "Mid Cap" volumes grew by 48% or €153 million.
The Europe thematique range was supplemented by a *Union Europe Rendement* fund.
With a view to providing attractive returns with reduced sensitivity to possible interest rate rises, at the beginning of the year CM-CIC AM launched *Union Obli High Yield 2018,* which combines high yield bonds with soft maturities.
During the year, CM-CIC Asset Management also worked on preparing for the future and seizing opportunities.
Commercial ranges were reorganized and segmented for each Crédit Mutuel-CIC business division and market: individuals, wealth management, private banking, self-employed professionals, farmers, businesses, associations, mutual societies and institutional investors. Regular and dynamic information on targeted funds was delivered by mail, video, in the form of interviews published on the group's various intranet and internet portals and a new, more complete and clearer reporting style was rolled out.
2013 saw some great successes, including the new formula funds, which helped to record total inflows of €363 million.
Several initiatives were undertaken with CM-CIC Employee Savings in connection with SRI and solidarity themes and the organization of responses to shared invitations to tender.
In Germany, the new sales policy was integrated with the internal structures and methods of TARGOBANK and together with the creation of two funds under the Crédit Mutuel brand has had a promising start.

The year ended with the operation to convert the group's portfolio management company, CM-CIC Gestion, into a subsidiary. Approved by the AMF, it was effective from December 30, 2013 and involved nearly 360 people, throughout the entire country.
Finally, CM-CIC AM is recognized in the marketplace as a center for investment fund activities. Its role as an accounting service provider was further enhanced with a total of 1,018** internal and external UCITS valuations, of which 332 for 79** external asset management companies.
Total revenues amounted to €216 million and commissions paid to the placing networks amounted to €160 million.

Employee savings management

CM-CIC Epargne Salariale, the core of this business line for CIC and Crédit Mutuel, represented at year-end 2013:
• €6,535 million in assets under management (up by 6.2%);
• 66,833 corporate customers (up by 7%);
• 1,383,091 employees' savings under management.
The growth in AUM benefited from the rise in valuations in equity and bond markets and growth in the customer base achieved over the past few years, in a year when net inflows were negative.
In effect, 2013 was characterized by a sharp increase in withdrawals (+43.7%), driven by government measures which resulted in the exceptional unblocking of employee savings, under certain conditions, between July 1 and December 31.
Sales activity was particularly strong in the corporate market, resulting in a 56.5% increase in new capital raised.
Contributions to savings plans increased by 6.1%, the result of an impulse towards saving in a difficult economic environment.
This past year saw significant capital expenditure on information technology aimed at enhancing services to companies and savers.
Since June 30, 2013, CM-CIC Epargne Salariale has moved up from fourth to third place in the employee savings ranking, based on the number of accounts under management.

Financing and management of receivables

CM-CIC Factor is the center for the Crédit Mutuel-CIC group's receivables financing and management business.
It offers short-term financing for corporate customers in France and abroad, with a range of factoring and assigned business receivables purchasing solutions.
In 2013, its net banking income rose by 4% to €108.8 million, due to the increase in management fees, while net investment income rose against a background of easing liquidity costs.
Overall profitability stood at €41 million (up by 10%), with net income at €3.6 million.

* source: Europerformance monthly report as of December 31, 2013

** source: Europerformance awards as of December 31, 2013

... Retail banking

Factoring and financing of trade receivables

For the fifth year in a row, CM-CIC Factor increased its market share, with:

- a 17% increase in the volume of receivables purchased to €21.4 billion;
- export turnover of €1.6 billion (up by 13%);
- year-end outstandings under management of €3.7 billion (up by 30%);
- more than 11,500 active customers.

The development of business with CM-CIC group banks allowed it to pay back €35.8 million in business contribution and risk fees (up by 13%).

In factoring, new business volumes, at nearly €9.3 billion, were based mainly on the growth of the *Orfeo* product range which provides specific solutions to large and large/medium sized enterprises. For this segment, net additions to/reversals from provisions for loan losses for the financial year were kept well under control at 0.07% of gross outstandings.

Real estate leasing

In 2013, in a slowing market in terms of transactions and professional real-estate starts, CM-CIC Lease experienced an increase in activity of 18%.

303 new financing agreements for real-estate leasing for Crédit Mutuel-CIC customers were signed for an amount of €684 million, relating mainly to industrial premises (26%), warehousing (25%) and commercial buildings (20%).

Total outstandings, including commitment transactions (off-balance sheet) increased by 6% to more than €3.8 billion. Of this, 69% relates to commercial and industrial property or warehouses in roughly the same proportions. The remainder relates to property in a variety of sectors such as offices, healthcare, hotels, leisure and education.

The financial margin increased by 32% and the payment of commissions to the various networks amounted to more than €17.7 million (up by 18%). Well-contained general operating expenses and low net provisioning helped to record a sharp increase in net income to €4.5 million.

Seeking to increase customer satisfaction led, in the course of the financial year, to the implementation or continued roll-out of new internal procedures or external procedures with business partners. These procedures focus primarily on reducing the lead times for applications and the signing of notarized deeds, and flexibility and responsiveness in managing construction projects. Other procedures aim to significantly reduce decision-making times and the time taken to implement acts or deeds necessary for the execution of real estate leasing contracts and in relation to property already owned.

Equipment leasing

In 2013, CM-CIC Bail's new business was almost identical to 2012, thanks to the dynamism of the Crédit Mutuel and CIC networks, partnership activities and *Bail Marine*.

Profitability was much higher due to growth in volumes and favorable refinancing rates. Gross financial margin was up 27% to €160 million. After the payment of commissions to the various networks, which were up by 9.5% and net recoveries on doubtful debts, net income rose significantly.

The medium-term plan completed in 2013 enabled CM-CIC Bail to:

- become No. 1 in leasing in France;
- improve productivity through electronic document management and the deployment of new processes;
- enable new growth drivers;
- adapt its organization to changes in the business;
- secure all of its activities;
- pursue a quality approach in the framework of the "service attitude" project.

Financing activities

In 2013, net banking income from financing came to €278 million and income before tax to €155 million. The bank mobilized all its specialized teams and the various branches for its major customers to whom it provides customized long-term support, with a full range of services including traditional or specialized financing, trade flows, international services, capital markets and risk hedging, financial engineering and employee benefit schemes.

Financing activities: key figures (€ millions)	2013	2012	Change
Net banking income	278	282	-1.4%
General operating expenses	(85)	(88)	-3.4%
Operating income before provisions	193	194	-0.5%
Net additions to/reversals from provisions for loan losses	(38)	(64)	-40.6%
Income before tax	155	130	+19.2%
Net income attributable to company	104	105	-1.0%

Source: consolidated financial statements.

Large corporates and institutional investors

In 2013, the economic downturn continued to weigh on management activities for key accounts. The consolidation of commitments continued: overall exposure (excluding counter-guarantees received) fell by €0.8 billion to €17.7 billion; on-balance sheet outstandings decreased by 15.3%, from €3.8 to €3.2 billion; off-balance sheet guarantees (sureties) decreased 6.2% to €5.6 billion; off-balance sheet financing alone rose by 1.3% to €8.9 billion.
The risk selection policy was maintained, together with the continued quest for reduced concentration of operations and greater sectoral diversification. This strategy has been reaffirmed in the medium-term plan which provides, inter alia, for a relaunch of prospecting activities.
Portfolio quality improved, with 79.6% of commitments classified as investment grade at the end of 2013, compared with 78.7% at the end of 2012. Net provisioning was negative with a net addition of €7.7 million for the year.

... Financing activities

Inflows remained a priority for the business. The new dedicated team achieved good results: deposits from corporate customers and institutional investors amounted to €8.8 billion at December 31, including €1.4 billion in sight deposits; to this were added 3 billion in marketable debt securities and €9.6 billion in money market UCITS (excluding UCITS not in custody).
The syndicated loan market was active, and CIC played a role in 27 transactions (18 in 2012), partly connected with refinancing.
With regard to payment processing methods, a major driver of commercial policy, 10 out of 12 tenders materialized.
Heavily impacted by the group's hedging policy, net banking income amounted to €69.7 million at December 31, 2013. This amount only included part of the income from transactions passed to other operating units (cross-selling) for which the large accounts division is a significant referrer.

Specialized financing

In 2013, non-bank competition, especially in the field of acquisition financing, increased. Pressure on conditions was appreciable and a certain number of accounts were lost to these new players.
Despite this, results were satisfactory, with growth recorded in net banking income and operating income before provisions.
Provisioning for specific risk decreased significantly to 0.37% of average drawn outstandings (0.48% in 2012).
Operating income increased by 11.4% in spite of higher refinancing costs.
At December 31, on-balance sheet outstandings were down 4.3%.

Financing of acquisitions

The CM-CIC Group supports its customers in their plans for business transfers and external growth and development by offering its expertise and know-how in structuring the most appropriate financing for each type of transaction.
On the commercial side, business was good, especially in the small-mid cap sector, with a firm increase in the number of transactions. New business was conducted with special attention to the risk/return ratio. Teams were attentive and effective in managing the risks involved in syndication.
In a market that has seen an influx of cash, lower margins and pressure on structures were felt both in France and in the bank's overseas branches. Several debt fund management initiatives were launched in order to benefit from growth in the sector.

Asset finance

After a lackluster 2012, in 2013 this business activity recorded an increase in new business in Paris, New York and Singapore, in all markets concerned, despite a difficult economic environment, especially in the shipping sector (transport of dry bulk cargo, oil and containers).
CIC has maintained a prudent intervention policy, while remaining attentive to the needs of its customers. It was a major player in the financing of the largest ship operating under the French flag and export sales of Airbus. Banking competition (American and Asian) intensified on prime projects or counterparties, adding to the squeeze on margins.
Optimized financing operations contributed significantly to generating commissions.
Teams were also mobilized in the light of regulatory changes.

Project finance

In 2013, appetite for infrastructure projects increased: debt funds concluded their first transactions and project finance banks made a remarkable comeback.
CIC has been approved by the EIB under one of its biomass programs which allows it to receive optimized refinancing.
The business line confirmed its presence in the electricity sector with 7 new projects out of a total of 10 in 2013: financing of a power plant using biomass in Rennes, a thermal power station in Le Moule, Guadeloupe, wind farms in the Aube, Marne and Beauce regions; refinancing of a portfolio of 440MW wind farms. An infrastructure transaction (construction and maintenance of trains in Britain) was also concluded, together with two telecom transactions (in the Netherlands and the United Kingdom).
The breakdown of new business approvals in 2013 by sector is as follows: 52.5% for electricity, 31% for infrastructure, and 16.5% for telecom infrastructure. By geographic area it is as follows: Europe 90.1%, Asia Pacific 4.9% and America 5%.
Project approvals (outstandings) can be broken down as follows: electricity 41.5%, infrastructure 45.7%, telecom infrastructure 2.4% and natural resources 10.4%.

International

The main focus of CIC's international strategy is to support customers in their international development, with a diversified offering tailored to companies' needs.
Through CIC Développement International, CIC provides an innovative range of services to SMEs, including market studies, arranging sales visits, and prospecting for partnerships and locations. These services are delivered with the backing of CM-CIC Aidexport, its specialist international consulting subsidiary, and of its branches and representative offices. They are promoted on an ongoing basis by the branch network and at special events such as one-day seminars and country-specific forums.
CIC also offers its investment customers a research service that analyzes the credit risk of major French and international bond issuers and the main sectors of the European and global economies.
Financing activity in 2013, including documentary transactions and issues of guarantees for both import and export, proved resilient, thanks to the sustained momentum of emerging countries and the development of new buyer credits.
Thanks to agreements with partner banks, CIC boasts competitive offerings in the area of international transaction processing, particularly cash management and the opening of accounts abroad.
CIC also offers its French and foreign customer banks a broad range of products and services.
Managed by a single ISO 9001 certified business unit, processing of international transactions is spread over five regional centers so as to provide services close to home in tandem with the corporate banking branches.

Support for customers abroad is underpinned by strategic partnerships with the Bank of East Asia in China, with Banque Marocaine du Commerce Extérieur and Banque de Tunisie in North Africa, and with TARGOBANK and Banco Popular in Spain.

Foreign branches and representative offices around the world

London

The main activities are the provision of financing to UK subsidiaries of French groups, specialized financing, advisory services to businesses wishing to enter the UK market, and obtaining refinancing for the group.
Whilst recovery is still uncertain, assets continued to decline owing to the early repayment of certain loans.
The branch had a good year thanks to new transactions, an increase in gross revenues and stable net additions to/reversals from provisions for loan losses.
In 2013, net income* amounted to €14.5 million.

New York

The year was characterized by confirmation of economic recovery and the Federal Reserve's announcement that it was tapering its asset purchase program.
For the financing of acquisitions and corporate finance, the year was characterized by a rise in outstandings thanks to new branch transactions, despite continued refinancing against a background of abundant liquidity. The asset financing business line maintained its income through a diversified portfolio and loan structures designed to protect against risk. Operations relating to French corporates increased.
The results from capital market activities were positive, with good control of real estate securitizations.
The branch's net income* for 2013 was €58.4 million.

Singapore, Hong Kong and Sydney

With the economic situation still favorable in Asia, the product specialization policy was maintained, giving preference to the most stable countries in the region, and being highly selective with regard to risk.
For specialized and corporate financing, the year saw both outstandings and revenues increase, with low net provisioning and increased profits.
Private banking continued its growth strategy. Overall, portfolios under management and financial income clearly improved.
Capital markets activities, focused on serving institutional and private customers, were faced with income volatility and mixed results depending on the product.
Support in Asia for corporate customers of the French network is underpinned by the group's international product offering.
The branch's net income* for 2013 was €11.4 million.

Representative offices

In addition to its foreign branches, CIC also has a network of 35 representative offices around the world, which place their expertise and their knowledge of regional markets at the disposal of the group's customers and specialized business lines, thus contributing to the development of its international business.

* Contribution to CIC's consolidated net income.

Capital markets activities

In 2013, capital markets activities generated net banking income of €473 million. Income before tax was €300 million.
The bank continued to diversify and secure its own financing activities and to support numerous customers in issuing bonds. It also successfully made its investment expertise available to its customers for investment transactions and hedging financial risk.

Capital market activities: Key figures (€ millions)	2013	2012	Change
Net banking income	473	555	-14.8%
General operating expenses	(166)	(178)	-6.7%
Operating income before provisions	307	377	-18.6%
Net additions to/reversals from provisions for loan losses	(7)	(26)	-73.1%
Income before tax	300	351	-14.5%
Net income attributable to the company	185	204	-9.3%

Source: consolidated financial statements.

CM-CIC Marchés

CM-CIC Marchés undertakes all capital markets activities of the CM11-CIC group, both for its own refinancing and investment requirements and for its customers.
These activities are carried on mainly in France, but also in the New York, London, Frankfurt and Singapore branches.
CM-CIC Marchés serves both as a vehicle for refinancing its own development and a trading room for corporates, local governments, large accounts and institutional investors interested in the innovative products developed by its teams.
Acting also as a service provider, *CM-CIC Marchés* enables other group entities to manage their financial risks and transactions more effectively.

Business development

The French sales teams are based in Paris and the main regional cities; they serve network customers and large corporates by offering them products for hedging risk (interest rate risk, currency risk, commodities risk), for refinancing (particularly commercial paper) and classic or structured investments.
Sales executives are armed with an original and proven range of investment products as a direct result of their expertise in "fixed income/equities/credit" investment.
These activities experienced good growth in 2013 particularly with the launch of two new sub-funds in the UCITS* format.

* Undertakings for Collective Investment in Transferable Securities.

Refinancing

In the last year, the refinancing of the group was carried out in a favorable environment.
CM11-CIC was able to raise €17.6 billion in medium and long term external funding resources, mainly in the second half (56%).
Public issues represented 64% of the total, leaving a significant portion to funding resources in the form of a private placement.
As a sign of overall confidence in the market, the portion of secured funding issued by Crédit Mutuel-CIC Home Loan SFH was only 16%, the majority of issues being undertaken by BFCM.
The percentage of volumes in foreign currencies increased to 16% as a result of the counterparty diversification strategy, especially beyond the euro zone.
Meetings with international investors are now organized in a systematic manner in the main geographical areas (Europe, USA, Japan), allowing the CM11-CIC group to quickly raise its profile and have access to new lines of credit.
The American and Japanese contribution should be emphasized, particularly the two BFCM issues in October 2013:

- one pursuant to US144A for USD1,750 million (€1,270 million) maturing in three and five years;
- the other, a "Samurai" for JPY108 billion (€817 million), interesting because of its size (one of the largest such transactions conducted in Japan in that year), and the quality of the investment sold to more than 100 Japanese investors.

It should also be noted that the group consolidated its relationship with the EIB by concluding, at the end of 2013, a new package of subsidized loans in the amount of €200 million for the financing of SMEs, which will be distributed by regional banks to customers who are eligible for these loans.
Moreover, the continued presence in the short-term money market was due to the efforts of sales and cash-management teams based in Paris, Frankfurt and London, underpinned by various money market securities programs (CDN, ECP, London CDs).
More generally, in terms of cash-management and refinancing, the year allowed for the advantageous pursuit of a strategy aimed at:

- increasing the proportion of medium and long-term resources (65% of the total at end-December 2013);
- consolidating CM11-CIC's cash flow position and ensuring it can withstand any prolonged closure of the money markets, by holding a cushion of assets eligible for LCR and/or ECB, calibrated, at the end of the year, at 145% of the market deposits falling due in the next 12 months.

Fixed income/equities/credit investment

The teams' objective is to improve the group's profitability through investments made within a well-defined framework of limits. Essentially this concerns the purchase and sale of financial securities acquired with the intention of holding them for investment purposes, and transactions involving financial instruments linked to these securities.
2013 was characterized by:

- the accommodative monetary policies of central banks;
- abundant liquidity;
- in the first half of the year an easing of credit spreads and improved risk perception for the lowest-rated peripheral countries;
- a favorable economic environment in the second half in Europe with a recovery on the other side of the Atlantic at the end of the year.

In this context, positions were managed cautiously. Results of capital markets activities, in France and in New York, were markedly higher than expected.
Alternative investment products offered to customers were of good quality. Stork, the main alternative investment fund, posted an increase of more than 11% in 2013 (9.3% annualized rate since its launch in June 2007). Total outstandings sold rose by 39%.

Brokerage, custodial activities, and financial transactions

Acting as a broker-dealer, clearing agent and custodian, CM-CIC Securities meets the needs of institutional investors, private asset management companies and corporates.
As a member of ESN LLP, a "multi-local" network of nine brokers operating in nine European countries (Germany, the Netherlands, Belgium, Finland, Italy, Spain, Portugal, Greece and France), and as majority stockholder of GSN North America (USA and Canada), it is able to trade for customers on all European and North American equity markets as well as on numerous emerging markets.
Covering 700 European companies, ESN has a research team of 100 analysts and strategists as well as 150 salespeople and traders spread throughout Europe.
For its part, CM-CIC Securities has 30 analysts and strategists based in France, 28 salespersons in Paris and Lyon, and seven in New York (GSN North America). It also has five salespersons for index-linked, equity and agricultural commodities derivatives, the latter relating to the Préviris service for hedging wheat, rape and corn harvests, as well as nine salespersons and traders for traditional and convertible bonds.
Furthermore, the company has a quality research facility for US and Canadian equities and commodities at its disposal thanks to exclusive distribution agreements for Europe with Needham & Co, an independent US investment bank based in New York, Valeurs Mobilières Desjardins, a subsidiary of Desjardins Group, Canada's number one cooperative financial group, and Afrifocus Securities, an independent broker from South Africa. In 2013, a new distribution agreement for research into Brazilian securities was signed at ESN level, with the investment firm CGD Securities, a subsidiary of the Portuguese member of ESN.

... Capital markets activities

During the year, CM-CIC Securities held more than 250 company and analyst presentations (road shows) and seminars in France and abroad, including:

- The first "Credit Forum 2013", a seminar on corporate debt, during which the leaders of 12 major French companies were able to meet senior French asset managers, generating more than 170 introductions throughout the day. The forum concluded with a round table on "Return of banks to finance the economy? Impact on credit spreads?";
- "ESN European Conferences" were organized once in London and once in Frankfurt, bringing together an average of 20 companies from ten European countries, chosen by ESN based on their quality, attended by nearly 50 investors;
- "Horizon strategy clubs" and "Horizon ethics clubs", with 6 events held in Paris, bringing together an average of 20 senior executives from asset management companies and featuring a leading personality, to tackle topical subjects.

As a securities custodian, CM-CIC Securities serves 116 asset management companies and administers more than 25,000 personal investor accounts and acts as custodian for close to 300 mutual funds, representing €19.3 billion in assets.
The investment undertaking welcomed eight new asset management companies, an acknowledgment of its teams' know-how, the quality of its *SOFI* account-keeping software and the financial strength of CM-CIC.
CM-CIC Securities, through its CM-CIC Corporate department, is the group's business line center for financial transactions.
It relies on the expertise of CM-CIC Capital Finance's capital structuring and specialized financing teams and benefits from the commercial coverage of "large accounts" and the network, including CIC Banque Privée, BECM, CIC Banque Transatlantique, etc. Partnership agreements with all ESN members have extended its stock market operations and merger and acquisition activities throughout Europe.
In 2013, it took part in 22 bond issues, 17 of them as book runner (in particular, 16 syndicated public issues for customers such as *Air Liquide, Unibail* and *Wendel).* The team conducted private placements in relation to three of these issues (for *ADEO Group, Akka Technologies* and *Cofitem).*
Amongst other transactions, the Equity Capital Market team managed an IPO for *Ekinops,* a capital increase for *Rubis,* an issue of subordinated bonds redeemable in shares *(OSRANE)* for *OL Group,* and an issue of convertible bonds for *Naturex.*
The department also provides issuer services (financial communication, liquidity contracts and stock buybacks, financial secretarial and securities services).
Net banking income in 2013 was €42 million.

Private banking

In 2013, the commercial performance of private banking activities in buoyant financial markets was satisfactory and the overall results once again increased.

Private Banking: Key figures (€ millions)	2013	2012	Change
Net banking income	444	464	-4.3%
General operating expenses	(329)	(334)	-1.5%
Operating income before provisions	115	130	-11.5%
Net additions to/reversals from provisions for loan losses	(7)	(29)	-75.9%
Income before tax	109	106	+2.8%
Net income attributable to the company	71	62	+14.5%

Source: consolidated financial statements.

CIC Private Banking covers all the private banking business lines of the Crédit Mutuel-CIC group worldwide, and particularly in Europe and Asia.
Internationally, the group has operations, some of them long-established, in countries and areas where private banking offers growth potential: Luxembourg, Switzerland, Belgium, and Asia.
Its brands offer nearly 180,000 customers a wide range of high value added services.
With €103 billion in assets under management, €14 billion in commitments and 1,900 employees, CIC Private Banking's contribution to CIC's 2013 pre-tax results was nearly €110 million.

FRANCE

Two key players operate here:

- CIC Banque Privée, which is integrated with the CIC network and mainly targets senior executives;
- CIC Banque Transatlantique, whose tailor-made services, aimed largely at French nationals living abroad, include private banking and stock options.

CIC Banque Privée

With 342 employees spread among 50 towns and cities in France, CIC Banque Privée assists high net worth families and supports senior executives, particularly at key stages in the life of their businesses: broadening their capital base, growth through acquisitions and family transfers.
Working together with wealth engineers, its 179 private banking managers help senior business executives to identify and deal with issues and establish appropriate business and wealth strategies.
All the skills of the CM-CIC group, notably in the international field, are mobilized to propose the best solutions.
In 2013, in a more favorable financial environment, CIC Banque Privée continued to grow and to increase its fund inflows, drawing on its close customer relationships and selecting the best banking and financial offerings in the market.
The deployment of targeted training has contributed to the expansion of this business line.
The *Sélection F* and *Sélection Patrimoine* multi-management offering designed by CM-CIC Gestion and provided in conjunction with advisory services on switching life insurance policies, contributed to CIC Banque Privée's growth in 2013.
Managed savings stand at close to €16 billion and the contribution of CIC Banque Privée represented nearly 35% of the results of the group's private banking arm for the year.

... Private banking

Banque Transatlantique group*

2013 was a record year in terms of growth in assets under management and net banking income and profits. Assets under management amounted, at the end of December, to €21 billion (up by 23%). Consolidated net banking income increased by 26% to €113.3 million and consolidated net income by 61% to €28.7 million. These results include income from the acquisition of Dubly-Douilhet Gestion and BECM Patrimoine.
This performance was made possible thanks to the vigorous efforts of the bank's teams, with a growing number of customers placing their trust in it and buoyant stock markets.

Banque Transatlantique Paris

Net banking income was up 20% to €62.6 million and net income up 65% to €12.3 million.
Assets under management rose to €14.7 billion and outstanding loans to €1.2 billion.

Banque Transatlantique Belgium

Net banking income was up 3% to €12 million and net income up 6% to €4.9 million.
Assets under management rose to €1.5 billion and outstanding loans to €295 million.

Banque Transatlantique Luxembourg

Net banking income increased by 40% to €10.1 million and net income rose by 0.7% to €2.8 million.
Assets under management amounted to €906 million and outstanding loans to €127 million.

Transatlantique Gestion

Net banking income was up 8% to €19.1 million and net income up 29% to €6.9 million.
Assets under management increased to €2.7 billion.

Dubly-Douilhet Gestion

This company was taken over by Banque Transatlantique in 2013.
Net banking income was stable at €8 million and net income was €2 million for €1 billion of assets under management.

CIC PRIVATE BANKING NETWORK

Banque de Luxembourg

The bank has a number of business lines such as asset management, private banking, credit, services designed for professionals in the financial sector such as fund sponsors and asset managers. It targets international customers who often require the highest levels of quality and advisory services.
It was one of Luxembourg's first banks and has also had branches in Belgium for a number of years.
From January 31, 2015, Luxembourg will globalize the automatic exchange of information with its European partners. Thanks to the commitment of its employees and above all the measures adopted from 2000 onwards to prepare customers for said date, the bank has a business which complies with the new requirements.
In 2013, it continued to attract customers seeking its expertise. These new inputs, market effects and the acquisition of the Lloyd's Luxembourg private banking business helped to increase private banking outstandings to more than €18 billion. At the end of the year, the acquisition of the Private Banking business of LBLux SA bank was completed. Credits increased by about 6% in 2013. This performance reflects the bank's willingness to accelerate its business development with companies and individuals.

* Data on the above entities represents their contribution to the Banque Transatlantique group.

Administrative support, investment fund advisory services and services to independent fund managers and life insurance companies were the two main drivers of growth in the field of services to professionals. In an environment marked by the transposition of MiFID and an abundance of new regulatory requirements, the Bank of Luxembourg was able to support its customers and confirm its role as the partner of choice, with multilingual and multi-skilled teams which are well equipped and trained.
Net banking income totaled €232 million and net income €73 million (up by 11%).

Banque CIC Suisse

The bank successfully continued its dynamic development in 2013, with a focus on the liberal professions, businesses and their leaders. Thus, the customer portfolio grew more than 15% together with assets under management and total assets. Personalized service coupled with the group's extensive product offering remains the key element of the strategy.
In terms of investments, Bank CIC Suisse has developed a range of insurance products and focused on the Swiss franc. This has resulted in an excellent performance and significant inflows of new capital into a number of stock and bond funds. Increased volumes of savings and credit gave rise to a substantial increase in commissions on securities and in interest income, in excess of the overall market.
In accordance with Swiss accounting standards, revenues increased by more than 6% and gross profit, excluding special items, by more than 35% to around €21.8 million.

CIC Private Banking-Banque Pasche

The bank with its seasoned and competent teams, has been active in private wealth management for many years now, and is mainly concerned with protecting and preserving its customers' assets in extremely turbulent times.
In 2013 these customers, often confused by the profound changes in recent years, sought the bank's advice on safe and sustainable investments which comply with regulatory and fiscal requirements.

CIC Singapore Branch and CICIS Hong Kong

Since 2002, CIC has carried on its private banking business in Asia from Hong Kong and Singapore, two financial leaders in this field in Asia Pacific.
In 2013, investor interest shifted from bond to stock markets. In contrast, the increase in long-term liquidity provided investment opportunities at the end of the year, after a particularly quiet third quarter.
Overall, assets under management increased by 14% and income by 17%. CIC continued to strengthen both the quality and number of its advisers, and has assembled a team dedicated to non-resident customers.

Private equity

CM-CIC Capital Finance is Crédit Mutuel-CIC's nationwide vehicle for all corporate capital structuring business lines. With €2.5 billion in assets under management and nearly 550 companies in its portfolio, the company is positioned as the leading French bank-owned operator.

Private Equity: Key figures
(€ millions)

	2013	2012	Change
Net banking income	119	100	+19.0%
General operating expenses	(34)	(34)	0.0%
Operating income before provisions	85	66	+28.8%
Net additions to/reversals from provisions for loan losses			
Income before tax	85	66	+28.8%
Net income attributable to the company	86	67	+28.4%

Source: consolidated financial statements.

Together with its subsidiaries (CM-CIC Investissement, CM-CIC Capital Innovation, CM-CIC Capital Privé and CM-CIC Conseil), it has over 100 employees spread among its Paris headquarters and six regional offices in Lyon, Nantes, Strasbourg, Lille, Bordeaux and Montreal.
With a comprehensive offering including venture capital, private equity, buyout capital, and advice on mergers and acquisitions, CM-CIC Capital Finance takes equity stakes ranging from €1 million to €100 million to support companies' development in France and internationally.
2013 provided a difficult and unfavorable environment for its customer's plans for growth. Despite this, both in terms of activity and portfolio performance, the entity and its subsidiaries were resilient and overall profitability increased.
Thus, as part of its proprietary trading, more than €200 million (nearly two thirds invested in mid-size companies) were invested in 118 companies, including a significant portion in support of portfolio companies. The main equity stakes taken were in *Armafina/SNAAM, Europe Snacks, CAI développement, Lanson BCC, Grimonprez* and *Global Bioénergies* and additional investment in *Manuloc, GPA Courtepaille, Norac* and *Serta.*
Portfolio turnover was high but did not reach 2012 levels. Divestment, with transfer values totaling €147 million, gave rise to capital gains of €61 million (including reversals of provisions for capital losses), demonstrating the quality and resilience of the investments made. Liquidity was created for assets, and the main divestments concerned *Ventoux Développement, Naturex, Aserti group, Elsys Design, Serta* and, internationally, *Gavilon.* CM-CIC Capital Innovation sold its stake in *Starchip Nova* and part of its holding in *Nanobiotix.*

At December 31, 2013, this portfolio amounted to €1.9 billion (including €75 million in innovation capital) with close to 470 holdings. It is diversified and has a significant amount invested in private equity (nearly 60%). Managed assets generated dividends, coupons and financial income of €44 million.
Despite the further deterioration in the economic and financial environment in terms of value creation, the amount of unrealized gains increased, which had a positive impact on the IFRS result.
In terms of third-party management, CM-CIC Capital Privé conducted a new round of fund subscriptions (one FIP mutual fund and one FCPI innovation fund) for €40 million and invested €28.1 million. Funds under management amounted to €363 million, after redemptions of €33.4 million by subscribers.
On December 31, 2013, with the aim of refocusing on supporting the customers of Crédit Mutuel-CIC, CM-CIC Capital Finance sold 90% of the CM-CIC LBO Partners management company to SGP Fondations Capital.
The advisory business had a satisfactory year with eight transactions in a subdued mergers and acquisitions market.
CM-CIC Capital Finance and its subsidiaries contributed €86 million (+28.4%) to CIC's results.

Regional and international directory

Regional banks

CIC
6 avenue de Provence
75009 Paris
Tel: +33 (0)1 45 96 96 96
www.cic.fr
Chairman and chief executive officer:
Michel Lucas
Chief operating officer:
Alain Fradin
Deputy chief operating officer: Philippe Vidal
Network manager, general public: Daniel Baal
Network manager, corporate: René Dangel

CIC Nord Ouest
33 avenue Le Corbusier
59800 Lille
Tel: +33 (0)3 20 12 64 64
www.cic.fr
Chairman-CEO:
Stelli Prémaor
Deputy chief operating officers: Éric Cotte – Bernard Duval

CIC Ouest
2 avenue Jean-Claude Bonduelle – 44000 Nantes
Tel: +33 (0)2 40 12 91 91
www.cic.fr
Chairman-CEO:
Michel Michenko
Deputy chief operating officers: Michel David – Laurent Métral

CIC Est
31 rue Jean Wenger-Valentin
67000 Strasbourg
Tel: +33 (0)3 88 37 61 23
www.cic.fr
Chairman-CEO:
Nicolas Théry
Head of resources:
Dominique Bellemare
Head of operations:
Claude Koestner

CIC Lyonnaise de Banque
8 rue de la République
69001 Lyon
Tel: +33 (0)4 78 92 02 12
www.cic.fr
Chairman: Philippe Vidal
Chief executive officer:
Isabelle Bourgade

CIC Sud Ouest
Cité Mondiale
20 quai des Chartrons
33058 Bordeaux Cedex
Tel: +33 (0)5 57 85 55 00
www.cic.fr
Chairman-CEO:
Pascale Ribault

International network

Europe

Germany
Wilhelm-Leuschner Strasse 9-11
D 60329 Frankfurt am Main
Tel: +49 69 97 14 61 01
E-mail: infofra@frankfurt.cic.fr
Christoph Platz-Baudin

Belgium and the Netherlands
Banque Transatlantique Belgique
Rue de Crayer, 14
1000 Brussels
Tel: +32 (0) 2/554 18 90
E-mail: cicbruxelles@cicbanques.be
Gaëtan Cröen

Spain
Calle Claudio Coello
N° 123 – 6ª planta
28006 Madrid
Tel: +34 91 310 32 81/82
E-mail: cic.madrid@cicmadrid.com
Rafael Gonzalez-Ubeda

United Kingdom
Veritas House
125 Finsbury Pavement
London EC2A IHX
Tel: +44 20 74 54 54 00
Ubaldo Bezoari

Hungary
Budapesti kepviseleti Iroda
Fö utca 10
H-1011 Budapest
Tel: +36 1 489 03 40
E-mail: cicbudapest@cicbudapest.hu
Kalman Marton

Italy
Corso di Porta Vittoria, 29
20122 Milan
Tel: +39 02 55 19 62 42
E-mail: cicmilano@cicmilano.it
Luigi Caricato

Poland
Ul Stawki 2
INTRACO 29 p.
00-193 Warsaw
Tel: +48 22 860 65 01/02/03
E-mail: cicvarsovie@cicvarsovie.pl
Barbara Kucharczyk

Portugal
Avenida de Berna n° 54, 6° A
1050-043 Lisbon
Tel: +351 21 761 47 11/12
E-mail: ciclisbonne@cmcic.com
Henrique Real

Czech Republic
Mala Stepanska 9
12000 Prague CZ
Tel: +420 2 24 91 93 98
E-mail: cicprague@cicprague.cz
Zdenka Stibalova

Romania
Str. Herastrau nr.1, etaj 2
Apt. 6, Sector 1
011981 Bucharest
Tel: +40 21 203 80 83
E-mail: cic@cicbucarest.ro
Georges Anagnostopoulos

Russian Federation – CIS
9, korp. 2A
Kutuzovskiy prospekt
Office 93-94
121248 Moscow
Tel: +7 495 974 12 44
E-mail: cic-moscow@cic-moscow.ru
Nikita Stepanchenko

Sweden, Baltic countries and Scandinavia
Kronobergsgatan 27
SE – 112 33 Stockholm
Tel: +46 8 611 47 11
E-mail: cicstockholm@cic.pp.se
Martine Wahlström

Switzerland
29 avenue de Champel
1211 Geneva 12
Tel: +41 22 839 35 06
E-mail: nadine.johnson@cic.ch
Nadine Johnson

Turkey
Suleyman Seba Cad. N° 48
BJK Plaza A Blok K:4 D:41
Akaretler
34357 Besiktas Istanbul
Tel: +90 212 227 67 39
E-mail: cicturkey@cicturkey.com
Mehmet Bazyar

... International network

Africa

Algeria
4 rue Mohamed Abdou
(ex-Rochet)
El Mouradia
16000 Algiers
Tel: +213 21 27 47 37
E-mail: cicbalg@
cicalgeria.com.dz
Ahmed Mostefaoui

Egypt
28 rue Cherif
Cairo 11-111
Tel: +20 2 23 93 60 45
E-mail: cicegypt@soficom.net
Hussein M. Lotfy

Morocco
157 avenue Hassan II
6e étage
20000 Casablanca
Tel: +212 5 22 22 66 60
E-mail: cicmaroc@
cicmaroc.ma

Tunisia
Immeuble Carthage Center
Rue du Lac de Constance
1053 Les Berges du Lac – Tunis
Tel: +216 71 96 23 33/96 30 78
E-mail: cictunisie@
cictunisie.tn
Emna Ben Amor – Dimassi

Middle East

Lebanon and Middle East
Achrafieh
Rue de l'archevèque Ghofrayel
Immeuble Attar – rdc gauche
Beirut
Tel: +961 1 216 320
E-mail: cicba@cyberia.net.lb
Blanche Ammoun

United Arab Emirates
Dubai-Al Wasl-Sheikh
Zayed Road
Dubai National Insurance
Building
1st Floor – Office 106
PO Box: 16732 Dubai
United Arab Emirates
Tel: +00971 4 325 1559
E-mail: cicba@
emirates.net.ae
Blanche Ammoun

Americas

Brazil
CIC Do Brasil
Rua Fidêncio Ramos, 223
13 Andar – Cj 132
CEP 04551 – 010
São Paulo SP
Tel: +55 11 3846 22 12
E-mail: cicbrasil@
brasil-cic.com.br
Luiz Mendes de Almeida

Canada
1170 rue Peel
Bureau 601
Montreal, Quebec H3B 4P2
Tel: +1 514 985 4137
E-mail: cicmontreal@cic.fr
David Eap

Chile
Edificio World Trade Center
Santiago
Av. Nueva Tajamar 481
Torre Norte – Oficina 1401
Las Condes
Santiago de Chile
Tel: +56 2 2 203 67 90
E-mail: cicbanqueschili@
cicsantiago.cl
Sylvie Le Ny

United States
CIC
520 Madison Avenue
New York, N.Y. 10022
Tel: +1 212 715 44 00
E-mail: sfrancis@cicny.com
Steve Francis

Mexico
Galileo 20 PH A
Colonia Polanco
Delagacion Miguel Hidalgo
11560 Mexico D.F.
Tel: +52 55 52 80 83 87
E-mail: cicmexico@
cicmexico.mx
Olivier Soulard

Venezuela
Centro Plaza – Torre A
Piso 12
Oficina 1
Avenida Francisco de Miranda
Caracas
Postal address:
Apartado Postal 60583
Caracas 1060
Tel: +58 212 285 45 85/
286 25 03
E-mail: cicvenezuela@
cicvenezuela.com.ve
Pierre Roger

Asia

East China/Shanghai
Room 2005
Shanghai Overseas Chinese
Mansion
N° 129 Yan An Xi Road (w)
Shanghai 200040
Tel: +86 21 62 49 66 90/69 27
E-mail: cicshanghai@
cicshanghai.cn
Shan Hu

North China/Beijing
Room 310, Tower 1,
Bright China
Chang An Building
N° 7 Jianguomennei Dajie
Dong Cheng District
Beijing 100005 P.R.
Tel: +86 10 65 10 21 67/68
E-mail: cicpekin@cicpekin.cn
Wenlong Bian

South China/Hong Kong
22nd Floor, Central Tower
28 Queen's Road Central
Hong Kong
Tel: +85 2 25 21 61 51
E-mail: cichongkong@
cichongkong.com
Pierre Garnier

South Korea
Samsug Marchen House 601
Il-San-Dong-Ku
Jang-Hang-Dong-2-Dong 752
Goyang 410-837
South Korea
Tel: +82 31 901 1225
E-mail: cicseoul@hanmail.net
Isabelle Hahn

India
A-31 Feroz Gandhi Marg
Lajpat Nagar Part 2
New Delhi 110 024
Tel: +91 11 41 68 06 06
E-mail: cicindia@cicindia.net
Mathieu Jouve Villard

Indonesia
Wisma Pondok Indah 2
Suite 1709
Jalan Sultan Iskandar Muda
Pondok Indah Kav. V-TA
Jakarta Selatan 12310
Tel: +62 21 765 41 08/09
E-mail: cicindonesia@
cicindonesia.co.id

Japan
Sun Mall Crest 301
1-19-10 Shinjuku
Shinjuku-ku
Tokyo 160 – 0022
Tel: +81 3 32 26 42 11
E-mail: cictokyo@cic-banks.jp
Frédéric Laurent

Singapore
12 Marina Boulevard #37-01
Marina Bay Financial Center
Tower 3
Singapore 018982
Tel: +65 65 36 60 08
www.cic.com.sg
E-mail: angladje@
singapore.cic.fr
Jean-Luc Anglada

Taiwan
2F, N° 61, Tien-mou West Road
11156 Taipei
Tel: +886 2 2874 7645/46
E-mail: cictaiwan@cictaiwan.tw
Henri Wen

Thailand
496-502 Amarin Tower
10th floor
Ploenchit road
Lumpini Pathumwan
Bangkok 10330
Tel: +662 305 6894
E-mail: cicthai@loxinfo.co.th
Abhawadee Devakula

Vietnam
c/o Openasia Group
7th Floor, Unit 7B1
Han Nam building
65 Nguzen Du, Ben Nghe Ward
District 1
Ho Chi Minh City
Tel: +848 391 05 029
E-mail: cicvietnam@
openasiagroup.com
Daitu Doan Viet

Oceania

Australia
Suite 1503, Level 15 Chifley
Tower
2 Chifley Square
Sydney NSW 2000
Australia
Tel: +612 9926 0701
E-mail: suttonle@australia.cic.fr
Lee Sutton

Specialist network

France

Private banking

CIC Banque Transatlantique
26 avenue Franklin D.Roosevelt
75008 Paris
Tel: +33 (0)1 56 88 77 77
www.banquetransatlantique.com
Chairman and chief executive officer:
Bruno Julien-Laferrière
Chief operating officer:
Hubert Veltz

Private equity

CM-CIC Capital Finance
4-6 rue Gaillon
75002 Paris
Tel: +33 (0)1 42 66 76 63
www.cmcic-capitalfinance.com
Chairman of the executive board:
Antoine Jarmak
Members of the executive board:
Carl Arnou – Pierre Tiers

Belgium

Private banking

Banque Transatlantique Belgium
Rue De Crayer, 14
1000 Brussels
Tel: +32 2 626 02 70
E-mail: btb@banquetransatlantique.be
Fabrice de Boissieu
Michel de Villenfagne

United Kingdom

Private banking

CIC Banque Transatlantique
125 Finsbury Pavement
London EC2A IHX
Tel: +44 20 74 96 18 90
E-mail: btlondres@banquetransatlantique.com
Elisabeth A. Markart

Luxembourg

Private banking

Banque de Luxembourg
14 boulevard Royal
L 2449 Luxembourg
Tel: +352 49 92 41
E-mail: banquedeluxembourg@bdl.lu
Pierre Ahlborn
Philippe Vidal

Banque Transatlantique Luxembourg
17 Côte d'Eich – BP 884
L 2018 Luxembourg
Tel: +352 46 99 891
E-mail: btl@banquetransatlantique.lu
Didier Huard
Mériadec Portier

Switzerland

Private banking

CIC Private Banking-Banque Pasche
10 rue de Hollande
PO Box 5760
1211 Geneva 11
Tel: +41 22 818 82 22
E-mail: pasche@cm-bpgroup.ch
Christophe Mazurier

Banque CIC Suisse
13 place du Marché
4001 Basel
Tel: +41 61 264 12 00
E-mail: info@cic.ch
Thomas Müller
Philippe Vidal

CIC Banque Transatlantique Private Wealth
29 avenue de Champel
Geneva 1206
Tel: +41 22 346 10 10
E-mail: btgeneve@transatlantiqueprivatewealth.ch
Nicolas Paillard

Canada

Private banking

CIC Banque Transatlantique
1170 rue Peel – Bureau 601
Montreal (Quebec) H3B 4P2
Tel: +1 514 985 4137
E-mail: btmontreal@banquetransatlantique.com
David Eap

United States

Private banking

CIC Banque Transatlantique
520 Madison Avenue
New York, N.Y. 10022
Tel: +1 212 644 42 19
E-mail: btnewyork@banquetransatlantique.com
Pascal Le Coz

Hong Kong

Private banking

CIC Banque Transatlantique
22/F, Central Tower
28 Queen's Road Central
Hong Kong
Tel: +852 2106 0391
E-mail: bthongkong@banquetransatlantique.com
Juliette Michelon-Tang

CIC Investor Services Limited
22nd Floor, Central Tower
28 Queen's Road Central
Hong Kong
Tel: +85 2 21 06 03 88
E-mail: loti@hongkong.cic.fr
Timothy Lo

Singapore

Private banking

CIC Banque Transatlantique
12 Marina Boulevard # 37-02
Marina Bay Financial Center
Tower 3
Singapore 018982
Tel: +65 64 41 20 00
E-mail: btsingapour@banquetransatlantique.com
Yves Pinsard

CIC Singapore
12 Marina Boulevard # 37-02
Marina Bay Financial Center
Tower 3
Singapore 018982
Tel: +65 62 31 98 80
www.cic.com.sg
E-mail: kwekpa@singapore.cic.fr
Paul Kwek

History of CIC

CIC is the oldest retail bank in France. It developed internationally and in France before adding its insurance business lines to its banking activities.

CIC, France's oldest retail bank

1859. Société Générale de Crédit Industriel et Commercial was created on May 7 by imperial decree of Napoleon III.
1864. CIC took significant stakes in new banks such as Société Lyonnaise.
1895. Opening of the first foreign branch, in London.
1896. CIC took part in setting up several banks around the world: Banca Nationala a Romaniei, Banco de Madrid, Banque de Nouvelle Calédonie, Banque de la Réunion and Banque de Madagascar.
1917. The stock of the regional subsidiaries was shown in CIC's balance sheet.

Policy of taking stakes in regional banks

1918-1927. CIC took stakes in the equity of regional banks: Banque Dupont, Banque Scalbert, Crédit Havrais, Crédit de l'Ouest.
1927. Birth of the Groupe des Banques Affiliées ("GBA").
1929. Creation of Union des Banques Régionales pour le Crédit Industriel (UBR) which brought together 18 regional and local banks. In the same year CIC founded Société de Secours Mutuels.
1948-1970. Regional banks in expansion phase.
1968. The Suez-Union des Mines group took control of CIC.
1971-1982. The majority of CIC's capital (72%) was held by Compagnie Financière de Suez. During this period the bank opened offices abroad.

From nationalization to privatization

1982. CIC was nationalized, along with the nine regional banks under the Groupe des Banques Affiliées.
1983. The group was restructured: 51% of the regional banks' capital was now held by the parent company.
1984. Restructuring continued with the creation of CIC Union Européenne, International et Cie, and Compagnie Financière de CIC.
1985. Insurance company GAN took a 34% stake in the capital of Compagnie Financière.
1987. 100% of the capital of the regional banks was now held by Compagnie Financière.
1989. GAN's stockholding increased from 34% to 51%.
1990. Merger of Compagnie Financière de CIC and Banque de l'Union Européenne to form Union Européenne de CIC, bank and holding company for the CIC group, holding 100% of the capital of the regional banks.
1991. GAN held 81.92% of the capital of Union Européenne de CIC.
1993. GAN held 92.64% of the capital of Union Européenne de CIC.
1996. The French government (Juppé administration) decided to privatize the CIC group in an over-the-counter procedure which was suspended in December of that same year.
1997. The French government (Jospin administration) resumed the privatization process on the same basis.

Crédit Mutuel acquires CIC

1998. The government announced that Banque Fédérative du Crédit Mutuel (the holding company for Fédération du Crédit Mutuel Centre Est Europe) was now the majority stockholder of Union Européenne de CIC, with 67% of the capital.
GAN retained 23% and more than 7% was reserved for employees The capital was increased from FRF 2,864,359,400 to FRF 3,500,883,600 (€436,668,775 to €533,706,264).
Michel Lucas, CEO of Fédération du Crédit Mutuel Centre Est Europe, became chairman of the executive board of CIC, and Étienne Pflimlin, chairman of CMCEE, became chairman of the supervisory board.
1999. The merger of Union Européenne de CIC (the holding company for the group) with CIC Paris (the regional bank for Greater Paris) gave rise to Crédit Industriel et Commercial (CIC), a new structure and name, which was both the group's leading bank and a regional bank. Also, BFCM sold 1% of the capital to Caisse Centrale du Crédit Mutuel.
2000-2004. Development of the international base, with a stake taken in Banque Marocaine du Commerce Extérieur, a further stake in Banque de Tunisie and partnership agreements entered into with Banca Popolare di Milano, Italy and Bank of East Asia.
2000. New organizational structure launched: implementation of a single IT system and a common platform, creation of new points of sale and common Crédit Mutuel-CIC business centers.
2001. Share capital of CIC now €560,141,376. Another change in the ownership structure as Crédit Mutuel buys GAN's stake.
2004. A year of major changes: implementation of a single common IT tool for Crédit Mutuel and CIC, a new brand image for CIC in the Greater Paris region, filling out of the network.
A new regional organization split into six regions:
- Greater Paris region with lead bank CIC;
- Northwest with CIC Banque Scalbert Dupont and CIC Banque CIN;
- East with CIC Banque CIAL and CIC Banque SNVB;
- Southeast with CIC Lyonnaise de Banque and CIC Bonnasse Lyonnaise de Banque;
- Southwest with CIC Société Bordelaise;
- West with CIC Banque CIO and CIC Banque BRO.

2006. Mergers:
- CIC Banque Scalbert Dupont, CIC Banque CIN, and CIC Crédit Fécampois merged to form a new entity: CIC Banque BSD-CIN;
- CIC Banque CIO and CIC Banque BRO merged to form a new entity: CIC Banque CIO-BRO.

2007. Merger:
- CIC Banque SNVB and CIC Banque CIAL merged to form a new entity: Banque CIC Est.

2008: CIC Lyonnaise de Banque absorbed CIC Bonnasse Lyonnaise de Banque.
2010:
- Banque BSD-CIN changed its name to Banque CIC Nord Ouest.
- Banque CIO-BRO changed its name to Banque CIC Ouest.
- Banque Société Bordelaise changed its name to Banque CIC Sud Ouest.

2011. On May 19, the combined annual general meeting of stockholders changed the governance structure from that of a *société anonyme* (French limited liability company) with an executive board and a supervisory board to that of a "classic" (single board) *société anonyme*.
The board of directors, meeting immediately after the AGM, decided that general management should be assumed by Michel Lucas, chairman of the board of directors and chief executive officer, and Alain Fradin, chief operating officer.

Capital

Amount and composition of the capital

At December 31, 2013, the capital of CIC stood at €608,439,888 and was composed of 38,027,493 stock units, each of €16 nominal, fully issued and paid up.
As authorized by the combined general meeting of stockholders of May 26, 1999, the executive board converted the bank's capital to euros through its decision of June 19, 2001. At that time, in accordance with the authorization granted, the par value of each stock unit was changed to €16 from FRF 100, resulting in a capital increase of €26,435,111.72.
During 2003, Banque Fédérative du Crédit Mutuel (BFCM) transferred to CIC 705,000 stock units in Fédébail, representing 94% of that company's capital. Consideration for this transfer – which was approved by the extraordinary general meeting of stockholders of May 15, 2003 – took the form of the issue and allocation to BFCM of 199,330 new CIC stock units with a par value of €16. As a result of this transaction, CIC's capital increased from €560,141,376 to €563,330,656.
Within the context of the restructuring of the group's capital markets activities, CIC Banque CIAL transferred its capital markets activities to CIC.
This transfer was approved by the extraordinary general meeting of stockholders of September 7, 2006 and 229,730 stock units in CIC were issued by means of a capital increase and allocated to CIC Banque CIAL in consideration for the transfer. In accordance with the approval granted under Article 115 of the French Tax Code, these stock units were granted free of charge to CIC by CIC Banque CIAL at the end of the year. As a result, CIC then held 229,730 of its own stock units.
During 2007, CIC absorbed Crédit Fécampois (10th and 11th resolutions of the combined general meeting of stockholders of May 31, 2007), its stockholders other than CIC receiving consideration in the form of stock units in CIC issued by means of a capital increase, CIC waiving the right to receive its own stock units. 5,850 new stock units were issued, corresponding to a capital increase of €93,600.
Pursuant to the fourth resolution of the combined general meeting of stockholders of May 31, 2007, offering the option of receiving payment of the dividend in the form of stock units, the capital was increased by €6,526,912 by the issue of 407,932 new stock units.
Pursuant to the fifth resolution of the combined general meeting of stockholders of May 22, 2008, offering the option of receiving payment of the dividend in the form of stock units, the capital was increased by €12,758,128 by the issue of 797,383 new stock units.
Pursuant to the fourth resolution of the combined general meeting of stockholders of May 12, 2009, offering the option of receiving payment of the dividend in the form of stock units, the capital was increased by €4,291,360 by the issue of 268,210 new stock units.
Pursuant to the fourth resolution of the combined general meeting of stockholders of May 20, 2010, offering the option of receiving payment of the dividend in the form of stock units, the capital was increased by €17,763,552 by the issue of 1,110,222 new stock units.

Securities not carrying the right to a stake in equity

None.

Changes in control and changes in capital

The bylaws do not contain any provision that would have the effect of delaying, deferring or preventing a change in control, or that would impose stricter conditions on changes in capital than those provided for by law.

... Capital

Changes in capital over the last five fiscal years

	2009		2010		2011	
	Number of stock units	Amount in €	Number of stock units	Amount in €	Number of stock units	Amount in €
At January 1	36,649,061	586,384,976	36,917,271	590,676,336	38,027,493	608,439,888
Capital increase in cash	268,210	27,893,840	1,110,222	17,763,552		
Of which additional paid in capital		*(23,602,480)*				
TOTAL CAPITAL AT DECEMBER 31	**36,917,271**	**590,676,336**	**38,027,493**	**608,439,888**	**38,027,493**	**608,439,888**

Ownership structure at the close of the last three fiscal years, in stock units and voting rights

	At December 31, 2011				At December 31, 2012			
	Number of stock units	%	Voting rights	%	Number of stock units	%	Voting rights	%
Banque Fédérative du Crédit Mutuel	27,570,357	72.50	27,570,357	72.98	27,591,315	72.56	27,591,315	73.01
Ventadour Investissement	7,407,901	19.48	7,407,901	19.61	7,407,901	19.48	7,407,901	19.60
Caisse Centrale du Crédit Mutuel	384,436	1.01	384,436	1.02	384,436	1.01	384,436	1.02
Crédit Mutuel Nord Europe	375,289	0.99	375,289	0.99	375,289	0.99	375,289	0.99
Banca Popolare di Milano	352,082	0.93	352,082	0.93	352,082	0.93	352,082	0.93
Crédit Mutuel Océan	266,292	0.70	266,292	0.70	266,292	0.70	266,292	0.70
Crédit Mutuel Arkéa	263,585	0.69	263,585	0.70	263,585	0.69	263,585	0.70
Crédit Mutuel Maine-Anjou, Basse-Normandie	256,186	0.67	256,186	0.68	256,186	0.67	256,186	0.68
Crédit Mutuel du Centre	219,458	0.58	219,458	0.58	219,458	0.58	219,458	0.58
Crédit Mutuel Loire-Atlantique et Centre-Ouest	135,329	0.36	135,329	0.36	135,329	0.36	135,329	0.36
Crédit Mutuel Normandie	26,626	0.07	26,626	0.07	26,626	0.07	26,626	0.07
FCPE ACTICIC (employees and former employees)	87,531	0.23	87,531	0.23	66,573	0.18	66,573	0.18
Public, other stockholders	434,184	1.14	434,184	1.15	448,655	1.18	448,655	1.19
Treasury stock (own stock held and stock units held in connection with the liquidity agreement)	248,237	0.65	-	-	233,766	0.61	-	-
TOTAL	**38,027,493**	**100**	**37,779,256**	**100**	**38,027,493**	**100**	**37,793,727**	**100**

Pursuant to agreements entered into on September 11, 2001 by CIC, BFCM, GAN, and Groupama, GAN's 23% stake in CIC was acquired by Ventadour Investissement, a wholly-owned BFCM subsidiary.
In accordance with its contractual commitments, each year BFCM acquires the stock units sold by current and former employees of CIC who took part in the 1998 privatization. These sales mainly concerned 463,394 stock units in CIC sold in July 2003 on expiry of the five-year holding period and 66,573 stock units in 2013, the last year for BFCM's contractual commitment.
On February 8, 2006, pursuant to the strategic partnership agreement entered into with CIC, Banca Popolare di Milano acquired 352,082 CIC stock units from Ventadour Investissement.
The 233,421 stock units held by CIC at December 31, 2013 (of which 229,741 own stock units held and 3,680 held in connection with the liquidity agreement) are stripped of voting rights but do not have a material impact on the ownership structure or the allocation of voting rights between stockholders as set out opposite.

As at December 31, 2013, the FCPE (company mutual fund) ACTICIC no longer held any CIC stock units and was being absorbed by a money market fund. The registered stock units held directly by employees and former employees represented 0.12% of the capital of CIC.

Names of natural or legal persons able to exert control over CIC, either individually, jointly or in concert

As at December 31, 2013 BFCM, which is 92.6% owned by Caisse Fédérale de Crédit Mutuel (CFCM), held 92.8% of the capital of CIC, both directly (73.2%) and through its wholly-owned subsidiary Ventadour Investissement. It therefore exerts control over CIC.

2012		2013	
Number of stock units	Amount in €	Number of stock units	Amount in €
38,027,493	608,439,888	38,027,493	608,439,888
38,027,493	**608,439,888**	**38,027,493**	**608,439,888**

At December 31, 2013			
Number of stock units	%	Voting rights	%
27,657,888	72.73	27,657,888	73.18
7,407,901	19.48	7,407,901	19.60
384,436	1.01	384,436	1.02
375,289	0.99	375,289	0.99
352,082	0.93	352,082	0.93
266,292	0.70	266,292	0.70
263,585	0.69	263,585	0.70
256,186	0.67	256,186	0.68
219,458	0.58	219,458	0.58
135,329	0.36	135,329	0.36
26,626	0.07	26,626	0.07
0	0.00	0	0.00
449,000	1.18	449,000	1.19
233,421	0.61	-	-
38,027,493	**100**	**37,794,072**	**100**

BFCM's business covers the following main areas:
- as the holding company for the CM11-CIC group it holds investments in banking and finance, insurance, real estate, and technology;
- financial management, treasury and refinancing services for the group;
- lending, financial structuring, cash management and trading room for a customer base of major corporates and institutional investors.

BFCM is a subsidiary of the CM11-CIC group, which comprises Caisse de Crédit Mutuel Centre Est Europe, Caisse de Crédit Mutuel Sud-Est, Caisse de Crédit Mutuel Ile-de-France, Caisse de Crédit Mutuel Savoie-Mont Blanc, Caisse de Crédit Mutuel Midi-Atlantique, Caisse de Crédit Mutuel Loire-Atlantique et Centre-Ouest, Caisse de Crédit Mutuel Centre, Caisse de Crédit Mutuel Normandie, Caisse de Crédit Mutuel Dauphiné-Vivarais, Caisse de Crédit Mutuel Méditerranée and Caisse de Crédit Mutuel d'Anjou, Caisse Fédérale de Crédit Mutuel (the joint federation), and its other main subsidiaries: ACM, BECM, the IT subsidiaries, CIC, TARGOBANK (Germany and Spain), Cofidis, and CIC Iberbanco.

As at December 31, 2013, with total consolidated assets of €510.3 billion, CM11-CIC had €523.7 billion in savings in custody or under management, of which €226.5 billion in deposits, €228.9 billion in bank savings products, and €68.3 billion in insurance products. Total lending stood at €275.9 billion.

Its equity and perpetual subordinated notes amounted to €33.4 billion and its Core Tier 1 solvency ratio to 14.6%.

As far as measures to prevent abusive control are concerned, we would point out that all transactions between BFCM and CIC are conducted at market prices, and the only regulated agreements between BFCM and CIC concern the optimization of the group's refinancing.

In addition to the chairman of the board of directors of CIC, who is also the chairman of the board of directors of BFCM, BFCM has a seat on the board of directors of CIC, which consists of ten directors appointed by the general meeting of stockholders and two directors elected by employees.

Market for the company's stock

Stock

CIC stock has been listed on the Paris Stock Exchange since June 18, 1998.
CIC's bylaws do not contain any clauses restricting the sale of these stock units. However, Article 9 para. 6 of the bylaws requires stockholders to declare any interest of 0.5% or more of the capital.
The combined annual general meeting of stockholders of May 23, 2013, in its fifth resolution, renewed until October 31, 2014 the authorization given to an investment services provider to trade on the stock market in the context of a liquidity agreement.
Within the framework of this agreement, in 2013 CIC:
- acquired 44,719 stock units at an average unit price of €121.53;
- sold 45,064 stock units at an average unit price of €121.45;
- and held 3,680 CIC stock units at a stock market price of €148.30 as at December 31, 2013, i.e. 0.01% of the capital.

These stock units are held solely in the context of the liquidity agreement, and will not be cancelled. The amount of negotiation fees corresponds to the investment services provider's invoice.
The ordinary general meeting of stockholders called for May 22, 2014 will be asked to renew this authorization.
There are no particular rights, privileges or restrictions attached to the stock units issued by the company.

Market data - CIC stock units

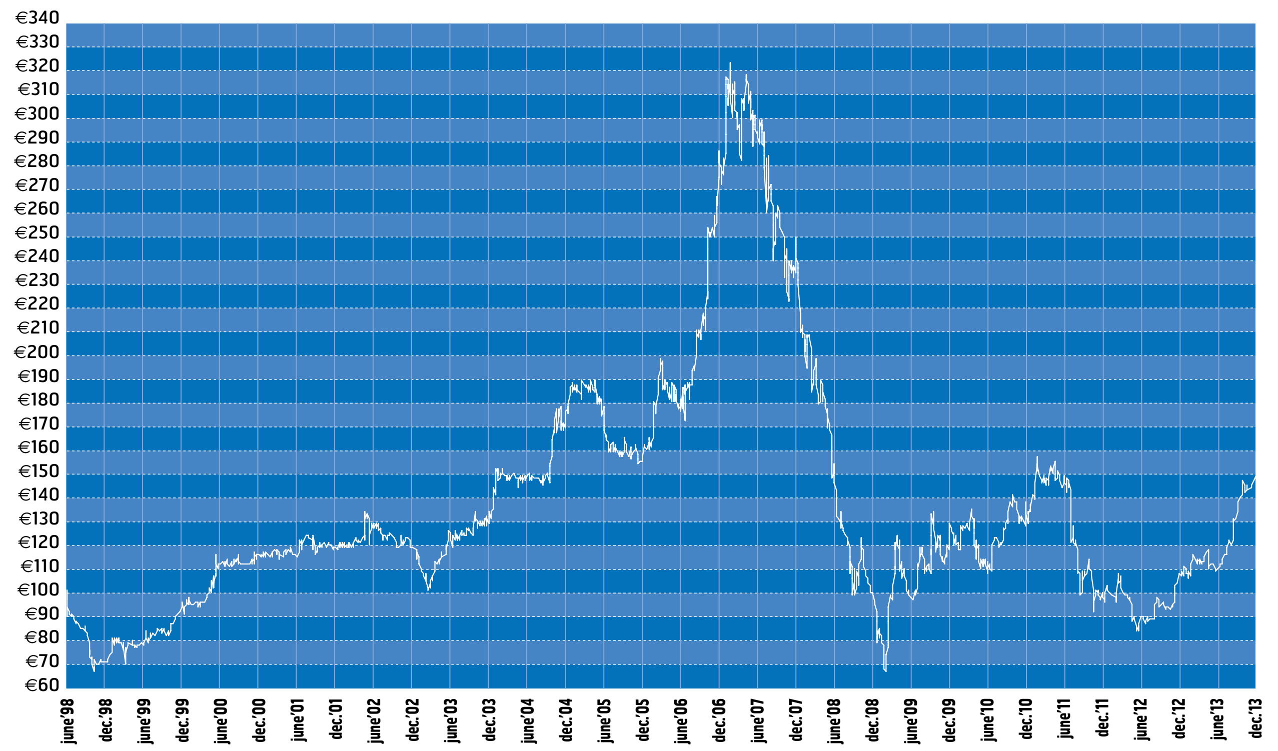
	Number of stock units traded	Monthly volumes € millions	Highest and lowest prices Low (€)	High (€)
January 2012	14,771	1.500	96.50	104.90
February 2012	26,290	2.653	99.00	103.99
March 2012	44,547	4.542	92.60	109.00
April 2012	10,582	1.074	99.45	105.95
May 2012	10,187	0.972	89.00	100.00
June 2012	5,401	0.469	81.50	90.90
July 2012	5,343	0.481	86.50	92.00
August 2012	11,202	1.007	88.00	91.50
September 2012	30,867	2.904	89.60	99.50
October 2012	14,182	1.351	94.00	98.00
November 2012	9,728	0.922	94.00	96.00
December 2012	18,388	1.864	94.15	108.70
January 2013	22,606	2.463	105.00	113.00
February 2013	16,738	1.823	107.30	113.90
March 2013	24,912	2.863	109.00	118.40
April 2013	8,028	0.916	113.00	114.95
May 2013	33,324	3.860	110.00	119.20
June 2013	15,762	1.774	109.60	113.70
July 2013	7,727	0.866	109.50	114.50
August 2013	27,356	3.240	114.60	124.00
September 2013	18,489	2.356	121.00	133.95
October 2013	15,620	2.145	130.50	142.80
November 2013	10,565	1.528	141.30	148.80
December 2013	11,898	1.728	143.90	148.30
January 2014	16,869	2.711	148.25	167.00
February 2014	11,355	1.846	159.25	165.00
March 2014	10,829	1.777	162.60	166.00

Stock performance

CIC stock opened at €108.65 on January 2, 2013. It reached its lowest closing price of €107.30 on February 19. It then started to rise and reached a high of €148.50 on November 8.

It ended the year at €148.30, representing a gain of 41.3% for the year.
The average price for the year was €121.608.
In 2013, 213,025 stock units were traded on the Paris stock exchange for an amount of €25.6 million.

CIC STOCK PRICE 1998-2013



Dividends and dividend policy

Outstanding stocks and securities

	2009	2010	2011	2012	2013
Number of stock units	36,917,271	38,027,493	38,027,493	38,027,493	38,027,493
Net dividend on stock units (in €)	4.35	8.80	6.50	7.50	7.00
TOTAL DIVIDEND PAYOUT (IN € MILLIONS)	**161**	**335**	**247**	**285**	**266**
Consolidated net income attributable to the equity holders of the company (in € millions)	801	1,115	555	698	845
Payout ratio	20%	30%	45%	41%	32%

The capital stock is divided into 38,027,493 stock units including 233,421 treasury stock units.

The dividends allocated to treasury stock are recognized directly under "retained earnings".

... Dividends and dividend policy

Non-voting loan stock

The non-voting loan stock issued in 1985 by Compagnie Financière de Crédit Industriel et Commercial, which has since become Crédit Industriel et Commercial, entitles holders to an annual coupon made up of fixed and variable components. This coupon, payable on May 28 of each year, cannot be less than 85% or more than 130% of the average (TAM + TMO /2), where TAM is the annual monetary reference rate and TMO is the fixed-rate bond index.

- The fixed-rate bond index (TMO) is the arithmetic mean of the monthly average yields on the settlement dates for subscriptions of government-guaranteed bonds and equivalents. It is established by France's National Institute of Statistics and Economic Studies (INSEE) for the period from April 1 to March 31 prior to each maturity date.
- The annual monetary reference rate (TAM) is the compound yield that would be earned on a monthly investment reinvested at the end of each month at the average monthly money market rate during the twelve months up to but not including March.

Since January 1, 1999, this rate has been calculated by compounding the EONIA (Euro Overnight Index Average) instead of the average monthly money market rate.
The fixed component of the coupon is 40% of the annual monetary reference rate (TAM), as defined above. The variable component is 43% of this same annual monetary reference rate (TAM), multiplied by the "participation ratio" (PR).
The participation ratio used to calculate the variable component of the coupon due in May 2014 – PR 2014 – is equal to:

$$\text{PR 2013} \times \frac{\text{2013 income as defined in the issue contract}}{\text{2012 income as defined in the issue contract}}$$

The contract stipulates that consolidated income be adjusted for changes in equity, changes in the CIC consolidation scope and changes in consolidation methods.
CIC's adjusted net income for 2013, as determined by applying identical accounting procedures and consolidation methods at constant scope, amounted to €844,594 thousand as against €722,646 thousand for 2012.
The PR 2014 is therefore equal to:

$$\text{PR 2013} \times \frac{\text{€844,594 thousand}}{\text{€722,646 thousand}}$$

i.e. 11.439 x 1.16875 = 13.369.

Coupon

The coupon rate calculated from the income shown above, including both the fixed and variable components, came to 0.745%, which is below the floor provided for in the issue contract.
Consequently, under the terms of the issue contract, the coupon rate paid to holders of non-voting loan stock in May 2014 will be 85% of (TAM +TMO)/2.
The coupon rate will be 1.104% on the basis of a TAM of 0.1212% and an average TMO of 2.4758%. This means that the gross coupon due in May 2014 will amount to €1.68 for each stock unit with a face value of €152.45.

Coupon payments since 2010 (year paid)

	PR	TAM%	TMO%	Coupon rate%	Gross coupon
2010	13.233	0.4610	3.8542	2.805	€4.28
2011	18.355	0.5187	3.3967	2.545	€3.88
2012	9.139	0.8126	3.4408	2.765	€4.21
2013	11.439	0.1578	2.5642	1.157	€1.76
2014	13.369	0.1212	2.4758	1.104	€1.68

Non-voting loan stock price movements since 2009

	High €	Low €	Close €
2009	160.00	145.00	148.00
2010	154.00	137.00	141.75
2011	147.00	138.00	140.00
2012	150.00	139.50	145.10
2013	150.00	139.97	148.00

On October 18, 1999, CIC non-voting loan stock with a face value of FRF 1,000 was converted into stock with a face value of €152.45.

Statutory Auditors' report on the interest payable on non-voting loan stock

Year ended Tuesday, December 31, 2013

To the holders of CIC non-voting loan stock,

In our capacity as Statutory Auditors of CIC, and pursuant to Article L.228-37 of the French Commercial Code, we present below our report on the data used to determine interest payable on non-voting loan stock.
On April 18, 2014, we prepared our reports on the company's financial statements and on the consolidated financial statements for the year ended December 31, 2013.
The data used to calculate the interest payable on non-voting loan stock were determined by the company's senior executives. It is our responsibility to comment on their conformity with the issue agreement and their consistency with CIC's annual financial statements.
The data used in the calculations, as disclosed to us, provided for at the time of issue of non-voting loan stock in May 1985, are as follows:
The annual interest is determined as follows and includes:

- a component equal to 40% of the annual monetary reference rate or "TAM", and
- a component equal to 43% of the TAM multiplied by a participation ratio (PR) which, for interest due on May 28, 2014, is as follows:

$$\text{PR 2013} = \text{PR 2012} \times \frac{\text{2013 adjusted consolidated net income}}{\text{2012 adjusted consolidated net income}}$$

The issue agreement sets a cap and a floor on interest payments, as follows:

- floor: 85% x (TAM + fixed-rate bond index or "TMO")/2,
- cap: 130% x (TAM + TMO)/2.

The agreement further stipulates that the participation ratio (PR) corresponding to the ratio between the 2013 and the 2012 consolidated net income will be adjusted to take into account changes in equity, group structure or consolidation methods between the two years.
Since 2005, CIC has published its financial statements under IFRS. In accordance with the resolution submitted for your approval, the calculation of interest is based on net income attributable to equity holders of the parent company for 2012 and 2013, as determined by applying the same accounting procedures and consolidation methods based on comparable group structure and comparable equity, giving a participation ratio (PR) of 13.369 for 2013 as against 11.439 for 2012.
The interest rate obtained by applying the above formula comes to 0.75% before application of the floor and cap rates, which are 1.10% and 1.69% respectively.

Therefore, in accordance with the provisions of the issue agreement, the gross interest paid in 2014 in respect of 2013 will amount to €1.68 per stock unit.
We performed our work in accordance with French professional standards. These standards require that we carry out the necessary procedures to verify the conformity and consistency of the data used to calculate the interest due on non-voting loan stock with the issue agreement and the audited annual and consolidated financial statements.
We have no matters to report concerning the conformity and consistency of the data used to calculate the interest due on non-voting loan stock.

Signed in Neuilly-sur-Seine and Paris La Défense,
April 23, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit
Agnès Hussherr

Ernst & Young et Autres
Olivier Durand


CORPORATE GOVERNANCE

Board of directors

Members appointed by the general meeting of stockholders:

Michel Lucas
Chairman and chief executive officer
Chairman of Confédération Nationale du Crédit Mutuel,
Crédit Mutuel Centre Est Europe
and Banque Federative du Credit Mutuel

Catherine Allonas Barthe
Chief executive officer, ACM Vie SAM

Joseph Arenas
Head of institutional and regulatory activities
Crédit Mutuel Centre Est Europe

Banque Fédérative du Crédit Mutuel
represented by **Jacques Humbert** – Vice-chairman

Caisse Centrale du Crédit Mutuel
represented by **Jean-Luc Menet** – Director

Maurice Corgini
Director of Crédit Mutuel Centre Est Europe

Jean-Louis Girodot
Chairman of Crédit Mutuel Ile-de-France

Monique Leroux
Chairman and CEO of Desjardins Group (Canada)

Daniel Leroyer
Chairman of Crédit Mutuel Maine-Anjou, Basse-Normandie

Philippe Vasseur
Chairman of Crédit Mutuel Nord Europe

Members elected by employees:

Cédric Jolly
Individual customer adviser at CIC Nord Ouest

William Paillet
Private banking account executive at CIC Est

Non-voting members:

Luc Chambaud
CEO of Crédit Mutuel Normandie

Gérard Cormorèche
Chairman of Crédit Mutuel du Sud-Est

François Duret
Chairman of Crédit Mutuel du Centre

Pierre Filliger
Chairman of Crédit Mutuel Méditerranéen

Albert Peccoux
Chairman of Crédit Mutuel Savoie-Mont Blanc

The following also attend board meetings:

Alain Fradin
Chief operating officer of CIC

Philippe Vidal
Deputy chief operating officer of CIC

Gérard Fubiani
CIC works council representative

Gilles Le Noc
CIC company secretary
Secretary to the board of directors

Michel Lucas
Chairman and chief executive officer

Alain Fradin
Chief operating officer

Changes during fiscal year 2013

The combined general meeting of stockholders of May 23, 2013, in its regular proceedings, reappointed Caisse Centrale du Crédit Mutuel and Joseph Arenas and Daniel Leroyer for a six-year term. It also appointed Monique Leroux as a director for a six-year term.

Composition of the board of directors

This is governed by Article 10 of the company's bylaws.
The company is administered by a board of directors composed of no fewer than nine members and no more than eighteen members appointed by the general meeting of stockholders.
The board of directors also includes two directors elected by employees, one of whom represents the executives as defined in the banks' collective labor agreement and the other the remaining employees.
The directors elected by employees can only be natural persons. The other directors can be either natural or legal persons.
The age limit is 70. This is applied such that no one over the age of 70 can be appointed if this has the effect of bringing the number of members over 70 to more than one third of the total number of members.
The term of office for directors is six years and they retire by rotation, one third every two years. With this in mind, the term of office of the first directors appointed by the general meeting of stockholders of May 19, 2011 is two, four or six years.
The terms of office of members other than those elected by the employees expire upon the adjournment of the ordinary general meeting of stockholders ratifying the financial statements of the financial year last ended and held during the year in which their term of office expires. The term of office of members elected by employees expires on the sixth anniversary of their election.
Non-voting board members are appointed for six years. They take part in board meetings and, while they have no vote, their opinions are noted.
A meeting of the board of directors held immediately following the AGM of May 19, 2011 appointed Michel Lucas as chairman of the board. This appointment was made for the duration of his term of office.
The dates of first appointment and terms of office of members of the board of directors are shown in a summary table on page 42.

Other corporate officers: general management

The board of directors, meeting immediately after the AGM of May 19, 2011, decided unanimously that the general management should be assumed by the chairman of the board of directors, Michel Lucas, as chief executive officer.
Pursuant to a proposal of the CEO, the board of directors decided unanimously to appoint Alain Fradin chief operating officer.
The chairman and chief executive officer and the chief operating officer are the executives responsible for CIC as regards the Monetary and Financial Code.

The workings of general management are governed by Article 12 of the company's bylaws, which do not add anything to the provisions of the law.
The board of directors has not set limits to the powers of the chief executive officer or the chief operating officer, other than those prescribed by law and powers specific to the board of directors and the general meeting of stockholders.

Information concerning members of the board of directors and general management

Relations with the business

To the best of CIC's knowledge, there are no conflicts of interest between the obligations of the members of the board of directors or general management toward CIC and their personal interests or other obligations.
No arrangements or agreements have been entered into with the main stockholders, customers, suppliers or others pursuant to which a member of the board of directors or general management has been nominated.
There are no service agreements linking members of the board of directors or general management with any of the group's companies. In particular, Banque Fédérative du Crédit Mutuel, which controls CIC and holds a seat on its board of directors, does not receive any management fees.
To the best of CIC's knowledge, there are no family relationships between members of the board of directors and general management.
Members of the board of directors and general management are reminded on a regular basis of the rules applicable to persons holding privileged information. They are also informed that they must disclose any trading in CIC stock units on the stock exchange by them or persons closely linked to them to the AMF (French financial markets authority) and to CIC.
No such transactions have been reported.
Members of general management and the board of directors have each declared that:

1°. during the past five years they have not been:
- convicted of fraud,
- associated with the bankruptcy, receivership or liquidation of a legal entity in which they were a member of a management or governing body or of which they were the chief executive officer,
- subject to disciplinary sanctions imposed by the administrative bodies responsible for supervising CIC,
- subject to an administrative or court order which prevents them from acting as members of an administrative, management or supervisory body or from participating in the management or operations of a company;

2°. there are no potential conflicts of interest between their obligations toward CIC and their own personal interests;

3°. they have not, either directly or through a third party, entered into an arrangement or agreement with any of the main stockholders, customers, suppliers or subsidiaries of CIC pursuant to which they are granted special benefits by virtue of their position in CIC.

The originals of these declarations are held in the company secretary's office.

... Information concerning members of the board of directors and general management

Summary table, group management

	Date of first appointment	Date of expiry of current term of office	Main position held within the company	Main positions held outside the company[1]
Board of directors				
Michel Lucas	May 19, 2011	AGM ratifying the financial statements for 2016	Chairman of the board	Chairman, Confédération Nationale du CM, CM Centre Est Europe, and BFCM
Joseph Arenas	May 24, 2012	AGM ratifying the financial statements for 2018	Member of the board	Head of institutional and regulatory activities, CM Centre Est Europe
Catherine Allonas Barthe	May 19, 2011	AGM ratifying the financial statements for 2016	Member of the board	Chief executive officer of ACM Vie SAM
Maurice Corgini	May 19, 2011	AGM ratifying the financial statements for 2014	Member of the board	Director, CM Centre Est Europe
Jean-Louis Girodot	May 19, 2011	AGM ratifying the financial statements for 2014	Member of the board	Chairman, CM Ile-de-France
Jacques Humbert (representing BFCM)	May 19, 2011	AGM ratifying the financial statements for 2016	Member of the board	Vice-chairman, BFCM
Monique Leroux	May 23, 2013	AGM ratifying the financial statements for 2018	Member of the board	Chairman and CEO of Desjardins Group (Canada)
Daniel Leroyer	May 19, 2011	AGM ratifying the financial statements for 2018	Member of the board	Chairman, CM Maine-Anjou, Basse-Normandie
Jean-Luc Menet (representing CCCM)	May 19, 2011	AGM ratifying the financial statements for 2018	Member of the board	Chief executive officer, CM Océan, Director, CCCM
Philippe Vasseur	May 19, 2011	AGM ratifying the financial statements for 2014	Member of the board	Chairman, CM Nord-Europe
Cédric Jolly	October 26, 2011	October 26, 2017	Employee, CIC Nord Ouest	
William Paillet	October 26, 2011	October 26, 2017	Employee, CIC Est	
General management				
Michel Lucas	May 19, 2011	AGM ratifying the financial statements for 2016	Chief executive officer	Chairman, Confédération Nationale du CM, CM Centre Est Europe, and BFCM
Alain Fradin	May 19, 2011	Unlimited duration	Chief operating officer	Chief executive officer, Confédération Nationale du CM, and CM Centre Est Europe Chief operating officer, BFCM

CM: Crédit Mutuel. BFCM: Banque Fédérative du Crédit Mutuel. CCCM: Caisse Centrale du Crédit Mutuel.
(1) The other positions and functions are listed below.

Executives' terms of office

Board of directors

Michel Lucas

Born May 4, 1939, Lorient

Business address:
Crédit Industriel et Commercial
6 avenue de Provence - 75009 Paris

	Term of office started	Term of office expires
Chairman and chief executive officer	May 19, 2011	2017

Other positions held

Chairman-Chief Executive Officer:		
Banque Fédérative du Crédit Mutuel	Oct. 22, 2010	2016
Carmen Holding Investissement	Nov. 07, 2008	2016
Chairman of the board of directors:		
Confédération Nationale du Crédit Mutuel	Oct. 13, 2010	2015
Fédération du Crédit Mutuel Centre Est Europe	Oct. 22, 2010	unlimited
Caisse Fédérale de Crédit Mutuel	Sept. 24, 2010	2014
Groupe des Assurances du Crédit Mutuel	Feb. 24, 1993	2017
Assurances du Crédit Mutuel Vie SA	June 29, 1993	2017
Assurances du Crédit Mutuel IARD SA	March 19, 1993	2017
Assurance du Crédit Mutuel Vie Sam	June 13, 1991	2015
Banque du Crédit Mutuel Ile-de-France	Nov. 17, 2003	2015
International Information Developments	Feb. 6, 2004	2016
Direct Phone Services	Feb. 6, 2004	2016
Républicain Lorrain	June 30, 2009	2015
Est Républicain	Nov. 4, 2011	2015
Liberté de l'Est	Jan. 5, 2012	2018
Dernières Nouvelles d'Alsace	Nov. 4, 2011	2015
Chairman:		
Crédit Mutuel Cartes de Paiements	May 7, 2003	2015
Europay France	May 28, 2002	2014
Chairman of the supervisory board:		
Banque Européenne du Crédit Mutuel	Oct. 22, 2010	2016
Euro Information Production (GIE)	May 19, 1994	2017
Vice-chairman of the supervisory board:		
CIC Iberbanco	June 5, 2008	2018
Banque de Luxembourg (Luxembourg)	March 25, 2003	2017
Director:		
ACMN IARD	July 25, 1997	2015
ASTREE (Tunis)	March 4, 2005	2014
Assurances Générales des Caisses Desjardins (Quebec)	May 12, 1993	2016
Banque de Tunisie (Tunis)	March 30, 2004	2015
Banque Marocaine du Commerce Extérieur (Casablanca)	Sept. 17, 2004	2014
CIC Banque Transatlantique	Dec. 19, 2000	2014
Banque Transatlantique Belgium (Brussels)	March 21, 2005	2015
CRCM Midi-Atlantique	May 24, 2008	2014
Caisse de Crédit Mutuel "Grand Cronenbourg"	May 11, 1985	2017
CIC Lyonnaise de Banque	July 6, 1999	2014
Dauphiné Libéré	June 29, 2011	2017
Est Bourgogne Média	Sept. 17, 2012	2018
Le Progrès SA	June 22, 2012	2018
Member of the supervisory board:		
Manufacture Beauvillé	Feb. 14, 2000	2018
CM-CIC Services (GIE)	May 7, 2008	2014
CM-CIC Capital Finance	Feb. 2, 2011	2014
Member of the management committee:		
Euro Information	June 14, 2002	2014
Euro Information Développement	June 14, 2002	2014
EBRA	Feb. 24, 2006	2017
Permanent representative:		
BFCM (member of the management board of SOFEDIS)	1994	2014

Positions held in the past five fiscal years

Chief executive officer:		
Confédération Nationale du Crédit Mutuel	Jan. 21, 1998	2010
Chairman of the executive board:		
CIC	June 17, 1998	2011
Chairman of the board of directors:		
Banco Popular Hipothecario	Oct. 28, 2010	2011
Chairman of the supervisory board:		
Fonds de Garantie des Dépôts	Nov. 26, 2008	2012
Targo Deutschland GmbH	Dec. 8, 2008	2011
Targo Management AG	Dec. 8, 2008	2011
TARGOBANK AG	Dec. 8, 2008	2011
Cofidis	March 17, 2009	2011
Cofidis Participations	March 17, 2009	2011
CM-CIC Capital Finance	Feb. 2, 2011	2012
Director - CEO:		
Fédération du Crédit Mutuel Centre Est Europe	April 6, 2001	2010
Banque Fédérative du Crédit Mutuel	June 14, 2002	2010
Caisse Fédérale de Crédit Mutuel	April 6, 2001	2010
Vice-chairman of the supervisory board:		
Mastercard Europe Région (Brussels)	Sept. 30, 1992	2008
Safran	April 15, 2009	2011
Director:		
Banque de l'Economie du Commerce et de la Monétique (now Banque Européenne du Crédit Mutuel)	May 15, 1992	2010
CIC Finance	Dec. 20, 2000	2010
Safran	April 21, 2011	2013
Member of the supervisory board:		
CIC Investissements	Dec. 20, 2000	2010
Safran	Oct. 30, 2002	2009
Permanent representative:		
Caisse Fédérale de Crédit Mutuel (director of Crédit Mutuel Paiements Électroniques)	March 19, 2003	2012
CIC (member of the supervisory board of CM-CIC Asset Management)	Sept. 28, 1992	2013

Catherine Allonas Barthe

Born January 18, 1955, Strasbourg

Business address:
ACM
42 rue des Mathurins - 75008 Paris

	Term of office started	Term of office expires
Director	May 19, 2011	2017

Other positions held

Chairman:		
Massena Property	Aug. 31, 2009	2014
CEO:		
ACM Vie Sam	Jan. 1, 2006	unlimited
Deputy chief operating officer:		
Assurances du Crédit Mutuel	Sept. 1, 2011	unlimited
Manager:		
SCI ACM	Sept. 1, 2012	unlimited

... Information concerning members of the board of directors and general management

Permanent representative:		
ACM Vie Sam (director of GIE ACM)	May 7, 2005	2019
ACM Vie Sam (director of Valinvest Gestion)	2008	n/a
ACM Vie Sam (director of Serenis Assurances)	May 7, 2005	2014
ACM Vie Sam (director of Foncière des Régions)	2009	2015
PARGESTION 2 (director of CM-CIC Asset Management)	Dec. 11, 2013	2019

Positions held in the past five fiscal years

Chairman of the supervisory board:		
Foncière Massena SCA	Nov. 8, 2006	2009
Permanent representative:		
ACM Vie Sam (member of the supervisory board of CM-CIC Asset Management)	Jan. 1, 2006	2013

Joseph Arenas

Born September 27, 1955, Campdevànol (Spain)

Business address:
Caisse Fédérale de Crédit Mutuel
34 rue du Wacken - 67000 Strasbourg

	Term of office started	Term of office expires
Director	May 24, 2012	2019

Other positions held

Director:		
Est Républicain SA	Nov. 4, 2011	2019
Est Bourgogne Media SA	July 13, 2011	2014
Société d'Edition de l'Hebdomadaire du Louhannais et du Jura SA	June 16, 2011	2014
Dernières Nouvelles d'Alsace SA	Nov. 4, 2011	2019

Position held in the past five fiscal years

Director:		
Républicain Lorrain SA	April 12, 2007	2009

Banque Fédérative du Crédit Mutuel

34 rue du Wacken - 67000 Strasbourg	Term of office started	Term of office expires
Director	May 19, 2011	2017

Other positions held

Chairman:		
CM-CIC Immobilier	June 5, 2012	2014
Bischenberg	Sept. 30, 2004	2015
Director:		
Assurances du Crédit Mutuel SAM	May 4, 2005	2015
Assurances du Crédit Mutuel Vie SA	May 4, 2005	2017
Assurances du Crédit Mutuel IARD SA	May 4, 2005	2017
Banque de Tunisie	May 26, 2009	2015
Boréal	Jan. 25, 1991	2014
Caisse de Refinancement de l'Habitat	Oct. 12, 2007	2019
CM-CIC Epargne Salariale	May 21, 2008	2014
CM-CIC Securities	Dec. 31, 1999	2017
CM-CIC SCPI Gestion	Jan. 30, 1990	2014
CM-CIC Home Loan SFH	April 16, 2007	2018
Crédit Mutuel Cartes de Paiements	March 17, 1983	2015
Crédit Mutuel Habitat Gestion	March 20, 1990	2014
Critel	Nov. 24, 1989	2014
Fédération du Crédit Mutuel Centre Est Europe	Sept. 29, 1992	unlimited
Groupe des Assurances du Crédit Mutuel	Feb. 4, 1994	2017
Groupe SOFEMO	Nov. 19, 1986	2014
SAEM Mirabelle TV	Nov. 30, 2009	2014
SAEM Locusem	Dec. 16, 2010	2015
SEM Destination 70	Oct. 1, 1990	2014
SEM CAEB-Bischheim	Nov. 27, 1997	2015
SEM CALEO – Guebwiller	June 24, 2005	2017
SEM Euro Moselle Développement	March 15, 1991	2014
SEM Nautiland	May 25, 1987	2014
SEM pour la promotion de la ZAC Forbach Sud (banking pool)	Feb 24, 1989	2017
SEM Semibi Biesheim	Nov. 14, 1984	2015
SIBAR	May 27, 1999	2015
Société Fermière de la Maison de L'Alsace	Jan. 1, 1977	2016
Société Française d'Édition de Journaux et d'Imprimés Commerciaux "L'Alsace"	June 2, 2004	2016
Ventadour Investissement	May 24, 1991	2018
Member of the management committee:		
Euro Information	June 14, 2002	2014
Euro Protection Surveillance	June 27, 1992	2014
Euro TVS	Nov. 27, 1979	2014
Euro Information Direct Service	June 14, 2002	2014
Member of the supervisory board:		
Batigère	March 22, 1996	2014
SAEM Mulhouse Expo	Feb. 16, 2005	2016
Société d'Etudes et de Réalisation pour les Equipements Collectifs (SODEREC)	May 30, 1978	2014
STET – Systèmes Technologiques d'Echanges et de Traitements	Dec. 8, 2004	n/a
Adviser to management:		
SOFEDIS	Nov. 24, 1994	2014
Non-voting board member:		
SAFER d'Alsace	May 30, 2006	unlimited
SEM E Puissance 3 – Schiltigheim	March 7, 1991	2014

Positions held in the past five fiscal years

Director:		
CM-CIC Participations immobilières	Sept. 17, 1981	2012
CM-CIC Aménagements Fonciers	April 23, 1981	2012
Caisse Centrale du Crédit Mutuel	Sept. 17, 1969	2012
Crédit Mutuel Paiements Electroniques	March 19, 2003	2012
Institut Lorrain de Participations	May 30, 1997	2010
SA d'HLM Habitat des Salariés d'Alsace	May 4, 2005	2010
UES PACT ARIM	Nov. 17, 1994	2010
CM-CIC Covered Bonds (now CM-CIC Home Loan SFH)	April 16, 2007	2011
SEM Patinoire Les Pins	Oct. 1, 1990	2010
SEM Action 70	Oct. 1, 1990	2013
Member of the supervisory board:		
SCPI Crédit Mutuel Habitat 3	Sept. 18, 1991	2009
SCPI Crédit Mutuel Habitat 4	Oct. 13, 1993	2009
SCPI Finance Habitat 1	April 29, 1998	2010
SCPI Finance Habitat 2	June 18, 1997	2010
CIC	June 17, 1998	2011
CM-CIC Asset Management	Dec. 31, 2004	2013

Caisse Centrale du Crédit Mutuel

88-90 rue Cardinet - 75017 Paris	Term of office started	Term of office expires
Director	May 19, 2011	2019

Other positions held

Member of the supervisory board:		
SODEREC	April 19, 1978	2014
La Française Real Estate Managers (formerly UFG REM)	Jan. 1, 2008	2016
Director:		
Centre International du Crédit Mutuel - CICM	May 22, 1984	2016
C.M.C.P.	May 16, 1983	2015
Crédit Logement	July 6, 1999	2015
Crédit Mutuel Habitat Gestion	Jan. 13, 1987	2014
CRH	April 10, 1990	2015
CM-CIC Factor	Nov. 22, 1999	2017
France Active Garantie	July 4, 1995	2016

IDES Investissements	Aug. 12, 1983	2016
Le Chèque Domicile	Dec. 20, 2011	2014
Maison Europe des Coopératives	Feb. 5, 2008	2014
SGFGAS	March 24, 1993	2014
Non-voting board member:		
SIAGI	May 12, 2005	2015

Positions held in the past five fiscal years

Member of the supervisory board:		
CM-CIC Asset Management	Dec. 30, 1997	2013
Director:		
C.M.P.E.	March 19, 2003	2012
CODLES		2010
France Titrisation		2009

Maurice Corgini

Born September 27, 1942, Baume-les-Dames

Business address: Fédération du Crédit Mutuel Centre Est Europe 34 rue du Wacken - 67000 Strasbourg	Term of office started	Term of office expires
Director	May 19, 2011	2015

Other positions held

Chairman of the board of directors:		
Union des Caisses de Crédit Mutuel du District de Franche-Comté Sud	April 20, 1995	2014
Director:		
Caisse de Crédit Mutuel de Baume-Valdahon-Rougemont	May 10, 1981	2016
Fédération du Crédit Mutuel Centre Est Europe	April 20, 1995	2014
Banque Fédérative du Crédit Mutuel	June 22, 1995	2015
Caisse Agricole Crédit Mutuel	Feb. 20, 2004	2014
Co-manager:		
Cogit'Hommes Franche-Comté	March 1, 2005	unlimited

Positions held in the past five fiscal years

Member of the supervisory board:		
CIC	June 17, 1998	2011
Chairman of Caisse de Crédit Mutuel de Baume-Valdahon-Rougemont	May 10, 1981	2012

Jean-Louis Girodot

Born February 10, 1944, Saintes

Business address: Crédit Mutuel Ile-de-France 18 rue de La Rochefoucauld - 75439 Paris Cedex 9	Term of office started	Term of office expires
Director	May 19, 2011	2015

Other positions held

Chairman of the board of directors:		
Fédération du Crédit Mutuel Ile-de-France	1995	2015
Caisse Régionale du Crédit Mutuel Ile-de-France	1995	2015
Caisse de Crédit Mutuel "Paris-Montmartre Grands Boulevards"	1975	2016
Chairman:		
Conseil économique, social et environnemental d'Ile-de-France	1989	2016
Comité Régional pour l'Information Economique et Sociale – CRIES	2011	2014
Audiens	2002	2014
Mutuelle Univers-Mutualité	2012	2015
Vice-chairman:		
Coopérative d'information et d'édition mutualiste (CIEM)	2011	2014
Chambre Régionale de l'Économie Sociale et Solidaire d'Ile-de-France-CRESS	1986	2014
General secretary:		
Fédération Nationale de la Presse Spécialisée (FNPS)	1979	2014
Syndicat de la Presse magazine et spécialisée	2013	2016
Director:		
Confédération Nationale du Crédit Mutuel	1995	2017
Banque Fédérative du Crédit Mutuel	2002	2014
Caisse Fédérale de Crédit Mutuel	2003	2015
Afdas (formerly Mediafor)	1995	2014
Member of the supervisory board:		
EI Production	1995	2016
Permanent representative:		
Caisse Régionale du Crédit Mutuel Ile-de-France (director of ACM Vie SFM)	2005	2015
FNPS at the Commission paritaire des publications et agences de presse	1994	indeterminate duration
Fédération du Crédit Mutuel Ile-de-France (director of Centre International du Crédit Mutuel)	2000	2016
Audiens Prévoyance (member of the supervisory board of Welcare)	2012	2018

Positions held in the past five fiscal years

Chairman:		
SAS CODLES	1980	2011
Vice-chairman:		
Fédération Nationale de la Presse Spécialisée (FNPS)	1979	2011
Audiens	2002	2013
Member of the bureau:		
Conseil économique, social et environnemental d'Ile-de-France	1989	2013
Member of the supervisory board:		
CIC	Dec. 19, 2001	2011
Director:		
PEMEP	1997	2011
Permanent representative:		
CRESS IDF at the Conférence Nationale des CRES	1988	2011
Member:		
Groupe Aprionis	1999	2011

Jacques Humbert

Born July 7, 1942, Patay

Business address: Fédération du Crédit Mutuel Centre Est Europe 34 rue du Wacken - 67000 Strasbourg	Term of office started	Term of office expires
Representative of Banque Fédérative du Crédit Mutuel, director	May 19, 2011	2017

Other positions held

Chairman:		
Union des Caisses de Crédit Mutuel du District de Mulhouse	2002	2014
Vice-chairman of the board of directors:		
Banque Fédérative du Crédit Mutuel	Dec. 13, 2002	2015
Director:		
Caisse de Crédit Mutuel de la Doller	1982	2016
Caisse Fédérale de Crédit Mutuel	Dec. 13. 2002	2015
Fédération du Crédit Mutuel Centre Est Europe	Dec. 9, 2006	2014

... Information concerning members of the board of directors and general management

Société Française d'Edition de Journaux et d'Imprimés Commerciaux L'Alsace	May 31, 2006	2018
Permanent representative: ADEPI (director of GACM)	May 11, 2011	2016

Position held in the past five fiscal years

Chairman: Caisse de Crédit Mutuel de la Doller	1982	2013

Monique F. Leroux

Born August 11, 1954, Montreal (Canada)

Business address:
Caisses Desjardins Group
Tour Sud, 40e étage
1, Complexe Desjardins
Montréal (Québec) H5B 1B2 - Canada

	Term of office started	Term of office expires
Director	May 23, 2011	2019

Other positions held

Chairman and CEO: Caisses Desjardins Group	March 29, 2008	2016
CEO: Desjardins Sécurité financière	March 29, 2008	2016
Desjardins Groupe d'Assurances Générales	March 29, 2008	2016
Chairman of the board of directors: Fédération des Caisses Desjardins du Québec/ Mouvement des Caisses Desjardins	March 29, 2008	2016
Caisse Centrale Desjardins	March 29, 2008	2016
Fiducie Desjardins	March 29, 2008	2016
Desjardins Société financière	March 29, 2008	2016
Capital Desjardins Inc.	March 29, 2008	2016
Conseil québécois de la coopération et de la mutualité	March 12, 2012	2014
Member of the board of directors: Conference Board of Canada	Jan. 1, 2010	2014
Coopératives et mutuelles du Canada	June 27, 2013	2016
Alliance coopérative internationale (ACI)	Nov. 4, 2013	2017
Vice-chairman of the executive committee and member of the board of directors: Confédération internationale des banques populaires	Jan 1, 2010	2014
Member of the executive committee and member of the board of directors: Groupement Européen des Banques Coopératives	Jan. 1, 2009	2014

Positions held in the past five fiscal years

Member of the board of directors: Groupe Siparex (France)	2006	2009
HEC Montréal	2002	2009
University of Montreal	2007	2009

Daniel Leroyer

Born April 15, 1951, Saint-Siméon

Business address:
Crédit Mutuel Maine-Anjou, Basse-Normandie
43 boulevard Volney - 53083 Laval Cedex 9

	Term of office started	Term of office expires
Director	May 19, 2011	2019

Other positions held

Chairman of the board of directors: Fédération du Crédit Mutuel Maine-Anjou, Basse-Normandie	2003	2014
Caisse Fédérale du Crédit Mutuel Maine-Anjou, Basse-Normandie	2003	2014
Caisse Générale de Financement (CAGEFI)	2003	2014
Créavenir (association)	2004	2014
Caisse de Crédit Mutuel du Pays Fertois	1998	2014
Caisse de Crédit Mutuel Solidaire de Maine-Anjou, Basse-Normandie	2007	2016
Vice-chairman of the supervisory board: SODEREC	2012	2014
Director: SAS Assurances du Crédit Mutuel Maine-Anjou-Normandie (ACMAN)	2002	2014
Confédération Nationale du Crédit Mutuel	2003	2014
Volney Bocage SAS	2012	2015
Member of the executive committee: Fondation du Crédit Mutuel	2009	2014
Permanent representative: Fédération du Crédit Mutuel Maine-Anjou, Basse-Normandie (director du GIE CLOE Services)	2003	2014
Fédération du Crédit Mutuel Maine-Anjou, Basse-Normandie (vice-chairman of Centre International du Crédit Mutuel)	2012	2016
Fédération du Crédit Mutuel Maine-Anjou, Basse-Normandie (chairman Volney Evénements - association)	2013	2016
Caisse Fédérale du Crédit Mutuel Maine-Anjou, Basse-Normandie (director of SAS Volney Développement)	1999	n/a.
Caisse Fédérale du Crédit Mutuel Maine-Anjou, Basse-Normandie (director of Assurances du Crédit Mutuel IARD SA)	2012	2017
Caisse Fédérale du Crédit Mutuel Maine-Anjou, Basse-Normandie (director of Banque Fédérative du Crédit Mutuel)	2011	2015

Positions held in the past five fiscal years

Chairman of the board of directors: SAS CLOE	2008	2009
Crédit Mutuel Solidaire de Maine-Anjou, Basse-Normandie (association)	2007	2010
Member of the supervisory board: Société de Réassurance Lavalloise (SOCREAL) SA	1998	2010
Permanent representative: Caisse Fédérale du Crédit Mutuel Maine-Anjou, Basse-Normandie (director of Groupe des Assurances du Crédit Mutuel - GACM)	2005	2012

Jean-Luc Menet

Born February 2, 1951, Nantes

Business address:
Crédit Mutuel Océan : 34 rue Léandre-Merlet
85001 La Roche-sur-Yon Cedex 27

	Term of office started	Term of office expires
Representative of the Caisse Centrale du Crédit Mutuel, director	May 19, 2011	2019

Other positions held

CEO: Fédération du Crédit Mutuel Océan	Nov. 1, 2007	unlimited
Caisse Fédérale du Crédit Mutuel Océan	Nov. 1, 2007	unlimited
Director: SAS Océan Participations	Oct. 26, 2007	2014
Confédération Nationale du Crédit Mutuel	Oct. 4, 2007	2016
Permanent representative: Caisse Fédérale du Crédit Mutuel Océan (chairman of SAS ANTEMA)	Sept. 24, 2009	2014
Caisse Fédérale du Crédit Mutuel Océan (director of SAS Volney Développement)	Jan. 1, 2009	2015
Caisse Fédérale du Crédit Mutuel Océan (member of the supervisory board of SAS Euro Information)	May 6, 2009	2015

Caisse Fédérale du Crédit Mutuel Océan (director of SA ACM IARD)	Oct. 11, 2007	2015
Caisse Fédérale du Crédit Mutuel Océan (director de Caisse Centrale du Crédit Mutuel)	Dec. 19, 2007	2019
Caisse Fédérale du Crédit Mutuel Océan (director of SAS Crédit Mutuel Cartes de Paiement)	Nov. 1, 2007	2015
Caisse Fédérale du Crédit Mutuel Océan (director of SAS Crédit Mutuel Paiements Electroniques)	Nov. 1, 2007	2015
Caisse Fédérale du Crédit Mutuel Océan (director of SAEM SEMIS)	March 14, 2002	2017
Caisse Fédérale du Crédit Mutuel Océan (director of SAEM Vendée Expansion)	June 25, 2013	2019
Caisse Fédérale du Crédit Mutuel Océan (member of the supervisory board of CM-CIC Asset Management)	March 22, 2007	2014
Sofinaction (director of CM-CIC Asset Management)	Dec. 13, 2013	2019

Positions held in the past five fiscal years

CEO:		
Société Coopérative de Crédit C.M.A.R. Océan	Nov. 1, 2007	2013
Chairman of the supervisory board:		
SA SODELEM	Sept. 26, 2007	2010
Chairman:		
SAS Auto Euro Location	Jan. 5, 2009	2010
Member of the supervisory board:		
CIC	Dec. 13, 2007	2011
Permanent representative:		
Caisse Fédérale du Crédit Mutuel Océan (director of SA FINANCO)	Nov. 30, 2000	2009
Caisse Fédérale du Crédit Mutuel Océan (chairman of LLD Participations)	Dec. 20, 2008	2010
Caisse Fédérale du Crédit Mutuel Océan (director of SA Tourisme Océan)	Oct. 24, 2007	2012

Philippe Vasseur

Born August 31, 1943, Touquet

Business address: Crédit Mutuel Nord Europe 4 place Richebé - 59011 Lille Cedex	Term of office started	Term of office expires
Director	May 19, 2011	2015

Other positions held

Chairman:		
Caisse Fédérale du Crédit Mutuel Nord Europe	May 26, 2000	2015
Caisse de Crédit Mutuel Lille Liberté	March 29, 2005	2015
Chambre de commerce et d'industrie Région Nord-Pas-de-Calais (EP)	Jan. 12, 2011	2016
Crédit Mutuel Nord Europe Belgium (SA-Belgium)	Sept. 11, 2000	2015
Chairman of the supervisory board:		
Banque Commerciale du Marché Nord Europe (SA)	May 26, 2000	2015
Groupe La Française (SA)	May 29, 2006	2015
Nord Europe Assurances (SA)	June 01, 2006	2016
Vice-chairman:		
Confédération Nationale du Crédit Mutuel	Oct. 11, 2000	2018
Beobank (SA) (formerly Citibank Belgium)	2012	2015
Director:		
BKCP (SCRL-Belgium)	Dec. 21, 2001	2015
Groupe Eurotunnel (SA)	June 20, 2007	2014
Caisse Solidaire du Crédit Mutuel Nord Europe	Sept. 27, 2005	2015
Bonduelle (SAS)	2008	n/a
Crédit Professionnel (SA-Belgium)	May 11, 2000	2015
Nord Europe Partenariat (SA)	May 7, 2009	2015
Caisse Centrale du Crédit Mutuel	Nov. 14, 2012	2015
Member of the supervisory board:		
La Française Bank (SA-Luxembourg)	July 10, 2003	2015
Permanent representative:		
CMNE Belgium (director, Mobilease SA-Belgium)		2019
Caisse Fédérale du Crédit Mutuel Nord Europe (non-voting board member, LOSC Lille Métropole SA)	2005	2015
Caisse Fédérale du Crédit Mutuel Nord Europe (director of Groupe des Assurances du Crédit Mutuel SA)	May 4, 2005	2017

Positions held in the past five fiscal years

Chairman:		
BKCP Wallonie (SCRL)	Oct. 21, 2008	2009
Société de Développement Régional de Normandie (SA)	May 29, 2001	2013
Member of the supervisory board:		
CIC	May 30, 2001	2011
Director:		
BKCP Noord (SCRL-Belgium)	June 30, 2006	2009
BKCP Securities (SA-Belgium)	March 31, 2005	2011
Holder (SAS)	2005	2012
Permanent representative:		
Crédit Mutuel Nord Europe Belgium SA (director of Alverzele SA-Belgium)	n/a	2011
Société de Développement Régional de Normandie (director of Normandie Partenariat)	March 18, 2008	2009
Crédit Mutuel Nord Europe Belgium SA (vice-chairman of Federale Kas Voor Het Beroepskrediet (SCRL- Belgium)	March 25, 2004	2009
Crédit Mutuel Nord Europe Belgium SA (vice-chairman of BKCP Noord (SCRL-Belgium)	June 30, 2006	2009
Crédit Mutuel Nord Europe Belgium SA (vice-chairman of BKCP Wallonie (SCRL-Belgium)	Oct. 21, 2008	2009

Cédric Jolly

Born May 1, 1980, Saint-Omer

Business address: CIC Nord Ouest 31 rue Léon Gambetta - 59000 Lille	Term of office started	Term of office expires
Director, representing employees	Oct. 26, 2011	2017

Other position held

Director, representing employees:		
CIC Nord Ouest	Feb 17, 2012	2018

William Paillet

Born April 3, 1958, Paris

Business address: CIC Est 3 rue des Coutures - 77200 Torcy	Term of office started	Term of office expires
Director, representing employees	Oct. 26, 2011	2017

Other position held

Director, representing employees:		
CIC Est (Strasbourg)	Dec. 3, 2009	2014

... Information concerning members of the board of directors and general management

General management

Alain Fradin

Born May 16, 1947, Alençon

Business address:
Crédit Industriel et Commercial
6 avenue de Provence - 75009 Paris

	Term of office started	Term of office expires
Chief operating officer of CIC	May 19, 2011	unlimited

Other positions held

Chairman:		
CIC Migrations	Nov. 26, 1999	2015
Chairman of the board of directors:		
CM-CIC Bail	July 20, 1999	2016
TARGOBANK Spain (formerly Banco Popular Hipotecario)	Oct. 28, 2010	2016
Chairman of the supervisory board:		
CIC Iberbanco	June 5, 2008	2015
Cofidis	March 17, 2009	2015
Cofidis Participations	March 17, 2009	2015
Vice-chairman of the supervisory board:		
Targo Deutschland GmbH	Dec. 8, 2008	2017
Targo Management AG	Dec. 8, 2008	2018
TARGOBANK AG	Dec. 8, 2008	2018
CM Akquisitions GmbH	March 12, 2009	2014
CEO:		
Confédération Nationale du Crédit Mutuel	Nov. 17, 2010	unlimited
Caisse Centrale du Crédit Mutuel	Jan. 1, 2010	unlimited
Fédération du Crédit Mutuel Centre Est Europe	Oct. 20, 2010	unlimited
Caisse Fédérale de Crédit Mutuel	Sept. 24, 2010	2016
Chief operating officer:		
Banque Fédérative du Crédit Mutuel	April 8, 2011	unlimited
Director:		
Boréal	Oct. 14, 2002	2014
CM-CIC Titres	Feb. 18, 1994	2018
Banque du Crédit Mutuel Ile-de-France	Nov. 17, 2003	2014
Banco Popular Spain	Nov. 11, 2011	2014
Member of the management committee:		
Euro Information	May 3, 2006	2017
Bischenberg	Sept. 30, 2004	2015
El Télécom	Feb. 1, 1999	unlimited
Member of the supervisory board:		
CM-CIC Services (GIE)	May 7, 2008	2014
Eurafric Information	May 28, 2008	2016
Permanent representative:		
CIC (management committee of Euro GDS)	Dec. 19, 2003	2016
CIC Participations (director of CIC Ouest)	May 15, 2003	2014
CIC Participations (director de CIC Nord Ouest)	Dec. 26, 1990	2014
Groupement des Assurances du Crédit Mutuel (director of Sérénis Vie)	July 16, 2002	2017
Banque Fédérative du Crédit Mutuel (director of Crédit Mutuel Cartes de Paiements)	May 14, 2012	2015
Caisse Fédérale de Crédit Mutuel (director of Crédit Mutuel Paiements Electroniques)	May 14, 2012	2015

Positions held in the past five fiscal years

Chairman:		
Le Républicain Lorrain	April 12, 2007	2009
Vice-chairman of the executive board:		
CIC	June 17, 1998	2011
CEO:		
Fédération du Crédit Mutuel Antilles-Guyane	May 30, 1998	2011
Fédération des Caisses du Crédit Mutuel du Sud-Est	June 21, 2001	2012
Caisse de Crédit Mutuel du Sud-Est	June 21, 2001	2012
CM-CIC Bail	July 20, 1999	2013
Chief operating officer:		
Fédération du Crédit Mutuel Centre Est Europe	Feb. 14, 1998	2010
Caisse Fédérale de Crédit Mutuel (CFCMCEE)	Feb. 14, 1998	2010
Chairman of the board of directors:		
Groupe Républicain Lorrain Communication	May 4, 2007	2011
Member of the board of directors - Member of the bureau:		
Banco Popular Hipotecario (cf. chairman of the board of directors: of TARGOBANK, Spain)	Oct. 28, 2010	2011
Confédération Nationale du Crédit Mutuel	Sept. 12, 2001	2010
Groupe Sofémo	May 30, 1997	2013
Member of the supervisory board:		
Cofidis	March 17, 2009	2011
Cofidis Participations	March 17, 2009	2011
Permanent representative:		
CCCM (member of the supervisory board of CM-CIC Asset Management)	Dec. 15, 2010	2013
Caisse Fédérale de Crédit Mutuel (vice-chairman of Caisse Centrale du Crédit Mutuel)	Jan. 3, 2001	2010
CCM Sud-Est (director of ACM Vie SA)	May 4, 2005	2011

Delegation of powers

Summary table of currently valid powers delegated by the general meeting of stockholders to the board of directors in the field of capital increases during the current fiscal year (Article L.225-100, para. 7).

Powers delegated by the general meeting of stockholders

General meeting of stockholders of May 23, 2013

Powers delegated to the board of directors to increase the capital by:
- issuing ordinary stock units or any other negotiable securities giving access to equity, maintaining stockholders' preferential subscription rights;
- incorporating premiums, reserves, benefits or other;
- issuing ordinary stock units or any other negotiable securities giving access to equity, with the cancellation of preferential subscription rights, by public offering;
- issuing ordinary stock units or any other negotiable securities giving access to equity, with the cancellation of preferential subscription rights, by private placement as referred to in Article L.411-2, II of the French Monetary and Financial Code.

Possibility of increasing the amount of issues in case of excess demand.
Issue of stock units without preferential subscription rights in consideration of contributions of stock units or equity instruments made to CIC in the context of a contribution in kind.
These delegations are valid for twenty-six months, until July 23, 2015. The overall ceiling for all these capital increases is set at €150 million. Furthermore, if the board of directors were to issue negotiable debt instruments giving access to equity, the nominal amount of these securities would itself be limited to one billion six hundred million euros.

Use made of these powers by the board of directors

None.

Compensation of corporate officers

Guiding principles

The Crédit Mutuel group has signed the standard agreement with the government regarding the new state guarantee arrangements for the financial sector, dated October 23, 2008. In this framework, the group has made certain commitments regarding the status, compensation and commitments of its corporate officers over and above the legal and regulatory requirements. Some resolutions were passed on this subject by the board of BFCM in its meeting of December 19, 2008 and by the supervisory board of CIC in its meeting of February 26, 2009.

CIC does not follow the recommendations of the AFEP-MEDEF code, unsuitable in its case on a number of points, given the ownership structure, consisting 97% of entities belonging to the Crédit Mutuel group.

As a result of the change in governance of CIC and in executive corporate officers of CIC and BFCM, the respective boards of the two companies, in their meetings of May 11 and July 1, 2011 for BFCM and May 19, 2011 for CIC, established the new compensation arrangements for these executives and the commitments toward them.
This compensation and these commitments were established by the deliberating bodies of BFCM and CIC based on proposals by their respective compensation committees.
Non-executive corporate officers, i.e. all directors except for the chairman-CEO, do not receive either attendance fees or compensation of any kind.

Implementation

The executives concerned are the chairman-CEO and the COO. The chairman-CEO does not have an employment contract, and the COO's employment contract was terminated with effect from May 1, 2011.

The board of directors of CIC, in its meeting of May 19, 2011, decided, based on a proposal by the compensation committee, to grant Michel Lucas, as compensation for his corporate office of chairman and chief executive officer, annual compensation of €550,000. It also decided to establish for Michel Lucas, in regard to his corporate office of chairman-CEO, a termination indemnity equal to one year's compensation as corporate officer. Payment of this indemnity is subject to the achievement of performance objectives relating to the growth of the group's consolidated total equity in accordance with IFRS for the period from January 1, 2011 to the date of termination. This agreement concerning the termination indemnity was submitted for approval by the general meeting of stockholders of CIC on May 24, 2012 together with the statutory auditors' special report.

The board of directors of BFCM, in its meeting of July 1, 2011, decided, based on a proposal by the compensation committee, to grant Michel Lucas, with effect from fiscal year 2011, gross annual compensation of €250,000 in respect of his office as chairman-CEO of BFCM, plus the use of a company car.

The board of directors of BFCM, in its meeting of May 11, 2011, decided, based on a proposal by the compensation committee, to establish the gross fixed annual compensation of Alain Fradin at €800,000, plus the use of a company car, pension benefits and variable compensation if applicable, the amount of which to be established by the board of directors based on a proposal by the compensation committee. In his capacity as an employee, Alain Fradin comes under the supplementary pension scheme of January 1, 2008. Consequently, the compensation committee proposed that this pension scheme be applied to Alain Fradin's compensation in his capacity as deputy CEO of BFCM, on the same conditions as all group employees. It also decided to establish for Alain Fradin a termination indemnity equal to one year of gross salary calculated on the basis of the average of the last twelve months preceding the termination of his office. Payment of this indemnity is subject to the achievement of performance objectives relating to the growth of the group's consolidated total equity in accordance with IFRS for the period from January 1, 2011 to the date of termination. As regards this corporate office, the above indemnity is understood to be without prejudice to that which he might receive in his capacity as an employee pursuant, in particular, to labor agreements in force in the group. This agreement concerning the termination indemnity was submitted for approval by the general meeting of stockholders of BFCM of May 10, 2012 together with the statutory auditors' special report.

Compensation received by the group's key executives is detailed in the table below.

The group's key executives also benefited during the year from the arrangements for group insurance and, in the case of the chief operating officer, from the group supplementary pension scheme.

Key group executives did not receive any other specific benefits. They have not been awarded any BFCM or CIC stock units, stock options or similar instruments. Furthermore, they are not entitled to attendance fees relating either to their positions in group companies or to those in other companies by reason of their positions in the group.

The group's key executives may also hold assets with, and take loans from, the group banks on the same terms as those offered to employees in general. As at December 31, 2013 they had no loans of this kind.

Compensation received by key group executives from January 1 to December 31

2013 Amounts in euros (a)	Source	Fixed portion	Variable portion (b)	Benefits in kind (c)	Social benefits	Total
Michel Lucas	**Crédit Mutuel** **CIC**	**250,000** **550,000**		**5,187**	 **538**	**255,187** **550,538**
Alain Fradin	**Crédit Mutuel**	**800,000**	**0**	**3,725**	**8,332**	**812,057**
2012 Amounts in euros (a)						
Michel Lucas	Crédit Mutuel CIC	250,000 550,000		5,298	 529	255,298 550,529
Alain Fradin	Crédit Mutuel	800,000	0	4,346	8,184	812,530

(a) Gross amounts paid by the company during the year.
(b) The variable portion if any is determined by the meeting of the BFCM compensation committee following the annual general meeting of stockholders called to approve the financial statements for the previous year, in respect of which the variable compensation is paid: the variable portion paid in year n thus relates to fiscal year n-1.
(c) Company cars exclusively.

Variable compensation of professionals forming part of the "regulated population"

Regulatory developments

The regulatory framework for the compensation of the banking profession is governed by the ministerial orders of November 3, 2009 and December 13, 2010 amending Regulation 97-02 of February 21, 1997 concerning the internal control of credit institutions and investment firms. Furthermore, the FBF (French Banking Federation) has established a set of professional standards, which are designed to clarify the conditions of application and ensure that risk is fully taken into consideration when banks set their compensation policy. This regulatory framework was supplemented by the Banking Act of July 26, 2013, CRD 4 legislation and the order of February 20, 2014 which are applicable to fiscal year 2014 for variable remuneration paid in 2015.

With this regulatory framework in mind, in December 2013 the general management of CIC, after consultation with the compensation committee, presented the board of directors with a number of provisions contained in an "outline of the remuneration policy of the regulated population". The regulated population includes four categories of employees: executives, risk takers, those responsible for control functions, compliance and risk and any employee whose professional activities have a material impact on the company's risk profile and receives comparable compensation.

Rules of governance

The board of directors consults the compensation committee composed of competent members, one of whom must be independent. The committee analyzes the policies and practices in the light of all relevant criteria, including the company's risk policy, gives its opinion on the documents submitted and makes proposals to the board of directors. This committee checks with general management to make sure that the risk and compliance divisions have been consulted on the definition and implementation of the compensation policy.
Within the framework of principles thus defined, general management establishes the rules governing compensation. An annual report on the compensation policy and practices is submitted to the *Autorité de Controle Prudentiel* (French Prudential Supervisory Authority - ACP), in accordance with Article 43-1 of regulation 97-02. Similarly, a report containing details of amounts and information on elements of variable compensation is published prior to the general meeting of stockholders called to ratify the annual financial statements.

General principles governing the compensation policy

In general terms, CM11-CIC group's wage policy is such that it does not encourage employees to take on too much risk, particularly employees whose activities are liable to have a material impact on the institution's risk exposure. The group also makes sure that it retains talented employees. The variable elements of compensation are linked to financial and non-financial objectives specifically assigned to individual employees and teams. For a better control of risk factors, the costs attributable to professional activities are deducted, notably net additions to/reversals from provisions for loan losses, and liquidity. Over a certain threshold, payment of a portion of the variable remuneration awarded in a fiscal year is deferred over a period of three years. The deferred amount increases with the amount of the variable portion, to over 60% for the higher amounts.
The actual payment of the deferred portion is conditional and subject to a clawback clause according to performance and results. At least 40% of total variable compensation is deferred, over three financial years, and subject to claw-back clauses. For those with the highest variable compensation, as much as 80% is deferred. Actual payment is subject to certain conditions linked to the results of the business line, the achievement of a certain level of ROE (return on equity) for traders, and employees still being effectively employed at the date of payment.
Deferred compensation may thus be substantially reduced, or even not paid in the event of a failure to manage and control risks giving rise to losses. This clause allows financial market professionals to take responsibility for any medium-term risk to which they may expose the company.
The remuneration policy, which is in line with the Group's risk policy, forbids guaranteed bonuses being paid beyond one year.

Consultation by the general meeting of stockholders on the overall compensation package, required pursuant to Article L. 511-73 of the French Monetary and Financial Code

The new Article L.511-73 of the French Monetary and Financial Code enables the general meeting to consult on the overall amount of remuneration of any kind paid during the past year, to accountable managers, within the meaning of Article L.511-13, and categories of staff, including risk-takers, those responsible for control functions, and any employee who, based on overall salary, is in the same compensation bracket, whose professional activities have a material impact on the risk profile of the company or group.
The general meeting of stockholders of May 22, 2014 will have to give its opinion, in its sixth resolution, on this package totaling €31,411,340 for 2013 and which comprises fixed and variable remuneration paid, with the latter including amounts deferred in previous years and amounts that are subject to retention clauses.

Report of the chairman of the board of directors to the annual general meeting of stockholders

of May 22, 2014 on the preparation and organization of the board's work and on internal control procedures

Preparation and organization of the work of the board

Principles of governance

Composition of the board

The workings of the board of directors are governed by Article 11 and Articles 13 through 16 of the company's bylaws, which do not contain any stipulations over and above the legal provisions. The board of directors, at its meeting on May 23, 2013, adopted an internal regulation, comprising one article aimed at implementing the possibility provided by the company's bylaws of using video-conferencing or other types of telecommunications which conform to the specifications laid down under Article R.225-21 of the French Commercial Code, for all meetings except those in which the board is required to approve the annual financial statements or consolidated financial statements, the management report or the group management report, and convening the annual general meeting. It assesses its own performance and reports on it both in the general report which it presents each year to the ordinary general meeting of stockholders and by means of this report on the preparation and organization of its work.
CIC complies with the regulations in force regarding corporate governance. It does not however follow the recommendations of the AFEP-MEDEF code of corporate governance issued by AFEP *(Association Française des Entreprises Privées* or French Association of Private Companies) and MEDEF *(Mouvement des Entreprises de France* or French Confederation of Business Enterprises), some of which are unsuited to its situation bearing in mind the ownership structure, which is 97.28% composed of Crédit Mutuel group entities, including the Banque Fédérative du Crédit Mutuel which directly or indirectly holds 92.21% of the capital.
In determining the composition of the board of directors, a number of guiding principles are applied.

1°. Incompatibilities and prohibitions: every year each director signs a sworn statement confirming that he is legally entitled to fulfil his duties (see page 41 for details of this statement).

2°. Age limit: the composition of the board reflects a provision defined in the bylaws, whereby the number of directors over the age of 70 may not exceed one third of directors.

3°. Plurality of employment contracts: no director has a contract of employment with the company and its controlled subsidiaries (except for directors who represent employees, who are not affected by the rules concerning concurrent directorships and employment contracts).

4°. Application of the principle of balanced representation of women and men on the board of directors led the general meeting of stockholders of May 19, 2011 to appoint Catherine Allonas-Barthe as a director and the meeting of May 23, 2013 to appoint Monique Leroux as a director. They represent 20% of the members of the board of directors appointed by the general meeting of stockholders (directors representing employees are not taken into account when calculating this percentage).

5°. Independent directors: although, for the reasons indicated above, CIC does not follow the recommendations of the AFEP-MEDEF code on corporate governance, application of the code's six criteria to ascertain whether a director is independent or not means that four directors out of the ten appointed by the general meeting of stockholders fall within this category. Independent directors should:
- not be an employee or corporate officer of the company or an employee or director of its parent company or a company that it consolidates, nor have been one in the previous five years;
- not be a corporate officer of a company in which the company holds, directly or indirectly, a directorship or in which an employee appointed as such or a corporate officer of the company (currently or within the past five years) holds a directorship;
- not be a significant customer, supplier, investment banker, or financial banker of the company or its group, or for whom the company or its group represents a significant part of its activities;
- not have any close family ties with a corporate officer;
- not have been the auditor of the company in the past five years;
- not have been a director of the company in the past twelve years.

These four directors are Monique Leroux, Daniel Leroyer, Jean-Luc Menet and Philippe Vasseur.

Board committees

The board relies on three specialist committees and appoints all or some of their members. The board receives a regular report on the work of these committees.

Compensation committee

The board of directors has established an internal specialist three-member committee. Their term of office is three years, expiring at the end of the first half of the calendar year constituting the third anniversary of the start of their term of office. This committee is responsible, on the one hand, for examining the statutory situation and the compensation of the chairman of the board of directors and members of general management and making any appropriate proposals to the board on the subject, and, on the other hand, for preparing the board's deliberations on the principles of the compensation policy for CIC's "regulated population", issuing an opinion on the general management's proposals for their implementation, and carrying out an annual review of this policy and reporting on it to the board.
In its meeting of May 19, 2011, the board of directors appointed:
- Jean-Louis Girodot, committee chairman;
- Maurice Corgini;
- Daniel Leroyer.

Group audit and accounts committee

With a view to responding to the requirements arising from the transposition of European Directive 2006/43/EC concerning the legal auditing of annual company and consolidated financial statements by means of order no. 2008-1278 of December 8, 2008 and to those deriving from regulation 97-02 of February 21, 1997 as amended concerning internal control of credit institutions and investment undertakings, a group audit and accounts committee was established at CM5-CIC (now CM11-CIC) level in June 2009 (see internal control procedures below).
The board of directors is represented on this body by two of its members appointed in the meeting of May 19, 2011, namely:
• Maurice Corgini;
• Jean-Louis Girodot.

Group risk monitoring committee

This committee has been established at CM11-CIC level and is composed of members of the deliberative bodies (see internal control procedures, below).
The board of directors is represented on this body by one of its members, appointed in its meeting of May 19, 2011, namely:
• Jean-Luc Menet.

Ethics and compliance

The code of ethics, which is now that of the CM11-CIC group, was approved by the supervisory board in its meeting of February 21, 2008.
This reference document, which brings together all the regulatory provisions regarding ethics, outlines the principles to be followed by all CM11-CIC entities and employees in carrying on their activities. It forms part of the general objectives established by the group concerning quality of customer service, integrity and rigor in handling transactions, and compliance with regulations. It is designed to serve as a reference in this field and to be adopted by the various entities. Compliance with ethical rules applies not only to employees in the context of their duties but also to the entity to which they belong. The entity must see to it that the above principles which reflect the values to which the whole CM11-CIC group subscribes are properly applied (see also fair operating practices, page 209).
In 2013, this code was supplemented by provisions relating to the fight against corruption and two specific sets of rules on the security of information systems and the fight against violence and harassment at work.
The compendium of ethics is held available to all by the general secretariat.
The rules applying to persons holding privileged information are the subject of regular reminders. Board members have also been informed that they must declare to the AMF and to CIC any trades that they or persons closely linked to them carry out on CIC securities.

Principles and rules for the compensation of corporate officers

At its meeting of February 26, 2009, the supervisory board took note of the arrangements laid down by the French Commercial Code, and of the agreement with the government, signed by Etienne Pflimlin on behalf of the whole Crédit Mutuel group on October 23, 2008 in the framework defined by Amendment no. 2008-1061 to the Finance Act, dated October 16, 2008.
In particular, the board took note of the obligations imposed upon it and the commitments that this agreement entailed in terms of governance as it relates to the compensation policy for corporate officers and the end of concurrent corporate offices and employment contracts. The board confirmed its commitment to complying with these principles at CIC level, and satisfied itself that the mechanisms put in place were adequate for the purpose. This policy was ratified by the general meeting of stockholders of May 12, 2009.
As a result of the change in governance of CIC and in executive corporate officers of CIC and BFCM, the respective boards of the two companies established the new compensation arrangements for these executives and the commitments toward them, as set out on page 50. This compensation policy was submitted for ratification by the general meeting of stockholders of May 24, 2012.

... Preparation and organization of the work of the board

The supervisory board of CIC also adopted the overall compensation policy for financial market professionals, pursuant to the ministerial order of November 3, 2009 concerning "compensation of personnel whose activities are likely to have an effect on credit institutions' and investment undertakings' exposure to risk", and amending regulation no. 97-02 concerning internal control. This policy also gives effect to the professional standards drawn up in the course of 2009. The order of December 13, 2010 amending regulation 97-02 transposed the provisions of Directive 2010/76/EU of November 24, 2010 (the so-called CRD III) and amended a certain number of provisions concerning the compensation of employees referred to as forming part of the "regulated population", whose activities have a material impact on institutions' risk profile. This order thus necessitated adjustments to CIC's policy, which were ratified by the supervisory board in its meeting of February 24, 2011. The latest version of the note on the compensation policy for the "regulated population" was approved by the board of directors in its meeting of December 12, 2013.
The general meeting of stockholders did not approve any directors' attendance fees. Consequently the board of directors did not allocate any fees to its members.

Rules for attending the general meeting of stockholders

The rules for attending the general meeting of stockholders are set out in the "legal information" section, on page 228.

Information required pursuant to Article L.225-100-3 of the French Commercial Code

The information relating to points 1, 2, 7 and 8 appear on pages 31-32, 228, 40 and 228, 49 and 230 respectively. The other points (3 through 6, and 9 and 10) do not apply to CIC.

The work of the board in 2013

The board of directors meets once a quarter in accordance with a pre-established calendar.
Each agenda item has a corresponding file or factsheet depending on its size to provide board members with the necessary information. Detailed minutes are prepared, recording deliberations, resolutions and voting.
The board of directors met four times in 2013. The attendance rate varied between 67% and 91% (averaging 79%).
The meeting of February 28 was mainly devoted to examining and approving the financial statements and preparing the ordinary general meeting of stockholders which was held on May 23. The board examined the financial statements for fiscal year 2012 in the presence of the statutory auditors and took note of the group audit and accounts committee's report of February 25. The board also adopted the proposals of the compensation committee, meeting on the same day, concerning variable compensation of market professionals for 2012.
In its second meeting, on May 23 immediately following the general meeting of stockholders, the board of directors decided to implement the trading of CIC stock on the stock exchange as authorized by the AGM, in the framework of the liquidity agreement. It took note of the work done by the risk monitoring committee in its meeting of April 17 and the audit and accounts committee in its meeting of May 6, and of the CIC annual report on internal control. It also adopted its internal regulation, allowing directors to attend meetings by videoconference and deliberated on company policy regarding equal employment and pay.
Meeting on July 31, the board of directors approved the interim consolidated financial statements of CIC for the first half of 2013, after taking note of the opinion of the audit and accounts committee dated July 30 and with the involvement of the statutory auditors.
In its last meeting of the year, on December 12, the board of directors took note of the work of the audit and accounts committee meeting of September 23 and of the risk monitoring committee meeting of October 30, as well as of a provisional estimate of CIC's consolidated earnings for 2013 and a forecast for 2014. It also approved the report of the compensation committee, which had met on the same day.

Internal control procedures

CIC's internal control and risk management system is integrated into that of the CM11-CIC group. The CM11-CIC group consists of entities governed by a single collective banking license, that of Caisse Fédérale de Crédit Mutuel, namely Crédit Mutuel Centre Est Europe, Crédit Mutuel Ile-de-France, Crédit Mutuel du Sud-Est, Crédit Mutuel Savoie-Mont Blanc, Crédit Mutuel Midi-Atlantique, Crédit Mutuel Loire-Atlantique et Centre-Ouest, Crédit Mutuel du Centre, Crédit Mutuel de Normandie, Crédit Mutuel Dauphiné-Vivarais, Crédit Mutuel Méditerranéen, and Crédit Mutuel d'Anjou, as well as all subsidiaries and consolidated companies, including CIC network headquarters and its regional banks.
The purpose of internal control and risk management work is to ensure compliance with all rules defined by supervisory authorities for the conduct of the group's operations, by using the internal and professional standards, tools, guidelines and procedures put in place to that end.

CM11-CIC group-level internal control and risk monitoring process

General framework

Internal control and risk management are fully integrated into the group's organization with the aim of ensuring compliance with regulatory requirements and proper risk control and operational security, as well as improved performance.

A shared process

The group ensures that the process matches its size, the nature of its operations and the scale of risks to which it is exposed.
Internal control and risk measurement systems rely on common methods and tools to:
- completely cover the full range of the group's operations;
- list, identify, aggregate and track risks on a consolidated basis in a consistent manner;
- ensure compliance with applicable laws and regulations, internal standards, and instructions and guidelines established by executive management;
- ensure that in-house processes are running satisfactorily, assets are secure, and financial information is reliable.

More broadly, the processes in place are aimed at helping to ensure proper control of operations while at the same time improving the effectiveness of control work carried out.

A structured process

One of the key purposes of the organization is to verify the quality and completeness of the internal control system. Both for itself and the businesses it controls, the group ensures that this system is underpinned by a set of procedures and operational limits that match regulatory requirements and applicable internal and professional standards.
The identification, control and monitoring of key risks by means of benchmarks, risk mapping and appropriate exposure limits, formal procedures and dedicated tools are constant objectives for the control departments. Analytical tools and tracking dashboards make it possible to regularly review the various risks to which the group is exposed, including counterparty, market, asset and liability management and operational risks. In accordance with regulatory requirements, the group issues an annual report, in the format recommended by the French Prudential Supervision and Resolution Authority *(Autorité de contrôle prudential et de resolution – ACPR),* on internal control and on risk measurement and oversight, in light of which a detailed review of control processes is carried out.

An independent process

To ensure the necessary independence of controls, employees assigned to control tasks have no operational responsibilities and their reporting lines, whether hierarchical or functional, are such as to ensure their freedom of judgment and assessment.

CM11-CIC group process

The process has a threefold objective:
- to separate the periodic, permanent and compliance controls into distinct functions in accordance with regulatory requirements;
- to harmonize internal control work throughout the group by creating a common organization based mainly on standardized methods and tools, and on the complementarity, subsidiarity, and independence of controls;
- to obtain a comprehensive and cross-functional view of all risks to ensure reliable, consistent and comprehensive reporting to general management and the deliberative body.

Organization of controls

Breakdown by type of control
Independently of the controls performed by management teams as part of their daily operational activities, controls are performed by:
- periodic controls staff, for in-depth, audit-style assignments, carried out in cycles spanning several years;
- permanent controls staff, for all work of a recurring nature using remote applications;
- compliance staff, notably for the application of regulations and internal and professional standards including anti-money laundering.

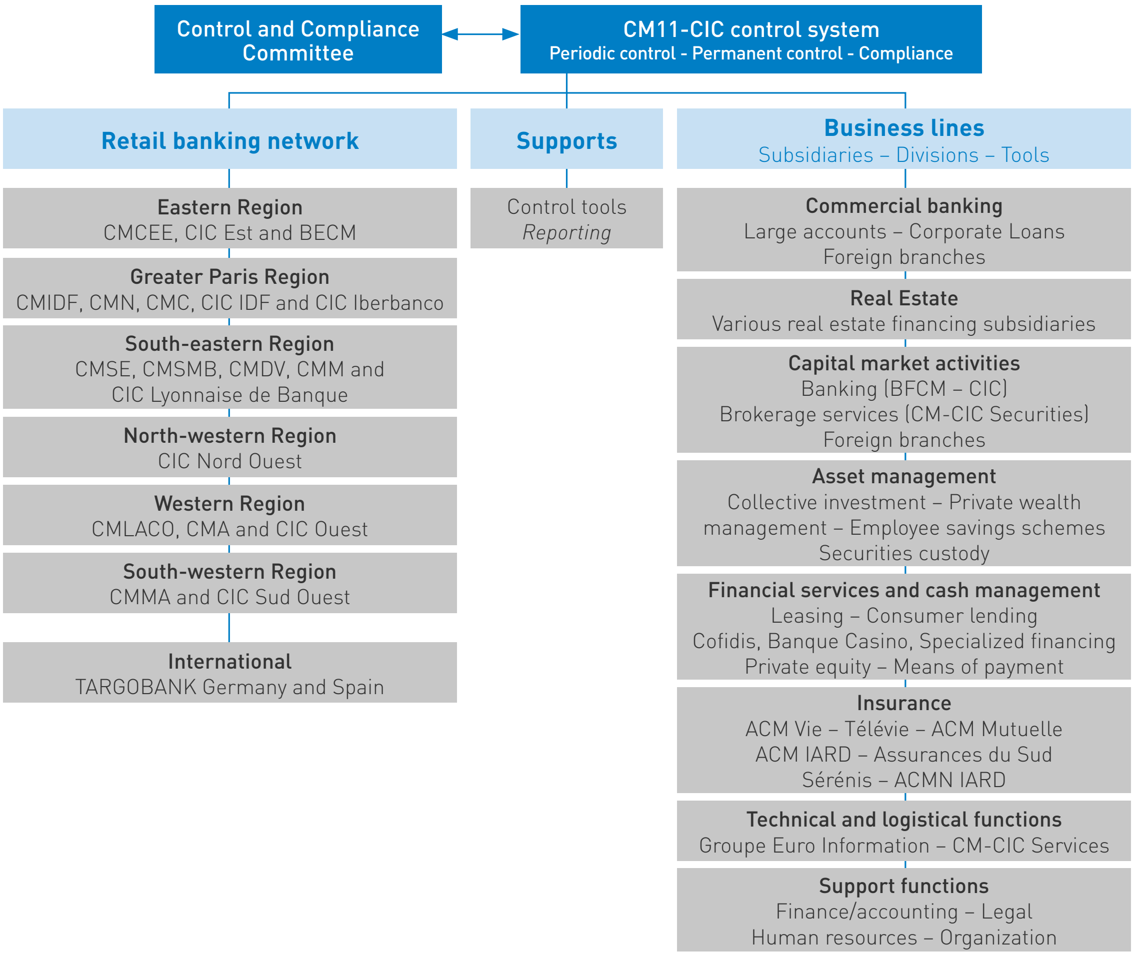
The periodic control department is responsible for supervising the overall quality of the internal control system, its effective workings and oversight of risks, as well as the smooth workings of the permanent and compliance controls.

Split between network and business lines
Control functions have been split into two structures, one dealing with the retail banking network and the other with the business lines (large accounts, capital markets activities, asset management, financial services, cash management, etc.) with managers appointed for both at CM11-CIC group level.

... Internal control procedures

A common support unit for the various kinds of control
The periodic control, permanent control and compliance functions are assisted by a common support unit which is responsible for:
- developing the tools and keeping them up to date and in good working order;
- preparing the reporting instruments needed for monitoring control operations and assignments, and centralizing information for the management bodies, at central and local (regional and subsidiary) levels;
- ensuring that control tools are complementary between the various control functions so as to provide optimal cover of group risks.

Overall framework of internal control organization



Oversight of internal control processes

Group control and compliance committee
Chaired by the chief operating officer of CIC, the compliance committee holds regular meetings with the staff responsible for periodic, permanent and compliance controls and risk management, with the following objectives:
- coordinating the process and ensuring that the work and assignments of the various parties involved are complementary, such that all risks are covered;
- establishing control plans and reviewing the outcomes of assignments carried out by the periodic control units as well as the work done by the permanent control and compliance functions and proposing any improvements that might be required to the executive body;
- analyzing the conclusions of external inspections, in particular those carried out by the supervisory authorities;
- monitoring implementation of the resulting recommendations.

The control and compliance committee also reviews a certain number of activities and documents that serve as points of reference. In 2013 it approved the new procedures for following up recommendations made during inspection visits to the networks and audits conducted in respect of other businesses, business lines or departments, as well as the new procedures for certifying the accounts of local Crédit Mutuel banks.
The document formalizing the organization of the network periodic control function, and the relationship between the central and regional units within the network periodic control function, was also submitted to the committee for approval.
It met four times (March 5, June 17, September 16 and November 25).

Group audit and accounts committee

In order to meet regulatory requirements and rules of governance, the CM11-CIC group set up an audit and accounts committee in 2008. It comprises fourteen honorary, independent members from the group's mutual base. Several of its members have particular skills in accounting and finance. The executive body, the control departments and the finance division are represented on it. Training seminars help members to keep up to date with new information.

This committee:

- examines the provisional internal control schedule;
- is informed of the conclusions of inspections carried out by the periodic control function and of the results of the permanent and compliance controls;
- takes due note of the conclusions of external controls, particularly of any recommendations made by the supervisory authorities;
- is informed of actions carried out to give effect to the main recommendations issued in internal and external control reports;
- assesses the effectiveness of the internal control systems;
- receives up-to-date information on the group's risk position;
- proposes to the various deliberative bodies such improvements as it deems necessary in view of the findings of which it has been made aware.

In the area of financial reports, it:

- is responsible for monitoring the process for preparing financial information;
- examines the annual company and consolidated financial statements;
- assesses the manner in which they have been drawn up and satisfies itself as to the appropriateness and consistency of the accounting principles and methods applied;
- participates in the selection of statutory auditors;
- supervises the statutory audit of the accounts.

The group audit and accounts committee met four times during the past fiscal year, on February 26, May 6, July 30, and September 23. Minutes of its meetings were drawn up and sent to the deliberative bodies of the various federations and of CIC.

It also examined the financial statements for the year ended December 31, 2013 in its meeting of February 24, 2014. It recorded no particular observations.

The compensation committee

The committee is particularly responsible for making recommendations and proposals on the compensation of the executive body and capital markets professionals.

The group ethics and compliance committee

Created within the scope of consolidation of the CM11-CIC group, this committee has been instrumental in establishing a code of ethics for the group. Each year it draws up a report on the group's implementation of and compliance with ethical principles and the code of conduct.

Risk oversight procedures

Group risk department

As defined in CRBF Regulation 97-02, the group's risk management department is responsible for ensuring all risks involved in banking and non-banking activities are measured, monitored and controlled, as well as contributing to CM11-CIC's growth and profitability.

It therefore analyzes and conducts a regular and exhaustive review of all risks (credit, market, interest rate, operational, assets and liabilities management, refinancing, insurance etc.) and presents a summary to general management and the deliberative body.

In 2013, the risk department again improved its consolidated risk reporting which took an operational, comprehensive and prudential approach with regard to regulatory capital allocation and regulatory changes in progress, particularly in preparation for the introduction of the new Basel III rules.

It participated in many cross-functional projects including projects related to credit, market, operational and asset and liability management risk.

While monitoring the quality of its risk control procedures, the risk management department also oversaw the follow-up of various *ACPR* missions and coordinated the implementation of recommendations and the process of reporting to the regulator on the follow-up of said recommendations.

Group risk monitoring committee

This committee is made up of members from the deliberative bodies and meets twice a year to examine strategic risk issues. It proposes to the board of directors, in light of its findings, any decisions of a prudential nature that are applicable group-wide involving the measurement, monitoring and control of risks.

Committee meetings are led by the chief risk officer, who is also responsible for presenting the files opened on the various risk areas based on work undertaken by the group risks committee. General management is also invited to the committee meetings, and the committee may also invite the heads of business lines involved in items on the agenda.

Group risk committee

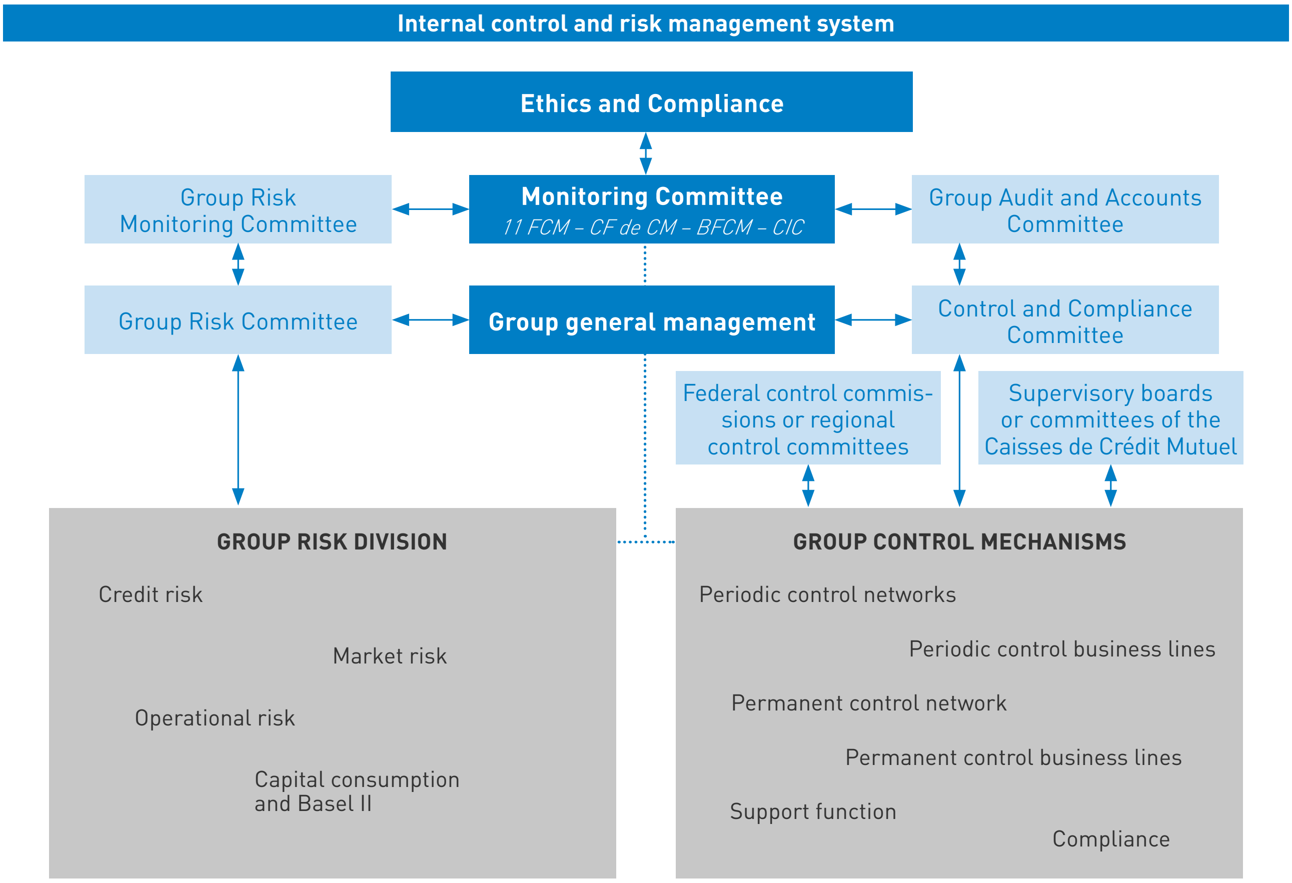
This committee meets quarterly in the presence of general management and the heads of the business lines and functions involved: retail banking, insurance, financing, refinancing, capital markets, commitments, and finance department.

Coordinated by the risk department, the group risk committee is responsible for the overall supervision of both existing and potential risk.

Operational risk coordination committee

This committee meets four times a year, bringing together the risk department and the group heads of permanent control and compliance. It is responsible in particular for proposing and coordinating action to protect against and reduce operational risks arising from any malfunctions detected.

... Internal control procedures



CIC's risk control and monitoring procedures

This section mentions only CIC's in-house oversight bodies, but CIC must also report on its work on a company basis to the supervisory authorities, which regularly conduct on-site audits.

Control mechanisms

General structure

Board of directors

In accordance with regulatory requirements, a report on internal control work is submitted to the board of directors of CIC twice a year, and the CIC annual internal control report is also submitted to it.

Levels of control

These are identical to those set up at group level, and totally integrated within the system. Designated teams perform periodic, permanent and compliance controls at CIC. They report to CIC and are linked on a functional level to the central group control division.

The CIC teams not only perform controls within the bank, but also take part in work and assignments throughout the CM11-CIC group at the request of central divisions.

The specific control mechanism at CIC

As an integral part of CIC, *CM-CIC Marchés*' single treasury management team conducts all of the CM11-CIC group's capital market refinancing activities in one trading room with the aim of developing its ability to sell capital markets products to customers, and to strengthen proprietary trading. Monitoring methods, procedures and trading limits are incorporated into a set of rules. The board of directors of CIC approves the strategy of each business line (refinancing, sales, proprietary trading), capital allocation, the monitoring of limits and budgets.
With this mechanism, capital markets activities are managed by various departments:

- *CM-CIC Marchés*' management defines the strategy, analyzes the business, results, risks and compliance with limits and coordinates the operational aspects (information system, budget, human resources and procedures);
- the market risk committee meets once a month to monitor compliance with the rules and the decisions of *CM-CIC Marchés*' management and approves the operating limits within the overall limits set by CIC's management;

- the *CM-CIC Marchés* credit committee meets weekly to decide on applications for credit lines within the scope of powers granted by the CM11-CIC commitments committee.

The internal control system relies partly on the work of the post-market departments, in charge of controlling risks, results, accounting and regulatory control, and secondly on a team dedicated to monitoring market activities, which reports to the head of permanent controls for business lines as well as on the compliance function.

In the same way as trading activities have been consolidated into a single structure, large accounts, specialized finance and international business are now subject to dedicated control procedures.

Control work

Control work, carried out in all areas in which the bank operates, draws on group level methods and tools as well as formal procedures. The results of these controls are used to generate recommendations, implementation of which is monitored.

Basel II project

In conjunction with the Confédération Nationale du Crédit Mutuel, an organization has been put in place within the group that enables regular control of the system. A procedural framework details the distribution of tasks among the various entities involved.

For managing operational risks, the group has been authorized by the French Prudential Supervisory Authority since 2010 to use the advanced approach.

Basel III project

The risk department is in charge of transition to the new regulatory constraints.

Common methods and tools

The control and risk management methods and tools continued to be harmonized. CIC benefits from the shared tools developed by the group support center, which notably include oversight functionalities.

Periodic control tools

These are aimed at providing a mapping of network risks, by consolidating all types of assignments based on a common catalog of points of control. They are regularly updated. Access to the information necessary for carrying out the controls is provided by the IT system.

In view of the group's growth, a project had been launched to develop a tool for monitoring the implementation of recommendations made by the group periodic control teams during their assignments and those made by the supervisory authorities. The PRECO tool was rolled out at the start of 2013.

Permanent control tools

Permanent controls on the branch network are performed remotely, essentially by using data from the information system. They complete the first level controls carried out on a daily basis by the heads of the operational units and regional coordination, assistance and control functions. They involve "internal control portals" which plan and structure the various tasks to be carried out with regard to hedging risks. The automated detection of cases in "risk alert" status, in accordance with predetermined anomaly criteria, is an essential part of good credit risk management. Other types of controls allow the quality of results obtained to be assessed so that resources can be deployed or inspections guided accordingly.

Compliance tools

Work continued on the implementation of systems for legal and regulatory surveillance and monitoring of compliance risk. The compliance function also has its own control areas within the "internal control portals" allowing it to check that regulatory provisions are being applied, notably with regard to business and professional ethics, protecting customers' interests, performing investment services and combating money laundering and the financing of terrorism.

Procedures

These are posted on the corporate intranet and are accessible at all times by all employees with the help of search engines. The control tools refer to them and links have been created to make it easier to look up and apply procedures. Framework procedures established at group level (central control functions) in a number of areas, notably compliance, are applied within CIC.

Risk oversight system

Risk management

Credit risk management is organized into two structures: one focusing on the granting of loans and the other on risk measurement and the monitoring of commitments.

A reference base of commitments summarizes the internal procedures of the lending arm of CM11-CIC in accordance with applicable statutory, organizational and regulatory provisions. It describes in particular the systems for granting loans, for measuring and overseeing commitments and for managing total assets at risk. It contains attachments relating to capital markets activities as well as to the subsidiaries directly concerned.

Liquidity and interest rate risk management for the group banks is centralized (decisions of the former executive board of CIC and the board of directors of BFCM). Hedging is applied to the entities concerned, in accordance with their needs. They are no longer authorized to take hedging decisions individually.

Overall measurement of market risk is based on the regulatory framework. Capital market activities are monitored in accordance with procedures that are formally recorded and independent in terms of organization and control.

The management of operational risk is performed and controlled in accordance with group procedures, coordinated by dedicated units. In particular, the security of the information systems and the putting in place of business continuity plans form part of the work carried out in this area. Operational risk is dealt with in detail in the Basel II project (see above).

Risk oversight

This is carried out by dedicated, independent teams, which have at their disposal tools designed on the one hand to provide a comprehensive aggregate overview of commitments, and on the other to carry out ongoing monitoring of risk, notably by means of an advance detection system for anomalies, monitoring of compliance with limits as well as changes in internal ratings.

... Internal control procedures

Information for assessing trends in credit, market, ALM and operational risks is provided regularly to the management bodies and other responsible persons concerned. The risk department carries out general management with regard to the regulatory capital consumed by each activity by reference to the risks incurred and the return obtained.

Accounting data and control at CIC and group levels

CM11-CIC's finance department, which is responsible for producing and validating the financial statements, is organized into two functional sections - networks and specialized businesses. The latter deals with financial accounting and consolidation, as well as accounting controls.
The information used for financial reporting is produced and validated by this department before being presented to the audit and accounts committee.

Controls on the bank's financial statements

Accounting system

Accounting architecture
This is based on an IT platform shared throughout 15 Crédit Mutuel federations and CIC's regional banks, and includes accounting and regulatory functions, in particular for:
- the chart of accounts, the structure of which is identical for all institutions of the same type managed through this platform;
- defining the automated templates and procedures shared by all the banks (means of payment, deposits and credits, day-to-day transactions, etc.);
- reporting tools (SURFI, consolidation software input, etc.) and oversight tools (management control).

Administration of the shared accounting information system is handled by the "accounting procedures and templates" divisions, which form independent units, either within the "network" finance department or the "specialized businesses" finance department.
More specifically, the latter are responsible for:
- managing the shared chart of accounts (creating accounts, defining the characteristics of the accounts, etc.);
- drawing up shared accounting procedures and templates, in accordance with tax and regulatory requirements; if necessary, the division concerned consults the tax department, and templates are validated by various operational managers.

The "accounting procedures and templates" divisions do not report to, nor are they linked to, the departments that handle the actual accounting production. As such, the divisions involved in designing and administering the system architecture are separate from the other operational departments.
All accounts within CIC must be allocated to an operational department, which is responsible for maintaining and verifying the accounts. Therefore, an account cannot be "unallocated."
The organization and procedures in place provide assurance of compliance with CRBF (French Banking and Financial Regulations Committee) regulation 97-02 and the existence of an audit trail.

Chart of accounts
This is divided into two broad sections: third-party captions showing payables and receivables for individual third parties, and the general accounting captions.
Dedicated accounts are used for third party deposits and loans, enabling them to be monitored. For custody of negotiable securities, a "materials" accounting system distinguishes between securities owned by third parties and those owned by the bank. The chart of accounts for all the credit institutions using the shared IT platform contains unique identifiers and is managed by the "accounting procedures and templates" divisions.
The chart of accounts defines the following account properties:
- regulatory characteristics (link to the official chart of accounts of credit institutions (PCEC), link to the item in the publishable financial statements, etc.);
- certain tax aspects (VAT position, etc.);
- management characteristics (mandatory or not, link to the consolidated chart of accounts, length of time online transactions are stored, presence at headquarters/branch, etc.).

Processing tools
The accounting information processing tools rely primarily on internal applications designed by the group's IT divisions. There are also a number of specialized internal and external applications, particularly production software for management reporting and for balances and accounting reports, a file query processing utility, consolidation software, regulatory report processing, property and equipment management and filing of tax declarations.

Procedure for data aggregation
In accordance with the model defined by CM11-CIC, accounting data are aggregated for the following entities:
- the group (e.g. CIC);
- federations made up of one or more banks or other legal entities;
- banks belonging to a federation.

The bank (branches and central departments) is broken down into branches, which represent the basic unit of the accounting system. It is at this level that accounting entries are recorded.

Accounting consistency of management data
Each branch comprises an external branch for recording financial accounting data and an internal one that records cost accounting data. At the individual branch level, the figures used for management accounting purposes are obtained by combining the internal and external data. The group result is obtained by adding together the balances of the branches. Links are established between financial accounting captions and the codes attributed to the products marketed by the bank. Cost accounting data are used to determine the results by business segment that are needed to prepare the consolidated financial statements.

Control methods

Automated controls
A series of automated controls are carried out when accounting records are processed and before transactions are allocated to ensure that records are balanced and valid, and to update the audit trail of the captions affected by the transaction. In-house tools are used to control accounting transactions on a daily basis and to detect any discrepancies.

Closing process controls
At each closing date, financial accounting results are compared with forecast cost accounting data and data from the previous year, for purposes of validation. The forecast cost accounting data are generated by the management accounting department and the budget control department, both of which are independent from the production of financial statements. This analysis particularly concerns:

- interest margins: for interest-rate instruments, including deposits, loans and off-balance-sheet transactions, the management accounting department calculates expected yields and costs based on average historical data. These are then compared with the interest rates actually recognized, for validation business segment by business segment;
- commission levels; based on business volume indicators, the management accounting department estimates the volume of commissions received and payable, compared with recognized data;
- overheads (personnel costs and other general operating expenses);
- net additions to provisions for loan losses (level of provisioning and recognized losses).

Procedures put in place
Accounting procedures and templates are documented. For the network, procedures are posted on the bank's intranet.

Levels of control
Daily accounting controls are performed by the appropriate staff within each branch.
The accounting control departments (controls/procedures and "specialized businesses" management accounting) also perform more general responsibilities involving regulatory controls, monitoring supporting evidence for internal and branch accounting data, control of the foreign exchange position, and of net banking income by business segment, accounting procedures and templates with CM11, and the interface between back offices and the statutory auditors for the half-yearly and annual closings.
Furthermore, the control departments (periodic, permanent, compliance) also perform accounting work. A dedicated accounting control portal has been put in place, and is in the process of being extended throughout the group.

Performing controls

Automated accounting controls
An automated daily control procedure based on the bank's daily balance allows the verification of balance sheet and off-balance sheet positions, asset/liability balances by branch and by currency, and the monitoring of technical accounts. This procedure is also applied to the general ledger at the end of each month.

Evidencing the accounts
All balance sheet accounts are evidenced either by means of an automated control or by the department responsible for them. Reports by department evidencing accounts contain the results of checks carried out.

... Internal control procedures

Controls on the consolidated financial statements

Accounting principles and methods

Adapting to regulatory developments
The system is periodically updated in line with regulatory developments (IFRS) or to improve the reliability of financial statement preparation.

IFRS compliance
IFRS accounting principles have been applied in group entities since January 1, 2005. The consolidated financial statements include a summary of them.
CIC and CM11 jointly define the French (CNC) and international (IFRS) accounting principles and methods to be applied by all group entities in their company-only financial statements. Foreign subsidiaries use this information to restate their local accounts in accordance with French and international accounting standards in their consolidation packages and for financial reporting purposes. The accounting principles used to consolidate the accounts conform to those of the Crédit Mutuel group.
The accounting managers of the various CM11-CIC entities meet twice a year to prepare the half-yearly and annual closings.
Individual company financial statements in accordance with IFRS are prepared for the relevant entities in the central IT system, using the same organization and team as for those drawn up in accordance with French (CNC) standards.

Reporting and consolidation

Consolidation process
The group uses a consolidation chart of accounts. Within the shared information system, each caption in the chart of accounts is linked to the consolidation chart of accounts, in an identical way for all companies using the shared chart.
The consolidated accounts are prepared in accordance with a timetable distributed to all the subsidiaries and the statutory auditors, which includes, where applicable, changes in procedures and standards to be incorporated. Each consolidated subsidiary has one person in charge of its closing process and another in charge of reporting intercompany transactions between fully consolidated companies.
In accordance with their professional standards, the statutory auditors for the consolidation also give the statutory auditors of the consolidated companies instructions aimed at ensuring that the subsidiary complies with the various rules.
A dedicated software package, one of the main standard tools on the market, is used to consolidate the accounts. Data input (consolidation packages) is partially automated, using an interface developed on the accounting information system. This system makes it possible to automatically retrieve balances and ensure that company-only and consolidated data are consistent.

Reporting and data control
Companies cannot submit their consolidation package before a number of consistency checks that are programmed into the input software have been carried out. These control checks (currently more than 600), established by the consolidation departments, cover a large number of aspects (changes in equity, provisions, fixed assets, cash flows, etc.). "Blocking" controls prevent a package from being transmitted by the subsidiary and can only be overridden by the central consolidation departments.
Consistency checks against company-only data are also performed by the consolidation department upon receipt of the consolidation packages (level of results, intermediate balances, etc.).
Finally, systematic reconciliation statements between company-only and consolidated data are generated for equity and earnings. This process, which ensures consistency in the transition between the statutory and consolidated series, is carried out without using the consolidation software, thus leading to validation of the consolidated data.

Analysis of accounting and financial information

The consolidated financial statements are analyzed in relation to the previous year, to the budget and to quarterly accounting and financial reporting. Each analysis covers a specific area, such as provisions for loan losses, trend in outstanding loans and deposits, etc. Observed trends are corroborated by the departments concerned, such as the lending and management control divisions of the various entities. Each entity's contribution to the consolidated financial statements is also analyzed.
Each time a closing involves the publication of financial data, this information is presented to CIC's general management and board of directors by the finance department, which explains the breakdown of income, the balance sheet position and CIC's current business situation, including the reconciliation of non-accounting data (rates, average capital, etc.).
The accounting work gives rise to a regular presentation to the group audit and accounts committee.

Conclusion

Drawing on common methods and tools, CIC's internal control and risk oversight mechanism fits into CM11-CIC's system of controls, forming a coherent whole, appropriately adapted to the group's different activities in France and internationally. It meets banking and finance regulatory requirements and conforms to the operational principles established by the group. It is our ongoing objective to consolidate and further improve efficiency.

Michel Lucas
Chairman of the board of directors

Statutory Auditors' report,

pursuant to Article L.225-235 of the French Commercial Code on the report of the chairman of the board of directors of CIC

Year ended December 31, 2013

To the stockholders,

In our capacity as Statutory Auditors of the company CIC, and in accordance with Article L.225-235 of the French Commercial Code, we hereby report to you on the report prepared by CIC's chairman in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2013.
It is the chairman's responsibility to submit to the board of directors for its approval a report on the internal control and risk management procedures implemented by CIC and containing the other information required under Article L.225-37 of the French Commercial Code, relating in particular to corporate governance procedures.
It is our responsibility:
- to report to you on the information set out in the chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and;
- to certify that the report contains the other information required under Article L.225-37 of the French Commercial Code. It is not our responsibility to verify the fairness of this other information.

We performed our procedures in accordance with French professional standards.

Information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information

These standards require that we perform procedures to assess the fairness of the information set out in the chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information.

These procedures mainly consist of:
- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the chairman's report is based, as well as of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in internal control relating to the preparation and processing of financial and accounting information that we may have identified during the course of our work are properly described in the chairman's report.

On the basis of our work, we have no matters to report as to the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information contained in the chairman of the board of directors' report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We certify that the chairman's report contains the other information required under Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, April 23, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit
Agnès Hussherr

Ernst & Young et Autres
Olivier Durand

Statutory Auditors' special report on regulated agreements and third party commitments

General meeting of stockholders called to approve the financial statements for the year ended December 31, 2013

To the stockholders,

In our capacity as Statutory Auditors of CIC, we hereby report to you on regulated agreements and third party commitments.
It is our responsibility to report to you, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we identified during the audit, without commenting on their relevance or substance or seeking to identify any other agreements and commitments. In accordance with the provisions of Article R.225-31 of the French Commercial Code, it is for you to determine whether these agreements and commitments are appropriate and should be approved.

Furthermore, it is our responsibility, if applicable, to provide you with the information provided for in Article R.225-31 of the French Commercial Code relating to the execution, during the year under review, of agreements and commitments already approved by the Stockholders' meeting.
We carried out the work we considered necessary in view of the professional standards of the French Statutory Auditors' Association *(Compagnie Nationale des Commissaires aux Comptes)* relating to this assignment. This included performing procedures to verify that the information given to us agreed with the underlying documents.

... Statutory Auditors' special report on regulated agreements and third party commitments

Agreements and commitments submitted to the general meeting of stockholders for approval

Agreements and commitments authorized during the year ended December 31, 2013

Pursuant to Article L.225-40 of the French Commercial Code, we have been informed of the following agreements and commitments already authorized by the company's board of directors.

Agreement between Banque de Luxembourg and CIC relating to a portfolio of CLO/CDO investment securities

Person concerned: Michel Lucas, Chairman-CEO of CIC.
In its meeting of July 31, 2013, the board of directors authorized the signing of an agreement with Banque de Luxembourg, under the terms of which CIC guarantees a portfolio of CLO/CDO investment securities of Banque de Luxembourg.
This guarantee is capped at €500 million, and has a maturity date of no later than December 31, 2030 and a fee of 0.20% per annum on the amount of assets guaranteed and corresponding to the sum of the reference prices of said portfolio securities (summarized in an annex to the agreement and updated in the manner prescribed therein). On the date of signing of the agreement this commitment amounted to €210 million. It was signed on June 17, 2013, by general management in the person of Alain Fradin. In an amendment dated November 25, 2013, this commitment was increased to €371.9 million.
In 2013, this agreement generated revenue of €260.49 thousand for CIC.

Agreements and commitments already approved by the general meeting of stockholders

Agreements and commitments approved during previous years

Pursuant to Article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, already approved by the general meeting of stockholders in previous years, continued to be executed during the year ended December 31, 2013.

1. Agreement on the concentration of the refinancing of Caisse de refinancement de l'habitat (CRH) with Banque Fédérative du Crédit Mutuel

Persons concerned: Michel Lucas, Chairman-CEO of CIC, Alain Fradin, Chief operating officer of CIC, Jean-Louis Girodot Director of CIC, Daniel Leroyer, Director of CIC, and Jacques Humbert, permanent representative of BFCM.
CIC decided to have BFCM handle the refinancing granted by CRH.
With this in mind, in its August 29, 2007 meeting, CIC's supervisory board authorized the executive board to:

- authorize BFCM to act on behalf of CIC in its dealings with CRH;
- grant BFCM, through CIC, a guarantee in favor of CRH based on its mortgage loan portfolio;
- sell to BFCM, CIC's 891,346 CRH shares, which carried 1,005 voting rights, for a total of €14.1 million.

In 2013, this guarantee agreement generated revenue for CIC of €2.35 million on guaranteed outstandings of €1,293.89 million.

2. Interest-free stockholder's current account advance agreement between CIC and wholly-owned subsidiary CIC Sud Ouest (formerly CIC Société Bordelaise) for €100 million

In its December 13, 2007 meeting, CIC's supervisory board authorized the signing of an interest-free stockholder's current account advance agreement between CIC and CIC Sud Ouest (formerly CIC Société Bordelaise) for an amount of €100 million, to strengthen CIC Sud Ouest's working capital, which had become negative due to investments made to expand its network.

3. Guarantee issued by CIC to Euroclear in respect of the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with Euroclear

Person concerned: Michel Lucas, Chairman-CEO of CIC.
Cigogne Fund is a Luxembourg-based hedge fund. Banque de Luxembourg, in its capacity as custodian and administrator of Cigogne Fund, opened an account with Euroclear Bank.
In its meeting of December 14, 2006, CIC's supervisory board authorized the signing of an agreement with Euroclear with a view to:

- opening a credit line for USD1 billion in favor of Cigogne Fund;
- granting a guarantee to Euroclear for the same amount, for the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with this sub-custodian.

This agreement had no effect on CIC's income statement for 2013.

4. Agreement guaranteeing customer deposits given to Banque de Luxembourg (in respect of the second guarantee)

Person concerned: Michel Lucas, Chairman-CEO of CIC.
In its meeting of December 15, 2011, the board of directors authorized the signing of a new agreement with Banque de Luxembourg whereby a joint and several guarantee was granted to customers of Banque de Luxembourg guaranteeing that their deposits would be returned, with an overall cap of €4 billion, and a fee set at 0.02% of the amount covered by the guarantee.
For the granting of each individual guarantee, CIC authorized Banque de Luxembourg to sign all deeds of joint and several guarantee in favor of its customers and on behalf of CIC, in order to guarantee the return of their deposits in cash. Banque de Luxembourg will report to CIC on the guarantees issued and their amounts as and when they are issued.
This agreement was entered into until November 30, 2014 and is renewable by an express decision of CIC.
This agreement had no effect on CIC's income statement for 2013.

5. Agreement guaranteeing customer deposits given to the CIC wholly-owned subsidiary Banque CIC Suisse

The board of directors, in its meeting of December 15, 2011 decided, for the same reasons as those set out above in the case of Banque de Luxembourg, to cover certain customers of Banque CIC Suisse with a joint and several guarantee under French law, issued by CIC. This guarantee is for a maximum amount of CHF 1 billion, with a fee set at 0.02% of guaranteed outstandings, until November 30, 2014.
In 2013, this agreement generated revenue of €19.11 thousand for CIC.

6. Rider to the investment portfolio guarantee agreement granted to Banque de Luxembourg

Person concerned: Michel Lucas, Chairman-CEO of CIC.
In previous years, Banque de Luxembourg created an investment portfolio of approximately €11 billion, of which a large part consists of securities issued by OECD member states. In the context of the banking crisis, Banque de Luxembourg wished to protect itself against the risk of default by issuers or guarantors of the securities in this portfolio due to the consequences this would have for it in Luxembourg and the behavior of its customers. Accordingly, it asked CIC, in its capacity as parent company, to guarantee these securities against such risk of default.
The supervisory board, in its meeting of December 11, 2008 authorized the signing of this guarantee agreement. The base for the original guarantee is the portfolio of investment securities held by the bank as at September 30, 2008, excluding government securities, for an amount of €6.7 billion (nominal value). Banque de Luxembourg pays CIC an annual fee of 0.40% of the amount of assets guaranteed.
The original agreement has a term of five years and the financial features thereof may be adjusted every year. After this period, it may be renewed by tacit agreement every year, unless it is terminated by giving three months' notice.
The supervisory board, in its meeting of December 9, 2010, authorized the signing of a rider to the agreement aimed at changing the types of securities covered by the guarantee, its term, and the fee, as follows:

- the guarantee was extended to securities issued or guaranteed by sovereign issuers, and a portfolio of securities listed in Appendix 4 to the rider;
- an annual "first loss" exemption of €50 million which would apply to the initial losses in the event of default. This would not apply to the portfolio of securities listed in Appendix 4 to the rider;
- a fee of 0.10% instead of 0.40% due to the aforementioned exemption;
- a maturity date of no later than December 31, 2024 or the date as from which there are no longer any securities in the portfolio.

In 2013, this agreement generated revenue of €7.92 million for CIC.

Neuilly-sur-Seine and Paris La Défense, April 23, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Agnès Hussherr	Olivier Durand

FINANCIAL INFORMATION

Consolidated financial statements

Executive board's management report

A year of turning points

While the sovereign debt issue was the main focus of attention in 2012, 2013 saw a significant upturn in business and household confidence and an improvement in the major developed countries, particularly in the EU, where economic conditions finally stopped deteriorating.
Central banks continued to pull out all the stops to support this recovery, including, at the monetary level, further easing in the eurozone and full monetary shock therapy in Japan. In the United States, by contrast, where private consumption continued to fuel solid growth momentum, the Federal Reserve was able to start scaling back its economic stimulus. This improvement resulted in significant repatriation of cash flows to Europe and the United States. This had a severe impact on emerging countries, which were the major losers from international arbitrage.

Europe: light at the end of the tunnel

Structural changes undertaken by governments along with a softening of the European Commission's fiscal austerity requirements boosted investor confidence and supported the rebound in economic activity. The ECB, which chose to remain extremely accommodative while offering reassurance on its capacity to intervene if necessary, also played a key role. Despite a number of political crises in Italy, Spain and Portugal, and a high level of uncertainty related to the restructuring of Cypriot banks in the early months of the year, growth turned positive from the second quarter and forecasts confirm that we have passed the bottom of the cycle.
This more favorable environment led to lower refinancing costs for the most troubled countries, enabling Ireland in particular to become the first member of the eurozone to exit the financial aid program provided by the "troika" of lenders (the ECB, the European Commission and the IMF). At the same time, the European partners moved ahead with plans for a banking union, the first stages of which should materialize in 2014. This should help break the link between banking and sovereign risks by strengthening the financial sector and should bolster the supply of credit, which is becoming increasingly scarce.
Nevertheless, the recovery will remain modest owing to deleveraging in the private and public spheres which is set to continue in the coming quarters. Furthermore, deep disparities are emerging: while Germany continues to power the recovery and remains on an upward trend, France is struggling to find new drivers of growth. French PMI leading indicators once again pointed down at the end of the year, and industrial production and exports remain in the doldrums. However, reforms continued, including a law on banking regulation in the middle of the year, which as well as segregating the more dangerous trading activities in autonomous subsidiaries, provides for enhanced consumer protection.

United States: the monetary policy saga

Consumption benefited from several favorable factors, including a steady increase in disposable income, a wealth effect from rising real estate prices and financial markets, and a slow improvement in employment.
That said, the US economy has had to absorb an unprecedented period of fiscal austerity, and, from mid-2013 onwards, a sharp rise in sovereign yields. Moreover, serious political deadlocks, resulting in the temporary shutdown of some federal agencies, encouraged companies to hold back on capital expenditure. After blowing hot and cold throughout the second half of the year, the Fed finally decided in December to rein in monetary easing. The program of monthly bond purchases was reduced from $85 to $75 billion and is now expected to end in 2014.

Japan: monetary shock therapy

2013 also saw a radical shift in Japan's strategy. The new prime minister, Shinzo Abe, implemented a three-pronged set of measures of unprecedented magnitude centered on a program of structural reforms and fiscal and monetary stimulus. The project is highly ambitious because the entire program relies on a gradual adjustment of the behavior of private economic agents, particularly the increased integration of women and foreigners in the workforce and greater redistribution of corporate profits through higher wages. However, such changes take time and the results, which are initially mixed, are likely to prove disappointing in the end. This will force the central bank to further accelerate the pace of monetary easing in 2014 and will hurt the Japanese currency.

Emerging countries: growth slips a level

Weakness in developed countries and central bank hyperactivity previously caused investors to turn en masse to the emerging countries. However, 2013 saw large-scale disinvestment due to uncertainty over the future of liquidity conditions in the United States. These movements led to a substantial drop in local currencies, forcing the authorities to raise interest rates to stem the outflow of capital and tackle rising inflation. This tightening cycle took a heavy toll on the economy in 2013 and will continue to have an impact in the medium term.
China remains a special case owing to the capital controls it has established over its borders. However, 2013 was pivotal for China too, as a new leadership took office and developed its policy of structural change. In particular, the government is committed to stricter financial regulation and greater transparency of financial institutions in order to contain the housing bubble and gain control over shadow banking. Another central objective of reform of the model is to reduce the amount of borrowing incurred by local authorities, which have taken advantage of cheap finance to carry out large-scale investment projects, with generally dwindling returns, in order to artificially support growth. Tackling these imbalances reduces the potential for a rebound in GDP, which is likely to slow gradually while remaining above 7%.

Business performance and results

Accounting principles

Pursuant to regulation (EC) 1606/2002 on the application of international accounting standards and regulation (EC) 1126/2008 on the adoption of said standards, the consolidated financial statements for the year ended December 31, 2013 have been drawn up in accordance with IFRS as adopted by the European Union (EU) at December 31, 2013. This IFRS framework includes IAS 1 to 41, IFRS 1 to 8 and any SIC and IFRIC interpretations adopted at that date. Standards not adopted by the EU have not been applied. The financial statements are presented in accordance with ANC recommendation 2013-04.

... Executive board's management report

All IAS and IFRS were updated on November 3, 2008 by regulation 1126/2008, which replaced regulation 1725/2003. The entire framework of standards is available on the European Commission's website at:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm
The disclosures relating to risk management required by IFRS 7 are set out in a separate section of the consolidated financial statements.

Changes in consolidation scope

The changes during the year were:
- CM-CIC Proximité was newly-consolidated;
- CM-CIC Gestion and Alternative Gestion SA were removed from the consolidation scope;
- Valeroso Management Ltd was dissolved;
- Dubly-Douilhet changed its name to Dubly-Douilhet Gestion.

Analysis of the consolidated statement of financial position

The main changes in the consolidated statement of financial position items were as follows:
- customer loans (excluding repurchase agreements (repos)), including lease financing, amounted to €136.8 billion at December 31, 2013, which represented an increase of 2.9% compared with the previous year end and included rises in respect of capital equipment loans (5.4%) and housing loans (3.7%);
- customer deposits (excluding repurchase agreements (repos)) increased by 4.3% to €112.8 billion, driven by increases in current accounts (10.7%) and home savings plans and accounts (5.2%);
- the "loans/deposits" ratio, i.e. total net loans expressed as a percentage of bank deposits, improved significantly to 121.2% at December 31, 2013 compared with 122.9% one year earlier;
- customer funds invested in savings products[1] rose 3.9% to €231.1 billion;
- total equity and reserves attributable to equity holders of the company rose to €11,130 million (compared with €10,362 million at December 31, 2012) and the resulting Tier 1 capital totaled €10,813 million. The Tier 1 and Core Tier 1 capital adequacy ratios were 11.9% and 11.6% respectively after repayment of super-subordinated securities totaling €500 million.

The European regulation on prudential requirements came into force on January 1, 2014. If these requirements were applied, and no account was taken of the transitional measures, the Common Equity Tier 1 (CET1) capital adequacy ratio would be 10.2% and the leverage ratio 4.0%.

Analysis of the consolidated income statement

The rise in net banking income, to €4,466 million in 2013 from €4,260 million in 2012, was due to the increase in the interest margin and in net fee and commission income received. It was driven mainly by the retail banking segment, which benefitted from, among other things, the reduction in the cost of funds.
General operating expenses fell by 1.9% to €2,888 million.
In 2013, CIC benefitted in particular from the Tax Credit for Competitiveness and Employment *(Crédit d'impôt pour la compétitivité et l'emploi - CICE)* and a reduction in the systemic tax.

(1) Amount outstanding at month end including financial securities issued.

Net additions to/reversals from provisions for loan losses totaled €367 million in the year ended December 31, 2013 compared with €356 million (€324 million after restatement for the impact of the sale on the open market of the Greek sovereign securities eligible for the private sector involvement plan) in the year ended December 31, 2012.
The net provisioning for known risks in relation to outstanding loans rose from 0.20% to 0.22% and the overall non-performing loans provisioning ratio was 51.5% at December 31, 2013.
Net income rose to €851 million in 2013 compared with €722 million in 2012.

Ratings*

On July 17, 2013, Fitch Ratings revised downwards CIC's short-term rating from F1+ to F1 following the downgrading of the French government's long-term rating on July 12, 2013.
The short-term ratings given by Standard & Poor's and Moody's remained unchanged in 2013.
The ratings agencies Moody's and Fitch Ratings confirmed CIC's long-term rating whilst Standard & Poor's reduced it a notch due to the outlook and economic environment in France.

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

* Press releases issued by Moody's on July 24, 2013 (Credit Opinion), by Fitch on July 26, 2013 and by Standard & Poor's on June 20, 2013.

Business performance

Description of business segments

CIC's business segments reflect its organizational structure (see chart on page 8).
Retail banking, CIC's core business, comprises all the banking and specialized activities whose products are marketed by the regional banking network, organized around five regional segments, and the CIC network in the Greater Paris region: life insurance and property-casualty insurance, equipment operating and finance leasing, real estate leasing, factoring, fund management, employee savings plan management and real estate.
Financing encompasses credit facilities for large corporates and institutional customers, and specialized financing (export financing, and project and asset financing) as well as international operations and foreign branches.
Capital markets activities comprise investments in activities involving fixed income instruments, equities and loans ("ITAC") as well as brokerage services.
Private banking offers a broad range of finance and private asset management expertise to entrepreneurs and private investors, both in France and abroad.
Private equity includes equity investments, M&A advisory and financial and capital markets engineering.
The holding company services segment includes all activities that cannot be attributed to one of the other business segments.

Results by business segment

Retail banking

(in € millions)	2013	2012	Change 2013/2012
Net banking income	3,330	3,083	8.0%
Operating income before provisions	1,128	838	34.6%
Income before tax	918	743	23.6%
Net income attributable to owners of the company	604	518	16.6%

Retail banking further improved the quality of its network, which comprises 2,067 branches, including 15 set up in 2013.
Its outstandings increased as follows:
- lending increased by 3.5% to €116 billion (including increases of 5.4% for capital equipment loans and 3.3% for home loans);
- deposits grew by 3.9% to €87 billion due to an increase in current accounts in credit and home savings plans and accounts.

Its net banking income increased by 8% to €3,330 million for the year ended December 31, 2013 compared with €3,083 million in 2012. Net fee and commission income received, which was up by 7%, accounted for 42% of net banking income.
General operating expenses decreased from €2,245 million in 2012 to €2,202 million in 2013. The cost/income ratio was 66.1% compared with 72.8% at the end of 2012.
Net additions to/reversals from provisions for loan losses totaled €312 million compared with €201 million in 2012, with provisioning increasing in the case of both known risks (up €69 million) and unidentified risks (up €42 million).
The increase in the actual net provisioning for known risks was due mainly to the difficulties experienced by companies in the difficult economic climate.
The resulting income before tax came to €918 million compared with €743 million one year earlier.

Banking network

In 2013, expansion of the network resulted, in particular, in:
- the number of the banking network's customers increasing by 120,573 to a total of 4,688,233 (+2.6%);
- increased momentum in the property and casualty insurance business (number of policies in issue up 5.5% to 3,171,761 excluding individual memberships);
- expansion in services businesses (remote banking up 6.3% to 1,718,814 contracts, telephony services up 13.5% to 344,071 contracts, electronic surveillance up 12.1% to 77,966 contracts and electronic payment terminals up 7.2% to 113,568 contracts).

For the year ended December 31, 2013, net banking income for the banking network came to €3,111 million compared with €2,897 million in 2012 with a similar increase in the margin and net fee and commission income received, the latter accounting for more than 45% of net banking income.
General operating expenses decreased from €2,113 million in 2012 to €2,066 million in 2013.
Net additions to/reversals from provisions for loan losses rose by €109 million to €304 million.
As a result, income before tax came to €743 million compared with €595 million the previous year.

Retail banking's specialized products and services

These activities generated net banking income of €219 million compared with €186 million in 2012 – driven mainly by equipment leasing activities – and income before tax of €175 million (€148 million in 2012).

Financing

(in € millions)	2013	2012	Change 2013/2012
Net banking income	278	282	-1.4%
Operating income before provisions	193	194	-0.5%
Income before tax	155	130	19.2%
Net income attributable to owners of the company	104	105	-1.0%

In a difficult economic climate, net banking income remained at the satisfactory level of €278 million compared with €282 million in 2012.
Net additions to/reversals from provisions for loan losses decreased from €64 million in 2012 to €38 million in 2013.
Income before tax rose to €155 million (€130 million in 2012).
Loans managed by this business line totaled €11.1 billion (- 6%) and deposits managed totaled €8.7 billion (+ 56%).

... Executive board's management report

Capital markets activities

(in € millions)	2013	2012	Change 2013/2012
Net banking income	473	555	-14.8%
Operating income before provisions	307	377	-18.6%
Income before tax	300	351	-14.5%
Net income attributable to owners of the company	185	204	-9.3%

Net banking income for the capital markets activities totaled €473 million in 2013 compared with €555 million in 2012. General operating expenses and net additions to/reversals from provisions for loan losses fell by 6.7% and 73.2% respectively. Income before tax came to €300 million compared with €351 million in 2012.

Private banking

(in € millions)	2013	2012	Change 2013/2012
Net banking income	444	464	-4.3%
Operating income before provisions	115	130	-11.5%
Income before tax	109	106	2.8%
Net income attributable to owners of the company	71	62	14.5%

In 2013, this business line managed deposits of €15.8 billion and loans of €8.6 billion. Savings under management and held in custody totaled €71.9 billion.
Net banking income decreased slightly from €464 million in 2012 to €444 million in 2013. As a result of the combined effect of the effective control of general operating expenses and a €22 million reduction in net additions to/reversals from provisions for loan losses, income before tax rose to €109 million compared with €106 million in 2012.

Private equity

(in € millions)	2013	2012	Change 2013/2012
Net banking income	119	100	19.0%
Operating income before provisions	85	66	28.8%
Income before tax	85	66	28.8%
Net income attributable to owners of the company	86	67	28.4%

The total amount invested stood at €1.7 billion, including €200 million invested in 2013.
The portfolio comprises 469 investments.
Net banking income rose from €100 million in 2012 to €119 million in 2013 and income before tax rose from €66 million to €85 million.

Headquarters and holding company services

(in € millions)	2013	2012	Change 2013/2012
Net banking income	(178)	(224)	N/A
Operating income before provisions	(250)	(289)	N/A
Income before tax	(287)	(374)	N/A
Net income attributable to owners of the company	(205)	(258)	N/A

Net banking expense for 2013 included mainly:
- financing of working capital and the cost of subordinated notes (€113 million in 2013 compared with €171 million in 2012);
- financing of the network expansion plan (€86 million in 2013 compared with €82 million in 2012);
- net gains on investments in non-consolidated companies of €10 million in 2013 compared with net losses of €6 million in 2012.

In 2012, a reversal had been recognized in respect of a €21 million expense booked in respect of the fine paid by CIC for inter-bank commissions on checks and refunded by the French antitrust authorities *(Autorité de la concurrence)*.
General operating expenses rose from €65 million in 2012 to €72 million in 2013.
Net additions to/reversals from provisions for loan losses fell to €3 million compared with €36 million in 2012, which included €34 million relating to Greek sovereign debt.
Income before tax this year comprised a €34 million expense in respect of impairment losses on investments in associates (€49 million in 2012).

Recent developments and outlook

In 2014, CIC is focusing on expanding its commercial activity by offering all its customers products and services tailored to their requirements. Bolstered by cutting-edge technology, it places customer relations – via both actual contact and digital means – at the heart of its strategy. A bank for self-employed professionals and companies, CIC plays an active part in economic developments in the regions. In collaboration with individuals and associations, it gives rise on a day-to-day basis to projects which benefit the community.
By focusing on growth, efficiency and risk control and supported by the professionalism of its employees and its parent company, Crédit Mutuel (now, together with its subsidiaries, a major European group), CIC has developed the resources to meet the challenges of the coming years.

Significant changes

There have been no significant changes in CIC's commercial or financial position since the end of the last financial year for which audited financial statements have been published.

Executive compensation

See "Corporate governance" on page 49.

Variable compensation of professionals forming part of the "regulated population"

See "Corporate governance" on page 51.

Risk management

This section sets out the information required by IFRS 7 regarding risk exposures arising from financial instruments. The figures provided in this section have been audited, except for those specifically marked with an asterisk(*), which have been checked for accuracy and consistency as stipulated in Article L.823-10 of the French Commercial Code, as has the rest of the board of directors' report.
The periodic and permanent control functions and the compliance function provide strict oversight of processes across all business activities.
The controls implemented, the review of the reports and the action plans undertaken are described in the report by the chairman of the board of directors to the stockholders' meeting on pages 55 to 62.
The risk management department consolidates overall risk monitoring and optimizes risk control by measuring the capital allocated to each business and analyzing return on equity.

Credit risk

a - Organization of the lending unit

In accordance with applicable regulations, the lending unit is organized mainly around the two following mechanisms:
- loan origination procedures;
- risk assessment and the monitoring of commitments and management of at-risk items.

The lending unit and exposure management are organized based on a single set of guidelines that prescribes the rules and practices applicable within the group.

Loan origination procedures

Loan origination draws on know-your-customer, risk assessment and credit approval procedures.

Know-your-customer
The close ties that have been formed with the economic environment are the basis for obtaining information about existing and prospective customers. Customer segments have been defined and risk-profiled, which determines the targeting of marketing efforts. A loan file is prepared as evidence to support the credit approval process.

Risk assessment
Risk assessment draws on various analyses performed at different stages in the lending cycle including, in particular:
- customer ratings;
- risk groups;
- the weighting of products in accordance with the type of risk involved and collateral and guarantees pledged.

Employees concerned receive regular refresher training on risk supervision and oversight.

Customer ratings: a single system for the entire group
In accordance with the applicable regulations, the rating is at the heart of the group's credit risk procedures: approval, payment, pricing and monitoring. As such, all approval powers are based on the counterparty's rating. Generally speaking, the lending unit approves the internal ratings of all loan files that it handles.
Rating algorithms and expert models have been developed to improve the group's credit risk assessment and to comply with the regulatory requirements concerning internal rating approaches.
This rating system is common to the entire Crédit Mutuel group.

Confédération Nationale du Crédit Mutuel (CNCM) is responsible for defining the rating methodologies for all portfolios. Nevertheless, the regional entities are directly involved in carrying out and approving working parties' assignments on specific subjects and the work related to data quality and applications acceptance tests.
The group's counterparties that are eligible for internal approaches are rated by a single system.
Models (algorithms or grids) are used to differentiate and correctly classify risk. The assessment scale reflects the manner in which the risk changes and is broken down into nine non-default positions (A+, A-, B+, B-, C+, C-, D+, D- and E+) and three default positions (E-, E= and F).
Monitoring of the rating models focuses on three aspects: stability assessment, performance and additional analyses. CNCM is responsible for this monitoring, which covers each rating model.

Risk groups (counterparties)
Article 3 of CRBF regulation 93-05 states that individuals or legal entities that are related in such a manner that it is likely that if one of them encounters financial problems, the others would also encounter repayment difficulties, are considered as a single beneficiary.
The risk groups are established based on a procedure that incorporates the provisions of the above regulation.

Product and guarantee weightings
When assessing the counterparty risk, a weighting of the nominal commitment may be applied, based on a combination of the loan type and the nature of the guarantee.

Credit approval process
The credit approval process is essentially based on:
- a formalized risk analysis of the counterparty;
- the rating applied to the counterparty or group of counterparties;
- approval levels;
- the principle of dual review;
- rules for setting maximum discretionary lending limits as a function of the lender's capital;
- remuneration adapted to the risk profile and capital consumption.

Management of the decision-making circuit is automated and is conducted in real-time: immediately upon completion of a loan application, the electronic dossier is transmitted to the decision maker at the appropriate level.

Approval levels
The customer relationship manager is responsible for ensuring the completeness, quality and reliability of the information collected. In accordance with Article 19 of CRBF regulation 97-02, he compiles loan files intended to formalize all qualitative and quantitative information on each counterparty. He checks the reliability of the information gathered either with customers or using any external means (sector studies, annual reports, legal information and rating agencies) or internal means at his disposal. Each customer relationship manager is responsible for any decisions he takes or causes to be taken and is endowed with personal approval powers.
For loan files whose amount exceeds the personal approval powers, the decision falls to a credit approval committee whose operating rules are covered by procedures.

Approval powers reflect a range of commitment caps based on:
- the rating;
- the total amount of commitments for a given counterparty or risk group, weighted where relevant depending on the type of loan concerned or the eligible guarantees;
- any specific exclusions.

Role of the lending unit
Each regional bank has a lending team that reports to the bank's executive management and is independent of the operational departments. It has two key roles and is therefore split into two independent teams, whose responsibilities are as follows:
- one team is responsible for checking that the loan origination decisions are appropriate based on the dual review principle while verifying that the expected return is commensurate with the risk taken;
- the other team is responsible for prudential oversight and credit risk assessment arrangements, and also performs permanent controls.

Risk assessment, commitment monitoring procedures and management of at-risk items

In accordance with the prevailing regulations, commitments are monitored by national and regional entities.

Risk measurement
To measure risk, CIC uses an array of tools that provide an aggregated, static and dynamic view of:
- the exposure to a given counterparty or group of counterparties;
- new and existing loans, based on elements adapted to suit the business lines concerned (rating, market, lending products, business segments, remuneration, etc.).

Each commercial entity has information systems and is therefore able to check compliance on a daily basis with the limits assigned to each of its counterparties.

Commitment monitoring
Together with other interested parties, the lending unit contributes to the quarterly, formalized monitoring of the quality of the credit risk of each business line.
The lending unit's monitoring mechanism operates, independently from the loan origination process, in addition to and in coordination with the actions taken mainly by first-level control, permanent control and the risk department. The objective is to identify as early as possible at-risk situations using specific criteria for each customer segment, either through software applications or through the relevant operations and commitments managers.
The "major risks" limits, determined based on either the bank's capital under CRBF regulation 93-05 in the case of regulatory limits, or capital and internal counterparty ratings in the case of corporate limits, are monitored in accordance with the methods (including those covering frequency) defined in the procedures specific to this area.
Breaches and abnormal movements in accounts are monitored by using advanced risk detection tools (management of debtors/sensitive risks/automatic transfer to the out-of-court collections unit, etc.), based on both external and internal criteria, in particular ratings and account histories. These criteria are used to flag loans for special handling as early as possible. This identification is automated, systematic and exhaustive.

Permanent controls on commitments

The network permanent control function, which is independent of the lending function, performs second-level controls on credit risk. Counterparties exhibiting warning signs are reviewed, and entities with multiple negative indicators are identified. The aim of the control is to ensure that appropriate "risk" strategies are applied and suitable remedial action implemented.
This adds an additional layer of security to the credit risk management mechanism.

Management of at-risk items

A unified definition of default in accordance with Basel and accounting requirements

A unified definition of default has been adopted for the entire Crédit Mutuel group. Based on the principle of aligning prudential information with accounting information (CRC 2002-03), this is reflected in the matching of the Basel concept of loans in default and the accounting concept of non-performing loans and loans in litigation. Information systems take into account contagion, thereby enabling the downgrading to be extended to the related outstandings.

Identification of at-risk items

The process involves identifying all receivables to be placed on credit watch and then allocating them to the category corresponding to their situation: sensitive (not downgraded to non-performing), non-performing or in litigation.
All receivables are subject to an automated monthly identification process using internal and external indicators that have been parameterized in the information system. Downgrading, in accordance with the prevailing regulatory criteria, is carried out automatically.

Transfer to non-performing, provisioning and reclassification as performing

Adjustments associated with the transfer to non-performing, provisioning and the reclassification as performing comply with the prevailing prudential rules and are processed automatically monthly, which ensures the process is exhaustive.

Management of customers downgraded to non-performing or in litigation

The manner in which the counterparties concerned are managed depends on the severity of the situation: at the branch by the customer relationship manager or by specific, specialized staff, by market, counterparty type or collection method.

b - Quantified data

2013 was characterized by an increase in customer lending and by net additions to/reversals from provisions for loan losses remaining stable and at a level comparable to that of 2012.

Accounting data

At €166.4 billion, total gross exposures were slightly lower (-0.23%) than at the end of 2012. Customer loans totaled €139.1 billion, up 3.1% on 2012 and loans to credit institutions were 14.5% lower.

Loans and receivables

(in € millions) (year-end principal balances)	2013	2012
Loans and receivables		
Credit institutions	27,315	31,949
Customers	139,112	134,865
GROSS EXPOSURE	**166,427**	**166,814**
Impairment provisions		
Credit institutions	(4)	(280)
Customers	(2,803)	(2,770)
NET EXPOSURE	**163,620**	**163,764**

Medium and long-term loans increased by 4.8% whereas short-term loans fell by 4%.

Customer loans

(in € millions) (year-end principal balances)	2013	2012
SHORT-TERM LOANS	**25,602**	**26,683**
Current accounts – debit	5,133	5,505
Commercial loans	4,257	3,879
Treasury facilities	15,710	16,826
Export credits	502	473
MEDIUM- AND LONG-TERM LOANS	**107,830**	**102,858**
Capital asset financing	28,049	26,622
Home loans	64,618	62,294
Finance leases	8,854	8,397
Other	6,309	5,545
TOTAL GROSS CUSTOMER LOANS	**133,432**	**129,541**
Non-performing loans and loans in litigation	5,441	5,075
Accrued income	239	249
TOTAL CUSTOMER LOANS	**139,112**	**134,865**

Commitments given

(in € millions) (year-end principal balances)	2013	2012
Financing commitments given		
Credit institutions	642	893
Customers	25,836	23,510
Guarantee commitments given		
Credit institutions	1,491	1,274
Customers	12,694	11,580
PROVISION FOR RISKS ON COMMITMENTS GIVEN	**94**	**101**

... Risk management

Focus on home loans

Home loan outstandings grew by 3.8% in 2013 and represented 48.4% of total gross customer loans. Given their nature, home loan outstandings are split amongst a very large number of customers and are backed by real estate collateral or first-rate guarantees covering 87% of their value.

(in € millions) (year-end principal balances)	2013	2012
Home loans	64,618	62,294
Of which with Crédit Logement guarantee	*23,910*	*22,404*
Of which with a mortgage or similar highly-rated guarantee	*32,468*	*33,658*
Of which with other guarantees[1]	*8,240*	*6,232*

(1) Junior mortgages, pledges, etc.

Loan book quality

The loan book is of high quality.
Based on the group's nine internal credit ratings (excluding default ratings), customers rated in the top eight categories represented 97.5% of loans and receivables due from customers.

Breakdown of performing customer loans by internal rating

	2013	2012
A+ and A-	33.74%	29.60%
B+ and B-	31.96%	33.73%
C+ and C-	21.95%	23.54%
D+ and D-	9.89%	10.50%
E+	2.46%	2.63%

Concentration risk/Exposure by segment

These two items are dealt with in the section entitled "Information on Basel II Pillar 3".

Major risks

Companies

(in € millions)	2013	2012
Commitments in excess of €300m		
Number of counterparty groups	27	24
Total commitments	15,200	13,687
Of which, on statement of financial position	*4,680*	*4,256*
Of which, off-statement of financial position (guarantee and financing commitments)	*10,519*	*9,431*
Commitments in excess of €100m		
Number of counterparty groups	85	89
Total commitments	24,841	24,103
Of which, on statement of financial position	*9,826*	*9,040*
Of which, off-statement of financial position (guarantee and financing commitments)	*15,015*	*15,063*

Banks

(in € millions)	2013	2012
Commitments in excess of €300m		
Number of counterparty groups	5	7
Total commitments	2,205	3,330
Of which, on statement of financial position	*1,403*	*2,850*
Of which, off-statement of financial position (guarantee and financing commitments)	*802*	*480*

Sovereign risks

Sovereign risks are detailed in note 7b to the consolidated financial statements.

At-risk items and net additions to/reversals from provisions for loan losses

Non-performing loans and loans in litigation totaled €5,441 million at December 31, 2013, compared with €5,075 million at December 31, 2012, an increase of 7.2%.
They remained nevertheless stable in proportion to outstanding customer loans, of which they represented 3.9%, (3.8% at the end of 2012).
At December 31, 2013, actual net provisioning for known risks rose slightly to 0.22% of gross outstanding loans compared with 0.20% at December 31, 2012.

Quality of risks arising on customer loans and receivables

(in € millions) (year-end principal balances)	2013	2012
Individually-impaired loans and receivables	5,441	5,075
Provision for individual impairment	(2,626)	(2,627)
Provision for collective impairment	(177)	(143)
Coverage ratio	**51.50%**	**54.56%**
Coverage ratio (individual impairment provision only)	**48.25%**	**51.75%**

Analysis of unpaid installments on customer loans that were not classified as non-performing

	≤ 3 months	> 3 months ≤ 6 months	> 6 months ≤ 1 year	> 1 year	Total
2013					
Debt instruments[1]	0	0	0	0	0
Loans and receivables	1,687	18	33	12	1,750
Central governments	0	0	0	0	0
Credit institutions	1	0	0	0	1
Non-financial institutions	6	0	0	0	6
Large corporates	363	2	18	9	392
Retail customers	1,317	16	15	3	1,351
Other assets	0	0	0	0	0
TOTAL	1,687	18	33	12	1,750
2012					
Debt instruments[1]	0	0	0	0	0
Loans and receivables	1,968	17	10	16	2,011
Central governments	1	0	0	0	1
Credit institutions	10	0	0	0	10
Non-financial institutions	0	0	0	0	0
Large corporates	394	1	5	11	411
Retail customers	1,563	16	5	5	1,589
Other assets	0	0	0	0	0
TOTAL	1,968	17	10	16	2,011

(1) Available-for-sale or held-to-maturity securities.

Interbank loans

Interbank loans by geographic area

	2013	2012
France	24.66%	33.59%
Europe excluding France	37.54%	40.68%
Other countries	37.80%	25.74%

The breakdown of interbank loans is based on the country of the parent company.
At the end of 2013, exposures related mainly to banks in France, the United States and Germany. There was a decrease in the proportion of loans located in France and in the rest of Europe (reduction in the volume of exposures), whilst the proportion of loans located in other areas increased significantly (although the volume of loans remained virtually unchanged).

Interbank loans by internal rating

Internal rating	Equivalent external rating	2013	2012
A+	AAA/AA+	0.02%	0.18%
A-	AA/AA-	23.61%	37.02%
B+	A+/A	48.09%	40.36%
B-	A-	11.67%	12.27%
C and below (excluding default ratings)	BBB+ and below	16.60%	10.16%
Not rated		-	-

The structure of CIC's interbank exposures by internal rating changed substantially in 2013.
There was a fall in outstandings rated A- (external equivalent AA/AA-) and B- (external equivalent A-) whilst outstandings rated B+ (external equivalent A+/A) increased. 83% of outstandings were rated in the B or A tranches, (i.e. an equivalent external rating of not less than A-), compared with 90% in 2012. The increase in outstandings rated below B- related mainly to counterparties rated C+ (external equivalent BBB+/BBB).

... Risk management

Debt securities, derivatives and repurchase agreements (repos)

The securities portfolios relate primarily to capital markets activities and to a lesser extent to asset-liability management.

(in € millions) (year-end principal balances)	2013	2012
Debt securities	21,398	25,849
Of which, government securities	*8,218*	*10,491*
Of which, bonds	*13,180*	*15,358*
Derivatives	5,736	2,535
Repurchase agreements (repos) and securities lending	13,643	12,466
GROSS EXPOSURE	**40,777**	**40,850**
Provisions for impairment of securities	**(54)**	**(39)**
Net exposure	**40,723**	**40,811**

Asset-liability management (ALM) risk

Organization

The CM11-CIC group's asset-liability management functions, which were previously organized on a decentralized basis, are being gradually centralized.
The decision-making committees for matters concerning risk and interest rate management are as follows:

- the ALM technical committee, which manages risk in accordance with the risk limits applied within the group. The committee comprises the heads of the business lines concerned (finance department, asset-liability management, refinancing and treasury, risk) and meets at least once every quarter. The following indicators are compiled at consolidated level and by entity: static and dynamic liquidity gaps, static interest rate gaps and the sensitivity of net banking income and of net asset value;
- the ALM monitoring committee, composed of the group's senior executives, which examines changes in asset-liability management risk and approves the risk limits.

Hedging decisions are aimed at maintaining the risk indicators within the limits set for CM11-CIC as a whole and for each of its component entities. The hedges are assigned to the entities concerned, in accordance with their needs.
The various asset-liability management risk indicators are also presented each quarter to the group risk committee.
Asset-liability management:

- its key objectives are to shelter lending margins from the effects of interest and exchange rate fluctuations and to ensure that the bank has sufficient liquidity to meet its obligations and protect it from a liquidity crisis;
- does not operate as a profit center but as a function that serves the bank's profitability and its development strategy, as well as the management of liquidity risk and interest rate risk arising from the activities of the network;
- helps to define the bank's sales and marketing policy in terms of customer lending criteria and rules governing internal transfer rates, and is in constant contact with the sales teams throughout the network.

Group conventions for the management of risk and the setting of risk limits are published in a set of group guidelines for asset-liability management that are used throughout CM-CIC.

Interest rate risk management*

Interest rate risk arising on the group's commercial operations stems from interest rate differentials and differences in benchmark lending and borrowing rates. Analysis of this risk also takes into account the volatility of outstandings on products with no contractual maturity date and embedded options (early repayment and roll-over options for loans and the use of confirmed credit lines, etc.).
The management of interest rate risk arising on all operations connected with the banking network's business is analyzed and hedged overall based on the residual position in the statement of financial position using so-called macro-hedges.
In addition, specific hedges may be established for customer loans involving a material amount or an unusual structure.

* Unaudited figures.

Risk limits are set in relation to the annual net banking income of each bank and each group. The technical committee decides on the hedges to be put in place and allocates them pro rata to the needs of each entity.
Interest rate risk is analyzed based on the main indicators below, which are updated each quarter:

1 - The static fixed-rate gap, corresponding to items in the statement of financial position, both assets and liabilities, whose cash flows are considered to be certain over a horizon of one to ten years, governed by limits from three to seven years, measured by a net banking income ratio.

2 - The static inflation gap over a horizon of one to ten years.

3 - The sensitivity of the net interest margin, calculated based on national scenarios and subject to limits. It is measured in annual steps, over a two-year horizon and is expressed as a percentage of each entity's net banking income.

Four scenarios are calculated:

- a 1% increase in market interest rates and a 0.33% increase in inflation (core scenario);
- a 1% increase in market interest rates and stable inflation;
- a 2% increase in market interest rates and a 0.66% increase in inflation;
- a 3% increase in short interest rates, a 1% decline in long rates and stable inflation (stress scenario).

CIC's net interest income is exposed to a decline in interest rates: -2.79% at one year (i.e. a decline of €102.5 million in absolute terms). This sensitivity has fallen compared with September 2013 (-3.76%). At two years, sensitivity to a decline in interest rates stands at -2.88% (i.e. a decline of €111.8 million in absolute terms), which is lower than it was in September 2013 (-3.80%).

Indicators based on a rise in interest rates:

Sensitivity as a % of NBI	1 year	2 years
Scenario 1	2.79%	2.88%
Scenario 2	3.84%	4.35%
Scenario 3	4.48%	4.30%
Scenario 4	4.85%	0.09%

4 - The sensitivity of net asset value that arises when using the standard calculation for the Basel II indicator (a uniform shift of 200 bp applied to the entire statement of financial position, as an increase or decrease) enables the change in the discounted value of items in the statement of financial position according to the various scenarios to be measured as a percentage of total equity.

Sensitivity of net asset value	As a percentage of total equity
Sensitivity + 200 bp	-0.84%
Sensitivity - 200 bp	+3.77%

Liquidity risk management*

The liquidity risk management mechanism is operated in close conjunction with BFCM, which manages the group's long-term refinancing, and is based on the following procedures:

- compliance with the one month liquidity ratio, which is representative of the short-term liquidity situation (calculated by weighting each bank's ratios by its total assets) and which at December 31, 2013 came to between 106% and 231% depending on the group's individual entities compared with a regulatory requirement of 100%;
- establishing the static liquidity gap, based on contractual and agreed maturities and incorporating off-statement of financial position commitments; warning thresholds (sources/applications of funds) are calculated at maturities ranging from three months to five years and are subject to target levels in order to lock in and optimize the refinancing policy;
- calculating the dynamic liquidity gap over five years, incorporating new loan production, thereby facilitating measurement of future financing needs associated with the development of commercial activity;
- calculating the liquidity gap under a Basel III stress scenario, taking into account assumptions as to loss of deposits and loan renewals in accordance with the Bank's customer base; transformation ratios are calculated from three months to seven years;
- the ALM technical committee decides on the liquidity hedges to be put in place in light of all these indicators. These hedges are allocated pro rata to the cumulative needs.

* Unaudited figures.

... Risk management

Breakdown of maturities for liquidity risk – residual contractual maturities

2013 (in € millions)	≤ 1 month (a)	> 1 month ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	No fixed maturity (b)	Total
Assets								
Financial assets held for trading	1,862	956	2,043	3 142	6,489	2,027	16	**16,535**
Financial assets at fair value through profit or loss	6,588	2,624	1,511	0	1,910	0	0	**12,633**
Derivatives used for hedging purposes (assets)	0	0	3	1	3	44	9	**60**
Available-for-sale financial assets	190	65	3,396	1,025	2,165	3,806	552	**11,199**
Loans and receivables (including finance leases)	35,863	6,673	12,686	13,850	33,368	63,072	1,181	**166,693**
Held-to-maturity investments	7	12	0	0	55	0	0	**74**
Liabilities								
Central bank deposits	15	34	120	50	114	127	0	**460**
Financial liabilities held for trading	911	191	816	1,045	5,982	1,215	43	**10,203**
Financial liabilities at fair value through profit or loss	7,774	4,585	4,098	0	0	0	0	**16,457**
Derivatives used for hedging purposes (liabilities)	3	0	54	51	1,207	74	14	**1,403**
Financial liabilities carried at amortized cost	**90,453**	**14,166**	**21,103**	**18,143**	**25,335**	**13,152**	**3,625**	**185,977**
Of which, debt securities, including bonds	*3,980*	*3,594*	*5,833*	*959*	*1,864*	*593*	*0*	***16,823***
Of which, subordinated debt	*2*	*0*	*0*	*532*	*15*	*18*	*1,744*	***2,311***

2012 (in € millions)	≤ 1 month (a)	> 1 month ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	No fixed maturity (b)	Total
Assets								
Financial assets held for trading	1,907	1,091	2,787	1,722	4,860	3,188	5	**15,560**
Financial assets at fair value through profit or loss	5,297	2,369	2,735	7	1,803	18	20	**12,249**
Derivatives used for hedging purposes (assets)	3	0	4	9	95	5	1	**117**
Available-for-sale financial assets	331	269	748	3,039	4,990	3,545	569	**13,491**
Loans and receivables (including finance leases)	36,736	6,021	13,135	13,945	32,526	61,045	2,511	**165,919**
Held-to-maturity investments	3	2	7	0	55	0	0	**67**
Liabilities								
Central bank deposits	9	45	24	52	126	87	0	**343**
Financial liabilities held for trading	639	158	697	770	3,237	1,678	5	**7,184**
Financial liabilities at fair value through profit or loss	7,867	6,217	5,425	0	0	0	0	**19,509**
Derivatives used for hedging purposes (liabilities)	2	7	17	77	209	1,919	9	**2,240**
Financial liabilities carried at amortized cost	**77,174**	**25,573**	**21,399**	**12,403**	**32,821**	**12,158**	**4,514**	**186,042**
Of which, debt securities, including bonds	*3,131*	*4,945*	*5,293*	*773*	*2,439*	*435*	*0*	***17,016***
Of which, subordinated debt	*129*	*59*	*451*	*0*	*558*	*18*	*2,244*	***3,459***

(a) Including accrued interest and securities given/received under repurchase and reverse repurchase agreements.
(b) Including undated debt securities, equities, non-performing loans and loans in litigation, and impairment losses; for marked-to-market financial instruments, also includes differences between fair value and redemption value.

Currency risk

The foreign currency positions of each CIC entity are automatically centralized by the holding company and by BFCM. This centralization is performed daily for commercial transfers and for cash flows, both inflows and outflows, denominated in foreign currencies.
Any unrealized foreign currency gains and losses are translated into euros at the end of each month and the resulting foreign currency position is also centralized by the holding company.
As such, with the exception of certain long-term foreign currency private equity transactions, no group entity bears any currency risk at its own level. The holding company is responsible for clearing foreign currency positions daily and monthly via the market.
Only the activities of *CM-CIC Marchés* benefit from foreign currency position management at their level.
The structural foreign currency positions arising from foreign currency advances made to foreign branches are not hedged. The foreign exchange gain or loss is recognized in the asset or liability translation accounts and therefore does not pass through the income statement.
The profits or losses of the foreign branches are retained in the branches and thus form part of the structural foreign currency position.

Equity risk

CIC has exposure to various types of equity risks.

Assets measured at fair value through profit or loss
Equities held in the trading portfolio amounted to €537 million at December 31, 2013 compared with €317 million at December 31, 2012 and solely concerned CIC's capital markets business (see note 5b to the consolidated financial statements).
Equities accounted for using the fair value option through profit or loss related mainly to the private equity business and amounted to €1,698 million (see note 5a to the consolidated financial statements).

Available-for-sale financial assets
Equities classified as available-for-sale and various equity investments amounted to €192 million and €382 million respectively (see note 7 to the consolidated financial statements).
Long-term investments mainly comprised:
a) investments in non-consolidated companies totaling €71 million;
b) other long-term securities totaling €130 million.

Net reversals of impairment losses recognized in the income statement totaled €16 million (net impairment charge of €332 million in 2012 including €343 million related to disposals of securities). At December 31, 2013, the purchase cost of impaired equities totaled €151 million with a corresponding impairment of €71 million. Their market value came to €80 million.

Private equity

CIC's private equity business comprises dedicated private equity entities whose portfolios are all accounted for under the fair value option.
The portfolios comprise around 500 investment lines, relating mainly to small- and medium-sized enterprises.

Risks arising on the private equity business

Assets invested	2013	2012
Number of listed investment lines	35	33
Number of unlisted investment lines	387	416
Number of funds	47	48
Proprietary portfolio (€ millions)	1,894	1,771
Funds managed on behalf of third parties (€ millions)	363	676

Market risk

General structure

CM-CIC Marchés combines all the capital markets activities of BFCM and CIC in France and those of the branches in Frankfurt (BFCM), London, New York and Singapore (CIC). They are organized around three business lines: refinancing (transactions which are mainly recognized on BFCM's statement of financial position), commercial, and fixed income-equity-loan investment ("ITAC") (recognized on CIC's statement of financial position).

Refinancing

A dedicated treasury management team is responsible for refinancing all the activities of the CM11-CIC group. It seeks to diversify its investor base in Paris, Frankfurt and London and its refinancing tools, including Crédit Mutuel-CIC Home Loan SFH.
The products concerned consist mainly of monetary instruments or bonds and futures used to hedge interest rates and exchange rates.
In addition to the pure refinancing positions, this business also has a portfolio of securities classified as available-for-sale: the main reason for holding them is to provide the bank with a portfolio of securities it can liquidate in the event of a liquidity crisis.

Commercial

The sales teams working out of Paris or within the regional banks use a wide range of standardized tools and products. The aims of the dedicated technical desk responsible for designing, match funding and reversing positions ("CAR") are to optimize prices, preserve commercial margins and reverse positions on exchange rate and interest rate instruments.

The business also involves the sale of investment products such as *Libre Arbitre* or *Stork* (resulting directly from the expertise of the fixed income-equity-loan business line), which is aimed at institutional, corporate and retail customers of CM-CIC's various networks.

Fixed income-equity-loan investment
(Investissement taux-actions-crédits – ITAC)

This business line is organized around desks specialized in investment transactions involving equities/hybrid instruments, credit spreads and fixed income. These activities involve mainly purchases and sales of financial securities acquired with the intention of holding them for the long term, as well as trading in related financial instruments. These activities are called upon to create value in a disciplined risk environment, to drive commercial development and to provide expertise or services to other group entities.

Internal control structures

In 2013, the internal control function continued to improve its organization and monitoring methodologies. It continued to refine its procedures to take into account a unified system of limits incorporating the market activities of the branches and to present the CRD3 regulatory changes, in particular stressed VaR and IRC (Incremental Risk Charge) as well as risk measurement in VaR/stress-tests, as part of the "market risk internal model" project, and regulatory risk measurement (CAD and European Capital Adequacy under Basel II.5 standards).

The French Prudential Supervision and Resolution Authority *(L'Autorité de contrôle prudentiel et de resolution - ACPR)* carried out a general review of the fixed income-equity-loan business line. This resulted in the follow-up of the recommendations that had been made in 2012.

A set of methodologies is formalized in a "body of rules". Regular updates throughout the year have included new products and improved the monitoring of risk measurement. A comprehensive, formal validation is carried out at least once a year.

CIC's capital markets activities are organized as follows:

- they are under the responsibility of a member of general management;
- the front-office units that execute transactions are segregated from those responsible for the monitoring of risks and results (control function) and from those in charge of transaction validation, settlement and recording (back-office function);
- internal control teams operate under the responsibility of the group's risk division, which compiles management reports summarizing risk exposures. The level of capital allocated/consumed is validated by BFCM's and CIC's boards of directors;
- the permanent controls system is based on first-level controls performed by three teams:
  - the risks and results team validates production, monitors results on a daily basis and ensures compliance with limits,
  - a team in charge of accounting and regulatory issues is responsible for reconciling accounting and economic results, for providing oversight on regulatory matters, and the control of operational risks,
  - a *CM-CIC Marchés* team covering legal compliance is responsible for first-level legal issues;
- second-level controls organized around:
  - capital markets businesses' permanent controls, which reports to the permanent control department, supervises first-level permanent controls carried out by *CM-CIC Marchés* and conducts its own direct controls on activities,
  - CIC's lending department, which monitors at-risk outstandings for each counterparty group,
  - CIC's legal and tax department, which works with the *CM-CIC Marchés* legal team,
  - CIC's finance department, which supervises accounting procedures and templates and is responsible for accounting and regulatory controls;
- the CM11-CIC group's periodic controls team, which intervenes with specialist auditors to carry out periodic controls and compliance checks in respect of capital markets activities.

A market risk committee that meets monthly is responsible for monitoring the strategy, results and risks of *CM-CIC Marchés* (in France and in the branches) in relation to the limits prescribed by CIC's and BFCM's boards of directors.

Chaired by the member of general management responsible for *CM-CIC Marchés,* it comprises the chief operating officer of CIC and of BFCM, the front office, post-market, back office, accounting and regulatory control and risks and results managers, and the manager of the risk department and the group permanent control department. It validates the operational limits established in connection with the general limits set by CIC's and BFCM's boards of directors, which are regularly informed of the risks and results of these activities.

The market risk committee is also the body that validates the major policies of the "market risk internal model".

Risk management

The system used to set exposure limits for market risk is based on:

- an overall limit for regulatory capital (CAD/European capital adequacy), broken down by desk, and for VaR;
- internal rules and scenarios (CAD risks, historical VaR and stress tests), which convert exposures into potential losses.

The limits set are intended to cover the various types of market risk (interest rate, currency, equity and counterparty risks). The aggregate limit is broken down into sub-limits for each type of risk and for each activity.

The group's risk division is responsible for monitoring and managing breaches of the overall limit and/or the limit allocated to each business line.

Risks are monitored based on first-tier indicators such as sensitivity to various market risk factors (mainly for traders), and second-tier indicators such as potential losses, to provide an accessible overview of capital markets exposures for decision-makers.

The regulatory capital allocated to the fixed income-equity-loan investments and commercial business lines in metropolitan France, which was stable from 2010 to 2012, was revised downwards for 2013. The CM11-CIC VaR was €4.1 million at the end of 2013.

For 2014, the limits in respect of these activities are being maintained at their 2013 level. In addition, the process for calculating the amount of the capital charge for the CVA (Credit Valuation Adjustment) has been implemented.

The capital consumed by the RMBS business conducted in the New York branch continued to fall in line with the amortization and sales of the portfolio securities managed on a run-off basis. Trading activities are maintained within reduced limits under the supervision of *CM-CIC Marchés.*

CM-CIC Marchés' overnight treasury position must not exceed a certain limit with an intermediate warning limit, the two limits being set by the department and approved by CIC's and BFCM's boards of directors. The refinancing period for portfolio assets is also subject to monitoring and limits.

... Risk management

The principal trading desk risks are as follows:

1 - hybrid instruments: capital consumption, which was stable throughout the year, averaged €58 million during 2013. Convertible bond holdings stood at €1.7 billion at the end of 2013 (€2.1 billion at the end of 2012).

2 - credit: these positions correspond to either securities/CDS (credit default swap) arbitrages or to credit correlation positions (ItraXX/CDX tranches) or ABS (asset-backed securities). On the credit arbitrage portfolio, the capital consumed averaged around €29 million and ended the year at €34.6 million following the liquidation of CDS/ItraXX. On the ABS portfolio, the capital consumed started the year at €107.3 million to fall in June to €44 million and end the year at €46.4 million. This fall was due to prudent management of the risk associated with peripheral countries throughout the year and a reduction in positions in these countries. As regards the credit correlation business, exclusively based on Itraxx/CDX tranches, capital consumed hovered around €10 million throughout the year and ended at €16.3 million at the end of 2013.

3 - M&A and miscellaneous equities: capital consumed totaled €25 million on average in 2013, to end the year at €17.9 million. This fall followed the trend in outstandings and the removal of corporate actions from M&A. Outstandings in respect of this activity therefore totaled €155 million in December 2013 compared with €166 million at the end of 2012.

4 - fixed income: positions relate to directional or yield-curve arbitrage strategies, typically with an underlying of mainly European government securities. The positions on the peripheral countries are very limited. As regards Italy, the position was reduced in 2012 by 35% to around €2 billion and remained stable at this level in 2013; most of these holdings mature in September 2014. The total holding of government securities was €4.5 billion at the end of 2013 compared with €5.8 billion in 2012, including French government securities totaling €2.1 billion.

Credit derivatives

These products are used by *CM-CIC Marchés* and are recognized in its trading portfolio.
Trading desks are subject to exposure limits by issuer or counterparty for all types of products. Outstanding amounts are monitored on a daily basis and exposure limits are reviewed periodically by the lending committees and capital markets risk committees.

Operational risk*

In the context of the Basel II capital adequacy regulations, the CM-CIC group has implemented a comprehensive operational risk management system under the responsibility of senior management bodies. Group-wide guidelines describe the risks concerned and the quantitative evaluation methods to be used.
The group has an overall operational risk management function that is clearly identified and split in practice between a national function and regional functions. It covers operational risk, disaster recovery plans and insurance taken out to cover these risks.
The system in place for measuring and monitoring operational risk is based on a common platform applied throughout the group using an approach for identifying and modeling risks, whose aim is to calculate the level of capital required to be held in respect of operational risks.
Crédit Mutuel-CIC is authorized to use its advanced measurement approach to calculate its capital adequacy requirements in respect of operational risk, with the exception of the deduction of expected losses from its capital adequacy requirement, from January 1, 2010, for the consolidated group excluding the foreign subsidiaries, the Cofidis group and CM-CIC Factor. CM-CIC Factor was also authorized to use this approach as from January 1, 2012 as was Banque de Luxembourg as from September 30, 2013.

Main objectives

The operational risk management policy set up by the group is designed:
- to contribute to the group's effective management by controlling risks and the associated costs;
- from a human perspective, to protect staff, develop responsibility, autonomy and control, and leverage skills group-wide;
- from an economic standpoint, to protect margins by tightly managing risk across all activities, ensure returns on the investments made to achieve compliance with regulatory requirements, optimize capital allocated in respect of risk and adapt insurance policies to the risks identified;
- from a regulatory standpoint, to respond effectively to Basel II capital requirements and supervisory authorities' requests, develop a reliable system of internal control (CRBF 97.02), optimize disaster recovery plans for mission-critical operations and adapt financial reporting (Third Pillar of Basel II).

Role and position of the management function

The national operational risk management function coordinates and consolidates the entire procedure through deploying a dedicated team and also assists the operational risk managers in the regional groups.
The regional operational risk management function implements the risk management procedure and verifies that it is consistent with the national risk management policy.

Measurement and control procedures

For modeling purposes, the group relies mainly on the national database of internal losses, on an external database and on scenarios developed within the context of mappings and statistical work, performed in accordance with common procedures and regulatory requirements.
Homogenous risk maps broken down by business line and by risk type and objects have been drawn up for all activities, with probability-based models culled from the work of outside experts. The maps and calculation of the capital adequacy requirements are validated by the operational risk steering committee. Capital adequacy requirements are calculated at national level and are then split at regional level.
Operational risk mitigation techniques include:
- preventative actions identified during the mapping process and implemented directly by operational or permanent control staff;
- safeguard initiatives, which focus on the widespread implementation of disaster recovery plans, logistics and IT solutions for all mission-critical operations in order to limit the seriousness of any incident in the event of a crisis.

A consistent group-wide crisis management process, linked to the system for interbank operations, covers crisis communication and the three phases of disaster recovery plans: emergency, business continuity and back-on-track plans.

Reporting and general oversight

Application of the operational risk management policy and risk profile is monitored using key indicators, thresholds and warnings covering the assessment of potential risks, changes in loss experience and the effectiveness of risk-reduction and financing measures. The group's executive and governance bodies are regularly provided with information on this risk data, including the requirements of CRBF 97-02.

Documentation and procedures

The group consistently applies a set of procedures that are approved by the managing bodies and are regularly updated, covering:
- governance: procedures dealing with the roles and responsibilities of the various managing, decision-making and supervisory bodies, and of the national function, the frequency and recipients of reports, the scope for the monitoring of group entities, and the methodology for the integration of subsidiaries;
- the collection of incident information: procedures laying down the rules for collecting information and controlling internal losses;
- the measurement system: procedures concerning, in particular, modeling that is probability based and drawn from the work of experts, the rules for gathering Key Risk Indicators (KRI), the basis for the allocation of capital adequacy requirements and COREP reports.

Disaster recovery plans

Disaster recovery plans are part of the back-up measures put in place by the group to limit any losses resulting from operational risk.
Disaster recovery plan guidelines, which have been drawn up by Crédit Mutuel-CIC, may be consulted by all teams concerned and are applied at the level of the regional groups.

* Unaudited figures.

Plans are classified into two categories:
- business-specific disaster recovery plans relate to a given banking function that is associated with one of the business lines identified in accordance with Basel II;
- cross-functional disaster recovery plans relate to activities that constitute operational support services (logistics, HR and IT issues).

Plans can be split into three components:
- emergency plan: this is triggered immediately and involves measures designed to handle emergencies and institute solutions for operating in a weakened environment;
- business continuity plan: this involves resuming activities under adverse conditions in accordance with predefined procedures;
- back-on-track plan: this is prepared shortly after the business continuity plan kicks in.

Crisis management and its organization

Crisis management procedures at the level of the group and the regions cover the most efficient organization and communications systems for handling these three phases: emergency, business continuity and back-on-track plans.
These procedures are based on:
- a crisis committee, chaired by the CEO of the bank at regional level or by the group CEO at national level, that takes the key decisions, prioritizes action plans and handles the internal and external reporting of events;
- a crisis unit that pools information, implements the decisions and provides follow-up;
- a crisis liaison team for each business line, responsible for coordinating operations on the ground together with the crisis unit. The main focus of the team's work is putting in place a disaster recovery plan until business gets back to normal.

Insurance deducted from equity

The French Prudential Supervision and Resolution Authority *(Autorité de contrôle prudentiel et de résolution – ACPR)* has authorized Crédit Mutuel-CIC to take into account insurance as a factor to reduce its capital requirements in respect of operational risk under the advanced measurement approach with effect from the June 30, 2012 closing.
The principles applied to the financing of operational risks within the group depend on the frequency and severity of each potential risk, and consist of:
- taking out insurance for high frequency, low severity risks, or ensuring such risks are financed by withholding amounts on the operating account;
- taking out insurance for insurable serious or major risks;
- developing self-insurance for losses below insurers' excess levels;
- allocating regulatory capital reserves or provisions financed by underlying assets for serious risks that cannot be insured.

Crédit Mutuel-CIC's insurance programs comply with the provisions governed by Articles 371-1 to 3 of the decree dated February 20, 2007 concerning the deduction of insurance under the advanced method approach (AMA).
The insurance cover used in the deduction process includes damage to real and personal property (multi-risk), fraud (specific banking risks) and professional third-party liability.

Training

Each year, the group provides operational risk training for the network managers, internal controllers and operations staff responsible for monitoring these risks.

CIC's operational risk loss experience in 2013

The total amounted to €50.7 million in 2013, including €38.2 million of actual losses and €12.5 million of net provisions.
This total is analyzed as follows:
- fraud: €29.6 million;
- industrial relations: €1.7million;
- human/procedural error: €4.4 million;
- legal issues: €13.1 million;
- natural disasters and systems malfunctions: €1.9 million.

Other risks

Legal risks

Legal risks are incorporated into operational risks and concern, amongst other things, exposure to fines, penalties and damages for faults by the business in respect of its operations.

Industrial and environmental risks

Industrial and environmental risks are incorporated into operational risks and are analyzed from the perspective of systems malfunctions and the occurrence of natural disasters (100-year events, floods, earthquakes, pollution, etc.), their impact on the business and the means of prevention and protection to be put in place, notably crisis management and disaster recovery plans.

The corporate policy concerning environmental and social risks is described in the "social aspects" part of the Corporate Social Responsibility section.

Information on Basel II Pillar 3

Information on capital adequacy risks published in accordance with the transparency requirements of the Order of February 20, 2007 regarding capital requirements.

Risk management

Risk management policies and procedures implemented

The risk management policy and the procedures implemented are detailed in the section entitled "Risk management".

Structure and organization of the risk management function

Within the group, the three bodies responsible for measuring, monitoring and controlling risks are the risk department, the risk committee and the risk monitoring committee.
The monitoring procedures comply with the provisions of the Order of January 19, 2010, which amended regulation 97-02 of the French Banking and Financial Regulation Committee *(Comité de la Réglementation Bancaire et Financière – CRBF)* on the risk management function, whose mission it defines.

Group risk department

The mission of the group risk department, which regularly analyzes and reviews all types of risks with an eye towards the return on allocated regulatory capital, is to contribute to the group's growth and profitability whilst ensuring the quality of the risk management procedures.

Group risk committee

This committee meets quarterly and includes the operational risk managers, the heads of the business lines and functions involved and general management. The head of the risk department draws up the agenda and management reports, details the main risks and any changes thereto and chairs meetings. This committee is responsible for overall ex post and ex ante risk monitoring.

Group risk monitoring committee

This committee consists of members of the deliberative bodies and meets twice a year to review the group's strategic challenges in the risk area. Based on the findings presented, it makes recommendations on all decisions of a prudential nature applicable to all entities.
The head of the risk department chairs its meetings and presents the files prepared for the various risk areas based on the work of the group risk committee. General management also participates in the meetings of this committee, which may also invite the heads of the business lines with a stake in the items on the meeting agenda.

Scope and nature of risk reporting and measurement systems

In collaboration with the various business lines, the CM11-CIC risk department regularly produces summary management reports which review the various risks: credit, market, overall interest rate, intermediation, settlement, liquidity and operational risks. All the group's main business lines are subject to monitoring and reporting. These management reports are based mainly on the Basel II tools common to the entire group and interfaced with the accounting systems.

Composition of the capital

Regulatory capital is determined in accordance with CRBF regulation no. 90-02 of February 23, 1990.
It is split into Tier 1 and Tier 2 capital, from which certain amounts are deducted.

Tier 1 capital

Tier 1 capital is determined on the basis of the consolidated equity as per the financial statements, to which "prudential filters" are applied.
These adjustments involve mainly:
- anticipating dividend payments;
- deducting goodwill and other intangible assets;
- deducting unrealized gains on equity instruments, net of the tax already deducted for accounting purposes (calculated currency by currency) from Tier 1 capital, and the transfer of 45% of said unrealized gains before tax to Tier 2 capital;
- adjustments are not made in respect of net unrealized losses;
- eliminating unrealized gains and losses recognized for accounting purposes directly in equity due to a cash flow hedge and those relating to other financial instruments, including debt instruments;
- deducting the positive difference arising in respect of investments in insurance companies being accounted for using the equity method, which constitutes, moreover, a change of method as compared with that used in 2012. In fact, the transitional method specified by CRBF regulation no. 90-02, which authorized financial conglomerates to deduct from their total equity the consolidated value of their insurance company securities (acquired before January 1, 2007), ceased to have effect on December 31, 2012.

Tier 1 capital admitted with cap

Hybrid securities are eligible, subject to a maximum amount, for inclusion in Tier 1 capital, following the agreement of the General Secretariat of the French Prudential Supervision and Resolution Authority *(Autorité de Contrôle Prudentiel et de Résolution – ACPR)*, provided they meet the eligibility criteria stipulated in regulation no. 90-02 as amended by the Order of August 25, 2010.
The securities concerned are, in particular, super-subordinated securities issued in accordance with the provisions of Article L.228-97 of the French Commercial Code. There are limits on the percentage of Tier 1 capital that may consist of hybrid instruments: innovative hybrid instruments, i.e. those with strong incentives to redeem such as step-ups, may constitute only 15% of Tier 1 capital, and hybrid instruments as a whole may constitute only 35% of Tier 1 capital.
In addition, a grandfathering clause provides for hybrid instruments to be kept at 100% over 30 years when they have already been issued but may not be compliant with the new eligibility criteria introduced in August 2010, provided that they do not exceed a certain Tier 1 capital limit.

... Information on Basel II Pillar 3

Hybrid securities issued by CIC

	Issue date	Issue amount	Currency	Rate
Super-subordinated securities	06.30.06	€400 million	EUR	6-month Euribor + 167 basis points
Innovative super-subordinated securities	06.30.06	€1,100 million	EUR	6-month Euribor + 107 basis points (*)

(*) Will change from 107 basis points to 207 basis points after ten years.

(in € millions)	2013	2012
Tier 1 capital, net of deductions	**10,813**	**10,782**
Capital	1,696	1,696
Eligible reserves	9,380	8,840
Hybrid securities retained with the *ACPR*'s agreement	1,500	2,000
Deductions from Tier 1 capital including, in particular, intangible assets	(227)	(263)
Deductions from Tier 1 capital (50%)	(1,536)	(1,491)
Tier 2 capital, net of deductions	**531**	**774**
Subordinated securities and other elements in Tier 2	531	774
Deductions from Tier 2 capital (50%)		
Deductions from Tier 1 and Tier 2 capital	**(2,067)**	**(2,265)**
Total capital for capital adequacy ratio calculation	**10,813**	**10,782**
Risk-weighted assets in respect of credit risk	81,390	79,146
Risk-weighted assets in respect of market risk	2,384	3,205
Risk-weighted assets in respect of operational risk	6,811	6,694
Additional requirements in respect of floor levels (transitional measures)		
Total risk-weighted assets	**90,585**	**89,045**
Capital adequacy ratio Total ratio	**11.9%**	**12.1%**

Tier 2 capital

Tier 2 capital consists of:

- capital arising from the issue of subordinated securities or debt which comply with the provisions of Article 4c of regulation 90-02 relating to capital (perpetual subordinated securities) or of Article 4d of said regulation (redeemable subordinated securities);
- in the case of equity instruments, 45% of unrealized capital gains transferred currency by currency before tax are recognized as Tier 2 capital;
- the positive difference between the expected losses calculated using the internal ratings-based approaches and the total of the value adjustments and collective impairment losses in respect of the exposures concerned.

Deductions

In the case of the following deductions, 50% of their amount is deducted from Tier 1 capital and 50% from Tier 2 capital. These deductions include, in particular, those elements covered by Articles 6 and 6 quater of regulation 90-02 relating to capital, in particular investments in non-consolidated companies representing more than 10% of the capital of a credit institution or investment firm, as well as subordinated debt and all other elements making up the equity.
They also include expected losses on equity exposures as well as expected losses on outstanding loans not covered by provisions and value adjustments, dealt with in accordance with the internal ratings-based approach.

Capital adequacy

Pillar 2 of the Basel accord requires banks to carry out their own assessment of their economic capital and to use stress scenarios to assess their capital requirements in the event of a downturn. The effect of this pillar is to structure the dialogue between the bank and the *ACPR* on the adequacy of the institution's capital.
The work carried out by the group to bring it into compliance with the requirements of Pillar 2 is in line with improvements being made to the credit risk measuring and monitoring procedures.
During 2008, the group introduced its internal capital assessment process in accordance with the Internal Capital Adequacy Assessment Process (ICAAP). The methods for measuring economic need have been broadened and,

at the same time, management and control procedures have been drafted with the aim of defining the group's risk policy and various stress scenarios have been developed.
The difference between economic and regulatory capital constitutes the margin which enables the level of the group's capital to be secured. This margin depends on the group's risk profile and its degree of risk aversion.

(in € millions)	2013	2012
CAPITAL REQUIREMENTS IN RESPECT OF CREDIT RISK	**6,511**	**6,332**
Standardized approach		
Central governments and central banks	3	6
Credit institutions	63	85
Corporates	616	495
Retail customers	335	268
Equities	40	38
Securitization positions under the standardized approach	18	23
Other assets not corresponding to credit obligations	21	22
Internal ratings-based approach		
Credit institutions	266	296
Corporates	3,392	3,295
Retail customers		
- Small and medium-sized entities	306	314
- Renewable exposures	23	19
- Real estate loans	443	425
- Other exposures to retail customers	154	158
Equities		
- Private equity (190% weighting)	204	235
- Listed equities (290% weighting)	18	19
- Other equities (370% weighting)	339	336
Other assets not corresponding to credit obligations	221	245
Securitization positions	49	54
CAPITAL REQUIREMENTS IN RESPECT OF MARKET RISK	**191**	**256**
Interest rate risk	129	171
Commodity risk	0	0
Equity price risk	57	64
Currency risk	5	21
CAPITAL REQUIREMENTS IN RESPECT OF OPERATIONAL RISK	**545**	**535**
TOTAL CAPITAL REQUIREMENTS	**7,247**	**7,124**

... Information on Basel II Pillar 3

Concentration risk

Exposures by category

Although historically most of CIC's business has been in the corporate sector, it is gradually increasing its presence in the retail segment. It nevertheless retains a presence in the corporate sector.
The composition of the CIC group's portfolio reflects these fundamentals, with retail customers continuing to represent 40% at December 31, 2013.

Exposure category (in € millions)	2013			2012			
	IRBA	Standardized	Total	IRBA	Standardized	Total	Average exposure
Central governments and central banks		23.3	23.3		31.5	31.5	29.7
Credit institutions	24.5	7.0	31.5	20.8	8.9	29.7	32.3
Corporates	80.9	8.9	89.8	71.8	7.5	79.3	82.9
Retail customers	95.0	7.4	102.5	91.8	6.6	98.5	101.2
Equities	2.6	0.3	2.9	2.8	0.3	3.1	3.1
Securitization	3.0	0.3	3.3	2.7	0.3	3.0	3.0
Other assets not corresponding to credit obligations	2.8	0.3	3.0	3.0	0.3	3.3	3.0
TOTAL	**208.8**	**47.5**	**256.3**	**192.9**	**55.4**	**248.3**	**255.2**

The group has focused on the most advanced forms of the Basel II accord, beginning with its core business, retail banking.
The *ACPR* has authorized it to use its internal ratings system to calculate its capital adequacy requirements in respect of credit risk:
• using the advanced method, as from June 30, 2008, for the retail customer portfolio;
• using the foundation method, as from December 31, 2008, for the bank portfolio;
• using the advanced method, as from December 31, 2012, for the corporate and bank portfolio.
In the case of the regulatory credit institution, corporate and retail customer portfolios, the group was authorized to use advanced internal methods in respect of 90% of the exposures at December 31, 2013.
In agreement with the *ACPR*'s General Secretariat, the group uses, and will continue to use, the standardized method to measure the capital adequacy requirements of the central governments and central banks portfolio. The standardized method was applied in the case of CM-CIC Factor's foreign subsidiaries at December 31, 2013.

	2013		2012	
	IRBA	Standardized	IRBA	Standardized
IRB gross exposures/Total gross exposures	81%	19%	78%	22%

Exposures by counterparty's country of residence

2013 exposure category	France	Germany	Other EEA member states*	Rest of the world	Total
Central governments and central banks	5.4%	0.0 %	1.3%	2.4%	9.1%
Credit institutions	11.9%	0.2%	0.6%	1.5%	14.2%
Corporates	25.8%	0.7%	4.0%	4.7%	35.2%
Retail customers	37.2%	0.0%	1.2%	3.1%	41.5%
TOTAL	**80.3%**	**0.9%**	**7.1%**	**11.7%**	**100.0%**
2012 exposure category					
Central governments and central banks	8.8%	0.1%	1.9%	3.1%	13.9%
Credit institutions	9.2%	0.2%	0.8%	1.3%	11.5%
Corporates	24.1%	0.7%	3.1%	3.2%	31.1%
Retail customers	40.7%	0.1%	0.9%	1.8%	43.5%
TOTAL	**82.8%**	**1.1%**	**6.7%**	**9.4%**	**100.0%**

* Member states according to Basel II.

CIC operates mainly in France and the rest of Europe. The geographic breakdown of gross exposures at December 31, 2013 reflects this as 88% of its commitments are in the European Economic Area.

Exposures by sector

The scope for the breakdown by business sector consists of central governments and central banks, credit institutions, corporates and retail customers.

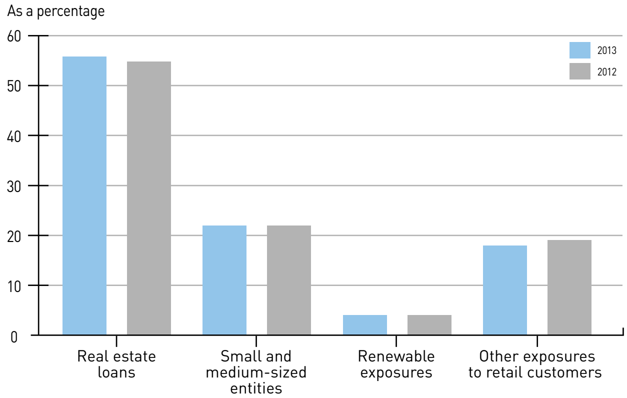
Exposure categories	2013	2012
Public administrations	10%	14%
Farming	1%	1%
Food and beverage	2%	2%
Other financial activities	3%	3%
Banks and financial institutions	13%	12%
Building and construction materials	5%	4%
Industrial goods and services	4%	4%
Distribution	5%	4%
Miscellaneous	1%	2%
Unincorporated businesses	3%	3%
Holding companies and conglomerates	3%	3%
Real estate	3%	3%
Automotive industry	1%	1%
Media	1%	1%
Retail	34%	32%
Oil and gas and commodities	2%	2%
Household products	1%	1%
Health	1%	1%
Utilities	1%	1%
Advanced technology	2%	2%
Industrial transportation	2%	2%
Travel and leisure	2%	1%
TOTAL	**100%**	**100%**

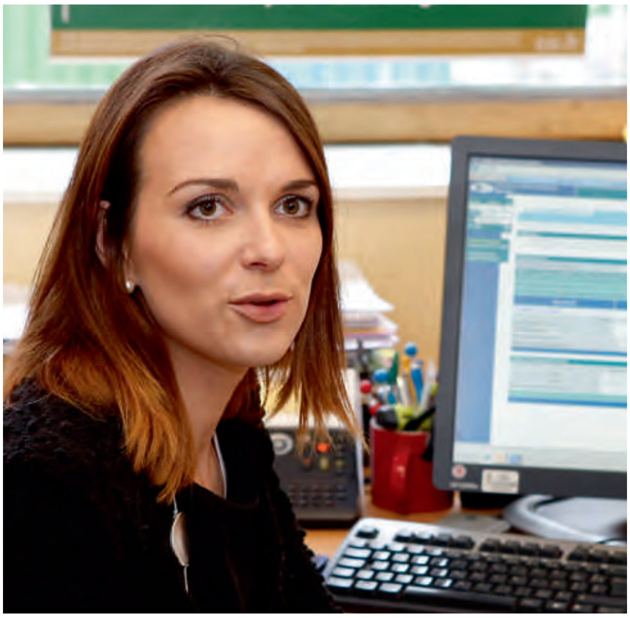
... Information on Basel II Pillar 3

Breakdown of retail customer portfolio

Outstanding loans to retail customers totaled €102.4 billion at December 31, 2013, 3.9% higher than at December 31, 2012. The following chart provides a breakdown of this portfolio by regulatory sub-category.

Breakdown of retail customer portfolio





Standardized approach

The group uses the rating agencies' assessments to measure sovereign risk on exposures linked to central governments and central banks. The cross-reference table used to link the credit quality steps to the external ratings taken into consideration is that defined in the regulations.

Exposures under the standardized approach

Exposures to central governments and central banks are almost exclusively weighted at 0%. The capital requirements associated with this portfolio are evidence that the group's sovereign risk is limited to high-quality counterparties.

	Weightings at:								
2013 (in € billions)	**0%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Total**
Gross exposures									
Central governments and central banks	22.7		0.0		0.5		0.1	0.0	**23.3**
Local and regional authorities	0.0		0.7				0.0	0.0	**0.7**
Credit institutions	3.6	0.3	2.0		0.2		0.1	0.1	**6.3**
Corporates			0.0	0.0	0.0		8.5	0.4	**8.9**
Retail customers			0.0	2.5	0.8	3.2	0.8	0.2	**7.5**
Value exposed to risk									
Central governments and central banks	22.7		0.0		0.3		0.1	0.0	**23.1**
Local and regional authorities	0.0		0.7		0.0		0.0	0.0	**0.7**
Credit institutions	3.6	0.3	1.9		0.2		0.1	0.0	**6.1**
Corporates	0.0		0.0	0.0	0.0	0.0	7.4	0.3	**7.7**
Retail customers			0.0	2.5	0.8	2.7	0.7	0.1	**6.8**

2012 (in € billions)	Weightings at: 0%	10%	20%	35%	50%	75%	100%	150%	Total
Gross exposures									
Central governments and central banks	31.0		0.0		0.4		0.0	0.0	**31.4**
Local and regional authorities	0.0		0.8				0.0	0.0	**0.8**
Credit institutions	4.6	0.4	2.7		0.2		0.2	0.0	**8.1**
Corporates			0.4	0.0	0.3		6.4	0.3	**7.4**
Retail customers			0.0	3.2	0.0	2.9	0.4	0.1	**6.6**
Value exposed to risk									
Central governments and central banks	30.9		0.0		0.3		0.0	0.0	**31.2**
Local and regional authorities	0.0		0.8		0.0		0.0	0.0	**0.8**
Credit institutions	4.6	0.4	2.6		0.2		0.2	0.0	**8.0**
Corporates	0.0		0.4	0.0	0.3	0.0	5.5	0.3	**6.5**
Retail customers			0.0	3.2	0.0	2.4	0.3	0.1	**6.0**

Rating system

Description and control of rating system

A single rating system for the entire Crédit Mutuel-CIC group

Rating algorithms and expert models have been developed to improve the group's credit risk assessment and to comply with the regulatory requirements concerning internal ratings-based approaches. This system is used by the entire Crédit Mutuel group.

Confédération Nationale du Crédit Mutuel (CNCM) is responsible for defining the rating methodologies for all portfolios. Nevertheless, the regional entities are directly involved in carrying out and approving working parties' assignments on specific subjects and the work related to data quality and applications acceptance tests. The counterparty rating system is common to the entire group.

The group's counterparties eligible for internal approaches are rated by a single system which is based on:

- statistical algorithms or "mass ratings" reliant on one or more models based on a selection of variables that are representative and predictive of risk for the following segments:
  - individuals,
  - retail legal entities,
  - non-trading real estate companies,
  - individual entrepreneurs,
  - farmers,
  - not-for-profit organizations,
  - corporates,
  - financing of corporate acquisitions;
- rating grids drawn up by experts for the following segments:
  - banks and covered bonds,
  - large corporates,
  - financing of large corporate acquisitions,
  - real estate,
  - insurance.

These models (algorithms or grids) are used to differentiate and correctly classify risk. The scale reflects the manner in which the risk changes and is broken down into eleven positions including nine performing positions (A+, A-, B+, B-, C+, C-, D+, D- and E+) and two default positions (E- and F).

A unified definition of default in accordance with Basel and accounting requirements

A unified definition of default has been adopted throughout Crédit Mutuel-CIC. Based on the principle of aligning prudential information with accounting information (CRC 2002-03), this is reflected in the matching of the Basel concept of loans in default and the accounting concept of non-performing loans and loans in litigation. Information systems take into account contagion, thereby enabling the downgrading to be extended to the related outstandings. The controls carried out by internal audit and by the statutory auditors ensure the reliability of the procedures for identifying defaults used to calculate capital adequacy requirements.

Internal ratings system: formalized monitoring procedures

The quality of the ratings system is monitored using national procedures which specify the topics to be reviewed, the warning thresholds and responsibilities of the personnel involved. These documents are updated by CNCM's risk department as often as is necessary based on the decisions ratified.

Reporting of the monitoring of the mass rating models focuses on three main aspects: stability assessment, performance and various additional analyses. Reports are drawn up in respect of each mass rating model on a quarterly basis and supplemented by monitoring work and annual and half-yearly checks, which are more detailed.

As regards the expert grids, the system comprises comprehensive annual monitoring based on the carrying out of performance tests (analysis of rating concentrations, of transition matrices and of consistency with the external rating system) supplemented in the case of the large corporates and similar customers by interim monitoring carried out on a six-monthly basis.

The parameters used to calculate weighted risks are national and apply to all group entities. The annual monitoring of default probabilities is carried out prior to any new estimate of the regulatory parameter. Depending on the portfolio, this monitoring is supplemented by intermediate monitoring, carried out on a half-yearly basis. The procedures for monitoring LGD (loss given default) and CCF (credit conversion factors) are implemented on an annual basis, their main objective being to validate, at the level of each segment, the values used by these parameters. In the case of loss given default, this validation is carried out mainly by verifying the strength of the prudence margin calculation methods and by reconciling the LGD estimators with the most recent data and actual figures. As regards the CCF, it is validated by reconciling the estimators with the most recent CCFs observed.

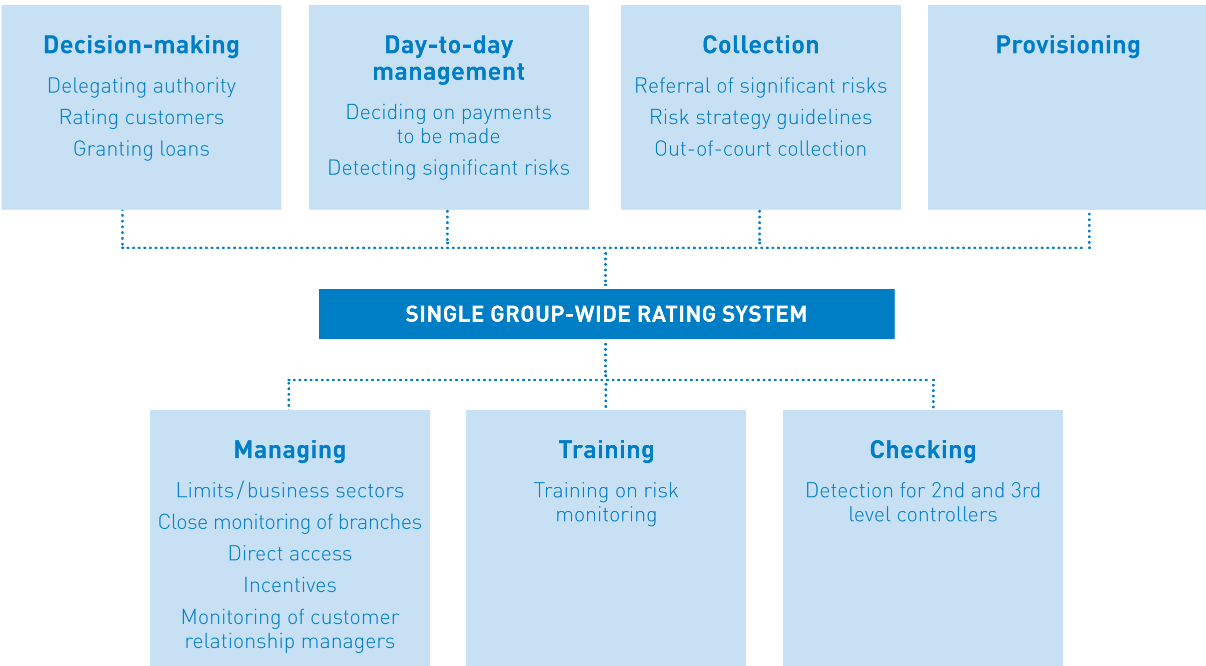
The internal rating system comes within the scope of both permanent and periodic controls

The group's permanent control plan concerning Basel II comprises two levels. At national level, permanent control is involved on the one hand in validating new models and significant adjustments made to existing models and, on the other hand, in the ongoing monitoring of the internal ratings system (and, in particular, its parameters). At regional level, permanent control verifies the overall suitability of the internal ratings system, the operational aspects related to the production and calculation of ratings, the credit risk management procedures directly related to the internal rating system and the quality of the data.

As regards periodic control, the group's audit unit carries out an annual review of the internal ratings system. A framework procedure defines the type of assignments to be carried out on an ongoing basis on the Basel II procedures as well as the breakdown of responsibilities between the regional and national audit units.

Integration of the internal ratings system into the group's operational processes

The regional groups implement the national Basel II procedures on the basis of measures tailored to their specific situation (composition of committees, risk management procedures, etc.). In accordance with the regulations, the Basel II procedures are implemented within the various Crédit Mutuel entities at all levels of the credit management process, as shown in the following diagram depicting the manner in which ratings are used.



The following measures ensure the overall consistency of the procedures:

- national governance of the internal ratings system;
- the circulation of national procedures by CNCM;
- communication between entities on practices (during plenary meetings or bilateral exchanges between CNCM and the groups or between group entities);
- the use by almost all group entities of two information systems, determining the Crédit Mutuel-CIC-group's structure (same applications used on a national basis, possibility of use of common applications on a federation-wide basis);
- national reporting applications;
- audits carried out by permanent control and confederal inspection.

The aim of these applications and responsibilities is to ensure that the group complies with regulatory requirements and that the manner in which the internal ratings system is used is consistent throughout the group. Details of the methodological guidelines, progress made regarding the procedures and the main consequences of the reform are regularly presented to all Crédit Mutuel federations, CIC's banks and the group's subsidiaries.

Value exposed to risk (Exposure At Default: EAD) by exposure category

(in € billions)	2013 Value exposed to risk	Value adjustments	2012 Value exposed to risk	Value adjustments	Variation 2013/2012 Value exposed to risk	Value adjustments
Foundation internal ratings-based approach						
Credit institutions	0.0	0.0	0.0	0.0	0.0	0.0
Advanced internal ratings-based approach						
Credit institutions	23.7	0.0	19.9	0.0	3.8	0.0
Corporates	69.4	0.8	61.3	0.9	8.1	(0.1)
Retail customers						
Revolving	*2.1*	*0.1*	*2.0*	*0.1*	*0.1*	*0.0*
*Residential real estate**	*53.5*	*0.3*	*51.5*	*0.4*	*2.0*	*(0.1)*
Other	*34.7*	*1.3*	*34.1*	*1.4*	*0.6*	*(0.1)*
TOTAL	**183.4**	**2.5**	**168.8**	**2.8**	**14.6**	**(0.3)**

* These value adjustments are those made in respect of individual provisions. Information about collective provisions is provided in the annual report.

Exposures of corporates under the IRBA at December 31, 2013

(in € billions)	Gross exposures	Value exposed to risk
Performing categories		
- Large corporates	32.0	23.4
- Other corporates	34.2	31.4
- Corporates dealt with under the IRB Slotting Criteria approach*	4.9	4.8
Non-performing categories		
- Large corporates	0.3	0.3
- Other corporates	1.2	1.2
- Corporates dealt with under the IRB Slotting Criteria approach*	0.1	0.1
Additional requirement in respect of the corporate floor	8.2	8.2
TOTAL	**80.9**	**69.4**

* Specialized financing algorithms.

... Information on Basel II Pillar 3

Value exposed to risk dealt with under the advanced internal ratings-based approach by category and by internal rating (excluding exposures at default)

Credit institutions and corporates

2013 (in € millions)	Credit quality step	Gross exposure	Exposure At Default (EAD)	Risk Weighted Assets (RWA)	Risk Weight (RW)	Expected Loss (EL)
Credit institutions	1	62	62	3	4.9%	-
	2	15,089	15,065	210	1.4%	-
	3	6,570	6,072	1,586	26.1%	-
	4	520	511	141	27.6%	-
	5	937	868	329	37.9%	-
	6	630	509	324	63.7%	-
	7	152	118	105	89.1%	-
	8	510	447	621	138.9%	-
	9	10	5	12	244.6%	-
Large corporates	1	106	70	11	15.3%	-
	2	354	248	45	18.2%	-
	3	2,175	1,534	393	25.6%	-
	4	6,306	4,048	1,349	33.3%	-
	5	10,443	7,578	4,370	57.7%	-
	6	4,996	3,701	3,282	88.7%	-
	7	2,802	2,204	2,467	111.9%	-
	8	3,706	3,095	4,738	153.1%	-
	9	1,122	940	2,178	231.8%	1
Other corporates	1	3,569	3,206	662	20.7%	1
	2	6,981	6,419	1,673	26.1%	5
	3	2,963	2,783	966	34.7%	4
	4	3,824	3,620	1,539	42.5%	10
	5	3,651	3,333	1,614	48.4%	16
	6	10,452	9,559	3,335	34.9%	50
	7	1,608	1,468	1,125	76.6%	24
	8	639	605	567	93.8%	18
	9	481	442	454	102.7%	23
Corporates dealt with under the IRB Slotting Criteria approach*		4,929	4,759	2,987	62.8%	21

* Specialized financing algorithms.

2012 (in € millions)	Credit quality step	Gross exposure	Exposure At Default (EAD)	Risk Weighted Assets (RWA)	Risk Weight (RW)	Expected Loss (EL)
Credit institutions	1	275	275	33	12.1%	-
	2	9,085	9,053	261	2.9%	0
	3	8,939	8,523	2,210	25.9%	-
	4	434	408	112	27.6%	-
	5	798	670	273	40.8%	-
	6	564	420	269	64.1%	-
	7	636	560	499	89.1%	-
	8	20	13	19	138.9%	-
	9	16	12	27	228.6%	-
Large corporates	1	65	45	7	15.3%	-
	2	520	392	71	18.2%	-
	3	2,157	1,514	396	26.2%	-
	4	7,011	4,658	1,552	33.3%	-
	5	8,124	6,053	3,490	57.7%	-
	6	5,927	4,247	3,766	88.7%	-
	7	3,283	2,529	2,830	111.9%	-
	8	3,736	3,240	4,960	153.1%	-
	9	1,586	1,285	2,981	232.0%	-
Other corporates	1	1,188	1,071	168	15.7%	0
	2	4,164	3,705	843	22.8%	2
	3	4,397	4,083	1,395	34.2%	6
	4	4,533	4,229	1,771	41.9%	11
	5	5,337	4,951	2,438	49.2%	23
	6	3,292	3,083	1,981	64.3%	29
	7	2,032	1,918	1,575	82.1%	33
	8	581	550	506	92.0%	15
	9	355	325	325	99.9%	15
Corporates dealt with under the IRB Slotting Criteria approach*		5,014	4,905	2,962	60.4%	18

* Specialized financing algorithms.

... Information on Basel II Pillar 3

Retail – Individuals

2013 (in € millions)	Credit quality step	Gross exposure	Exposure At Default (EAD)	Risk Weighted Assets (RWA)	Risk Weight (RW)	Expected Loss (EL)
Real estate	1	3,040	2,991	41	1.4%	0
	2	16,323	16,119	263	1.6%	1
	3	9,001	8,900	357	4.0%	2
	4	7,119	7,053	553	7.9%	3
	5	3,294	3,252	469	14.4%	4
	6	2,113	2,037	515	25.3%	5
	7	864	857	295	34.4%	4
	8	1,215	1,209	571	47.3%	10
	9	561	559	371	66.3%	14
Revolving	1	184	68	0	0.7%	0
	2	1,006	463	5	1.1%	0
	3	741	396	10	2.6%	0
	4	666	390	23	5.9%	0
	5	316	198	25	12.7%	1
	6	333	214	49	23.0%	2
	7	205	143	53	37.2%	2
	8	134	103	53	51.6%	3
	9	49	42	36	84.6%	3
Other loans	1	752	696	15	2.1%	0
	2	3,429	3,233	78	2.4%	0
	3	2,439	2,279	137	6.0%	1
	4	1,991	1,884	211	11.2%	1
	5	1,255	1,178	223	19.0%	2
	6	1,268	1,011	211	20.9%	4
	7	540	515	157	30.4%	5
	8	445	432	137	31.8%	7
	9	189	186	90	48.2%	8

2012 (in € millions)	Credit quality step	Gross exposure	Exposure At Default (EAD)	Risk Weighted Assets (RWA)	Risk Weight (RW)	Expected Loss (EL)
Real estate	1	3,246	3,203	42	1.3%	0
	2	15,738	15,566	242	1.6%	1
	3	8,261	8,179	313	3.8%	1
	4	6,893	6,831	521	7.6%	3
	5	3,178	3,144	436	13.9%	3
	6	1,704	1,651	400	24.2%	4
	7	994	986	328	33.3%	4
	8	983	979	447	45.6%	8
	9	631	629	399	63.5%	15
Revolving	1	98	43	0	0.8%	0
	2	775	375	4	1.0%	0
	3	747	395	9	2.4%	0
	4	814	471	26	5.5%	1
	5	393	249	30	12.0%	1
	6	265	176	38	21.4%	1
	7	129	93	32	34.0%	1
	8	105	82	40	48.3%	2
	9	46	39	31	78.9%	3
Other loans	1	778	721	15	2.1%	0
	2	3,257	3,084	69	2.3%	0
	3	2,429	2,278	140	6.2%	1
	4	2,220	2,100	243	11.6%	2
	5	1,335	1,266	244	19.3%	3
	6	1,188	961	222	23.2%	5
	7	518	497	146	29.3%	5
	8	370	361	118	32.7%	6
	9	233	229	105	46.0%	10

... Information on Basel II Pillar 3

Retail – Other

2013 (in € millions)	Credit quality step	Gross exposure	Exposure At Default (EAD)	Risk Weighted Assets (RWA)	Risk Weight (RW)	Expected Loss (EL)
Real estate	1	2,264	2,242	99	4.4%	0
	2	2,547	2,524	200	7.9%	1
	3	1,026	1,015	139	13.7%	1
	4	1,137	1,119	227	20.3%	2
	5	728	719	201	28.0%	2
	6	716	705	263	37.3%	4
	7	484	481	241	50.1%	5
	8	285	284	169	59.5%	4
	9	299	298	204	68.6%	10
Revolving	1	34	17	0	2.8%	0
	2	26	14	1	6.2%	0
	3	11	6	1	11.4%	0
	4	10	6	1	15.0%	0
	5	7	5	1	22.4%	0
	6	15	10	3	33.1%	0
	7	7	4	2	46.5%	0
	8	6	5	3	62.5%	0
	9	4	3	3	88.6%	0
Other loans	1	4,852	4,473	350	7.8%	2
	2	4,945	4,663	552	11.8%	4
	3	2,419	2,275	406	17.9%	4
	4	2,898	2,690	594	22.1%	8
	5	2,135	2,008	493	24.6%	11
	6	2,104	1,949	522	26.8%	18
	7	1,511	1,424	439	30.8%	24
	8	927	880	334	37.9%	25
	9	779	748	354	47.4%	40

2012 (in € millions)	Credit quality step	Gross exposure	Exposure At Default (EAD)	Risk Weighted Assets (RWA)	Risk Weight (RW)	Expected Loss (EL)
Real estate	1	1,699	1,680	73	4.3%	0
	2	2,393	2,372	184	7.7%	1
	3	1,437	1,426	190	13.3%	1
	4	1,086	1,074	210	19.6%	2
	5	892	883	239	27.0%	3
	6	648	642	230	35.9%	3
	7	456	454	217	47.8%	4
	8	309	307	176	57.3%	5
	9	340	335	220	65.5%	10
Revolving	1	27	14	0	2.8%	0
	2	24	13	1	6.0%	0
	3	14	8	1	10.7%	0
	4	10	6	1	14.0%	0
	5	7	5	1	21.3%	0
	6	14	9	3	31.3%	0
	7	6	4	2	43.7%	0
	8	7	5	3	58.4%	0
	9	5	4	3	82.1%	0
Other loans	1	3,842	3,542	277	7.8%	1
	2	4,133	3,896	459	11.8%	3
	3	3,226	3,038	524	17.3%	5
	4	2,771	2,592	561	21.6%	8
	5	2,688	2,508	607	24.2%	13
	6	1,793	1,666	439	26.4%	15
	7	1,679	1,569	461	29.4%	25
	8	935	889	320	36.0%	24
	9	774	748	338	45.2%	38

The LGD (loss given default) used to calculate expected losses provides a cycle average estimate whereas the accounting information recorded relates to a given year. Consequently, a comparison of EL (expected loss) with losses for a given year is not relevant.

Trading desk counterparty risk

Counterparty risk concerns derivatives and repurchase agreements (repos) within the banking and trading portfolios, which are entered into mainly by *CM-CIC Marchés*.
In this context, netting and collateral agreements have been put in place with the main counterparties, which limit exposures to counterparty risk.
Capital adequacy requirements were mainly measured using the IRBA at December 31, 2013.

Counterparty risk

Value exposed to risk (in € billions)	**2013**	**2012**
Derivatives	4.3	5.2
Repurchase agreements (repos)*	0.3	0.4
TOTAL	**4.6**	**5.6**

* For securities received under repurchase agreements (repos), the value exposed to risk corresponds to the fully adjusted value.

Credit risk reduction techniques

Netting and collateralization of repurchase agreements (repos) and over-the-counter derivatives

With the credit institution counterparties, *CM-CIC Marchés* supplements these agreements with collateralization contracts (Credit Support Annex: CSA).
These contracts are administered using the *TriOptima* platform.
Thanks to margin calls, which are usually made on a daily basis, the residual net credit risk on over-the-counter derivatives and repurchase agreements (repos) is greatly reduced.

Description of the main categories of security interests taken into account by the institution

The manner in which the group uses guarantees in the calculation of weighted risks depends on the nature of the borrower, the calculation method adopted for the hedged exposure and the type of guarantee.
As regards contracts used for retail banking customers and dealt with under the Advanced Internal Ratings-Based Approach, guarantees are used as a basis for segmenting the loss in the event of default, calculated on a statistical basis on all the group's non-performing loans and loans in litigation.
As regards contracts used for "sovereign", "credit institution" and, in part, "corporate" portfolios, personal and financial sureties are used as risk reduction techniques, as defined by the regulations:

- personal sureties correspond to the commitment entered into by a third party to take the place of the primary debtor in the event said primary debtor defaults; by extension, credit derivatives (purchase of protection) are included in this category;
- financial sureties are defined by the group as the right of the institution to liquidate, retain or obtain the transfer or ownership of certain amounts or assets such as pledged cash deposits, debt securities, equities or convertible bonds, gold, units in UCITS, life insurance policies and all types of instruments issued by a third party and repayable on demand.

Use of the guarantee is only effective if said guarantee meets the legal and operational criteria laid down by the regulations. Operational procedures describe the characteristics of the guarantees used, the eligibility criteria and the procedures for dealing with warnings generated in the event of non-compliance. Subsequent processing to calculate weighted risks taking into account risk reduction techniques is largely automated.

Procedures applied with regard to the valuation and management of instruments constituting security interests

The procedures used to value guarantees depend on the nature of the instrument constituting the security interest in property. Generally speaking, research carried out within Crédit Mutuel-CIC is based on statistical estimation methodologies, directly integrated into applications, based on external indices to which discounts may be applied depending on the type of asset accepted by way of guarantee. By exception, specific procedures stipulate expert valuations, particularly in the event that thresholds set for transactions are exceeded.
These procedures are drawn up at national level. Group entities are then responsible for operational management, monitoring valuations and calling guarantees.

The main categories of protection providers

Other than intra-group guarantees, the main categories of protection providers taken into account are mutual guarantee associations specializing in home loans.

Securitization

Objectives

In connection with its capital markets activities, the group's involvement in the securitization market concerns taking investment positions with a threefold aim: return, risk taking and diversification. The risks concerned are mainly credit risk on the underlying assets and liquidity risk including, in particular, the changes in the European Central Bank's eligibility criteria. The activity is purely an investment activity relating to senior or mezzanine tranches, but which still benefit from an external rating.
In the context of specialized financing, the group assists its customers by acting as a sponsor (arranger or co-arranger) or sometimes as an investor in the context of the securitization of trade receivables. The conduit used is General Funding Ltd (GFL), which subscribes to senior units in the securitization vehicle and issues commercial paper. GFL benefits from a liquidity line granted by the group, which guarantees that it will place the conduit's commercial paper. The group is exposed mainly to credit risk on the portfolio of receivables ceded and to the risk of the capital markets drying up.

Regardless of the context of the activity, Crédit Mutuel-CIC is not the "originator" and only acts as sponsor on an incidental basis. It does not invest in re-securitizations.

Capital markets activities: monitoring and control procedures

Market risks in respect of the securitization positions are monitored by the risks and results team using various courses of action and daily procedures which enable trends in market risks to be monitored. The risks and results team analyzes on a daily basis the trend in the results of the securitization strategies and explains it on the basis of risk factors.
It monitors compliance with the limits set in the body of rules.
The group also reviews the credit quality of the securitization tranches on a daily basis by monitoring the ratings set by the external credit rating agencies, Standard & Poor's, Moody's and Fitch Ratings. The actions of these agencies (upgrades, downgrades and credit watch placements) are analyzed.
In addition, a quarterly summary of changes in ratings is prepared.
In the context of the counterparty limit management procedure, the following work is carried out: in-depth analysis of securitizations that have reached the group commitment approval level and of certain sensitive securitizations (issued in countries that are peripheral to the eurozone or that have been significantly downgraded). These analyses aim, in particular, to assess the level of credit enhancement of the position as well as the performance of the underlying.
In addition, a record is prepared for each securitization tranche, regardless of the approval level, summarizing the main characteristics of the tranche held, the structure and the underlying portfolio. In the case of securitizations issued on or after January 1, 2011, information about the performance of the underlyings has been added. This information is updated once a month. The agents' issue prospectuses and pre-sale documentation are also recorded and made available with the records, as well as the investor reports for the securitizations issued on or after January 1, 2011.
Finally, the capital markets business has an application for measuring the impact of various scenarios on the positions (trend in prepayments, defaults and recovery rates in particular).

Credit risk hedging policies

The capital markets business traditionally involves the purchase of securities. However, the purchase of protection in the form of Credit Default Swaps may be authorized and is governed, where relevant, by the procedures relating to the management of capital markets activities.

Prudential approaches and methods

Those entities authorized to use the internal ratings-based approach to credit risk apply the method based on the ratings. In all other cases, the standardized approach is used.

Accounting principles and methods

Securitization securities are recognized in the same way as other debt securities, i.e. based on their accounting classification. The accounting principles and methods are detailed in note 1 to the financial statements.

Exposures by securitization type

Exposures are stated net of provisions.

Securitization by type in € billions

	2013				2012			
	Banking portfolio		Trading portfolio	Correlation portfolio	Banking portfolio		Trading portfolio	Correlation portfolio
Exposure At Default (EAD)	Standardized approach	Internal ratings-based approach	Internal ratings-based approach	Internal ratings-based approach	Standardized approach	Internal ratings-based approach	Internal ratings-based approach	Internal ratings-based approach
Investor								
- Traditional securitization	0.3	3.5	1.7		0.3	3.5	1.8	
- Synthetic securitization				0.6				0.8
- Traditional re-securitization								
- Synthetic re-securitization								
Sponsor		0.2				0.3		
TOTAL	**0.3**	**3.7**	**1.7**	**0.6**	**0.3**	**3.8**	**1.8**	**0.8**

... Information on Basel II Pillar 3

Exposure At Default (EAD)	2013				2012			
	Banking portfolio		Trading portfolio	Correlation portfolio	Banking portfolio		Trading portfolio	Correlation portfolio
	Standardized approach	Internal ratings-based approach	Internal ratings-based approach	Internal ratings-based approach	Standardized approach	Internal ratings-based approach	Internal ratings-based approach	Internal ratings-based approach
Credit quality step								
E1	0.1	1.4	1.4		0.1	0.6	1.7	
E2		0.9	0.1			1.3		
E3		0.1				0.1		
E4		0.2	0.1			0.2		
E5		0.1				0.1		
E6	0.1	0.0	0.1		0.1	0.1	0.1	
E7		0.1				0.0		
E8	0.1	0.1				0.2		
E9		0.0			0.1	0.0		
E10		0.0				0.0		
E11		0.0				0.0		
Positions weighted at 1,250%	0.0	0.8			0.0	1.2		
TOTAL	**0.3**	**3.7**	**1.7**	**0.6**	**0.3**	**3.8**	**1.8**	**0.8**

Capital requirement

TOTAL	**0.0**	**0.5**	**0.0**	**0.0**	**0.0**	**0.8**	**0.1**	**0.0**

Equities

Value exposed to risk (in € billions)	2013	2012
Equities	**2.9**	**3.1**
Under internal ratings-based approach		
Private equity (190%)	1.4	1.5
Exposures to listed equities (290%)	0.1	0.1
Other exposures to equities (370%)	1.1	1.1
Under standardized approach		
Equities under standardized approach weighted at 150%	0.3	0.3
Investments in credit institutions deducted from capital	**0.1**	**0.2**
Investments in entities in the insurance sector deducted from capital	**1.3**	**1.3**
Total amount of unrealized gains and losses included in Tier 1 capital	**0.0**	**0.0**

Unrealized gains included in Tier 2 capital totaled €0.1 billion.
The majority of the investments deducted from capital are investments in associated companies that are either credit institutions or insurance companies.
The private equity business line is broken down into:
i) the line covering equities under the internal ratings-based approach weighted at 190%; and
ii) the standardized approach weighted at 150%.

Interest rate risk: banking portfolio

Those items relating to the measurement of capital requirements with regard to the banking portfolio's interest rate risk are dealt with in the section entitled "Risk management".

Market risks

Market risks are calculated on the trading portfolio.
In the case of interest rate and equity risks, they result mainly from *CM-CIC Marché*'s activities.
Counterparty risks concerning derivatives and repurchase agreements (repos) are detailed in the section entitled "Counterparty risk".
Those items relating to the measurement of capital requirements in respect of market risks are dealt with in the section entitled "Risk management".

Operational risk

Those items relating to the structure and organization of the function responsible for operational risk are dealt with in the section entitled "Risk management".
That section also meets the disclosure requirements concerning policy and procedures implemented on the one hand and reporting systems and risk measurement on the other hand.

Description of the advanced method approach (AMA)

In connection with the implementation of the operational risk advanced method approach (AMA) for measuring capital requirements in respect of operational risks, a dedicated, independent function is responsible for managing this risk.
The operational risk measurement and control procedures are based on mappings prepared by business line and risk type, in close collaboration with the functional departments and day-to-day risk management procedures. These mappings serve as a standardized framework for analysis of the loss experience and result in modeling drawn from the work of experts reconciled with probability-based estimates based on different scenarios.
For modeling purposes, the group relies mainly on the national database of internal losses. Information is included in this database in accordance with a national collection procedure which defines a uniform threshold of €1,000 above which each loss must be input and which governs reconciliations between the loss database and the accounting records.
In addition, the group subscribes to an external database which is used on an ongoing basis together with the methodologies for integrating this data into the operational risk measurement and analysis system.
The group's general management and reporting system incorporates the requirements of CRBF regulation 97-02. Exposures to operational risk and losses are reported to the executive body on a regular basis and at least once a year.
The group's procedures in the areas of governance, collection of loss information and its risk measurement and management systems enable it to take the appropriate corrective action. These procedures are the subject of regular checks.

Authorized use of the AMA

The group has been authorized to use the advanced method approach to calculate regulatory capital requirements in respect of operational risk (with the exception of the deduction of expected losses from its capital requirements).
This authorization came into effect on January 1, 2010 in the case of the consolidated companies except foreign subsidiaries and was extended to CM-CIC-Factor as from January 1, 2012 and to Banque de Luxembourg as from September 31, 2013.

Operational risk hedging and reduction policy

Operational risk mitigation techniques include the following actions:
- preventative actions identified during the mapping process and implemented directly by operational or permanent control staff;
- safeguard initiatives, which focus on the widespread implementation of disaster recovery plans.

These plans can be split into three components:
- emergency plan: this is triggered immediately and involves measures designed to handle emergencies and institute solutions for operating in a weakened environment;
- business continuity plan: this involves resuming business under adverse conditions in accordance with predefined procedures;
- back-on-track plan.

An on-going national procedure deals with the methodology used in drawing up the disaster recovery plans. It constitutes a reference document accessible to all staff involved.
It is applied by all the regional groups.

Use of insurance techniques

The French Prudential Supervision and Resolution Authority *(Autorité de contrôle prudentiel et de résolution – ACPR)* has authorized Crédit Mutuel-CIC to take into account insurance as a factor to reduce its capital requirements in respect of operational risk under the advanced measurement approach with effect from the June 30, 2012 closing.
The principles applied to the financing of operational risks within the group depend on the frequency and severity of each potential risk, and consist of:
- taking out insurance for high frequency, low severity risks, or ensuring such risks are financed by withholding amounts on the operating account;
- taking out insurance for insurable serious or major risks;
- developing self-insurance for losses below insurers' excess levels;
- allocating regulatory capital reserves or provisions financed by underlying assets for serious risks that cannot be insured.

Crédit Mutuel-CIC's insurance programs comply with the provisions governed by Articles 371 - 1 to 3 of the order of February 20, 2007 concerning the deduction of insurance under the advanced method approach (AMA).
The insurance cover used in the deduction process includes damage to real and personal property (multi-risk), fraud (specific banking risks) and professional third-party liability.

Financial statements

Consolidated statement of financial position

Assets

(in € millions)	Notes	2013	2012
Cash and amounts due from central banks	4	10,466	7,543
Financial assets at fair value through profit or loss	5	29,168	27,809
Derivatives used for hedging purposes	6	60	117
Available-for-sale financial assets	7	11,199	13,492
Loans and receivables due from credit institutions	4	29,926	33,029
Loans and receivables due from customers	8	136,767	132,890
Remeasurement adjustment on portfolios hedged for interest rate risk	9	622	884
Held-to-maturity financial assets	10	75	67
Current tax assets	11	416	459
Deferred tax assets	12	471	604
Accruals and other assets	13	10,421	15,446
Investments in associates	14	1,518	1,497
Investment property	15	31	28
Property and equipment and finance leases (lessee accounting)	16	1,485	1,542
Intangible assets	17	209	237
Goodwill	18	86	88
TOTAL		**232,920**	**235,732**

Liabilities and equity

(in € millions)	Notes	2013	2012
Due to central banks	19	460	343
Financial liabilities at fair value through profit or loss	20	26,660	26,693
Derivatives used for hedging purposes	6	1,403	2,240
Due to credit institutions	19	53,995	57,405
Due to customers	21	112,847	108,162
Debt securities	22	16,824	17,016
Remeasurement adjustment on portfolios hedged for interest rate risk	9	(807)	(1,260)
Current tax liabilities	11	208	224
Deferred tax liabilities	12	264	245
Accruals and other liabilities	23	6,571	9,803
Provisions	24	949	934
Subordinated notes	25	2,311	3,459
Equity		11,235	10,468
Attributable to owners of the company		*11,130*	*10,362*
- Capital stock		*608*	*608*
- Additional paid-in capital		*1,088*	*1,088*
- Consolidated reserves		*8,611*	*8,229*
- Unrealized gains and losses recognized directly in equity	*26a*	*(22)*	*(261)*
- Net income for the year		*845*	*698*
Non-controlling interests		*105*	*106*
TOTAL		**232,920**	**235,732**

... Financial statements

Consolidated income statement

(in € millions)	Notes	2013	2012
Interest income	28	8,133	9,553
Interest expense	28	(5,559)	(7,734)
Commission income	29	2,241	2,119
Commission expense	29	(469)	(470)
Net gain/(loss) on financial instruments at fair value through profit or loss	30	(122)	777
Net gain/(loss) on available-for-sale financial assets	31	263	12
Income from other activities	32	165	186
Expense on other activities	32	(186)	(183)
Net banking income		**4,466**	**4,260**
Payroll costs	33a	(1,653)	(1,693)
Other general operating expenses	33c	(1,071)	(1,083)
Depreciation and amortization	34	(164)	(168)
Operating income before provisions		**1,578**	**1,316**
Net additions to/reversals from provisions for loan losses	35	(367)	(356)
Operating income after provisions		**1,211**	**960**
Share of income/(loss) of associates	14	65	51
Net gain/(loss) on disposals of other assets	36	4	11
Income before tax		**1,280**	**1,022**
Corporate income tax	37	(429)	(300)
Net income		**851**	**722**
Non-controlling interests		6	24
NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY		**845**	**698**
Basic earnings per stock unit (in €)	38	22.35	18.46
Diluted earnings per stock unit (in €)	38	22.35	18.46

Statement of comprehensive income

(in € millions)	Notes	2013	2012
Net income		**851**	**722**
Translation adjustments		(18)	(2)
Remeasurement of available-for-sale financial assets		234	729
Remeasurement of hedging derivatives		9	(2)
Share of unrealized or deferred gains and losses of associates		5	101
Total gains and losses recognized directly in equity that may be recycled to profit or loss		**230**	**826**
Remeasurement of non-current assets			
Actuarial differences on defined benefit plans		8	(52)
Total gains and losses recognized directly in equity that may not be recycled to profit or loss		**8**	**(52)**
Net income and gains and losses recognized directly in equity		**1,089**	**1,496**
Attributable to owners of the company		*1,084*	*1,372*
Non-controlling interests		*5*	*124*

Headings relating to gains and losses recognized directly in equity are presented net of tax.

... Financial statements

Consolidated statement of changes in equity

(in € millions)	Capital stock	Additional paid-in capital	Elimination of treasury stock	Reserves[1]
Equity at Dec. 31, 2011 Reported	**608**	**1,088**	**(55)**	**7,998**
Impact of change of accounting method[3]				(8)
Equity at Dec. 31, 2011 Pro forma	**608**	**1,088**	**(55)**	**7,990**
Equity at Jan. 1, 2012	**608**	**1,088**	**(55)**	**7,990**
Appropriation of prior-year earnings				555
Dividends paid				(246)
Change in investments in subsidiaries without loss of control				25
Sub-total: movements arising from stockholder relations				**334**
Consolidated net income for the period				
Changes in fair value of AFS financial assets[2]				
Changes in actuarial differences				
Translation adjustments				
Sub-total				
Restructuring and internal asset sales				(1)
Other movements[4]				(39)
Equity at Dec. 31, 2012	**608**	**1,088**	**(55)**	**8,284**
Equity at Jan. 1, 2013	**608**	**1,088**	**(55)**	**8,284**
Appropriation of prior-year earnings				698
Dividends paid				(283)
Change in investments in subsidiaries without loss of control				(6)
Sub-total: movements arising from stockholder relations				**409**
Consolidated net income for the period				
Changes in fair value of AFS financial assets[2]				
Changes in actuarial differences				
Translation adjustments				
Sub-total				
Effects of acquisitions and disposals on non-controlling interests				(1)
Restructuring and internal asset sales				(1)
Other movements				(25)
Equity at Dec. 31, 2013	**608**	**1,088**	**(55)**	**8,666**

(1) At December 31, 2013 reserves comprised the legal reserve for €61 million, the special long-term capital gains reserve for €287 million, retained earnings for €3,070 million, other CIC reserves for €320 million and post-acquisition retained earnings for €4,928 million.
(2) AFS: Available for sale.
(3) Application of revised IAS 19.
(4) The €31 million translation adjustment was included in reserves at December 31, 2011. In 2012, this amount was transferred to gains and losses recognized directly in equity under the "Other movements" heading.

At December 31, 2013, CIC's capital stock comprised 38,027,493 stock units with a par value of €16 each, including 229,741 treasury stock units.

Equity attributable to owners of the company						Non-controlling interests	Total consolidated equity
Gains and losses recognized directly in equity							
Translation adjustments	AFS financial assets[2]	Hedging Instruments	Actuarial differences	Net income for the year	Total		
	(949)	**(18)**		**555**	**9,227**	**280**	**9,507**
			(26)		(34)		(34)
	(949)	**(18)**	**(26)**	**555**	**9,193**	**280**	**9,473**
	(949)	**(18)**	**(26)**	**555**	**9,193**	**280**	**9,473**
				(555)			
					(246)	(16)	(262)
	(40)				(15)	(242)	(257)
	(40)			**(555)**	**(261)**	**(258)**	**(519)**
				698	698	24	722
	771	(2)			769	60	829
			(26)		(26)		(26)
(2)					(2)		(2)
(2)	**771**	**(2)**	**(26)**	**698**	**1,439**	**84**	**1,523**
					(1)		(1)
31					(8)		(8)
29	**(218)**	**(20)**	**(52)**	**698**	**10,362**	**106**	**10,468**
29	**(218)**	**(20)**	**(52)**	**698**	**10,362**	**106**	**10,468**
				(698)			
					(283)	(6)	(289)
					(6)	(1)	(7)
				(698)	**(289)**	**(7)**	**(296)**
				845	845	7	852
	239	9			248		248
			8		8		8
(18)					(18)	(1)	(19)
(18)	**239**	**9**	**8**	**845**	**1,083**	**6**	**1,089**
					(1)		(1)
					(1)		(1)
	1				(24)		(24)
11	**22**	**(11)**	**(44)**	**845**	**11,130**	**105**	**11,235**

... Financial statements

Consolidated statement of cash flows

(in € millions)	2013	2012
Net income	851	722
Corporate income tax	429	300
Income before tax	**1,280**	**1,022**
Net depreciation/amortization expense on property and equipment and intangible assets	164	168
Impairment of goodwill and other non-current assets	18	17
Net additions to provisions and impairment	(22)	(362)
Share of income/loss of associates	(65)	(51)
Net loss/gain from investing activities	(32)	8
(Income)/expense from financing activities		
Other movements	(701)	36
Non-monetary items included in income before tax and other adjustments	**(638)**	**(184)**
Cash flows relating to interbank transactions	2,887	(8,628)
Cash flows relating to customer transactions	676	7,282
Cash flows relating to other transactions affecting financial assets or liabilities	1,360	1,360
Cash flows relating to other transactions affecting non-financial assets or liabilities	1,764	3,304
Taxes paid	(287)	(37)
Net decrease/(increase) in assets and liabilities from operating activities	**6,400**	**3,281**
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	**7,042**	**4,119**
Cash flows relating to financial assets and investments	**23**	**75**
Cash flows relating to investment property	**(5)**	**(6)**
Cash flows relating to property and equipment and intangible assets	**(98)**	**(98)**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**(80)**	**(29)**
Cash flows relating to transactions with stockholders[1]	**(239)**	**(210)**
Other net cash flows relating to financing activities[2]	**(791)**	**688**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	**(1,030)**	**478**
IMPACT OF MOVEMENT IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	**(145)**	**(8)**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**5,787**	**4,560**
Net cash flows from (used in) operating activities (A)	7,042	4,119
Net cash flows from (used in) investing activities (B)	(80)	(29)
Net cash flows from (used in) financing activities (C)	(1,030)	478
Impact of movements in exchange rates on cash and cash equivalents (D)	(145)	(8)
Cash and cash equivalents at beginning of year	**13,745**	**9,185**
Cash accounts and accounts with central banks	7,200	3,457
Demand loans and deposits – credit institutions	6,545	5,728
Cash and cash equivalents at end of year	**19,532**	**13,745**
Cash accounts and accounts with central banks	10,006	7,200
Demand loans and deposits – credit institutions	9,526	6,545
CHANGE IN CASH AND CASH EQUIVALENTS	**5,787**	**4,560**

(1) Cash flows relating to transactions with stockholders included:
- €283 million in dividends paid by CIC to its stockholders in respect of 2012;
- €6 million in dividends paid to non-controlling stockholders;
- €50 million in dividends received from associated companies.

(2) Other net cash flows relating to financing activities comprised:
- the redemption of subordinated notes amounting to €1,129 million;
- the issue and redemption of bonds representing a net amount of €338 million.

Notes to the consolidated financial statements

The notes are expressed in millions of euros (€ millions).

Note 1: Summary of significant accounting policies and valuation and presentation methods

Pursuant to regulation (EC) 1606/2002 on the application of international accounting standards and regulation (EC) 1126/2008 on the adoption of said standards, the consolidated financial statements have been drawn up in accordance with IFRS as adopted by the European Union at December 31, 2013. These standards include IAS 1 to 41, IFRS 1 to 8 and any SIC and IFRIC interpretations adopted at that date.

Standards not adopted by the European Union have not been applied. The financial statements are presented in accordance with ANC recommendation 2013-04.

All IAS and IFRS were updated on November 3, 2008 by regulation 1126/2008 that replaced regulation 1725/2003. The entire framework is available on the European Commission's website at:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

Information on risk management required by IFRS 7 is provided in a specific section in the consolidated financial statements.

New accounting standards applied as from January 1, 2013

IAS / IFRS	Subject addressed	Date of mandatory application	Consequences of application
IAS 1 Amendment	Presentation of Items of Other Comprehensive Income	01/01/2013	Limited
IFRS 7 Amendment	Offsetting Financial Assets and Financial Liabilities	01/01/2013	Limited
Amendment	Annual improvements to the International Financial Reporting Standards (IFRS)	01/01/2013	Limited
IAS 12 Amendment of May 2012	IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets	01/01/2013	Limited
IFRS 13	Fair Value Measurement: in particular, the measurement of derivatives taking into account counterparty credit risk and own credit risk (CVA and DVA)	01/01/2013	Limited

Standards and interpretations adopted by the European Union and not yet applied

IAS 32 Amendment	Offsetting Financial Assets and Financial Liabilities	01/01/2014	Limited
IFRS 10/11/12 IAS 28	Standards relating to consolidation and financial information of non-consolidated entities	01/01/2014	Limited

Use of estimates in the preparation of the financial statements

Preparation of the financial statements may require the use of assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the statement of financial position, and in the disclosure of information in the notes to the financial statements.

This requires managers to draw upon their judgment and experience and make use of the information available at the date of preparation of the financial statements when making the necessary estimates.

This applies in particular to:

- the impairment of debt and equity instruments;
- the use of calculation models when valuing financial instruments that are not listed on an active market and are classified in "Available-for-sale financial assets", "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss";
- calculation of the fair value of financial instruments that are not listed on an active market and are classified in "Loans and receivables" or "Held-to-maturity financial assets" for which this information must be provided in the notes to the financial statements;
- impairment tests performed on intangible assets;
- measurement of provisions, including retirement obligations and other employee benefits.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and which are not intended at the time of their acquisition or grant to be sold. They include loans granted directly by the group or its share in syndicated loans, purchased loans and debt securities that are not listed on an active market. Loans and receivables are measured initially at fair value, which is usually the net amount disbursed at inception. They are subsequently carried at amortized cost using the effective interest rate method.

... Financial statements

The interest rates applied to loans granted are deemed to represent market rates, since they are constantly adjusted in line with the interest rates applied by the vast majority of competitor banks.
The restructuring of a loan due to the borrowers' financial problems requires novation of the contract.
The fair value of loans and receivables is disclosed in the notes to the financial statements at the end of each reporting period and corresponds to the net present value of future cash flows estimated using a zero-coupon yield curve that includes an issuer cost inherent to the debtor.
Commissions received or paid that are directly related to setting up the loan and are treated as an additional component of interest are recognized over the life of the loan using the effective interest rate method and are shown under interest items in the income statement.

Impairment of loans and receivables and available-for-sale or held-to-maturity debt instruments and provisions for financing commitments and financial guarantees given

Individual impairment of loans
Impairment is recognized when there is objective evidence of a measurable decrease in value as a result of an event occurring after inception of a loan or group of loans, and which may lead to a loss. Loans are tested for impairment on an individual basis at the end of each reporting period. The amount of impairment is equal to the difference between the carrying amount and the present value of the estimated future cash flows associated with the loan, discounted at the original effective interest rate. For variable-rate loans, the last known contractual interest rate is used.

Loans on which one or more installments are more than three months past due (six months in the case of real estate loans and nine months for local authority loans) are deemed to represent objective evidence of impairment. Likewise, an impairment loss is recognized when it is probable that the borrower will not be able to repay the full amount due, when an event of default has occurred, or where the borrower is subject to court-ordered liquidation.
Impairment charges and provisions are recorded in net additions to/reversals from provisions for loan losses. Reversals of impairment charges and provisions are recorded in net additions to/reversals from provisions for loan losses for the portion relating to the change in risk and in net interest for the portion relating to the passage of time. Impairment provisions are deducted from the asset in the case of loans and receivables and the provision is recorded under provisions in liabilities for financing and guarantee commitments.
Loan losses are recorded in losses and the corresponding impairments and provisions are written back.

Collective impairment of loans (portfolio-based impairment)
Customer loans that are not individually impaired are risk-assessed on the basis of loan portfolios with similar characteristics. This assessment draws upon internal and external rating systems, the estimated probability of default, the estimated loss rate, and the amount of loans outstanding. Portfolio-based impairment is deducted from the carrying amount of the assets concerned, while any movements in impairment are included in "Net additions to/reversals from provisions for loan losses" in the income statement.

Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.
A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.
An operating lease is a lease other than a finance lease.

Finance leases – lessor accounting
In accordance with IAS 17, finance lease transactions with non-group companies are included in the consolidated statement of financial position in an amount corresponding to the net investment in the lease.
In the lessor's financial statements, the analysis of the economic substance of the transaction results in the recognition of a financial receivable due from the customer. This amount is reduced in line with lease payments received, which are broken down between principal repayments and interest.

Finance leases – lessee accounting
In accordance with IAS 17, assets acquired under finance leases are included in property and equipment and an obligation in the same amount is recorded as a liability. Lease payments are broken down between principal repayments and interest.

Financial guarantees (sureties, guarantees and other undertakings) and financing commitments given

Financial guarantees are treated like an insurance policy when they provide for specified payments to be made to reimburse the holder for a loss incurred because a specified debtor fails to make payment on a debt instrument on the due date.
In accordance with IFRS 4, these financial guarantees are still measured using French GAAP, pending an addition to the standards to enhance the current mechanism. Consequently, these guarantees are subject to a provision in liabilities in the event of a likely outflow of resources.
By contrast, financial guarantees that provide for payments in response to changes in a financial (price, credit rating or index, etc.) or non-financial variable, provided that in this event the variable is not specific to one of the parties to the agreement, fall within the scope of application of IAS 39. These guarantees are thus treated as derivatives.
Financing commitments that are not regarded as derivatives within the meaning of IAS 39 are not shown in the statement of financial position. However, a provision is made in accordance with IAS 37.

Purchased securities

Securities held by the group are classified in the categories defined in IAS 39: financial instruments at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans.

Held-to-maturity financial assets

Classification
Held-to-maturity financial assets are financial assets listed on an active market, with fixed or determinable payments that the group has the positive intention and ability to hold to maturity, other than those that the group has designated at fair value through profit or loss or as available for sale. The positive intention and ability to hold to maturity are assessed at the end of each reporting period.

Basis for recognition and measurement of related income and expenses
Held-to-maturity investments are recognized upon acquisition at their fair value including transaction costs, which are deferred as they are included in the calculation of the effective interest rate. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest rate method, which builds in the actuarial amortization of premiums and discounts (corresponding to the difference between the purchase price and redemption value of the asset).
Income earned from this category of investments is included in "Interest income" in the income statement.
Should a credit risk arise, impairment on held-to-maturity financial assets is calculated in the same way as for loans and receivables.

Available-for-sale financial assets

Classification
Available-for-sale financial assets are financial assets that have not been classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value through profit or loss.

Basis for recognition and measurement of related income and expenses
Available-for-sale financial assets are carried at fair value until disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account. On disposal or recognition of an impairment in value, the unrealized gains and losses recorded in equity are transferred to the income statement. Purchases and sales are recognized at the settlement date.
Income derived from fixed-income available-for-sale securities is recognized in the income statement under "Interest income", using the effective interest method. Dividend income relating to variable-income available-for-sale securities is taken to income under "Net gain/(loss) on available-for-sale financial assets".

Impairment of available-for-sale debt instruments
Impairment losses are calculated based on fair values. They are recognized in "Net additions to/reversals from provisions for loan losses" and are reversible. In the event of impairment, any unrealized or deferred gains or losses are written back to the income statement.

Impairment of available-for-sale equity instruments
An equity instrument is impaired when there exists objective evidence of impairment, either in the event of:
a) a significant or lasting decline in the fair value to below cost, or;
b) the existence of information on significant changes that have a negative impact and have arisen in the technological, market, economic or legal environment in which the issuer operates and which indicates that the cost of the investment may not be recovered.

In the case of an equity instrument, the loss of at least 50% of its value compared with its acquisition cost or a loss of value lasting more than 36 consecutive months implies an impairment. Such instruments are analyzed on a line-by-line basis. Judgment must also be exercised for securities that do not meet the above criteria but for which it is considered that recovery of the amount invested in the near future cannot reasonably be expected.
Impairment is recognized under "Net gain/(loss) on available-for-sale financial assets" and is irreversible so long as the instrument is carried in the statement of financial position. Any subsequent impairment is also recognized in the income statement. In the event of impairment, any unrealized or deferred gains or losses are written back to the income statement.

... Financial statements

Financial instruments at fair value through profit or loss

Classification
Financial instruments at fair value through profit or loss comprise:

a) financial instruments held for trading purposes, consisting mainly of instruments that:
  - were acquired or incurred principally for the purpose of selling or repurchasing them in the near term; or
  - are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
  - represent derivatives not classified as hedges.

b) financial instruments designated at inception as at fair value through profit or loss in accordance with the fair value option provided by IAS 39. The fair value option is designed to help entities produce more relevant information, by enabling:
  - certain hybrid instruments to be measured at fair value without separating out embedded derivatives, provided the embedded derivative has a material impact on the value of the instrument;
  - a significant reduction in accounting mismatches between certain assets and/or liabilities: this is particularly the case where a hedging relationship (interest rate or credit) cannot be established;
  - a group of financial assets and/or liabilities to be managed and monitored for performance in accordance with a risk management or investment strategy on a fair value basis. This category mainly includes all securities held in the private equity portfolio.

Basis for recognition and measurement of related income and expenses
Financial instruments included in this category are recognized in the statement of financial position at fair value up to the date of their disposal. Changes in fair value are taken to the income statement under "Net gain/(loss) on financial instruments at fair value through profit or loss". Income earned on fixed-income securities in this category is included in the income statement under "Interest income". Purchases and sales of securities at fair value through profit or loss are recognized on the settlement date. Any changes in fair value between the transaction date and settlement date are recognized in the income statement. Fair value also incorporates an assessment of counterparty risk on these instruments.

Fair value
Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability as part of a normal transaction between market participants on the measurement date. The fair value of an instrument upon initial recognition is generally its transaction price.
If the instrument is traded on an active market, the best estimate of fair value is the quoted price.
The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price, and for an asset to be acquired or liability held, the ask price.
When the bank has assets and liabilities with offsetting market risks, the net position is valued at the bid price for a net asset held or a net liability to be issued and at the ask price for a net asset to be acquired or liability held.
A market is deemed to be active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions in very similar instruments carried out on an arm's length basis.
If the market for a financial instrument is not active, fair value is established using a valuation technique.
Derivatives are remeasured based on available observable market data such as yield curves to which the bid/ask price is then applied.

When observable data is not available or when market price adjustments require the use of non-observable data, the entity may use internal assumptions relating to future cash flows and discount rates, comprising adjustments linked to the risks the market would factor in. Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, of liquidity risks associated with the instrument or parameter concerned, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions.
As regards derivatives that constitute a receivable, their valuation also incorporates the risk of the counterparty defaulting. When a derivative constitutes a debt, its valuation takes into account the risk of the group entity owning it defaulting.
A multi-criteria approach is adopted to determine the value of securities held in the private equity portfolio, backed by historical experience of valuing unlisted companies.

Fair value hierarchy of financial instruments

There are three levels of fair value of financial instruments, as defined by IFRS 13:

- level 1: prices quoted on active markets for identical assets or liabilities: this concerns, in particular, debt securities with prices quoted by at least three contributors and derivative instruments quoted on a regulated market;
- level 2: data other than the level 1 quoted prices, which are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. data derived from prices); included, in particular, in level 2 are interest rate swaps whose fair value is generally determined with the help of yield curves based on market interest rates observed at the end of the reporting period;
- level 3: data relating to the asset or liability that are not based on observable market data (non-observable data). Given the diversity and volume of the instruments, the sensitivity of the fair value to the change in the parameters would be immaterial. This category comprises mainly investments in non-consolidated companies and securities relating to the private equity business line.

Financial instruments at fair value through profit or loss – derivatives

A derivative is a financial instrument:

a) whose fair value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, price index, rate index or credit index, or other variable – sometimes called the "underlying";
b) which requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts exhibiting a similar response to changes in the underlying;
c) which is settled at a future date.

Derivatives are classified as financial instruments held for trading except when they are part of a designated hedging relationship.
Derivatives are recorded in the statement of financial position under financial instruments at fair value through profit or loss. Changes in fair value and interest accrued or payable are recognized in "Net gain/(loss) on financial instruments at fair value through profit or loss".
Derivatives qualifying for hedge accounting in accordance with IAS 39 are classified as fair value hedges or cash flow hedges, as appropriate. All other derivatives are classified as trading items, even if they were contracted for the purpose of hedging one or more risks.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.
Embedded derivatives are separated from the host contract and accounted for as a derivative at fair value through profit or loss provided that they meet the following conditions:

- they meet the definition of a derivative;
- the hybrid instrument hosting the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics and associated risks of the embedded derivative are not closely related to those of the host contract.

Financial instruments at fair value through profit or loss – derivatives – structured products

Structured products are products created by bundling basic instruments – generally options – to exactly meet customer needs. CIC offers various categories of structured products based on plain vanilla options, binary options, barrier options, Asian options, lookback options, options on several assets and index swaps.
There are three main methods of valuing these products: methods consisting of solving a partial differential equation, discrete time tree methods and Monte Carlo methods.
CIC uses the first and third methods. The analytical methods used are those applied by the market to model the underlyings.
The valuation parameters applied correspond to observed values or values determined using a standard observed values model at the end of the reporting period. If the instruments are not traded on an organized market, the valuation parameters are determined by reference to the values quoted by the most active dealers in the corresponding products or by extrapolating quoted values. All the parameters used are based on historical data. The parameters applied to measure the value of unquoted forward financial instruments are determined using a system that provides a snapshot of market prices. Every day, at a fixed time, the bid and ask prices quoted by several market players, as displayed on the market screens, are recorded in the system. A single price is fixed for each relevant market parameter.

Certain complex financial instruments – mainly customized equity barrier options with single or multiple underlyings presenting low levels of liquidity and long maturities – are measured using internal models and valuation inputs such as long volatilities, correlations, and expected dividend flows where no observable data can be obtained from active markets. Upon initial recognition, these complex financial instruments are recorded in the statement of financial position at their transaction price, which is deemed to be the best indication of fair value even though the result of the model-based valuation may differ. The difference between the price at which a complex instrument is traded and the value obtained from internal models, which generally represents a gain, is known as "day one profit". IFRS prohibit the recognition of a margin on products valued using models and parameters that are not observable on active markets. The margin is therefore deferred. The margin realized on options with a single underlying and no barrier is recognized over the life of the instrument. The margin on products incorporating barrier options is recognized upon maturity of the structured product, due to the specific risks associated with the management of these barriers.

Reclassification of debt instruments

Fixed-income securities or debt instruments classified at fair value through profit or loss may be reclassified in other categories as follows:

a) held-to-maturity, only in rare cases, in the event of a change in the management intention, and provided that they satisfy the eligibility conditions for this category;
b) loans and receivables, in the event of a change in the management intention, the capacity to hold the security for the foreseeable future or until maturity and provided that they satisfy the eligibility conditions for this category;
c) available-for-sale, only in rare cases.

Fixed-income securities or available-for-sale debt instruments may be reclassified in other categories as follows:

a) held-to-maturity in the event of a change in the management intention or capacity, and provided that they satisfy the eligibility conditions for this category;
b) loans and receivables if there is the intention and capacity to hold the financial asset for the foreseeable future or until maturity and provided that they satisfy the eligibility conditions for this category.

In the event of a transfer, the fair value of the financial asset on its reclassification date becomes its new cost or amortized cost. Gains or losses recognized prior to the transfer date cannot be reversed.
In the event of a transfer from the "available-for-sale" category into either the "held-to-maturity" or "loans and receivables" category of debt instruments with a fixed maturity date, unrealized gains and losses previously deferred into equity are amortized over the asset's residual life.

Hedge accounting

IAS 39 permits three types of hedging relationship.
The hedging relationship is selected on the basis of the type of risk being hedged. A fair value hedge is a hedge of the exposure to changes in fair value of a financial asset or liability and is mainly used to hedge the interest rate risk on fixed-rate assets and liabilities and on demand deposits, as permitted by the European Union. A cash flow hedge is a hedge of the exposure to variability in cash flows relating to a financial asset or liability, firm commitment or future transaction.
Cash flow hedges are used in particular to hedge interest rate risk on variable-rate assets and liabilities, including rollovers, and for foreign exchange risk on highly probable foreign currency revenues.
At the inception of the hedge, the group documents the hedging relationship, i.e. that between the item being hedged and the hedging instrument. This documentation describes the management objectives of the hedging relationship, as well as the underlying strategy, type of risk covered, the hedged item and hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.
Hedge effectiveness is assessed at the inception of the hedge and subsequently at least at the end of each reporting period.
The ineffective portion of the hedge is recognized in the income statement under "Net gain/(loss) on financial instruments at fair value through profit or loss".
The only risk for which fair value hedging is used is interest rate risk.

Fair value hedges

In a fair value hedge, changes in the fair value of the derivative instrument are taken to income under "Interest income/ expense – derivatives used for hedging purposes" symmetrically with the change in interest income/expense of the hedged item.
In a fair value hedging relationship, the derivative instrument is measured at fair value through profit or loss under "Net gain/(loss) on financial instruments at fair value through profit or loss" symmetrically with the remeasurement of the hedged item to reflect the hedged risk. This rule applies when the hedged item is recognized at amortized cost or is classified as available-for-sale. If the hedging relationship is fully effective, any changes in the fair value of the hedging instrument will offset changes in the fair value of the item hedged.
Hedges must be deemed to be highly effective to qualify for hedge accounting. The change in the fair value or cash flows of the hedging instrument must offset the change in the fair value or cash flows of the item hedged within a range of 80% to 125%.
If the hedging relationship is broken or no longer fulfills the hedge effectiveness criteria, hedge accounting is discontinued on a prospective basis. The related derivatives are transferred to the trading book and accounted for using the treatment applied to this asset category. The carrying amount of the hedged item in the statement of financial position is no longer adjusted to reflect changes in fair value and the cumulative adjustment recorded in respect of the hedging transactions is amortized over the remaining life of the item hedged. If the hedged item no longer appears in the statement of financial position, in particular due to early repayments, the cumulative adjustment is taken immediately to income.

Fair value hedge accounting for a portfolio hedge of interest-rate risk

In October 2004, the European Union amended IAS 39 to allow demand deposits to be included in portfolios of liabilities contracted at fixed rates. This method is applied by the group. It concerns the vast majority of the interest rate hedges implemented in connection with the group's asset-liability management strategy.

At the end of each reporting period, CIC verifies that the hedging contracted for each portfolio of assets and liabilities is not excessive.
The maturity of the liability portfolio is modeled by asset-liability management.
Changes in the fair value of a portfolio hedge of interest-rate risk are recognized on a specific line of the statement of financial position, under "Remeasurement adjustment on interest-rate risk hedged portfolios", with the offsetting entry in income.

Cash flow hedges

In the case of cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity under "Unrealized or deferred gains and losses on cash flow hedges", while the ineffective portion is included in "Net gain/(loss) on financial instruments at fair value through profit or loss".
The amounts recognized in equity are reclassified into profit and loss under "Interest income/expense" in the same period or periods during which the cash flows attributable to the hedged item affect profit or loss. The hedged items continue to be accounted for using the treatment applicable to the asset category to which they belong.
If the hedging relationship is broken or no longer fulfills the hedge effectiveness criteria, hedge accounting is discontinued. The cumulative amounts recognized in equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts income, or until the transaction is no longer expected to occur, at which point said amounts are transferred to the income statement.

Regulated savings

Home savings accounts *(comptes d'épargne logement* – "CEL") and home savings plans *(plans d'épargne logement* – "PEL") are government-regulated retail products sold in France. Account holders receive interest on amounts paid into these accounts over a certain period (initial savings phase), at the end of which they are entitled to a mortgage loan (secondary borrowing phase). They generate two types of obligation for the distributing establishment:

- to pay interest in the future on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest payable on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as a variable rate);
- to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data.
A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable to the bank, i.e. where the bank offers different interest rates than those on similar non-regulated products. This approach is managed based on generations of regulated PEL savings products with similar characteristics. The impact on income is included in interest paid to customers.

... Financial statements

Debt securities

Debt securities are initially recognized at fair value (including transactions costs), which is generally the net amount received, and they are subsequently measured at amortized cost using the effective interest method.
Certain "structured" debt instruments may contain embedded derivatives, which are isolated from the host contract when they meet the criteria for separate recognition.
The host contract is subsequently measured at amortized cost.
Fair value is based on quoted market prices or valuation models.

Property and equipment and intangible assets

Property and equipment and intangible assets shown in the statement of financial position comprise assets used in operations and investment property. Assets used in operations are those used in the provision of services or for administrative purposes. They include assets other than property assets leased under operating leases. Investment property comprises real property held to earn rentals or for capital appreciation, or both. Investment property is accounted for at cost, in the same way as assets used in operations.
Property and equipment and intangible assets are recognized at acquisition cost plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
Subsequent to initial recognition, property and equipment and intangible assets are measured at amortized cost, which represents cost less accumulated depreciation, amortization and any accumulated impairment losses.
The depreciable amount is cost less residual value, net of costs to sell. Property and equipment and intangible assets are presumed not to have a residual value as their useful lives are generally the same as their economic lives.
Depreciation and amortization is calculated on a straight-line basis over the estimated useful life of the assets, based on the manner in which the economic benefits embodied in the assets are expected to be consumed by the entity.
Intangible assets that have an indefinite useful life are not amortized.
Depreciation and amortization on property and equipment and intangible assets is recognized in "Depreciation, amortization and impairment" in the income statement.
Where an asset consists of a number of components that may require replacement at regular intervals, or that have different uses or different patterns of consumption of economic benefits, each component is recognized separately and depreciated using a depreciation method appropriate to that component. CIC has adopted the component approach for property used in operations and investment property.
These items are depreciated over the following useful lives:
- 40-80 years for the shell;
- 15-30 years for structural components;
- 10-25 years for equipment;
- 10 years for fixtures and fittings.

Leasehold rights paid are not amortized but are tested for impairment. New occupancy fees paid to the owner are amortized over the life of the lease as additional rent.
Other intangible items (e.g. acquired customer contract portfolios) are amortized over a period of nine or ten years.

Depreciable and amortizable assets are tested for impairment when evidence exists at the end of the reporting period that the items may be impaired. Non-depreciable and non-amortizable non-current assets are tested for impairment at least annually. If there is an indication of impairment, the recoverable amount of the asset is compared with its carrying amount. If the asset is found to be impaired, an impairment loss is recognized in income, and the depreciable amount is adjusted prospectively. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment is recognized under "Depreciation, amortization and impairment" in the income statement.
Gains and losses on disposals of non-current assets used in operations are recognized in the income statement in "Net gain/(loss) on disposals of other assets".
Gains and losses on disposals of investment property are shown in the income statement under "Income from other activities" or "Expense on other activities".

Corporate income tax

Corporate income tax includes all current or deferred income taxes.
Current income tax is calculated based on the applicable tax regulations.

Deferred taxes

In accordance with IAS 12, deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax basis, except for goodwill and fair value adjustments on intangible assets that cannot be sold separately from the acquired business.
Deferred taxes are calculated using the liability method, based on the latest enacted tax rate applicable to future periods.
Net deferred tax assets are recognized only in cases where their recovery is considered highly probable.
Current and deferred taxes are recognized as tax income or expense, except deferred taxes relating to unrealized or deferred gains and losses, which are taken directly to equity.
Non-recoverable taxes payable on probable or certain dividend payments by consolidated companies are taken into account.

Provisions

A provision is recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of the amount of the obligation. The amount of the obligation is discounted in order to determine the amount of the provision.
Movements in provisions are classified by nature under the corresponding income/expense caption. The cumulative provision is recognized as a liability in the statement of financial position.

Employee benefits

Employee benefits are accounted for in accordance with IAS 19R, which has been applied early as from the previous fiscal year. The effects of the main new provisions are:

- in the case of post-employment benefits covered by defined benefit plans, the immediate recognition in equity of actuarial differences in unrealized or deferred gains and losses, and of plan changes in the income statement, the application, to the plan assets, of the discount rate used to determine the scheme liabilities and the disclosure of more comprehensive information in the notes to the financial statements;
- in the case of short-term benefits, a new definition: short-term benefits now comprise those benefits expected to be settled in full within the 12 months following the end of the reporting period during which the employees render the related services (and no longer "which fall due within 12 months…").

Where appropriate, a provision is set aside for such benefits, recognized within "Provisions". Any movements in the provision are taken to income within "Payroll costs", with the exception of the portion resulting from actuarial differences, which is recognized in unrealized or deferred gains and losses, recognized in equity.

... Financial statements

Post-employment benefits covered by defined benefit plans
These relate to retirement, early retirement and supplementary retirement plans for which the group has a legal or constructive obligation to provide certain benefits to its employees.
These obligations are calculated using the projected unit credit method, which consists in attributing benefits to periods of service in line with the plan's benefit formula, which is then discounted based on demographic and financial assumptions.
The group uses the following assumptions to calculate its employee benefit obligations:
- the discount rate determined by reference to the market yield on long-term corporate bonds consistent with the term of the obligations;
- the salary inflation rate, measured based on age bands and regional characteristics;
- estimated inflation rates;

- employee turnover, calculated for each age band;
- retirement age: the estimate is calculated separately for each individual based on the actual or estimated date on which employment first commenced and on assumptions related to the law on pension reform, with a maximum age of 67 at retirement;
- the INSEE TH/TF 00-02 life expectancy table.

The effect of changes in these assumptions and experience adjustments (the effects of differences between the previous assumptions and actual outcomes) gives rise to actuarial gains and losses.
Plan assets are measured at fair value and the amount recognized in the income statement is their implicit return (corresponding to the fair value of the plan assets multiplied by the discount rate used to determine the scheme liabilities). The difference between the implicit return on plan assets and the actual return gives rise to an actuarial gain or loss.
Actuarial differences are recognized in equity, within unrealized or deferred gains and losses.
Gains or losses on the curtailment or settlement of a defined benefit plan are recognized in the income statement when they occur.
At least 60% of the obligations of the group's French banks relating to retirement bonuses are covered by insurance taken out with ACM Vie, a Crédit Mutuel group insurance company which is consolidated by CIC under the equity method.

Supplementary pensions covered by pension funds
Under the terms of the AFB transitional agreement dated September 13, 1993, the banking industry pension schemes were discontinued and bank employees joined the government-sponsored ARRCO and AGIRC schemes effective from January 1, 1994. The four pension funds to which CIC group banks contributed were merged. They pay the various benefits covered by the transitional agreement. In the event that fund assets are not sufficient to cover these benefit obligations, the banks are required to make additional contributions. The average contribution rate for the next ten years is capped at 4% of the payroll. The pension fund resulting from mergers was converted into an IGRS, a French supplementary pension management institution, in 2009.
It does not have an asset shortfall.

Defined contribution post-employment benefits
Group entities pay into a number of retirement schemes managed by third parties. Under these schemes, group entities have no legal or constructive obligation to pay further contributions, in particular where plan assets are inadequate to fund future obligations.
As these schemes do not represent an obligation for the group, no provision is recorded and the related expenses are recognized in the income statement in the period in which the contribution is due.

Other long-term benefits
Other long-term benefits are employee benefits (other than post-employment benefits and termination benefits) which are expected to be paid more than 12 months after the end of the period in which the employees render the related services, such as long-service awards.
The group's obligation in respect of other long-term benefits is measured using the projected unit credit method. However, actuarial losses are taken to the income statement as and when they arise.

Employees are granted long-service awards after 20, 30, 35 and 40 years of service. A provision is set aside for these awards.

Termination benefits
These benefits are granted by the group following the decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for such benefits. The related provisions are discounted when payment falls due more than twelve months after the end of the reporting period.

Short-term employment benefits
Short-term employment benefits are employee benefits (other than termination benefits) which are expected to be settled wholly within twelve months of the end of the reporting period, such as wages and salaries, social security contributions and certain bonuses.
An expense is recognized in respect of these benefits in the period in which the services giving rise to the benefits were provided to the entity.

Debt-equity distinction

Financial instruments issued by the group are classified as debt instruments when the group has a contractual obligation to deliver cash to holders of the instruments and when the remuneration of these instruments is not discretionary. This is the case with subordinated notes issued by the group.

Translation of assets and liabilities denominated in a foreign currency

Assets and liabilities denominated in a currency other than the local currency are translated at the year-end exchange rate.
Monetary financial assets and liabilities: foreign currency gains and losses on the translation of such items are recognized in the income statement under "Net gain/(loss) on financial instruments at fair value through profit or loss".
Non-monetary financial assets and liabilities: foreign currency gains and losses on the translation of such items are recognized in the income statement if the items are classified at fair value through profit or loss under "Net gain/(loss) on financial instruments at fair value through profit or loss", or under "Unrealized or deferred gains and losses" in other comprehensive income if they are classified as available-for-sale.
When consolidated investments denominated in a foreign currency are financed by a loan taken out in the same currency, the loan concerned is covered by a cash flow hedge.
Differences arising from the retranslation at the year-end rate of the opening capital stock, reserves and retained earnings are recorded as a separate component of equity, under "Cumulative translation adjustment". The income statements of foreign subsidiaries are translated into euros at the average exchange rate for the year, and the resulting translation differences are recorded under "Cumulative translation adjustment". On liquidation or disposal of some or all of the interests held in a foreign entity, the corresponding portion of this cumulative translation adjustment is recognized through the income statement.

Insurance company contracts

The accounting policies and measurement methods specific to assets and liabilities arising on insurance contracts have been drawn up in accordance with IFRS 4. They apply also to reinsurance contracts issued or subscribed, and to financial contracts with a discretionary profit-participation feature. Other assets held and liabilities issued by insurance companies are accounted for in accordance with the rules applicable to the group's other assets and liabilities.

Assets
Financial assets, investment property and property and equipment and intangible assets comply with the accounting methods described elsewhere. However, financial assets representing technical provisions related to unit-linked business are shown in "Financial assets at fair value through profit or loss".

Liabilities
Insurance liabilities, which represent commitments to subscribers and beneficiaries, are included under the heading "Insurance companies' technical provisions". They continue to be measured, recorded and consolidated in accordance with French GAAP.
The technical provisions in respect of life insurance contracts consist mainly of mathematical provisions corresponding generally to the contracts' surrender values. The risks covered are mainly death, disability and incapacity for work (for credit insurance).
The technical provisions related to unit-linked business are measured, at the end of the reporting period, on the basis of the realizable value of the assets underlying these contracts.
The provisions related to non-life insurance contracts correspond to unearned premiums (portion of the premiums issued relating to subsequent periods) and to outstanding claims.
Those insurance contracts with a discretionary profit-participation feature are subject to "shadow accounting". The resulting provision represents the policyholders' share of the capital gains and losses arising on the assets. These deferred profit-participation reserves are recognized on the liabilities or assets side of the statement of financial position, by legal entity, and there is no offsetting between group entities. On the assets side, they are presented under a specific heading.
At the end of the reporting period, an adequacy test is performed on the liabilities recognized on these contracts (net of related other assets and liabilities such as deferred acquisition costs and acquired portfolios). This test ensures that the recognized insurance liabilities are adequate to cover estimated future cash flows under insurance contracts.
If the test reveals that the technical provisions are inadequate, the deficiency is recognized in the income statement. It may subsequently be reversed, where appropriate.

Income statement
The income and expenses recognized in respect of the insurance contracts issued by the group are included within "Income from other activities" and "Expenses on other activities". The income and expenses in respect of the insurance entities' proprietary activities are recognized under the headings relating to them.

Non-current assets held for sale and discontinued operations

A non-current asset (or group of assets) is classified in this category if it is held for sale and it is highly probable that the sale will occur within twelve months of the end of the reporting period.
The related assets and liabilities are shown separately in the statement of financial position, on the lines "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". Items in this category are measured at the lower of their carrying amount and fair value less costs to sell, and are no longer depreciated/amortized. When assets held for sale or the associated liabilities become impaired, an impairment loss is recognized in the income statement.
Discontinued operations include operations that are held for sale or which have been shut down, and subsidiaries acquired exclusively with a view to resale. All gains and losses related to discontinued operations are shown separately in the income statement, on the line "Post-tax gain/(loss) on discontinued operations and assets held for sale".

Consolidation methods and scope

Goodwill
In accordance with IFRS 3R, when CIC acquires a controlling interest in a new entity, said entity's identifiable assets, liabilities and contingent liabilities that meet the criteria for recognition under IFRS are measured at fair value at the acquisition date, with the exception of non-current assets classified as assets held for sale, which are recognized at the lower of fair value net of selling costs and their carrying amount. IFRS 3R permits the recognition of full goodwill or partial goodwill and the choice of method is made separately for each business combination. In the case of full goodwill, non-controlling interests are measured at fair value, whereas in the case of partial goodwill, they are measured based on their share of the values attributed to the assets and liabilities of the acquired entity. If goodwill is positive, it is recognized as an asset and, if negative, it is recognized immediately in the income statement under "Positive net effect of business combinations".
If the group's stake in an entity it already controls, and which it continues to control, increases/decreases, the difference between the acquisition cost/selling price of the stock and the portion of consolidated equity that said stock represents on the acquisition/sale date is recognized within equity.
Goodwill is presented on a separate line of the statement of financial position when it relates to fully-consolidated companies and under the heading "Investments in associates" when it relates to equity-accounted companies.
Goodwill does not include direct expenses associated with acquisitions, which are expensed.
Goodwill is tested for impairment regularly and at least once a year. The tests are designed to identify whether goodwill has suffered a prolonged decline in value. If the recoverable amount of the cash-generating unit (CGU) to which goodwill has been allocated is less than its carrying amount, an impairment loss is recognized for the amount of the difference. These losses – which are recognized through the income statement – cannot be reversed. In practice, cash-generating units are defined on the basis of the group's business lines.

Fair value adjustments
At the date of acquisition of a controlling interest in a new entity, the related assets, liabilities and contingent liabilities related to operations are measured at fair value. Fair value adjustments, corresponding to the difference between the carrying amount and fair value, are recognized in the consolidated financial statements.

Intercompany transactions and balances
Intercompany transactions and balances as well as gains on intercompany sales are eliminated.
Intercompany receivables, payables, reciprocal commitments, and income and expenses between fully or proportionally consolidated companies are also eliminated.

Foreign currency translation
The statements of financial position of foreign subsidiaries are translated into euros at the official year-end exchange rate. Differences arising from the retranslation at the year-end rate of the opening capital stock, reserves and retained earnings are recorded as a separate component of equity, under "Cumulative translation adjustment". The income statements of foreign subsidiaries are translated into euros at the average exchange rate for the year, and the resulting differences are recorded under "Cumulative translation adjustment".
On liquidation or disposal of some or all of the interests held in a foreign entity, these amounts are recognized through the income statement.
As allowed by IFRS 1, the balance of cumulative translation adjustments was reset to zero in the opening statement of financial position as of January 1, 2004.

Non-controlling interests
Non-controlling interests correspond to interests that do not confer control as defined by IAS 27 and include partnership interests that entitle their holders to a share in the net assets in the event of liquidation and other equity instruments issued by subsidiaries that are not held by the group.

Consolidation scope

Companies that are controlled exclusively by CIC are fully consolidated. Exclusive control is considered as being exercised in cases where the group holds a majority of the stock, directly or indirectly, and either the majority of the voting rights or the power to appoint the majority of members of the board of directors, management board or supervisory board, or when the group exercises a dominant influence.
Special purpose entities (SPE) are consolidated if they meet the conditions for consolidation set out in SIC 12 (where the entity's activities are conducted exclusively on behalf of the group; the group has the decision-making powers to obtain the majority of the benefits of the activities of the SPE; the group has rights to obtain the majority of benefits; the group retains the majority of the risks related to the SPE).

Entities controlled exclusively by the group are included in the consolidation scope when their full consolidation individually affects at least 1% of the main consolidated statement of financial position and income statement items. Subsidiaries that are not consolidated must represent on aggregate less than 5% of the main consolidated statement of financial position and income statement items. However, smaller entities may be included in the consolidated group if (i) CIC considers they represent a strategic investment; (ii) one of their core businesses is the same as that of the group; or (iii) they hold stock in consolidated companies. Companies over which the group exercises significant influence are accounted for using the equity method (associates). Significant influence is considered as being exercised in cases where CIC holds at least 20% of the voting rights, directly or indirectly.
Companies that are 20%-50% owned by the group's private equity businesses and over which the group has joint control or exercises significant influence are excluded from the scope of consolidation and accounted for under the fair value option.

... Financial statements

Note 2: Consolidation scope

Newly-consolidated company:
- CM-CIC Proximité.

Companies removed from the consolidation scope:
- Alternative Gestion SA;
- CM-CIC Gestion.

Dissolution:
- Valeroso management Ltd.

Change of name:
- Dubly-Douilhet changed its name to Dubly-Douilhet Gestion.

Company	Country	Currency	2013			2012		
			Percentage		Method	Percentage		Method
			Voting rights	Interest	*	Voting rights	Interest	*
Consolidating company: CIC								
A. Banking network								
Regional banks								
CIC Est (i)	France		100	100	FC	100	100	FC
CIC Lyonnaise de Banque (i)	France		100	100	FC	100	100	FC
CIC Nord Ouest (i)	France		100	100	FC	100	100	FC
CIC Ouest (i)	France		100	100	FC	100	100	FC
CIC Sud Ouest (i)	France		100	100	FC	100	100	FC
B. Banking network subsidiaries								
Banca Popolare di Milano(1)	Italy		7	7	EM	7	7	EM
CM-CIC Asset Management	France		24	24	EM	24	24	EM
CM-CIC Bail (i)	France		99	99	FC	99	99	FC
CM-CIC Epargne Salariale (i)	France		100	100	FC	100	100	FC
CM-CIC Factor (i)	France		96	96	FC	96	96	FC
CM-CIC Gestion	France				NC	100	100	FC
CM-CIC Lease	France		54	54	FC	54	54	FC
CM-CIC Leasing Benelux	Belgium		100	99	FC	100	99	FC
CM-CIC Leasing GMBH	Germany		100	99	FC	100	99	FC
Saint-Pierre SNC (i)	France		100	100	FC	100	100	FC
Sofim (i)	France		100	100	FC	100	100	FC
C. Financing and capital markets								
Cigogne Management	Luxembourg		60	60	FC	60	60	FC
CM-CIC Securities (i)	France		100	100	FC	100	100	FC
Diversified Debt Securities SICAV - SIF	Luxembourg		100	100	FC	100	100	FC
Divhold	Luxembourg		100	100	FC	100	100	FC
Lafayette CLO 1 Ltd	Cayman Islands	USD	100	100	FC	100	100	FC

(1) Fondazione Cassa di Risparmio di Alessandria and CIC both have the status of strategic partner and automatically have a seat on the supervisory board and on the appointments committee. As a result, CIC is deemed to have significant influence over the company, which is therefore accounted for under the equity method.

Company	Country	Currency	2013 Voting rights	2013 Percentage Interest	2013 Method *	2012 Voting rights	2012 Percentage Interest	2012 Method *
D. Private banking								
Banque CIC Suisse	Switzerland	CHF	100	100	FC	100	100	FC
Banque de Luxembourg	Luxembourg		100	100	FC	100	100	FC
CIC Banque Transatlantique (i)	France		100	100	FC	100	100	FC
Banque Transatlantique Belgium	Belgium		100	100	FC	100	99	FC
Banque Transatlantique Luxembourg	Luxembourg		100	100	FC	100	100	FC
Banque Transatlantique Singapore Private Ltd	Singapore	SGD	100	100	FC	100	100	FC
Dubly-Douilhet Gestion	France		100	100	FC	63	63	FC
Transatlantique Gestion (i)	France		100	100	FC	100	100	FC
Groupe Banque Pasche								
Banque Pasche	Switzerland	CHF	100	100	FC	100	100	FC
Agefor SA	Switzerland	CHF	70	70	FC	70	70	FC
Alternative Gestion SA	Switzerland	CHF			NC	45	62	EM
Banque Pasche (Liechtenstein) AG	Liechtenstein	CHF	53	53	FC	53	53	FC
Banque Pasche Monaco SAM	Monaco		100	100	FC	100	100	FC
Calypso Management Company	Cayman Islands	USD	70	70	FC	70	70	FC
LRM Advisory SA	Bahamas	USD	70	70	FC	70	70	FC
Pasche Bank & Trust Ltd	Bahamas	CHF	100	100	FC	100	100	FC
Pasche Finance SA	Switzerland	CHF	100	100	FC	100	100	FC
Serficom Brasil Gestao de Recursos Ltda	Brazil	BRL	97	97	FC	50	50	FC
Serficom Family Office Brasil Gestao de Recursos Ltda	Brazil	BRL	100	100	FC	52	52	FC
Serficom Family Office Inc	Bahamas	CHF	100	100	FC	100	100	FC
Serficom Family Office SA	Switzerland	CHF	100	100	FC	100	100	FC
Valeroso Management Ltd	Bahamas	USD			NC	100	100	FC
E. Private equity								
CM-CIC Capital Finance (i)	France		100	100	FC	100	100	FC
CM-CIC Capital Innovation	France		100	100	FC	100	100	FC
CM-CIC Conseil (i)	France		100	100	FC	100	100	FC
CM-CIC Investissement	France		100	100	FC	100	100	FC
Sudinnova	France		66	66	FC	66	66	FC
CM-CIC Proximité	France		100	100	FC			NC

... Financial statements

Company	Country	Currency	2013 Voting rights	2013 Percentage Interest	2013 Method *	2012 Voting rights	2012 Percentage Interest	2012 Method *
F. HQ, holding company services and logistics								
Adepi (i)	France		100	100	FC	100	100	FC
CIC Migrations (i)	France		100	100	FC	100	100	FC
CIC Participations (i)	France		100	100	FC	100	100	FC
Cicor (i)	France		100	100	FC	100	100	FC
Cicoval (i)	France		100	100	FC	100	100	FC
Efsa (i)	France		100	100	FC	100	100	FC
Gesteurop (i)	France		100	100	FC	100	100	FC
Gestunion 2 (i)	France		100	100	FC	100	100	FC
Gestunion 3 (i)	France		100	100	FC	100	100	FC
Gestunion 4 (i)	France		100	100	FC	100	100	FC
Impex Finance (i)	France		100	100	FC	100	100	FC
Marsovalor (i)	France		100	100	FC	100	100	FC
Pargestion 2 (i)	France		100	100	FC	100	100	FC
Pargestion 4 (i)	France		100	100	FC	100	100	FC
Placinvest (i)	France		100	100	FC	100	100	FC
Sofiholding 2 (i)	France		100	100	FC	100	100	FC
Sofiholding 3 (i)	France		100	100	FC	100	100	FC
Sofiholding 4 (i)	France		100	100	FC	100	100	FC
Sofinaction (i)	France		100	100	FC	100	100	FC
Ufigestion 2 (i)	France		100	100	FC	100	100	FC
Ugépar Service (i)	France		100	100	FC	100	100	FC
Valimar 2 (i)	France		100	100	FC	100	100	FC
Valimar 4 (i)	France		100	100	FC	100	100	FC
VTP1 (i)	France		100	100	FC	100	100	FC
VTP5 (i)	France		100	100	FC	100	100	FC
G. Insurance companies								
Groupe des Assurances du Crédit Mutuel (GACM)**	France		21	21	EM	21	21	EM

* Method: FC = full consolidation; EM = equity method; NC = not consolidated; MER = merged.
** Based on the consolidated financial statements.
(i) = Members of the tax consolidation group set up by CIC.
In connection with its financing business line, CIC owns special purpose entities involved in asset financing. Consolidation of these entities was deemed not to have a material impact on the financial statements.
Information on the group's presence and activities in non-cooperative countries or territories included in the list established by the order dated August 21, 2013: the group does not have a presence that meets the criteria defined by the order dated October 6, 2009.

Information on sites included in the consolidation scope

Article 7 of law 2013-672 dated July 26, 2013 of the French monetary and financial code (Code monétaire et financier), amending Article L.511-45, requires credit institutions to publish information on their presence and activities in each state or territory.

The table above providing information on the consolidation scope shows the country in which each site is located.

Country	Net banking income	FTE employees
Germany	4	1
Bahamas	3	10
Belgium	14	24
Brazil	0	2
United States of America	129	83
France	3,887	18,724
Cayman Islands	(2)	0
Liechtenstein	5	22
Luxembourg	262	746
Monaco	1	13
United Kingdom	40	52
Singapore	49	190
Switzerland	74	355
TOTAL	**4,466**	**20,222**

Note 3: Analysis of statement of financial position and income statement items by business segment and geographic area

Business segment analysis principles:

- Retail banking covers:
  a) the banking network comprised of the regional banks and CIC's network in the Greater Paris region (Ile-de-France);
  b) the specialist business lines whose products are distributed via the banking network. These include equipment leasing, real estate leasing, factoring, third party fund management, employee savings plans and real estate. The insurance business – which is accounted for using the equity method – is included in this business segment.
- Financing and capital markets comprises:
  a) credit facilities for large corporates and institutional customers, specialized financing and international operations;
  b) capital markets operations, which comprise investments in activities involving fixed-income instruments, equities and loans ("ITAC") as well as brokerage services.
- Private banking comprises all companies engaged primarily in wealth management, both within and outside France.
- Private equity conducts proprietary transactions and includes financial engineering services via dedicated entities. The entire portfolio is accounted for under the fair value option.
- Holding company services encompass all unallocated activities.

Each consolidated company is included in only one business segment, corresponding to its core business in terms of contribution to the group's results, with the exception of CIC, whose individual accounts are allocated on a cost accounting basis.

Analysis of assets by business segment

	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Dec. 31, 2013						
Cash and amounts due from central banks	336	4,120	1,325		4,685	**10,466**
Financial assets at fair value through profit or loss	4	27,164	97	1,903		**29,168**
Derivatives used for hedging purposes	5	49	4		2	**60**
Available-for-sale financial assets	204	7,944	2,774	13	264	**11,199**
Loans and receivables due from credit institutions[1]	4,880	4,526	5,716	6	14,798	**29,926**
Loans and receivables due from customers	116,430	11,707	8,555	1	74	**136,767**
Held-to-maturity financial assets	55		20			**75**
Investments in associates	1,666				(148)	**1,518**

(1) Of which €17,414 million due from BFCM.

... Financial statements

	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Dec. 31, 2012						
Cash and amounts due from central banks	312	5,592	750		889	**7,543**
Financial assets at fair value through profit or loss	24	25,858	143	1,784		**27,809**
Derivatives used for hedging purposes	7	106	4			**117**
Available-for-sale financial assets	267	9,539	3,387	20	279	**13,492**
Loans and receivables due from credit institutions[1]	5,127	4,800	7,843	6	15,253	**33,029**
Loans and receivables due from customers	112,465	12,839	7,529		57	**132,890**
Held-to-maturity financial assets	63	2	2			**67**
Investments in associates	1,611				(114)	**1,497**

(1) Of which, €11,580 million due from BFCM.

Analysis of liabilities by business segment

	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Dec. 31, 2013						
Due to central banks			460			**460**
Financial liabilities at fair value through profit or loss	1	26,538	121			**26,660**
Derivatives used for hedging purposes	7	1,152	240		4	**1,403**
Due to credit institutions[1]	33,246	6,399	776	1	13,573	**53,995**
Due to customers	86,705	10,184	15,756	1	201	**112,847**
Debt securities	2,568	14,225	19		12	**16,824**

(1) Of which €45,242 million due to BFCM.

	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Dec. 31, 2012						
Due to central banks			343			**343**
Financial liabilities at fair value through profit or loss	1	26,489	196		7	**26,693**
Derivatives used for hedging purposes	15	1,825	398		2	**2,240**
Due to credit institutions[1]	31,689	10,747	2,011	0	12,958	**57,405**
Due to customers	83,467	7,145	15,758		1,792	**108,162**
Debt securities	2,990	13,964	21		41	**17,016**

(1) Of which €47,012 million due to BFCM.

Analysis of income statement items by business segment

	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
2013						
Net banking income/(expense)	3,330	751	444	119	(178)	**4,466**
General operating expenses	(2,202)	(251)	(329)	(34)	(72)	**(2,888)**
Operating income/(loss) before provisions	1,128	500	115	85	(250)	**1,578**
Net additions to/reversals from provisions for loan losses	(312)	(45)	(7)		(3)	**(367)**
Net gains on disposals of other assets[1]	102		1		(34)	**69**
Income before tax	918	455	109	85	(287)	**1,280**
Corporate income tax	(312)	(161)	(39)	1	82	**(429)**
Net income	606	294	70	86	(205)	**851**
2012						
Net banking income/(expense)	3,083	837	464	100	(224)	**4,260**
General operating expenses	(2,245)	(266)	(334)	(34)	(65)	**(2,944)**
Operating income/(loss) before provisions	838	571	130	66	(289)	**1,316**
Net additions to/reversals from provisions for loan losses*	(201)	(90)	(29)		(36)	**(356)**
Net gains on disposals of other assets[1]	106		5		(49)	**62**
Income before tax	743	481	106	66	(374)	**1,022**
Corporate income tax	(225)	(166)	(27)	2	116	**(300)**
Net income	518	308	62	67	(258)	**698**

(1) Including net income from associates (companies accounted for using the equity method) and impairment losses on goodwill.

Breakdown of assets by geographic area

	2013				2012			
	France	Europe excluding France	Other countries[1]	Total	France	Europe excluding France	Other countries[1]	Total
Cash and amounts due from central banks	5,021	1,325	4,120	**10,466**	1,201	750	5,592	**7,543**
Financial assets at fair value through profit or loss	27,764	144	1,260	**29,168**	26,553	245	1,011	**27,809**
Derivatives used for hedging purposes	51	4	5	**60**	105	3	9	**117**
Available-for-sale financial assets	6,960	3,727	512	**11,199**	8,697	4,115	680	**13,492**
Loans and receivables due from credit institutions	23,051	5,328	1,547	**29,926**	23,886	7,384	1,759	**33,029**
Loans and receivables due from customers	124,934	8,696	3,137	**136,767**	121,843	7,897	3,150	**132,890**
Held-to-maturity financial assets	55	20	0	**75**	65	2	0	**67**
Investments in associates	1,277	241	0	**1,518**	1,251	246	0	**1,497**

... Financial statements

Breakdown of liabilities by geographic area

	2013				2012			
	France	Europe excluding France	Other countries[1]	Total	France	Europe excluding France	Other countries[1]	Total
Due to central banks	0	460	0	460	0	343	0	343
Financial liabilities at fair value through profit or loss	26,027	500	133	26,660	25,772	737	184	26,693
Derivatives used for hedging purposes	1,136	240	27	1,403	1,797	398	45	2,240
Due to credit institutions	47,360	1,608	5,027	53,995	46,429	3,913	7,063	57,405
Due to customers	98,795	13,394	658	112,847	94,156	13,325	681	108,162
Debt securities	10,776	1,638	4,410	16,824	12,569	510	3,937	17,016

Breakdown of income statement items by geographic area

	2013				2012			
	France	Europe excluding France	Other countries[1]	Total	France	Europe excluding France	Other countries[1]	Total
Net banking income/(expense)	3,887	403	176	4,466	3,648	441	171	4,260
General operating expenses	(2,548)	(266)	(74)	(2,888)	(2,599)	(274)	(71)	(2,944)
Operating income/(loss) before provisions	1,339	137	102	1,578	1,049	167	100	1,316
Net additions to/reversals from provisions for loan losses	(347)	(18)	(2)	(367)	(259)	(51)	(46)	(356)
Net gains on disposals of other assets[2]	80	(11)	0	69	64	(2)	(0)	62
Income before tax	1,072	108	100	1,280	854	114	54	1,022
Corporate income tax	(361)	(36)	(32)	(429)	(242)	(26)	(32)	(300)
Net income	711	72	68	851	611	65	22	698

(1) USA and Singapore.
(2) Including net income from associates (companies accounted for using the equity method) and impairment losses on goodwill.

Notes to the statement of financial position – Assets

Note 4: Cash, amounts due from central banks and loans and receivables due from credit institutions

	Dec. 31, 2013	Dec. 31, 2012
Cash and amounts due from central banks		
Central banks	10,097	7,204
Of which, mandatory reserves	*4,691*	*897*
Cash	369	339
TOTAL	**10,466**	**7,543**
Loans and receivables due from credit institutions		
Current accounts	9,229	9,540
Loans	15,009	17,878
Other receivables	1,276	1,303
Securities not quoted on an active market	1,712	2,201
Resale agreements	2,615	1,360
Individually-impaired receivables	8	925
Accrued interest	81	102
Provisions	(4)	(280)
TOTAL	**29,926**	**33,029**
Including non-voting loan stock	*154*	*161*
Including subordinated loans[1]	*760*	*751*

(1) Including a €750 million perpetual subordinated loan to BFCM.

Note 5: Financial assets at fair value through profit or loss

	Dec. 31, 2013	Dec. 31, 2012
Financial assets at fair value through profit or loss by option	12,633	12,249
Financial assets held for trading	16,535	15,560
TOTAL	**29,168**	**27,809**

Note 5a: Financial assets accounted for under the fair value option

	Dec. 31, 2013	Dec. 31, 2012
Securities		
Government securities	0	0
Bonds and other fixed-income securities		
- Quoted	115	67
- Not quoted	249	0
Equities and other variable-income securities[1]		
- Quoted	161	162
- Not quoted	1,537	1,708
Derivatives held for trading	0	0
Other financial assets		
- Resale agreements	10,571	10,312
- Other loans and term deposits	0	0
TOTAL	**12,633**	**12,249**

(1) Securities relating to the private equity business are measured at fair value through profit or loss and represent almost all of this line.

... Financial statements

Note 5b: Financial assets held for trading

	Dec. 31, 2013	Dec. 31, 2012
Securities		
Government securities	1,664	1,644
Bonds and other fixed-income securities		
- Quoted	8,658	11,181
- Not quoted	0	0
Equities and other variable-income securities		
- Quoted	537	317
- Not quoted	0	0
Derivatives held for trading	5,676	2,418
TOTAL	**16,535**	**15,560**

Financial assets held for trading relate to financial assets held in connection with capital markets activities.

Note 5c: Analysis of derivative instruments

	Dec. 31, 2013			Dec. 31, 2012		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
- Swaps	184,466	4,333	6,129	203,556	1,637	4,286
- Futures and forward contracts	11,420	5	1	13,044	4	2
- Options	24,423	52	46	22,703	81	71
Foreign currency derivatives						
- Swaps	59,983	21	42	64,387	20	71
- Futures and forward contracts	71	321	312	10,813	394	391
- Options	22,393	53	53	16,193	52	51
Other derivatives						
- Swaps	13,276	106	180	13,553	74	138
- Futures and forward contracts	1,572	0	0	1,744	0	0
- Options	27,183	785	795	4,546	156	159
Sub-total	**344,787**	**5,676**	**7,558**	**350,539**	**2,418**	**5,169**
Derivatives used for hedging purposes						
Derivatives designated as fair value hedges						
- Swaps	8,064	57	1,398	10,034	114	2,208
- Futures and forward contracts	0	0	0	0	0	0
- Options	1	0		1	0	
Derivatives designated as cash flow hedges						
- Swaps	217	3	5	165	3	32
- Futures and forward contracts	0			0		
- Options	0	0		0	0	
Sub-total	**8,282**	**60**	**1,403**	**10,200**	**117**	**2,240**
TOTAL	**353,069**	**5,736**	**8,961**	**360,739**	**2,535**	**7,409**

IFRS 13 on fair value measurement came into force on January 1, 2013. As regards over-the-counter derivatives, it amends the procedures for measuring the counterparty risk included in their fair value by taking into account the "credit value adjustment" (CVA) and the "debt value adjustment" (DVA) – which involves using the own credit risk – and the "funding value adjustment" (FVA) – which corresponds to the costs or benefits associated with financing certain derivatives not included in a netting agreement. Since this standard was applied for the first time on a prospective basis, its effects on the consolidated financial statements have been recognized in the income statement. As of December 31, 2013, the CVA and FVA were expenses totaling €21 million and €10 million respectively. As of December 31, 2012, the CVA was an expense of €28 million and the FVA was €0 million. The amount of the DVA was not material.

Note 5d: Fair value hierarchy

Dec. 31, 2013	Level 1	Level 2	Level 3	Total
Financial assets				
Available for sale (AFS)				
- Government securities and similar instruments	6,554	0	0	6,554
- Bonds and other fixed-income securities	3,396	483	188	4,067
- Equities, portfolio activity securities and other variable-income securities	111	2	79	192
- Investments and other long-term securities	6	7	189	202
- Investments in non-consolidated equity interests	0	18	166	184
Trading/Fair value by option				
- Government securities and similar instruments – Trading	1,499	0	165	1,664
- Government securities and similar instruments – Fair value by option	0	0	0	0
- Bonds and other fixed-income securities – Trading	7,208	1,197	253	8,658
- Bonds and other fixed-income securities – Fair value by option	64	0	300	364
- Equities and other variable-income securities – Trading	531	0	6	537
- Equities and other variable-income securities – Fair value by option	161	0	1,537	1,698
- Loans and receivables due from credit institutions – Fair value by option	0	5,505	0	5,505
- Loans and receivables due from customers – Fair value by option	0	5,066	0	5,066
- Derivatives and other financial assets – Trading	35	5,483	158	5,676
Derivatives used for hedging purposes	0	56	4	60
TOTAL	**19,565**	**17,817**	**3,045**	**40,427**

Financial liabilities				
Trading/Fair value by option				
- Due to credit institutions – Fair value by option	0	13,986	0	13,986
- Due to customers – Fair value by option	0	2,287	0	2,287
- Debt securities – Fair value by option	0	184	0	184
- Subordinated notes – Fair value by option	0	0	0	0
- Derivatives and other financial liabilities – Trading	2,689	7,372	142	10,203
Derivatives used for hedging purposes	0	1,398	5	1,403
TOTAL	**2,689**	**25,227**	**147**	**28,063**

The instruments in the trading portfolio classified within level 2 or 3 comprise mainly securities judged to be illiquid and derivatives which have at least one underlying that is judged to be illiquid.
There are uncertainties surrounding the measurement of all these instruments, which result in value adjustments reflecting the risk premium that a market participant would incorporate when establishing the price.
Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, of liquidity risks associated with the instrument or parameter concerned, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions and the counterparty risk present in the positive fair value of over-the-counter derivatives. The methods used may change.
The latter includes the own counterparty risk present in the negative fair value of over-the-counter derivatives.
When value adjustments are calculated, each risk factor is considered individually and no diversification effect between risks, parameters or models of a different nature is taken into account. A portfolio approach is most often adopted for a given risk factor.

... Financial statements

Breakdown of level 3 – Equities and other variable-income securities – Fair value by option

2013	Jan. 1, 2013	Purchases	Sales	Gains and losses recorded in profit and loss	Other movements	Dec. 31, 2013
Equities and other variable-income securities – Fair value by option	1,754	193	(181)	45	(274)	**1,537**

Dec. 31, 2012	Level 1	Level 2	Level 3	Total
Financial assets				
Available for sale (AFS)				
- Government securities and similar instruments	8,815	32	0	8,847
- Bonds and other fixed-income securities	3,703	250	76	4,029
- Equities, portfolio activity securities and other variable-income securities	53	0	98	151
- Investments and other long-term securities	69	7	185	261
- Investments in non-consolidated equity interests	0	18	186	204
Trading/Fair value by option				
- Government securities and similar instruments – Trading	1,558	86	0	1,644
- Government securities and similar instruments – Fair value by option	0	0	0	0
- Bonds and other fixed-income securities – Trading	10,124	664	393	11,181
- Bonds and other fixed-income securities – Fair value by option	63	0	4	67
- Equities and other variable-income securities – Trading	307	0	10	317
- Equities and other variable-income securities – Fair value by option	116	0	1,754	1,870
- Loans and receivables due from credit institutions – Fair value by option	0	5,802	0	5,802
- Loans and receivables due from customers – Fair value by option	0	4,510	0	4,510
- Derivatives and other financial assets – Trading	37	2,281	100	2,418
Derivatives used for hedging purposes	0	114	3	117
TOTAL	**24,845**	**13,764**	**2,809**	**41,418**
Financial liabilities				
Trading/Fair value by option				
- Due to credit institutions – Fair value by option	0	18,880	0	18,880
- Due to customers – Fair value by option	0	604	0	604
- Debt securities – Fair value by option	0	24	0	24
- Subordinated notes – Fair value by option	0	0	0	0
- Derivatives and other financial liabilities – Trading	2,082	5,015	88	7,185
Derivatives used for hedging purposes	0	2,208	32	2,240
TOTAL	**2,082**	**26,731**	**120**	**28,933**

Note 6: Derivatives used for hedging purposes

	Dec. 31, 2013		Dec. 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated as cash flow hedges	3	5	3	32
Of which, changes in value recognized in equity	*3*	*5*	*3*	*32*
Of which, changes in value recognized in income				
Derivatives designated as fair value hedges	57	1,398	114	2,208
TOTAL	**60**	**1,403**	**117**	**2,240**

A fair value hedge is a hedge of the exposure to changes in the fair value of a financial instrument attributable to a specific risk. Changes in the fair value of the hedging instrument and the hedged item, for the portion attributable to the risk being hedged, are taken to income.

Note 7: Available-for-sale financial assets

	2013	2012
Government securities	6,470	8,746
Bonds and other fixed-income securities		
- Quoted	3,864	3,592
- Not quoted	184	414
Equities and other variable-income securities		
- Quoted	109	63
- Not quoted	83	93
Long-term investments		
- Investments in non-consolidated companies		
Quoted	2	59
Not quoted	69	67
- Other long-term securities		
Quoted	3	3
Not quoted	127	128
- Investments in non-consolidated equity interests		
Quoted	(0)	(0)
Not quoted	180	199
- Translation adjustment	0	0
- Securities loaned	1	4
Accrued interest	107	124
TOTAL	**11,199**	**13,492**
Of which, unrealized gains and losses (net of tax) on bonds and other fixed-income securities and on government securities	*(188)*	*(429)*
Of which, unrealized gains and losses (net of tax) on equities and other variable-income securities and on long-term investments	*75*	*90*
Of which, impairment of bonds and other fixed-income securities	*(37)*	*(25)*
Of which, impairment of equities and other variable-income securities and of long-term investments	*(71)*	*(81)*

Impairment of equities

Equity holdings were reviewed in order to identify any impairment losses. Impairment provisions are raised for quoted equities in the event of a significant (a decrease of at least 50% in its value compared with its acquisition cost) or prolonged (36-month) decline of the stock price to below its cost.

As regards impairment losses and reversals of such losses recognized in the income statement, in 2013 there were net reversals of €16 million compared with a reversal of €332 million in respect of 2012.

At December 31, 2013, the cost of impaired equities came to €151 million and the corresponding impairment amounted to €71 million. They had a market value of €80 million.

Note 7a: List of main investments in non-consolidated companies

		% held	Equity	Total assets	Net banking income or sales	Net income
Foncière des Régions	Quoted	< 5%	6,062	14,117	713	59
Crédit Logement	Not quoted	< 5%	1,488	9,921	255	104

The figures above relate to fiscal year 2012 (except those for the percentage interest held).

... Financial statements

Note 7b: Exposures to sovereign risk

Sovereign exposures

Net outstandings as per the financial statements at December 31, 2013*/**	Portugal	Ireland	Spain	Italy
Financial assets at fair value through profit or loss	7		248	14
Available-for-sale financial assets	63	85	8	3,370
TOTAL	**70**	**85**	**256**	**3,384**
Residual contractual term				
Less than 1 year	13		181	2,225
1 to 3 years			64	379
3 to 5 years	50		3	349
5 to 10 years	2	85		198
More than 10 years	5		8	233
TOTAL	**70**	**85**	**256**	**3,384**

Net outstandings as per the financial statements at December 31, 2012*/**	Portugal	Ireland	Spain	Italy
Financial assets at fair value through profit or loss			204	39
Available-for-sale financial assets	63	85	16	3,472
TOTAL	**63**	**85**	**220**	**3,511**
Residual contractual term				
Less than 1 year			81	30
1 to 3 years	13		81	2,645
3 to 5 years			29	206
5 to 10 years	50	85	13	382
More than 10 years			16	248
TOTAL	**63**	**85**	**220**	**3,511**

* At market value for capital markets activities; at nominal value for other business lines.
** Outstandings net of CDS used to purchase protection

.

Note 8: Loans and receivables due from customers

	Dec. 31, 2013	Dec. 31, 2012
Performing loans		
Commercial loans	4,257	3,879
Of which, factoring accounts	*3,034*	*2,456*
- Other loans and receivables		
- Home loans	64,618	62,294
- Other loans and miscellaneous receivables	55,127	54,726
- Resale agreements	457	794
Accrued interest	240	249
Securities not quoted in an active market	576	245
Individually-impaired receivables	5,093	4,703
Individual impairment	(2,489)	(2,497)
Collective impairment	(177)	(143)
Sub-total	**127,702**	**124,250**
Finance leases (net investment)		
- Equipment	5,385	5,253
- Real estate	3,469	3,144
Individually-impaired receivables	348	373
Individual impairment	(137)	(130)
Sub-total	**9,065**	**8,640**
TOTAL	**136,767**	**132,890**
Including non-voting loan stock	*12*	*11*
Including subordinated loans	*18*	*13*

Finance lease transactions

	Jan. 1, 2013	Acquisitions	Disposals	Other	Dec. 31, 2013
Gross	8,770	1,679	(1,256)	9	9,202
Impairment of non-recoverable lease payments	(130)	(34)	27	0	(137)
Net	**8,640**	**1,645**	**(1,229)**	**9**	**9,065**

Maturity analysis of minimum future lease payments receivable under finance leases

	1 year or less	More than 1 year and less than 5 years	More than 5 years	Total
Minimum future lease payments receivable	2,659	4,862	2,012	9,533
Present value of future lease payments	2,505	4,681	2,003	9,189
Unearned finance income	**154**	**181**	**9**	**344**

Note 9: Remeasurement adjustment on interest rate risk hedged portfolios

	Dec. 31, 2013		Dec. 31, 2012		Change in fair value	
	Assets	Liabilities	Assets	Liabilities		
Fair value of portfolio interest rate risk	622	(807)	884	(1,260)	(262)	453

... Financial statements

Note 10: Held-to-maturity financial assets

	Dec. 31, 2013	Dec. 31, 2012
Government securities	0	0
Bonds and other fixed-income securities	91	81
Accrued interest	0	0
TOTAL GROSS	**91**	**81**
Provisions for impairment	(16)	(14)
TOTAL NET	**75**	**67**

Note 10a: Movements in provisions for impairment

	Jan. 1, 2013	Additions	Reversals	Other	Dec. 31, 2013
Loans and receivables due from credit institutions	(280)	(0)	2	274	(4)
Loans and receivables due from customers	(2,770)	(707)	658	16	(2,803)
Available-for-sale securities	(106)	(18)	19	(3)	(108)
Held-to-maturity securities	(14)	(2)	0	0	(16)
TOTAL	**(3,170)**	**(727)**	**679**	**287**	**(2,931)**

Note 10b: Financial instruments – Reclassifications

Pursuant to the revised accounting regulations and in the rare situation of a market that was in total disarray, on July 1, 2008, CIC transferred €18.8 billion of assets from the trading portfolio into the available-for-sale portfolio (€16.1 billion) and into the loans and receivables portfolio (€2.7 billion), and €5.5 billion from the available-for-sale portfolio into the loans and receivables portfolio.

	Dec. 31, 2013	Dec. 31, 2012
Carrying amount of assets reclassified	**6,695**	**8,277**
Loans and receivables portfolio	2,010	2,788
AFS portfolio	4,685	5,489
Fair value of assets reclassified	**6,777**	**8,292**
Loans and receivables portfolio	2,093	2,800
AFS portfolio	4,684	5,492

	Dec. 31, 2013	Dec. 31, 2012
Gains/(losses) that would have been recognized in the income statement at fair value if the assets had not been reclassified	(100)	638
Unrealized gains/(losses) that would have been recognized in equity if the assets had not been reclassified	145	(523)
Gains/(losses) recognized in income (net banking income and net additions to/reversals from provisions for loan losses) relating to reclassified assets	22	89

Note 10c: Details of securitization outstandings

As requested by the banking supervisor and the markets regulator, an analysis is provided below of sensitive exposures based on the FSB's recommendations,

The trading and AFS portfolios were valued at market price based on external data sourced from organized markets, leading brokers or, when no price was available, based on comparable securities quoted in the market.

Summary	Dec. 31, 2013	Dec. 31, 2012
RMBS	1,919	2,391
CMBS	558	333
CLO	1,462	943
Other ABS	733	731
CLO hedged by CDS	476	833
Other ABS hedged by CDS	22	25
ABCP program liquidity lines	304	351
TOTAL	**5,474**	**5,607**

Unless otherwise indicated, securities are not hedged by CDS.

Exposures: Residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralized loan obligations (CLO) and other asset-backed securities (ABS)

Dec. 31, 2013	RMBS	CMBS	CLO	Other ABS	Total
Trading	700	498	133	294	1,625
AFS	450	60	520	295	1,325
Loans	769		809	144	1,722
TOTAL	**1,919**	**558**	**1,462**	**733**	**4,672**
France		2		376	378
Spain	106			22	128
United Kingdom	259			55	314
Europe excluding France, Spain and the United Kingdom	806	75	1,008	266	2,155
USA	696	481	123	14	1,314
Other	52		331		383
TOTAL	**1,919**	**558**	**1,462**	**733**	**4,672**
US Agencies	243				243
AAA	618	472	971	492	2,553
AA	209		413	65	687
A	203	19	41	124	387
BBB	89	67	12	27	195
BB	72		17		89
B or below	485			25	510
Not rated			8		8
TOTAL	**1,919**	**558**	**1,462**	**733**	**4,672**
Origination 2005 and earlier	314	362	19	12	707
Origination 2006	303	113	204	10	630
Origination 2007	594	73	409	53	1,129
Origination since 2008	708	10	830	658	2,206
TOTAL	**1,919**	**558**	**1,462**	**733**	**4,672**

... Financial statements

Dec. 31, 2012	RMBS	CMBS	CLO	Other ABS	Total
Trading	921	269	15	505	1,710
AFS	478	64	29	75	646
Loans	992		899	151	2,042
TOTAL	**2,391**	**333**	**943**	**731**	**4,398**
France	1	2		519	522
Spain	105			68	173
United Kingdom	244			47	291
Europe excluding France, Spain and the United Kingdom	706	64	664	72	1,506
USA	1,232	267	279	25	1,803
Other	103				103
TOTAL	**2,391**	**333**	**943**	**731**	**4,398**
US Agencies	447				447
AAA	546	259	383	462	1,650
AA	239		488	53	780
A	188	10	47	150	395
BBB	66	64	12	19	161
BB	101		13		114
B or below	804			47	851
Not rated					
TOTAL	**2,391**	**333**	**943**	**731**	**4,398**
Origination 2005 and earlier	400	98		28	526
Origination 2006	508	60	180	45	793
Origination 2007	746	175	418	60	1,399
Origination since 2008	737	0	345	598	1,680
TOTAL	**2,391**	**333**	**943**	**731**	**4,398**

Note 11: Current or payable taxes

	Dec. 31, 2013	Dec. 31, 2012
Assets	416	459
Liabilities	208	224

Current income tax expense is calculated based on the tax rules and tax rates applicable in each country where the group has operations for the period in which the related revenue was earned.

Note 12: Deferred taxes

	Dec. 31, 2013	Dec. 31, 2012
Deferred tax assets dealt with through the income statement [1]	359	370
Deferred tax assets dealt with through equity	112	234
Deferred tax liabilities dealt with through the income statement	259	239
Deferred tax liabilities dealt with through equity	5	6

(1) Of which €84 million relates to CIC New York.

Analysis of deferred taxes (income statement) by major category

	Dec. 31, 2013		Dec. 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Temporary differences on:				
Provisions	235		216	
Finance leasing reserves		(207)		(144)
Income from flow-through entities	1			(1)
Remeasurement of financial instruments		(556)	734	(752)
Accrued expenses and accrued income			53	
Tax losses carried forward [1]	25		50	
Other temporary differences	6	(39)	9	(34)
Netting	**(543)**	**543**	**(692)**	**692**
TOTAL	**359**	**(259)**	**370**	**(239)**

(1) Of which, in respect of the United States: €25 million at December 31, 2013 and €50 million at December 31, 2012.

The amount of tax losses carried forward in the USA which are recognized as an asset is limited to ten years of future profits. The recognition of a deferred tax asset based on the use of tax losses carried forward is tested for impairment on an annual basis. Deferred taxes are calculated using the liability method. Tax losses are a source of deferred tax assets to the extent that they have a high probability of recovery. The deferred tax rate for the French companies is 38% for temporary differences reversing in 2014 and 34.43% for subsequent years.

Note 13: Accruals and other assets

	Dec. 31, 2013	Dec. 31, 2012
Accruals		
Collection accounts	138	81
Currency adjustment accounts	2	33
Accrued income	386	350
Other accruals	2,013	1,622
Sub-total	**2,539**	**2,086**
Other assets		
Securities settlement accounts	57	58
Security deposits paid	5,175	7,371
Miscellaneous receivables	2,615	5,903
Inventories and similar	4	2
Other	31	26
Sub-total	**7,882**	**13,360**
TOTAL	**10,421**	**15,446**

Accruals and miscellaneous receivables consist mainly of suspense accounts relating to interbank payment systems, in particular SIT.
Accrued expenses and accrued income consist of payroll costs and general operating expenses, but do not include accrued interest not yet due on loans and borrowings, which is recognized as related accrued interest.

... Financial statements

Note 14: Investments in associates

Share of net assets of associates

	Dec. 31, 2013			Dec. 31, 2012		
	Share of capital held	Reserves	Net income	Share of capital held	Reserves	Net income
Groupe ACM[1] – Not quoted	20.52%	1,302	110	20.52%	1,246	108
Banca Popolare di Milano[2] – Quoted	6.60%	139	(46)	6.60%	189	(57)
CM-CIC Asset Management – Not quoted	23.54%	12	1	23.53%	11	
Alternative Gestion SA Genève – Not quoted				62.00%		
TOTAL		**1,453**	**65**		**1,446**	**51**

(1) Comprises goodwill of €54 million.
(2) Banca Popolare di Milano's €46 million loss comprises a €34 million impairment loss in respect of this investment.

Financial data published by the group's main associates

	Total assets	Net banking income	Net income
Groupe ACM	74,156	1,318	567
Banca Popolare di Milano	52,475	1,550	(435)
CM-CIC Asset Management	65	48	1

The above figures relate to fiscal year 2012.

Banca Popolare di Milano S.C.a.r.l (BPM)

During the fiscal year 2013, an additional impairment loss totaling €34 million was recognized. The resulting carrying amount of the investment as of December 31, 2013 as stated in the statement of financial position was €93 million.
The group's share of BPM's loss for the period was €12 million, excluding impairment losses.
As of December 31, 2013, the price of the BPM stock on the Milan stock exchange was 45 cents, giving the investment a stock market value of €96 million.

Note 15: Investment property

	Jan. 1, 2013	Increases	Decreases	Other movements	Dec. 31, 2013
Historical cost	**44**	**5**	**(0)**	**(0)**	**49**
Depreciation and impairment	(16)	(2)	0	(0)	(18)
Net	**28**	**3**	**(0)**	**(0)**	**31**

The fair value of investment property carried at cost is comparable to its carrying amount.

Note 16: Property and equipment

	Jan. 1, 2013	Increases	Decreases	Other movements	Dec. 31, 2013
Historical cost					
Land used in operations	345	0	(0)	(0)	345
Buildings used in operations	2,435	75	(15)	(0)	2,495
Other property and equipment	605	34	(40)	(2)	597
TOTAL	**3,385**	**109**	**(55)**	**(2)**	**3,437**
Depreciation and impairment					
Land used in operations	0	0	0	0	0
Buildings used in operations	(1,363)	(115)	12	(1)	(1,467)
Other property and equipment	(480)	(27)	20	2	(485)
TOTAL	**(1,843)**	**(142)**	**32**	**1**	**(1,952)**
Net	**1,542**	**(33)**	**(23)**	**(1)**	**1,485**

Note 17: Intangible assets

	Jan. 1, 2013	Increases	Decreases	Other movements	Dec. 31, 2013
Historical cost					
Internally developed intangible assets	0	0	0	(0)	0
Purchased intangible assets	410	16	(1)	(3)	422
- Software	*96*	*5*	*(0)*	*(0)*	*101*
- Other	*314*	*11*	*(1)*	*(3)*	*321*
TOTAL	**410**	**16**	**(1)**	**(3)**	**422**
Amortization and impairment					
Internally developed intangible assets	(0)	0	0	0	0
Purchased intangible assets	(173)	(42)	1	1	(213)
- Software	*(50)*	*(13)*	*0*	*(0)*	*(63)*
- Other	*(123)*	*(29)*	*1*	*1*	*(150)*
TOTAL	**(173)**	**(42)**	**1**	**1**	**(213)**
Net	**237**	**(26)**	**(0)**	**(2)**	**209**

Note 18: Goodwill

	Jan. 1, 2013	Increases	Decreases	Other movements(1)	Dec. 31, 2013
Gross value	88	0	(1)	(1)	86
Impairment	0	0	0	0	0
Carrying amount	**88**	**0**	**(1)**	**(1)**	**86**

(1) Other movements resulted from the change in exchange rates.

Goodwill is tested for impairment on an annual basis.

	Jan. 1, 2013	Increases	Decreases	Other movements	Dec. 31, 2013
CIC Banque Transatlantique	6				6
Banque Pasche	56		(1)	(1)	54
Transatlantique Gestion	5				5
CM-CIC Investissement	21				21
TOTAL	**88**	**0**	**(1)**	**(1)**	**86**

... Financial statements

Notes to the statement of financial position – Liabilities

Note 19: Due to central banks – Due to credit institutions

	Dec. 31, 2013	Dec. 31, 2012
Central banks	460	343
Due to credit institutions		
Current accounts	1,061	846
Other borrowings [1]	51,648	54,459
Repurchase agreements	1,151	1,937
Accrued interest	135	163
TOTAL	**53,995**	**57,405**

(1) Including €45,018 million due to BFCM at December 31, 2013 and €45,731 million at December 31, 2012.

Note 20: Financial liabilities at fair value through profit or loss

	Dec. 31, 2013	Dec. 31, 2012
Financial liabilities held for trading	10,203	7,184
Financial liabilities accounted for under the fair value option	16,457	19,509
TOTAL	**26,660**	**26,693**

Note 20a: Financial liabilities held for trading

	Dec. 31, 2013	Dec. 31, 2012
Short sales of securities		
- Government securities	0	0
- Bonds and other fixed-income securities	1,192	1,048
- Equities and other variable-income securities	617	458
Debts in respect of securities sold under repurchase agreements		
Derivatives held for trading	7,558	5,169
Other financial liabilities held for trading	836	509
- Of which, debts in respect of borrowed securities	*836*	*509*
TOTAL	**10,203**	**7,184**

Note 20b: Financial liabilities accounted for under the fair value option

	Dec. 31, 2013			Dec. 31, 2012		
	Carrying amount	Amount due on maturity	Difference	Carrying amount	Amount due on maturity	Difference
Securities issued	184	184	0	25	25	0
Subordinated notes	0	0	0	0	0	0
Interbank borrowings [1]	13,986	13,986	(0)	18,880	18,877	3
Amounts due to customers [1]	2,287	2,287	(0)	604	604	(0)
TOTAL	**16,457**	**16,457**	**(0)**	**19,509**	**19,506**	**3**

(1) The carrying amount of debt securities given under repurchase agreements came to €16,078 million at December 31, 2013 compared with €18,963 million at December 31, 2012.

The assessment of the specific credit risk was not material.

Note 21: Due to customers

	Dec. 31, 2013	Dec. 31, 2012
Regulated savings accounts		
- Demand	25,437	25,652
- Term	8,028	7,569
Accrued interest	1	3
Sub-total	**33,466**	**33,224**
Current accounts	42,633	38,488
Term deposits and borrowings	36,201	35,899
Repurchase agreements	166	186
Accrued interest	381	365
Sub-total	**79,381**	**74,938**
TOTAL	**112,847**	**108,162**

Note 22: Debt securities

	Dec. 31, 2013	Dec. 31, 2012
Retail certificates of deposit	187	162
Interbank instruments and money market securities	15,044	15,339
Bonds	1,525	1,439
Accrued interest	68	76
TOTAL	**16,824**	**17,016**

Note 23: Accruals and other liabilities

	Dec. 31, 2013	Dec. 31, 2012
Accruals		
Accounts unavailable due to recovery procedures	124	150
Currency adjustment accounts	16	5
Accrued expenses	608	559
Deferred income	462	462
Other accruals	4,155	7,015
Sub-total	**5,365**	**8,191**
Other liabilities		
Securities settlement accounts	91	72
Outstanding amounts payable on securities	74	100
Miscellaneous creditors	1,041	1,440
Sub-total	**1,206**	**1,612**
TOTAL	**6,571**	**9,803**

Further details of accruals and other liabilities are provided in Note 13.
Currency adjustment accounts correspond to exchange differences on forward exchange transactions.

... Financial statements

Note 24: Provisions

	Jan. 1, 2013	Additions	Reversals (utilized provisions)	Reversals (surplus provisions)	Other movements	Dec. 31, 2013
Provisions for counterparty risks						
On signature commitments	101	34	(0)	(41)	(0)	94
Provision for risk on miscellaneous receivables	13	4	(2)	(3)	0	12
Other provisions						
Provisions for retirement costs	211	17	(5)	(8)	(15)	200
Provisions for claims and litigations	34	6	(3)	(4)	(12)	21
Provision for home savings accounts and plans	20	4	0	(0)	(0)	24
Provision for taxes	50	6	(8)	(10)	(7)	31
Provisions for miscellaneous contingencies	259	37	(6)	(32)	11	269
Other provisions[1]	246	69	3	(15)	(5)	298
TOTAL	**934**	**177**	**(21)**	**(113)**	**(28)**	**949**

(1) Other provisions include provisions set aside in respect of economic interest groupings (EIG) totaling €273 million.

Note 24a: Retirement and other employee benefits

	Jan. 1, 2013	Additions	Reversals	Other movements	Dec. 31, 2013
Defined benefit plans not covered by retirement funds					
Retirement bonuses	102	5	(1)	(2)	104
Top-up payments	51	3	(10)	0	44
Obligations for long-service awards (other long-term benefits)	32	4	(2)	(0)	34
Sub-total	**185**	**12**	**(13)**	**(2)**	**182**
Supplementary defined benefit pensions covered by pension funds					
Provision for pension fund shortfalls[1]	26	5	(0)	(13)	18
Sub-total	**26**	**5**	**(0)**	**(13)**	**18**
TOTAL	**211**	**17**	**(13)**	**(15)**	**200**

Assumptions used	2013	2012
Discount rate[2]	3.0%	2.9%
Salary inflation rate[3]	Minimum 1.4%	Minimum 1.5%

(1) The provisions for pension fund shortfalls relate only to the group's foreign entities.
(2) The discount rate used is the yield on long-term bonds issued by top-tier companies, based on the IBOXX index.
(3) The annual increase in salaries is the estimated cumulative future salary inflation rate. It is also based on the age of employees.

Movement in the CIC banks' provision for retirement bonuses

Retirement bonuses	Jan. 1, 2013	Impact of discounting	Financial income	Cost of services rendered	Other including past service cost	Change in actuarial differences[1]	Payment to beneficiaries	Insurance contributions	Dec. 31, 2013
Commitments	211	6		8	(2)	8	(22)		209
Insurance policy	120		4		(1)	5	(13)	1	116
Sub-total: banks guaranteed by ACM	**91**	**6**	**(4)**	**8**	**(1)**	**3**	**(9)**	**(1)**	**93**
Other French entities	1								1
Foreign entities	10								10
TOTAL	**102**								**104**

(1) Including €8 million concerning demographic assumptions and a negative amount of €5 million concerning financial assumptions.

Additional information for the French entities guaranteed by ACM:

- the term of the commitments is 16 years;
- in respect of the fiscal year ending December 31, 2014, the group expects costs of services rendered of €10 million and financial costs of €6 million.

Analysis of the sensitivity of the commitments to the discount rate

Discount rate	2.50%	3.00%	3.50%
Commitments	223	211	201

Analysis by maturity of retirement bonuses	1 to 5 years	6 to 10 years	11 to 15 years	16 to 20 years	21 to 25 years	26 to 30 years	Over 30 years	Total	Total discounted
Retirement bonuses: expected flows	89	87	73	56	74	110	146	635	211

Breakdown of the ACM insurance policy assets	2013				2012			
	Debt securities	Equity instruments	Real estate	Other	Debt securities	Equity instruments	Real estate	Other
Assets quoted on an active market	71	42	1	3	76	39	1	5
Assets not quoted on an active market		1	2			1	1	
TOTAL	**71**	**43**	**3**	**3**	**76**	**40**	**2**	**5**

The assets are valued at fair value.

Defined contribution retirement benefits

Provisions for top-up payments

The group's French banks have in the past implemented additional supplementary retirement plans, which are now closed. The banks' commitments under these plans totaled €30 million compared with €32 million at December 31, 2012.
The change comprises a €3 million reduction resulting from the payment of benefits and a €1 million increase due to financial costs.

Individual retirement savings plan entered into with ACM

A supplementary defined benefit retirement agreement has been implemented with ACM for the French entities that have adopted the group-wide benefits platform. These entities paid €29 million during the year under the terms of this contract.

... Financial statements

Note 24b: Provisions for risks arising from commitments on home savings accounts and plans

	Dec. 31, 2013	Dec. 31, 2012
Home savings plans		
Contracted between 0 and 4 years ago	1,437	751
Contracted between 4 and 10 years ago	1,997	1,995
Contracted more than 10 years ago	3,111	3,470
TOTAL	**6,545**	**6,216**
Amounts outstanding under home savings accounts	617	619
TOTAL	**7,162**	**6,835**

Home savings loans	Dec. 31, 2013	Dec. 31, 2012
Balance of home savings loans giving rise to provisions for risks reported in assets	146	186

Home savings provisions	Jan. 1, 2013	Net additions	Other movements	Dec. 31, 2013
On home savings accounts	7	2		9
On home savings plans	8	3		11
On home savings loans	5	(1)		4
TOTAL	**20**	**4**	**0**	**24**
Maturity analysis				
Contracted between 0 and 4 years ago	0			0
Contracted between 4 and 10 years ago	0			0
Contracted more than 10 years ago	8			11
TOTAL	**8**			**11**

Home savings accounts ("CEL") and home savings plans ("PEL") are government-regulated retail products sold in France. Account holders receive interest on amounts paid into these accounts over a certain period (initial savings phase), at the end of which they are entitled to a mortgage loan (secondary borrowing phase). For the distributing establishment, they generate two types of obligation:

- to pay interest in the future on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as a variable rate);
- to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data.
A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable to the bank, i.e. where the bank offers different interest rates than those on similar non-regulated products. This approach is managed based on generations of regulated PEL savings products with similar characteristics.
The impacts on income are included in interest paid to customers.
The rise in provisions for risks in 2013 was essentially due to:

- an amendment to the behavioral rules relating to PEL deposits, now taking into account a correlation between closures of PELs (without the provision of loans) and interest rates: thus, when market rates are low, holders of PELs are more inclined to retain their higher-yielding deposits, which causes a rise in the provision;
- an increase in the CEL provision, due to the fall in the CEL loan rate resulting from the fall in the inflation rate: the provision is more significant when the difference between the CEL loan rate and the traditional mortgage loan rate is high.

Note 25: Subordinated debt

	Dec. 31, 2013	Dec. 31, 2012
Subordinated notes	97	276
Non-voting loan stock	152	152
Perpetual subordinated notes	1,607	2,107
Other debt	444	905
Accrued interest	11	19
TOTAL	**2,311**	**3,459**

Subordinated debt representing more than 10% of total subordinated debt at December 31, 2013

Main subordinated debt issues	Issue date	Issue amount	Currency	Rate	Maturity	Early redemption feature	Early redemption conditions
Subordinated notes	09.30.03	$350m	USD	a	09.30.2015		
Non-voting loan stock	05.28.85	€137m	EUR	b	c		
Super-subordinated notes	06.30.06	€400m	EUR	d			
Super-subordinated notes	06.30.06	€1,100m	EUR	e			

(a) 6-month USD Libor + 55 basis points.
(b) Minimum 85% (TAM+TMO)/2 - Maximum 130% (TAM+TMO)/2.
(c) Repayable at borrower's discretion as from May 28, 1997 at 130% of the face value incremented at the rate of 1.5% for each subsequent year.
(d) 6-month Euribor + 167 basis points
(e) 6-month Euribor + 107 basis points for the first ten years, then 6-month Euribor + 207 basis points.
(a), (d) and (e): subscribed by the parent companies BFCM and CFCM.

Payment of interest on super-subordinated notes, which are financial instruments reported in liabilities, may only be suspended in certain predefined situations outside the control of the issuer.

Note 26a: Unrealized or deferred gains and losses

	2013	2012
Unrealized or deferred gains and losses* relating to:		
Translation adjustments	21	41
Available-for-sale financial assets		
Equities		
- Unrealized or deferred gains	158	112
- Unrealized or deferred losses	(72)	(21)
Bonds		
- Unrealized or deferred gains	1,225	1,004
- Unrealized or deferred losses	(1,414)	(1,433)
Actuarial differences on defined benefit plans	(44)	(52)
Derivatives designated as cash flow hedges	(11)	(20)
Real estate assets (IAS 16)		
Share of unrealized gains and losses of associates	125	119
TOTAL	**(12)**	**(250)**
Unrealized or deferred gains and losses		
- Attributable to owners of the company	(22)	(261)
- Non-controlling interests	10	11
TOTAL	**(12)**	**(250)**

* Amounts net of tax.

... Financial statements

Note 26b: Additional information on movements in unrealized or deferred gains and losses

Movement in gains and losses recognized directly in equity

	Dec. 31, 2013	Dec. 31, 2012
Translation adjustments		
Reclassification in income		
Other movements	(18)	(2)
Sub-total	**(18)**	**(2)**
Remeasurement of available-for-sale financial assets		
Reclassification in income	37	11
Other movements	197	718
Sub-total	**234**	**729**
Remeasurement of hedging derivatives		
Reclassification in income	(6)	(3)
Other movements	15	1
Sub-total	**9**	**(2)**
Remeasurement of non-current assets	0	0
Actuarial differences on defined benefit plans	8	(52)
Share of unrealized or deferred gains and losses of associates	5	101
TOTAL	**238**	**774**

Movement in gains and losses recognized directly in equity

	Dec. 31, 2013			Dec. 31, 2012		
	Gross	Tax	Net	Gross	Tax	Net
Translation adjustments	(18)		(18)	(2)		(2)
Remeasurement of available-for-sale financial assets	350	(116)	234	1,054	(325)	729
Remeasurement of hedging derivatives	12	(3)	9	(2)	0	(2)
Remeasurement of non-current assets			0			0
Actuarial differences on defined benefit plans	8	0	8	(75)	23	(52)
Share of unrealized or deferred gains and losses of associates	5		5	101		101
TOTAL MOVEMENTS IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**357**	**(119)**	**238**	**1,076**	**(302)**	**774**

Note 27: Commitments given and received

Commitments given	Dec. 31, 2013	Dec. 31, 2012
Financing commitments		
To credit institutions	642	893
To customers	25,836	23,510
Guarantees		
To credit institutions	1,491	1,274
To customers	12,694	11,580

Commitments received	2013	2012
Financing commitments		
From credit institutions	6,487	6,105
Guarantees		
From credit institutions	30,007	28,334

Note 27a: Transfers of financial assets

Assets given as collateral for liabilities

For the purposes of its refinancing activities, the group enters into repurchase agreements in respect of debt securities and/or equity securities.

These agreements result in the transfer of the ownership of securities that the transferee may in turn lend. Coupons and dividends are the property of the borrower. These transactions are subject to margin calls and the group is exposed to the non-recovery of the securities.

The fair value of assets sold under repurchase agreements was €17,189 million at December 31, 2013 compared with €20,393 million at December 31, 2012.

	Dec. 31, 2013	Dec. 31, 2012
Securities loaned	1	10
Security deposits on market transactions	5,175	7,370
Securities sold under repurchase agreements	17,238	20,816
TOTAL	**22,414**	**28,196**

Note 27b: Financial assets/liabilities that are offset or subject to an enforceable master netting agreement or similar arrangement

Dec. 31, 2013	Gross amount of financial assets/liabilities recognized	Gross amount of financial assets/liabilities recognized and set off in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	Financial instruments Impacts of master agreements	Financial instruments received or given as collateral	Cash received (cash collateral)	Net amount
Financial assets							
Derivatives	5,736	0	5,736	(2,879)	0	(487)	2,370
Repurchase agreements	13,644	0	13,644	0	(13,519)	(34)	91
TOTAL	**19,380**	**0**	**19,380**	**(2,879)**	**(13,519)**	**(521)**	**2,461**
Financial liabilities							
Derivatives	8,961	0	8,961	(2,822)	0	(4,987)	1,152
Repurchase agreements	17,239	0	17,239	0	(16,452)	(787)	0
TOTAL	**26,200**	**0**	**26,200**	**(2,822)**	**(16,452)**	**(5,774)**	**1,152**

... Financial statements

Dec. 31, 2012	Gross amount of financial assets/liabilities recognized	Gross amount of financial assets/liabilities recognized and set off in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	Financial instruments Impacts of master agreements	Financial instruments received or given as collateral	Cash received (cash collateral)	Net amount
Financial assets							
Derivatives	2,535	0	2,535	(1,242)	0	(524)	769
Repurchase agreements	12,466	0	12,466	0	(12,160)	(153)	153
TOTAL	**15,001**	**0**	**15,001**	**(1,242)**	**(12,160)**	**(677)**	**922**
Financial liabilities							
Derivatives	7,409	0	7,409	(1,197)	0	(5,954)	258
Repurchase agreements	20,816	0	20,816	0	(19,037)	(679)	1,100
TOTAL	**28,225**	**0**	**28,225**	**(1,197)**	**(19,037)**	**(6,633)**	**1,358**

The aim of this information, which is required by an amendment to IFRS 7 (applicable as from January 1, 2013), is to facilitate comparability with the treatment applicable under the accounting principles generally accepted in the United States (US GAAP), which are less restrictive than the IFRS.
The group does not practice accounting offsetting, in accordance with IAS 32, which explains why there is no amount in the second column.
The column headed "Impact of master netting agreements" corresponds to outstanding transactions under enforceable contracts but not subject to accounting offsetting.
The column headed "Financial instruments received or given as collateral" comprises the collateral exchanged in the form of securities at their market value.
The column headed "Cash received/paid (cash collateral)" includes the guarantee deposits received or given as consideration for the positive or negative market values of the financial instruments. They are recognized in the statement of financial position in the other asset and liability accounts.

Notes to the income statement

Note 28: Interest income and expense

	2013		2012	
	Income	**Expense**	**Income**	**Expense**
Credit institutions and central banks	557	(763)	649	(1,634)
Customers	6,946	(3,841)	7,153	(4,087)
- Of which, finance leases	*2,678*	*(2,375)*	*2,681*	*(2,360)*
Financial assets/liabilities accounted for under the fair value option	0		0	
Derivatives used for hedging purposes	447	(727)	1,285	(1,713)
Available-for-sale financial assets	181		464	
Held-to-maturity financial assets	2		2	
Debt securities		(188)		(234)
Subordinated debt		(40)		(66)
TOTAL	**8,133**	**(5,559)**	**9,553**	**(7,734)**

Note 29: Commission income and expense

	2013		2012	
	Income	Expense	Income	Expense
Credit institutions	9	(2)	7	(2)
Customers	821	(10)	713	(8)
Securities transactions	473	(27)	451	(25)
Derivative instruments	2	(4)	3	(4)
Currency transactions	18	(1)	15	(1)
Financing and guarantee commitments	7	(11)	6	(6)
Services provided	911	(414)	924	(424)
TOTAL	**2,241**	**(469)**	**2,119**	**(470)**

	2013	2012
Commissions on financial assets and liabilities not carried at fair value through profit or loss (including demand accounts)	870	759
Commissions for management services provided to third parties	411	387

Note 30: Net gain/(loss) on financial instruments at fair value through profit or loss

	2013	2012
Trading instruments	(284)	631
Instruments accounted for under the fair value option[1]	128	151
Ineffective portion of hedges	5	(31)
Foreign exchange gains	29	26
TOTAL CHANGES IN FAIR VALUE	**(122)**	**777**

(1) Including €105 million in respect of the private equity business.

Note 30a: Ineffective portion of hedges

	2013	2012
Change in fair value of hedged items	(1,215)	90
Change in fair value of hedging instruments	1,220	(121)
TOTAL INEFFECTIVE PORTION OF HEDGES	**5**	**(31)**

Of the 2012 ineffective portion, €30 million was due to a change in the yield curve: the OIS yield curve was used, instead of the Euribor yield curve previously used, to discount swaps collateralized by cash.

Note 31: Net gain/(loss) on available-for-sale financial assets

	2013				2012			
	Dividends	Realized gains and losses	Impairment	Total	Dividends	Realized gains and losses	Impairment	Total
Government securities, bonds and other fixed-income securities		183	0	183		(33)	0	(33)
Equities and other variable-income securities	1	2	1	4	1	19	0	20
Long-term investments	30	29	15	74	49	(354)	333	28
Other	0	2	0	2	0	(3)	0	(3)
TOTAL	**31**	**216**	**16**	**263**	**50**	**(371)**	**333**	**12**

... Financial statements

Note 32: Income/expenses on other activities

	2013	2012
Income from other activities		
Investment property	0	0
Rebilled expenses	67	63
Other income	98	123
Sub-total	165	**186**
Expenses on other activities		
Investment property	(2)	(2)
Other expenses	(184)	(181)
Sub-total	(186)	**(183)**
TOTAL	**(21)**	**3**

Note 33: General operating expenses

	2013	2012
Payroll costs	(1,653)	(1,693)
Other expenses	(1,071)	(1,083)
TOTAL	**(2,724)**	**(2,776)**

Note 33a: Payroll costs

	2013	2012
Wages and salaries	(992)	(1,010)
Social security charges[1]	(432)	(474)
Employee profit-sharing and incentive bonuses	(93)	(91)
Payroll-based taxes	(135)	(118)
Other	(1)	(0)
TOTAL	**(1,653)**	**(1,693)**

(1) Including income of €15 million in respect of the Tax Credit for Competitiveness and Employment *(Crédit d'impôt pour la compétitivité et l'emploi – CICE)*. This amount corresponds to 4% of the salaries eligible for this measure as of December 31, 2013.

The CICE has enabled the group to maintain, and even to increase, its financing of employee training at a level well in excess of the regulatory requirements and to improve the group's overall competitiveness by the following initiatives, in particular:
- by investing, particularly in new technologies such as digital tools (tablet computers) and videoconferencing systems on laptop computers enabling customers to both have regular contact with their relationship manager and make energy savings;
- through IT developments concerning new telephone payment methods;
- by developing new services for the group's retailer customers;
- by searching for new domestic and international markets that would enable the group to reduce the costs of the services it provides to customers.

As regards the group's efforts to develop new markets and acquire new customers, certain regions have increased their staffing levels as part of their business development initiatives.

Note 33b: Average number of employees (as full-time equivalent)

	2013	2012
Banking staff	11,249	11,730
Managerial staff	8,973	8,924
TOTAL	**20,222**	**20,654**
Analysis by country		
France	18,724	19,138
Outside France	1,498	1,516
TOTAL	**20,222**	**20,654**

Note 33c: Other general operating expenses

	2013	2012
Other taxes and duties	(130)	(131)
External services	(960)	(974)
Rebilled expenses	22	23
Other miscellaneous expenses	(3)	(1)
TOTAL	**(1,071)**	**(1,083)**

Note 33d: Statutory auditors' fees

	PriceWaterhouseCoopers Audit				Ernst & Young et Autres			
Amounts excluding VAT	2013		2012		2013		2012	
Audit								
Statutory audit and contractual audits								
- CIC	0.51	14%	0.67	17%	0.68	25%	0.69	27%
- Fully consolidated subsidiaries	2.64	76%	3.12	78%	1.70	63%	1.73	68%
Other assignments and services directly related to the statutory audit [1]								
- CIC								
- Fully consolidated subsidiaries	0.11	3%	0.04	1%	0.28	10%	0.08	3%
Sub-total	**3.26**	**93%**	**3.83**	**96%**	**2.66**	**98%**	**2.50**	**98%**
Other services performed by the networks for fully consolidated subsidiaries								
- Legal, tax and corporate advisory services	0,02	1 %	0,04	1 %	0,03	1 %		
- Other	0.21	6%	0.11	3%	0.02	1%	0.06	2%
Sub-total	**0.23**	**7%**	**0.15**	**4%**	**0.05**	**2%**	**0.06**	**2%**
TOTAL	**3.49**	**100%**	**3.98**	**100%**	**2.71**	**100%**	**2.56**	**100%**

(1) Other assignments directly related to the statutory audit comprise mainly assignments carried out at the request of the supervisory authorities, the aim of which was to ensure that the group and its procedures comply with regulatory requirements.

The above amounts correspond to the amounts recognized as charges during the fiscal year.

Note 34: Movements in depreciation, amortization and provisions for impairment of property and equipment and intangible assets

	2013	2012
Depreciation and amortization		
Property and equipment	(142)	(147)
Intangible assets	(22)	(20)
Impairment		
Property and equipment	0	0
Intangible assets	0	(1)
TOTAL	**(164)**	**(168)**

... Financial statements

Note 35: Net additions to/reversals from provisions for loan losses

	Additions	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	Total	2012
Credit institutions	(0)	30	(1)	(0)	0	29	20
Customers							
- Finance leases	(5)	6	(4)	(3)	1	(5)	(5)
- Other customer items	(660)	629	(297)	(27)	9	(346)	(295)
Sub-total	**(665)**	**665**	**(302)**	**(30)**	**10**	**(322)**	**(280)**
Held-to-maturity financial assets	(3)	0	0	0	0	(3)	0
Available-for-sale financial assets	(14)	3	(12)	(39)	15	(47)	(91)
Other, including financing and guarantee commitments	(38)	46	(2)	(1)	0	5	15
TOTAL	**(720)**	**714**	**(316)**	**(70)**	**25**	**(367)**	**(356)**

Note 36: Net gain/(loss) on disposals of other assets

	2013	2012
Property and equipment and intangible assets		
Losses on disposals	(1)	(6)
Gains on disposals	5	17
TOTAL	**4**	**11**

Note 37: Corporate income tax

	2013	2012
Current taxes	(381)	(199)
Deferred tax income and expense	(51)	(102)
Adjustments in respect of prior years	3	1
TOTAL	**(429)***	**(300)**

* Including a charge of €361 million in respect of companies located in France and a charge of €68 million for companies located elsewhere.

Reconciliation between the corporate income tax charge recorded in the accounts and the theoretical tax charge	2013	2012
Theoretical tax rate	**38.0%**	**36.1%**
Impact of preferential "SCR" and "SICOMI" rates	- 2.6%	-2.2%
Impact of permanent differences	1.5%	3.3%
Impact of tax reassessments	1.1%	0.7%
Impact of different tax rates paid by foreign subsidiaries	- 1.0%	- 0.6%
Impact of reduced rate on long-term capital gains	- 1.0%	0.1%
Impact of tax consolidation	- 0.9%	- 4.4%
Impact of tax provisions	0.1%	- 2.0%
Impact of tax credits and tax deductions	- 0.1%	- 0.2%
Other	0.2%	0.1%
Effective tax rate	**35.3%**	**30.9%**
Taxable income[1]	1,215	971
TAX CHARGE	**(429)**	**(300)**

(1) Sum of pre-tax income of fully-consolidated companies.

CIC has set up a tax group with its main subsidiaries (more than 95%-owned) and the regional banks.
The entities it includes are shown with an (i) after their name in the list of consolidated companies (see note 2).

Note 38: Earnings per stock unit

	2013	2012
Net income attributable to owners of the company	845	698
Number of stock units at beginning of year	37,797,752	37,797,752
Number of stock units at end of year	37,797,752	37,797,752
Weighted average number of stock units	37,797,752	37,797,752
Basic earnings per stock unit (in euros)	**22.35**	**18.46**
Additional weighted average number of stock units assuming full dilution	0	0
Diluted earnings per stock unit (in euros)	**22.35**	**18.46**

CIC's capital stock amounts to €608,439,888, made up of 38,027,493 stock units with a par value of €16 each, including 229,741 treasury stock units.

Note 39: Fair value of financial instruments carried at amortized cost

The estimated fair values presented are calculated based on observable parameters at December 31, 2013 and are obtained by computing estimated discounted future cash flows using a risk-free yield curve. For asset items, the yield curve factors in a credit spread calculated for the CM11-CIC group as a whole, which is revised on a yearly basis.
The financial instruments discussed in this note relate to loans and borrowings. They do not include non-monetary items (e.g. equities), trade accounts payable, other asset accounts, or other liability and accrual accounts. Non-financial instruments are not discussed in this section.
The fair value of financial instruments repayable on demand and regulated customer savings deposits equals the amount that may be requested by the customer, i.e. the carrying amount.
Certain group entities may also apply assumptions whereby fair value is deemed to equal the carrying amount for those contracts indexed to a floating rate, or whose residual life is one year or less.
The reader's attention is drawn to the fact that, excluding held-to-maturity financial assets, financial instruments carried at amortized cost are not sold or are not intended to be sold prior to maturity. Accordingly, capital gains and losses are not recognized.
However, if financial instruments carried at amortized cost were to be sold, their sale price may differ significantly from the fair value calculated at December 31, 2013.

2013	Fair value	Carrying amount	Unrealized gains or losses	Hierarchy level 1	Hierarchy level 2	Hierarchy level 3
Assets						
Loans and receivables due from credit institutions	29,225	29,926	(701)	1,011	28,214	(0)
Of which, debt securities – credit institutions	*1,713*	*1,712*	*1*	*1,011*	*702*	*(0)*
Of which, loans and advances – credit institutions	*27,512*	*28,214*	*(702)*	*0*	*27,512*	*0*
Loans and receivables due from customers	139,990	136,767	3,223	243	6,872	132,875
Of which, debt securities – customers	*555*	*576*	*(21)*	*243*	*119*	*193*
Of which, loans and advances – customers	*139,435*	*136,191*	*3,244*	*0*	*6,753*	*132,682*
Held-to-maturity financial assets	87	75	12	61	0	26
Liabilities						
Due to credit institutions	54,665	53,995	670	0	54,665	0
Due to customers	111,967	112,847	(880)	0	44,924	67,043
Debt securities	17,010	16,824	186	672	16,338	0
Subordinated debt	2,306	2,311	(5)	37	2,269	0

... Financial statements

2012	Fair value	Carrying amount	Unrealized gains or losses
Assets			
Loans and receivables due from credit institutions	32,372	33,029	(657)
Loans and receivables due from customers	135,094	132,890	2,204
Held-to-maturity financial assets	81	67	14
Liabilities			
Due to credit institutions	57,344	57,405	(61)
Due to customers	106,960	108,162	(1,202)
Debt securities	17,181	17,016	165
Subordinated debt	3,581	3,459	122

Note 40: Related party transactions

	2013		2012	
	Associates (accounted for using the equity method)	Parent company	Associates (accounted for using the equity method)	Parent company
Assets				
Loans, advances and securities				
- Loans and receivables due from credit institutions[1]	0	17,659	0	11,752
- Loans and receivables due from customers	0	25	0	32
- Securities transactions	0	15	0	0
Other assets	3	49	3	56
TOTAL	**3**	**17,748**	**3**	**11,840**
Liabilities				
Deposits				
- Due to credit institutions	0	45,321	0	47,166
- Due to customers	259	54	255	40
Debt securities	551	0	940	0
Subordinated debt	0	2,114	1	3,076
Other liabilities	0	18	0	17
TOTAL	**810**	**47,507**	**1,196**	**50,299**
Financing and guarantee commitments				
Financing commitments given	0	9	0	0
Guarantee commitments given	0	80	0	76
Financing commitments received	0	5,950	0	5,850
Guarantee commitments received	0	2,361	0	2,382

(1) Including a €750 million perpetual subordinated loan due from BFCM.

Income statement items related to transactions with related parties	2013 Associates (accounted for using the equity method)	2013 Parent company	2012 Associates (accounted for using the equity method)	2012 Parent company
Interest income	0	198	0	237
Interest expense	(4)	(515)	(10)	(762)
Commission income	373	25	381	37
Commission expense	0	(133)	0	(127)
Other income and expenses	50	172	53	84
General operating expenses	(50)	(337)	(57)	(323)
TOTAL	**369**	**(590)**	**367**	**(854)**

The parent company is BFCM, the majority stockholder of CIC, and Caisse Fédérale de Crédit Mutuel (CFCM), the entity controlling BFCM, and all their subsidiaries.
Transactions carried out with the parent company mainly cover loans and borrowings taken out for the purposes of treasury management, as BFCM is the group's refinancing vehicle, as well as IT services billed with the Euro Information entities.
Companies accounted for using the equity method comprise CM-CIC Asset Management, the Assurances du Crédit Mutuel group and Banca Popolare di Milano.

Relations with the group's key executives (see "Corporate governance" on page 49).

Total compensation paid to the group's key executives	Fixed salary	Variable salary	Benefits-in-kind	Sundry adjustments	Total 2013	Total 2012
Key executives	0.6	0.0	0.0	0.0	0.6	0.6

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2013

To the stockholders,

In fulfillment of the assignment entrusted to us by your stockholders' general meeting, we hereby report to you, for the year ended December 31, 2013, on:
- the audit of the accompanying consolidated financial statements of CIC;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis or using other sampling methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, the significant estimates made in the preparation of the financial statements and the overall presentation of the financial statements. We believe that the information we have gathered is sufficient and appropriate to provide a basis for our opinion.
In our opinion, the consolidated financial statements for the year ended December 31, 2013 give a true and fair view of the assets, liabilities and financial position of the group formed by the entities included in the consolidation scope and of the results of its operations in accordance with IFRS as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:
- your group uses internal models and methodologies to measure financial instruments that are not traded on active markets, as well as to recognize certain provisions as described in notes 1 and 5d to the consolidated financial statements. We examined the control systems relating to these models and methodologies, the parameters used and the identification of the financial instruments to which they apply;
- your group carried out impairment tests on goodwill and on equity interests which resulted, where relevant, in the recognition of impairment provisions in respect of this fiscal year (notes 1 and 18 to the consolidated financial statements). We have reviewed the methods used to implement these tests, the main assumptions and parameters used and the estimates which resulted, where relevant, in the recognition of provisions to cover said impairment losses;
- your group recognizes impairment provisions to cover the credit and counterparty risks inherent in its business (notes 1, 8, 10a, 24 and 35 to the consolidated financial statements). We examined the control systems applicable to the monitoring of credit and counterparty risk, the impairment methodologies and the coverage of impairment losses by individual and collective provisions;
- your group recognizes provisions for employee benefit obligations (notes 1 and 24a to the consolidated financial statements). We examined the methodology used to assess these obligations, as well as the main assumptions and calculation methods used.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our opinion expressed in the first section of this report.

III - Specific verification

As provided by law and in accordance with French professional standards, we also specifically verified the information given in the group's board of directors' report.
We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, April 23, 2014

The statutory auditors

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Agnès Hussherr	Olivier Durand

Company financial statements

The statutory auditors have audited the company financial statements.

Board of directors' report on the company financial statements

The company financial statements are prepared in accordance with regulation 91-01 issued by the *Comité de la Réglementation Bancaire* (French banking regulatory committee – CRB), as amended by regulations 2000-03 and 2005-04 issued by the *Comité de la Réglementation Comptable* (French accounting regulatory committee – CRC) and by regulations 2010-04 and 2010-08 issued by the *Autorité des Normes Comptables* (French accounting standards authority).

Highlights of the fiscal year

- The first-time application of ANC recommendation no. 2013-02 of November 7, 2013 relating to the recognition and measurement rules for retirement and other employee benefits in annual and consolidated financial statements prepared in accordance with French accounting standards resulted in a change of accounting method in 2013 in CIC's company financial statements. The first-time application is retrospective and its impact on retained earnings as of January 1, 2013 was to reduce them by €10.5 million.
- As from 2013, discounts and premiums on fixed income debt securities are amortized over their residual term. Movements in them due to changes in early repayments are recognized immediately in the income statement. They were previously spread over the residual term. This represents a change in the application method. The pre-tax impact of the change in the fiscal year was €49.6 million.

CIC Greater Paris region network

The Greater Paris region network was made up of 309 branches at December 31, 2013.
At that date, the number of customers totaled 716,639, including 593,959 personal banking customers.
Outstanding loans remained stable at €15.4 billion (€15.3 billion at December 31, 2012), including home loans of €10.9 billion.
Deposits rose by 3.5% to €17.3 billion and savings totaled €10.5 billion.

Financing and capital markets

Outstanding loans in financing totaled €17 billion. Deposits rose by 65.2% to €12.7 billion. Customer funds invested in savings products increased by 7% compared with 2012.

2013 results

Net banking income rose from €1,579 million in 2012 to €2,071 million in 2013.
Net commission income came to €317 million.
Dividends received from subsidiaries and equity interests came to €1,002.7 million, compared with €330.7 million in 2012, the majority being derived from the regional banks and CM-CIC group subsidiaries.
General operating expenses fell to €663 million compared with €688 million in 2012.
The average number of employees (as full-time equivalents) in 2013 was 3,433.
Operating income before provisions came to €1,408 million in 2013 compared with €891 million in 2012.
Net additions to/reversals from provisions for loan losses represented a net charge of €154 million compared with a net charge of €147 million in 2012 – the year in which a €32 million impairment loss was recognized in respect of the Greek sovereign securities.
The net gain on disposals of non-current assets amounted to €140 million compared with a net loss of €107 million in 2012 due to the net disposals of investments in subsidiaries (€26 million in 2013 compared with a negative amount of €23 million in 2012) and held-to-maturity securities (€93 million in 2013 compared with a negative amount of €67 million in 2012).
CIC's total tax charge includes corporate income tax payable on CIC's net income and the net benefit from tax consolidation.
The company recorded net income of €1,303 million in 2013 compared with net income of €708 million in 2012.
Equity amounted to €6,807 million at December 31, 2013.
Articles L.441-6-1 and D.441-4 of the French commercial code require the disclosure of specific information on the due dates of amounts due to suppliers: the relevant amounts in respect of CIC are not material.
Details of executive compensation are provided on page 71 of the board of directors' report on the consolidated financial statements.
Information relating to CIC's stock ownership structure as at December 31, 2013 as well as changes during the year and dividends paid is provided on pages 31 to 35 of the section entitled "Presentation of CIC – capital and market for the company's stock".
The operations of CIC's subsidiaries are described on pages 193 to 199.

Financial statements

Balance sheet

Assets

(in € millions)	Notes	Dec. 31, 2013	Dec. 31, 2012
Cash and central banks		8,884	6,550
Government securities	2	5,786	7,448
Interbank loans and advances	3	28,587	30,997
Customer transactions	4	32,851	33,109
Bonds and other fixed-income securities	5	11,616	14,127
Equities and other variable-income securities	6	661	393
Investments in subsidiaries and other long-term investments	7	92	95
Investments in associates	8	5,304	5,328
Lease financing			
Intangible assets	9	89	89
Property and equipment	10	505	520
Unpaid capital			
Treasury stock	11	9	9
Other assets	12	7,658	12,099
Accruals and other assets	13	7,250	4,209
TOTAL		**109,292**	**114,973**

Off-balance sheet items

(in € millions)	Notes	Dec. 31, 2013	Dec. 31, 2012
Commitments and guarantees received			
Financing commitments received			
Commitments received from credit institutions		2,537	2,255
Guarantees received			
Guarantees received from credit institutions		7,264	8,643
Securities commitments received			
Optional repurchase agreements (repos)			
Other commitments and guarantees received		96	98

Liabilities and equity

(in € millions)	Notes	Dec. 31, 2013	Dec. 31, 2012
Central banks			
Due to credit institutions	14	38,818	50,057
Customer transactions	15	30,435	26,735
Debt securities	16	14,976	14,371
Other liabilities	12	4,115	3,094
Accruals and other liabilities	13	10,284	9,966
Provisions	17	1,248	1,256
Subordinated debt	18	2,230	3,318
General banking risks reserve	19	379	379
Equity	19	6,807	5,797
- Capital stock		*608*	*608*
- Additional paid-in capital		*1,088*	*1,088*
- Reserves		*668*	*668*
- Revaluation reserve		*44*	*44*
- Untaxed provisions		*47*	*45*
- Retained earnings		*3,049*	*2,636*
- Net income for the year		*1,303*	*708*
TOTAL		**109,292**	**114,973**

Off-balance sheet items

(in € millions)	Notes	Dec. 31, 2013	Dec. 31, 2012
Commitments and guarantees given			
Financing commitments given			
Commitments given to credit institutions		909	1,159
Commitments given to customers		12,734	12,016
Guarantees given	**22**		
Guarantees given on behalf of credit institutions		5,889	5,774
Guarantees given on behalf of customers		8,170	7,953
Securities commitments given			
Optional resale agreements			
Other commitments and guarantees given		166	95

... Financial statements

Income statement

(in € millions)	Notes	2013	2012
Interest income	27	1,969	3,776
Interest expense	27	(1,591)	(3,466)
Income from variable-income securities	28	1,003	331
Commission income	29	422	396
Commission expense	29	(105)	(111)
Net gains on trading account securities	30	350	624
Net gains/(losses) on available-for-sale securities	31	85	86
Other banking income	32	28	46
Other banking expense	32	(89)	(102)
Net income from other activities	32	(1)	(1)
Net banking income		**2,071**	**1,579**
Payroll costs	33	(359)	(378)
Other general operating expenses		(267)	(270)
Depreciation, amortization and impairment		(37)	(40)
General operating expenses		**(663)**	**(688)**
Operating income before provisions		**1,408**	**891**
Net additions to/reversals from provisions for loan losses	34	(154)	(147)
Operating income after provisions		1,254	744
Net gains on disposals of non-current assets	35	140	(107)
Income/(loss) before non-recurring items		**1,394**	**637**
Net non-recurring items	36		
Corporate income tax	37	(89)	73
Net allocations to general banking risks reserve			
Net allocations to untaxed provisions		(2)	(2)
NET INCOME (LOSS)		**1,303**	**708**

Five-year financial summary

Caption	2009	2010	2011	2012	2013
1. At December 31					
Capital stock (in €)	590,676,336	608,439,888	608,439,888	608,439,888	608,439,888
Number of stock units in issue	36,917,271	38,027,493	38,027,493	38,027,493	38,027,493
"A" series common stock	36,917,271	38,027,493	38,027,493	38,027,493	38,027,493
"D" series preferred stock	-	-	-	-	-
Preferred investment certificates	-	-	-	-	-
Ordinary investment certificates	-	-	-	-	-
2. Results of operations (in € thousands)					
Banking income	5,866,707	4,632,388	3,781,357	5,258,845	3,856,684
Net income before tax, depreciation and amortization	1,662,616	781,283	739,597	856,601	1,577,900
Provisions and non-recurring items	-	-	-	-	-
Corporate income tax	130,846	29,159	(84,789)	(73,461)	88,473
Net income/(loss)	1,080,530	537,729	275,129	708,010	1,303,166
Dividends	160,590	334,642	247,179	285,206	266,192
3. Earnings per common stock unit (in €)					
Income after tax but before depreciation, amortization and provisions	41.42	19.53	21.50	24.21	39.03
Net income/(loss)	29.45	14.23	7.28	18.73	34.48
Dividend per "A" series stock unit	4.35	8.80	6.50	7.50	7.00
Dividend per "D" series stock unit and investment certificates					
4. Employee information (excluding foreign branches) (in €)					
Number of employees (average full-time equivalents)	3,759	3,498	3,533	3,525	3,433
Total payroll	173,519,754	175,790,924	176,031,659	181,790,351	179,256,183
Total benefits (social security, etc.)	93,886,625	65,945,942	87,488,486	97,508,373	88,460,236

... Financial statements

Notes

The notes are expressed in millions of euros.

Note 1: Accounting policies, valuation and presentation methods

The company financial statements are prepared in accordance with regulation 91-01 issued by the *Comité de la Réglementation Bancaire* (French banking regulatory committee – CRB), as amended by regulations 2000-03 and 2005-04 issued by the *Comité de la Réglementation Comptable* (French accounting regulatory committee – CRC) and by regulations 2010-04 and 2010-08 issued by the *Autorité des Normes Comptables* (French accounting standards authority – ANC).
The first-time application of ANC recommendation no. 2013-02 of November 7, 2013 relating to the recognition and measurement rules for retirement and other employee benefits in annual and consolidated financial statements prepared in accordance with French accounting standards resulted in a change in accounting method in 2013 in CIC's company financial statements. The first-time application is retrospective and its impact on retained earnings as of January 1, 2013 was to reduce them by €10.5 million.
In addition, as from 2013, discounts and premiums on fixed income debt securities are amortized over their residual term. Movements in them due to changes in early repayments are recognized immediately in the income statement. They were previously spread over the residual term. This represents a change in the application method. The pre-tax impact of the change in the fiscal year was €49.6 million.
CIC is fully consolidated into the consolidated financial statements of the CIC group, the CM11-CIC group and the Crédit Mutuel group.

Use of estimates in the preparation of the financial statements

Preparation of the financial statements may require the use of assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires managers to draw upon their judgment and experience and make use of the information available at the date of the preparation of the financial statements when making the necessary estimates.
This applies in particular to:
- the impairment of debt and equity instruments;
- impairment tests performed on intangible assets;
- the measurement of provisions, including retirement obligations and other employee benefits;
- the valuation of financial instruments not quoted on an organized market.

Reclassification of financial assets

With a view to standardizing accounting treatments and ensuring consistency with International Financial Reporting Standards, the CRC issued regulation 2008-17 on December 10, 2008, which amends CRB regulation 90-01 on accounting for securities transactions. It consolidates the provisions of opinion 2008-19 of December 8, 2008 relating to transfers from trading securities and from available-for-sale securities.
Transfers from trading securities to held-to-maturity securities and from available-for-sale securities are now permitted in two instances:
a) when exceptional market conditions require a change of strategy;
b) when, subsequent to their acquisition, fixed income securities are no longer negotiable in an active market and if the bank has the intention and ability to hold these securities over the foreseeable future or until their maturity.
The effective date of transfers from trading securities and from available-for-sale securities may not be before July 1, 2008 and must correspond to the date at which consolidated financial statements are prepared.

Recognition of changes in accounting methods

Changes in accounting methods are applied retrospectively, that is to say as if the new methods had always been applied. The impact resulting from the first-time application of a change in accounting method is recognized directly to equity at January 1, resulting in the restatement of the opening balance sheet.

Loans

Loans are stated at their nominal value in the balance sheet. Commissions received on the granting of a loan and those paid to referral agents are recognized in the income statement over time in accordance with a method which involves treating them as if they were interest. This actuarial amortization is recognized in the income statement within net interest income/(expense). In the balance sheet, commissions received and the incremental transaction costs which are amortized are included within the balance of the loan concerned. Accrued interest receivable and payable are included within the balance sheet asset or liability heading to which they relate.
With regard to credit risk, a distinction is drawn between performing loans, non-performing loans and impaired non-performing loans for accounting purposes.

Reclassification of loans as non-performing or impaired non-performing loans
As required by CRC regulation CRC 2002-03, loans are reclassified as non-performing loans when exposed to a proven risk, namely if one or more installments are more than three months past due (six months in the case of real estate loans and nine months for local authority loans), if it is probable the borrower will be unable to repay the full amount due, when an event of default has occurred, or where the borrower is subject to court-ordered liquidation. In addition to the regulatory definition, loans may be reclassified as non-performing loans when there is a risk of loss highlighted notably by financial, economic and/or legal analyses of the customer's situation or by any other information indicating the customer is exposed to a risk of insolvency.
When a loan meets the criteria for reclassification, all amounts due by the customer (or by the group to which the customer belongs) as well as amounts due by other joint account holders or by co-borrowers are considered in the same light, by all federations and all banks of the CM-CIC group.
Loans are reclassified as impaired non-performing loans if the prospects of collecting these loans have deteriorated sharply or if the write off of the loan must be envisaged. Impaired non-performing loans are classified as a distinct component of non-performing loans. Past due interest ceases to be recognized in respect of impaired non-performing loans.

Recognition of impairment losses
Impairment is recognized when there is objective evidence of impairment as a result of an event occurring after inception of a loan or group of loans, which may lead to a loss. Loans are tested for impairment on an individual basis at each balance sheet date. The amount of impairment is equal to the difference between the carrying amount and the present value of the estimated future cash flows associated with the loan, discounted at the original effective interest rate.
For variable-rate loans, the last known contractual interest rate is used.
Impairment losses in respect of the principal are recognized by way of a provision, additions and reversals being reported as a component of provisions for loan losses except for the effect of changes in the time value linked to the discounting mechanism, which is treated as interest income, and therefore as a component of net banking income.
Impairment losses in respect of the interest on non-performing loans are recognized under interest received.
The impairment provision is deducted from the asset concerned when it relates to loans and reported under liabilities as a component of provisions for contingencies when it concerns financing and guarantee commitments.

Restructured loans
When non-performing loans are restructured at off-market conditions and reclassified as performing loans, a discount is recognized immediately as an expense and reversed over the term of the loan as a component of the interest margin.

Loan segmentation
In the notes to the financial statements, loans have been segmented by geographical area based on the location of the permanent CIC establishment.

Securities portfolio

Securities are accounted for in accordance with CRB regulation 90-01 as amended by CRB regulation 95-04, with CRC regulations 2000-02 and 2005-01, and with CB instruction 94-07 as amended by CB instruction 2000-12. As required by these regulations and instructions, government securities, bonds and other fixed-income securities (interbank securities, negotiable debt instruments and marketable securities) are classified as trading securities, available-for-sale securities or held-to-maturity securities. Equities and other variable-income securities are classified as trading securities, available-for-sale securities, portfolio activity securities, investments in subsidiaries, investments in associates and other long-term investments.

Trading securities
Trading securities are securities purchased or sold for the purpose of being sold or repurchased in the near term or which are held by the bank because of its market-making activity. They are recognized at acquisition cost, excluding related costs but including any accrued interest. At each balance sheet date, trading securities are measured at their most recent mark-to-market value. Net unrealized gains or losses arising from fluctuations in market value are recognized in the income statement.

Available-for-sale securities
Available-for-sale securities are securities that have not been classified as trading securities, as held-to-maturity securities, as portfolio activity securities, as investments in subsidiaries, investments in associates or other long-term investments. They are recognized at acquisition cost, excluding related costs. Any discounts or premiums are spread over their residual life. At each balance sheet date, each holding is valued separately. Bonds are grouped together by homogeneous group.
When the carrying amount exceeds the estimated realizable value, an impairment loss is recognized representing the unrealized loss. This is determined for each relevant holding or homogenous group. Unrealized gains are not recorded and unrealized gains and unrealized losses are not offset.

For equities quoted in Paris, the net realizable value corresponds to the average stock price during the month preceding the valuation date. For equities quoted on a foreign market and for bonds, realizable value corresponds to the most recent market value preceding the valuation date.

Held-to-maturity securities
Held-to-maturity securities are securities which the bank has the positive intent to hold to maturity. They are recognized at acquisition cost, excluding related costs. The difference between cost and redemption value is spread over the remaining life of the security. These securities are hedged with regard to the principal or interest rate exposure.
An impairment loss is recognized if a deterioration in the financial situation of the issuer means that the securities might not be redeemed at maturity.

Portfolio activity securities
Portfolio activity securities represent investments made on a regular basis with the sole objective of generating a gain over the medium term without intervening for any length of time in the business or participating actively in its day-to-day management. These investments are made via special purpose vehicles, on a significant and permanent basis, the return on investment being generated mainly from the gains on disposal.
These securities are recognized at their cost of acquisition. At the balance sheet date, the value of each holding is determined separately. When the carrying amount exceeds the value in use, an impairment loss is recognized for the amount of the unrealized loss. Unrealized gains are not recognized. The value in use takes into account the issuer's general prospects and the expected period of ownership. For quoted securities, the average stock price over a sufficiently long period may be used.

Other long-term investments, investments in subsidiaries and investments in associates
Other long-term investments are made with the intention of promoting lasting business relationships with the issuer, without however influencing the issuer's management. Investments in subsidiaries are those which management judges to be useful to the group's activities over the long term, in that they enable the group to exercise influence over or to control the issuer.
They are recognized at acquisition, merger or similar cost, and may be revalued within the legal framework defined in 1976. Each investment is reassessed at the year end. If the carrying amount is more than the value in use, an impairment provision is recognized for the unrealized capital loss. Unrealized capital gains are not recognized. The value in use represents the amount the company would be willing to pay to obtain the securities in question given the objectives of the investment, and may be estimated using various criteria such as adjusted net assets, actual and prospective profitability, and recent stock market prices.

Securities sold under delivered repurchase agreements (repos)
On the balance sheet, securities sold under delivered repurchase agreements (repos) are not de-recognized as an asset whereas the liability to the transferee is recognized as such. The principles for their measurement and the recognition of income from these securities remain those of the asset category in which they are classified.

Reclassification criteria and rules
If the holding intention or ability to hold securities changes, they may be reclassified provided they satisfy the eligibility conditions and transfer rules. In the event of transfer, the securities are remeasured based on their original classification on the transfer date.

Transactions in interest-rate and currency option, futures and forward contracts

The group trades on its own account in interest-rate and currency option, futures and forward contracts on various organized and over-the-counter markets as part of its risk management strategy covering interest-rate and currency positions resulting from its assets and liabilities.

Transactions on organized and similar markets
Option, futures and forward contracts on organized and similar markets are measured in accordance with the rules determined by the French banking regulatory committee. Contracts are remeasured at the year-end based on listed prices on the applicable markets.
Any resulting gain or loss is recognized through the income statement.

Transactions on over-the-counter markets
French banking regulatory committee regulation no. 90-15 is applied to all over-the-counter interest-rate instruments, which comprise in particular interest-rate and/or currency swaps, future rate agreements, and options such as caps and floors.
Pursuant to the above-mentioned regulation, transactions are allocated on origination to the portfolios concerned (open positions, micro-hedges, overall balance sheet and off-balance sheet management, specialized management).
Transactions allocated to open-position portfolios are measured at the lower of acquisition cost or market value.
Income and expenses in respect of transactions allocated to micro-hedge portfolios are recognized in the income statement symmetrically to the income and expenses in respect of the hedged item.
Income and expenses in respect of transactions allocated to overall interest-rate risk management portfolios are recognized in the income statement pro rata temporis.
Transactions allocated to specialized management portfolios are measured at market value. Changes in value are recognized in net banking income after adjustments to reflect counterparty risk and future management expenses.
Balances remaining after netting hedging derivatives are amortized over the residual term of the hedged items.

Structured products
Structured products are products created by bundling basic instruments – generally options – to exactly meet customers' needs. CIC offers various categories of structured products based on plain vanilla options, binary options, barrier options, Asian options, lookback options, options on several assets and index swaps.

There are three main methods of valuing these products: methods consisting of solving a partial differential equation, discrete time tree methods and Monte Carlo methods.
CIC uses the first and third methods. The analytical methods used are those applied by the market to model the underlyings.
Structured products are recognized at market value.
The valuation parameters applied correspond to observed values or values determined using a standard observed values model at the balance sheet date. If the instruments are not traded on an organized market, the valuation parameters are determined by reference to the values quoted by the most active dealers in the corresponding products and/or by extrapolating quoted values. All parameters used are based on historical data.
If complex models are used to determine the value of certain instruments, the market parameters used for measurement purposes are adjusted in application of the prudence concept to take into account the degree of liquidity of the markets concerned and their relevance as regards long maturities.

Measurement of unlisted forward financial instruments
These instruments are remeasured based on observable market prices using the so-called "snapshot" procedure under which bid and offer prices from a number of market players are recorded at the same time each day using market flow software. A single price is used for each market parameter concerned.

Property and equipment and intangible assets

Property and equipment and intangible assets are recognized at acquisition cost plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and may be revalued in accordance with the French Finance Acts of 1977 and 1978.
Subsequent to initial recognition, property and equipment and intangible assets are measured at amortized historical cost, which represents cost less accumulated depreciation, amortization and any accumulated impairment losses.
The depreciable amount of an asset is determined after deduction of its residual value net of costs to sell. Property and equipment and intangible assets are presumed not to have a residual value as their useful lives are generally the same as their economic lives.
Depreciation and amortization is calculated on a straight-line basis over the estimated useful life of the assets, based on the manner in which the economic benefits embodied in the assets are expected to be consumed by the entity. Assets that have an indefinite useful life are not amortized. Depreciation and amortization on property and equipment and intangible assets is recognized in "Depreciation, amortization and impairment" in the income statement.
Where an asset consists of a number of components that may require replacement at regular intervals, or that have different uses or different patterns of consumption of economic benefits, each component is recognized separately and depreciated using a method appropriate to that component. CIC has adopted the components approach for property used in operations and investment property.
These items are depreciated over the following useful lives:
- 40-80 years for the shell;
- 15-30 years for structural components;
- 10-25 years for equipment;
- 10 years for fixtures and fittings.

Leasehold rights paid are not amortized but are tested for impairment. New occupancy fees paid to the owner are amortized over the life of the lease as additional rent. Other intangible items (e.g., acquired customer contract portfolios) are amortized over a period of ten years.
Depreciable and amortizable assets are tested for impairment when evidence exists at the balance sheet date that the items may be impaired. Non-depreciable and non-amortizable assets are tested for impairment at least annually.
If there is an indication of impairment, the recoverable amount of the asset is compared with its carrying amount. If the asset is found to be impaired, an impairment loss is recognized in income, and the depreciable amount is adjusted prospectively. The impairment loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment is recognized in the income statement under "Depreciation, amortization and impairment".
Gains and losses on disposals of non-current assets used in operations are shown in the income statement under "Net gains on disposals of non-current assets".
Gains and losses on disposals of investment property are shown in the income statement under "Income from other activities" or "Expense on other activities".

Accrual accounts

For loans originated prior to December 31, 1999, issuance expenses were amortized in the year of issuance. In the case of issues subsequent to that date, issuance expenses are amortized over the term of the loan.
Bond redemption premiums are amortized on a straight-line basis over the term of loan.

Provisions

Additions to and reversals from provisions are recognized by type in the corresponding expense accounts.
Pursuant to CRC regulation 2000-06, provisions correspond to the best estimate of the outflow of resources required to extinguish the most probable amount of the corresponding obligation.

Provisions for country risk

Provisions are established to cover sovereign and emerging country risk, based on the economic position of the borrowing country. The allocated portion of such provisions is deducted from the corresponding asset.

General provisions for credit risk

Since fiscal year 2000, general provisions for credit risk have been constituted to cover risks arising but not yet recognized on performing loans and commitments given to customers. They are determined:

- for credit activities other than specialized financing, using an average provision for loan losses that may be experienced over the long term, i.e. 0.5% of performing customer outstandings;
- for specialized financing and for foreign branches, using a provision for loan losses obtained on the basis of the rating of receivables combined with an average loss given default. This method enables the lower level of risk dispersion and the relatively high materiality of individual loans – and hence the greater volatility of such loans – to be taken into account.

General provisions for credit risks are reversed if the events they are intended to cover materialize.
A general provision for major risks to which the group is exposed has been included in this category since 2003.

Regulated savings

Home savings accounts *(comptes d'épargne logement* – "CEL") and home savings plans *(plans d'épargne logement* – "PEL") are government-regulated retail products sold in France. Account holders receive interest on amounts paid into these accounts over a certain period (initial savings phase), at the end of which they are entitled to a mortgage loan (secondary borrowing phase). Home savings products generate two types of obligation for the bank:

- an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as a variable rate);
- an obligation to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

When these obligations are potentially unfavorable to the bank, they are subject to provisions calculated in accordance with CRC regulation 2007-01 that cover obligations existing on the provision calculation date; future account openings are not taken into account.
Future outstandings on home savings products are estimated on the basis of customer behavior statistics in a given interest-rate environment. PEL that are subscribed in the context of an overall offering of related products and do not meet the abovementioned behavioral laws are excluded from the projections. Provisions are constituted for at-risk outstandings as follows:

- for PEL deposits, based on the difference between probable savings balances and the minimum expected savings. The latter are determined using a 99.5% confidence interval for several thousand different interest rate scenarios;
- for loans granted in connection with home savings products, future volumes depend on the likely exercise of vested rights and on the level of current outstandings.

Future losses are assessed in relation to non-regulated rates for term savings deposits and for standard home purchase loans. This approach is managed based on generations of regulated PEL and CEL savings products with similar characteristics, with no set-off between generations. Future losses are discounted using rates derived from the average of the last 12 months' data for the zero coupon swap against 3-month Euribor rate curve. Future loss provisions are based on the average loss observed in several thousand interest-rate scenarios generated using a stochastic modeling technique. The impacts on income are included in interest paid to customers.

Assets and liabilities denominated in a foreign currency

Assets and liabilities denominated in a currency other than the local currency are translated at the official year-end exchange rate. The resulting unrealized foreign currency gains and losses are recognized in the income statement along with realized exchange gains or losses on transactions during the year.
As an exception, pursuant to CRB regulation 90-01 and instruction 94-07 of the French banking commission, translation differences on held-to-maturity securities, available-for-sale securities and investments in non-consolidated companies and subsidiaries denominated in a foreign currency and financed in euros are not recognized in the income statement. However, if the securities are to be sold or redeemed, a provision is recognized for the amount of any unrealized foreign currency loss.

General banking risks reserve

In application of article 3 of CRB regulation 90-02, a general banking risks reserve has been set up for prudential reasons to cover the general and indeterminate risks inherent in any banking activity. Additions to and reversals from this reserve are determined by senior management and are recognized in the income statement.

Interest, fees and commissions

Interest is recognized pro rata temporis in the income statement. Fees and commissions are recognized when received, other than those on financial transactions which are recognized on closure of the issue concerned or when billed. Interest is not recognized as income on impaired non-performing loans.
Fees and commissions comprise income from banking operations remunerating services provided to third parties, other than income in the nature of interest, i.e. calculated as a function of the term and amount of the credit or commitment given.

Retirement and similar obligations

Retirement and similar obligations are provisioned and changes in the obligations are recognized in the income statement for the year. The assumptions used in calculating retirement and similar obligations include a discount rate determined by reference to long-term market rates applicable to highly-rated corporate bond issues at the balance sheet date. The rate of increase in salaries is assessed on the basis of an estimate of long-term inflation and of increases in actual salaries.
ANC recommendation 2013-02 relating to the recognition and measurement rules for retirement and other employee benefits has been applied since January 1, 2013.

Post-employment benefits covered by defined benefit plans
Obligations are calculated using the projected unit credit method and a range of assumptions to determine the discounted amount of the obligation and the cost of service for the fiscal year. The effect of changes in these assumptions and experience adjustments (differences between the previous actuarial assumptions and actual outcomes) give rise to actuarial gains and losses.
Plan assets are measured at fair value and the expected return on these assets is recognized in the income statement.
The difference between the expected return on plan assets and the actual return gives rise to an actuarial gain or loss.
Plan reductions and liquidations give rise to a change in the obligations, which is recognized in the income statement for the year.

Supplementary pensions covered by pension funds
Under the terms of the AFB transitional agreement dated September 13, 1993, the banking industry pension schemes were discontinued and bank employees joined the government-sponsored ARRCO and AGIRC schemes effective from January 1, 1994. The three CIC group pension funds that pay the various benefits provided for by the transitional agreement were merged on January 1, 2008 in order to pool their reserves.
Subsequent to the merger, the merged entity's reserves covered all the obligations, which had been fully reassessed during the year. To bring the merged entity into compliance with the Fillon Act of August 23, 2003 and the Social Security Financing Act 2008-1330 of December 17, 2008, in 2009 it was converted into a French supplementary pension management institution *(Institution de Gestion de Retraite Supplémentaire)* and its reserves and obligations were transferred to an insurance company.

Other post-employment benefits covered by defined benefit plans
Obligations in respect of future retirement bonuses and supplementary pensions (including special retirement regimes) are either covered by insurance policies or are provisioned for the portion not covered by such policies.
Premiums for future retirement bonuses paid annually take into account rights vested at December 31 of each year, weighted by coefficients for staff turnover and life expectancy.
The commitments are calculated using the projected unit credit method in accordance with IFRS. This method specifically takes into account life expectancy, staff turnover rates, wage increases, the rate of social security charges in stipulated cases and the discount rate.
Retirement bonuses falling due and paid to employees during the year are reimbursed by the insurer to the extent of the portion covered by the policy.
Retirement bonuses are determined based on the contractual provisions relating to normal retirement at the employee's initiative, when he has reached the age of 62.

Post-employment benefits covered by defined contribution plans
A collective agreement was concluded in 1994 to create a supplementary collective capitalization retirement plan for group employees, particularly those from the former CIC Paris. This plan was extended to employees of the former Union Européenne CIC when the two institutions were merged in 1999.

Other long-term benefits
Employees receive a long-service award after 20, 30, 35 and 40 years of service. This obligation is fully provisioned in the company's accounts and is measured using the principles applied to the measurement of retirement bonuses.

Tax credit for competitiveness and employment *(Crédit d'impôt pour la compétitivité et l'emploi – CICE)*
The tax credit for competitiveness and employment is accounted for in accordance with the ANC's information memorandum of February 28, 2013.
The amount of the CICE, which is non-taxable, is credited to a sub-account within payroll costs.

Presence in countries or territories that do not cooperate in efforts to combat fraud and tax evasion

The bank has no direct or indirect presence in any country or territory covered by Article L.511-45 of the French Monetary and Financial Code and included in the list drawn up in the order of February 12, 2010.

... Financial statements

Information concerning amounts in the balance sheet, off-balance sheet and in the income statement

Note 2: Government securities

	Dec. 31, 2013				Dec. 31, 2012			
	Trading	Available-for-sale	Held-to-maturity	Total	Trading	Available-for-sale	Held-to-maturity	Total
Securities held	1,664	745	3,322	5,731	1,644	1,683	4,055	7,382
Securities loaned								
Cumulative translation adjustment								
Accrued interest		13	42	55		17	49	66
Securities for which impairment provision recognized								
Gross amount	**1,664**	**758**	**3,364**	**5,786**	**1,644**	**1,700**	**4,104**	**7,448**
Impairment								
Net amount	**1,664**	**758**	**3,364**	**5,786**	**1,644**	**1,700**	**4,104**	**7,448**
Unrealized capital gains		72		72				

Held-to-maturity securities sold before maturity totaled €579 million.
The positive or (negative) differences between the redemption price and the purchase price for available-for-sale and held-to-maturity securities are respectively €57 million and €(128) million.

Note 3: Interbank loans and advances

	Dec. 31, 2013		Dec. 31, 2012	
	On demand	At maturity	On demand	At maturity
Current accounts	4,839		3,459	
Loans, amounts received under repurchase agreements (repos)	7,434	6,983	8,722	10,126
Securities received under repurchase agreements (repos)		9,293	74	8,570
Accrued interest		34		37
Non-performing loans and advances		7		13
Impairment provisions		(3)		(4)
TOTAL	**12,273**	**16,314**	**12,255**	**18,742**
TOTAL INTERBANK LOANS AND ADVANCES		**28,587**		**30,997**
Including non-voting loan stock		*40*		*45*
Including subordinated loans		*1,027*		*1,136*

Non-performing loans and advances do not include impaired non-performing assets.
Performing loans do not include loans restructured at off-market terms.

Note 3b: Interbank loans and advances by geographic area

	France	USA	United Kingdom	Singapore	Total
Total gross outstandings at Dec. 31, 2013[1]	27,630	3	76	847	28,556
Including non-performing loans					
Including impaired non-performing loans	*7*				*7*
Impairment provisions					
At Dec. 31, 2012	(4)				(4)
Additions					
Reversals	2				2
Cumulative translation adjustment	(1)				(1)
At Dec. 31, 2013	(3)				(3)

(1) Excludes accrued interest.

Note 4: Customer loans and receivables

	2013	2012
Commercial loans	184	201
Accrued interest	0	0
Other loans and receivables		
- Loans and advances	25,299	25,470
- Securities received under resale agreements	5,521	5,300
- Accrued interest	77	86
Current accounts in debit	1,417	1,585
Accrued interest		
Non-performing loans	730	911
Impairment provisions	(377)	(443)
TOTAL	**32,851**	**33,109**
Including receivables eligible with the European Central Bank	*2,242*	*2,223*
Including non-voting loan stock		
Including subordinated loans	*14*	*11*

Non-performing loans include €583 million of impaired loans, for which an impairment provision of €308 million has been recognized. Performing loans include €36 million of loans restructured at off-market terms.

Note 4b: Customer loans and receivables by geographic area

	France	USA	United Kingdom	Singapore	Total
Total gross outstandings at Dec. 31, 2013[1]	28,751	1,418	1,422	1,559	33,150
Including non-performing loans	*116*	*18*	*8*	*5*	*147*
Including impaired non-performing loans	*531*		*52*		*583*
Impairment provisions					
At Dec. 31, 2012	(346)	(14)	(69)	(14)	(443)
Additions	(97)	(4)	(14)	(1)	(116)
Reversals	99	7	62	9	177
Cumulative translation and other adjustments	1		2	2	5
At Dec. 31, 2013	(343)	(11)	(19)	(4)	(377)

(1) Excludes accrued interest.

... Financial statements

Note 4c: Impairment provisions on non-performing loans and receivables

	Dec. 31, 2012	Additions	Reversals	Other movements	Dec. 31, 2013
Assets					
On interbank loans and advances	4		(2)	0	2
On customer loans and receivables	443	116	(177)	(5)	377
On finance leases and operating leases					
On bonds and other fixed-income securities	284	10	(32)	(38)	224
On other assets	1				1
TOTAL	**732**	**126**	**(211)**	**(43)**	**604**

Non-performing customer loans and receivables totaled €730 million compared with €911 million at December 31, 2012. They are covered by asset impairment provisions totaling €377 million, representing a coverage ratio of 51.6% compared with 48.6% one year earlier.
Impairment and other provisions for credit risk represent 2.03% of gross customer outstandings, compared with 2.15% in 2012. Non-performing loans and receivables are covered by impairment provisions, with the exception of country risk provisions and general provisions for credit risk, which are based on performing loans and receivables.

Note 5: Bonds and other fixed-income securities

	Dec. 31, 2013				Dec. 31, 2012			
	Trading	Available-for-sale	Held-to-maturity	Total	Trading	Available-for-sale	Held-to-maturity	Total
Securities held – quoted	8,625	1,473	621	10,719	11,105	734	921	12,760
Securities held – not quoted		223	167	390		442	174	616
Securities loaned								
Accrued interest	5	4	4	13	5	3	6	14
Non-performing loans[1] and other fixed-income securities[1]		146	584	730		130	918	1,048
Gross amount	**8,630**	**1,846**	**1,376**	**11,852**	**11,110**	**1,309**	**2,019**	**14,438**
Impairment provisions		(12)		(12)		(28)		(28)
Other provisions		(20)	(204)	(224)		(9)	(274)	(283)
Net amount	**8,630**	**1,814**	**1,172**	**11,616**	**11,110**	**1,272**	**1,745**	**14,127**
Unrealized capital gains		*18*		*18*		*37*		*37*
Including subordinated bonds		*35*	*116*	*151*		*30*	*124*	*154*
Including securities issued by public institutions				*242*				*386*

(1) Non-performing loans comprise €119 million of impaired non-performing loans against which a provision of €4 million has been raised.

The positive or (negative) differences between the redemption price and the purchase price for available-for-sale and held-to-maturity securities are respectively €(24) million and €(5) million.
The reduction in held-to-maturity securities between 2012 and 2013 corresponds to redemptions made in 2012 as well as sales of securities generating net income of €93 million.
Trading and available-for-sale securities have been marked to market based on external data obtained from organized markets or, for over-the-counter markets, using key broker prices. If prices are not available, they have been measured based on comparable securities quoted on the market.

Note 5b: Bonds and other fixed-income securities – Monitoring of transfers made between categories in 2008 pursuant to CRC regulation 2008-17 amending CRB regulation 90-01

Due to the exceptional situation brought on by the deterioration in global financial markets, CIC transferred securities from the trading and available-for sale categories. These reclassifications were carried out on the basis of valuations dated July 1, 2008.

Reclassified assets:	Carrying amount on the day of the transfer	Carrying amount in the closing balance sheet	Value at closing date if transfers had not occurred	Unrealized capital gain/(loss)
From trading securities to held-to-maturity securities	18,443	3,853	4,687	834
From trading securities to available-for-sale securities	349	7	7	0
From available-for-sale securities to held-to-maturity securities	421	139	139	0
TOTAL	**19,213**	**3,999**	**4,833**	**834**

Note 6: Equities and other variable-income securities

	Dec. 31, 2013				Dec. 31, 2012			
	Trading	Available-for-sale	Portfolio activity	Total	Trading	Available-for-sale	Portfolio activity	Total
Securities held – quoted	533			533	272			272
Securities held – not quoted		135		135		123		123
Securities loaned								
Accrued interest								
Gross amount	**533**	**135**		**668**	**272**	**123**		**395**
Impairment provisions		(7)		(7)		(2)		(2)
TOTAL	**533**	**128**		**661**	**272**	**121**		**393**
Unrealized capital gains		34		34		7		7

There were no transfers between portfolios during 2013.

... Financial statements

Note 7: Investments in subsidiaries and other long-term investments

	Dec. 31, 2012	Acquisitions Additions	Disposals Reversals	Transfers	Other movements	Dec. 31, 2013
Other long-term investments						
- Quoted						
- Not quoted	85		(1)			84
Investments in subsidiaries						
- Quoted	13					13
- Not quoted	5					5
Sub-total	**103**		**(1)**			**102**
Cumulative translation adjustment						
Securities loaned						
Accrued interest						
Calls for funds and current account advances to non-trading real estate companies (SCI)						
Gross amount	**103**		**(1)**			**102**
Impairment provisions						
- Quoted securities	(3)	(3)			0	(6)
- Non-quoted securities	(5)		1			(4)
Sub-total	**(8)**	**(3)**	**1**		**0**	**(10)**
Net amount	**95**	**(3)**			**0**	**92**

Note 8: Investments in associates

	Dec. 31, 2012	Acquisitions Additions	Disposals Reversals	Transfers	Other movements	Dec. 31, 2013
Gross amount	5,397	7	(36)		(4)	5,364
Cumulative translation adjustment						
Securities loaned						
Accrued interest						
Calls for funds and current account advances to non-trading real estate companies (SCI)						
Impairment provisions	(69)	(5)	14		0	(60)
Net amount	**5,328**	**2**	**(22)**		**(4)**	**5,304**
Gross carrying amount for investments in non-quoted credit institutions	3,032					3,020
Gross carrying amount for investments in quoted associates						
Gross carrying amount for investments in non-quoted associates	5,397					5,364

Transactions with associates

	Dec. 31, 2013 Associates		Dec. 31, 2012 Associates	
	Total	Of which, subordinated	Total	Of which, subordinated
Assets				
Interbank loans and advances	17,626	1,027	12,698	1,144
Customer loans and receivables	388		438	
Other miscellaneous receivables	13		14	
Bonds and other fixed-income securities	173	116	68	
Swaps	2,090		2,994	
Liabilities				
Due to credit institutions	17,578		22,980	
Due to customers	854		867	
Other liabilities	25		4	
Swaps	61		82	
Debt securities	2,669	2,108	2	
Off-balance sheet				
Commitments given				
Credit institutions[1]	5,176		270	
Customers	1,501		6,407	
Commitments received				
Credit institutions	3,058		3,493	

(1) Commitments given to associates concern, in particular, guarantees given to the regional banks on their certificates of deposit and medium term note issues.

Transactions with other related entities are not significant.

Related party transactions
All related party transactions were carried out on normal market terms, i.e. those that are normally used for transactions with third parties, such that the beneficiary of the agreement does not enjoy more advantageous terms than those granted to a third party of the company, given the terms normally adopted by companies in the same sector.

Note 9: Intangible assets

	Dec. 31, 2012	Acquisitions Additions	Disposals Reversals	Other movements	Dec. 31, 2013
Gross amount					
Goodwill	94				94
Set up costs	1				1
Research and development					
Other intangible assets	56	2			58
Gross amount	**151**	**2**			**153**
Amortization					
Goodwill	(53)	(1)			(54)
Set up costs	(1)				(1)
Research and development					
Other intangible assets	(8)	(1)			(9)
Total amortization	**(62)**	**(2)**			**(64)**
Net amount	**89**				**89**

... Financial statements

Note 10: Property and equipment

	Dec. 31, 2012	Acquisitions Additions	Disposals Reversals	Other movements	Dec. 31, 2013
Gross amount					
Land used in operations	196				196
Land not used in operations	0				0
Buildings used in operations	683	21			704
Buildings not used in operations	2				2
Other property and equipment	140	10	(13)		137
Total gross amount	**1,021**	**31**	**(13)**		**1,039**
Depreciation					
Land used in operations					
Land not used in operations					
Buildings used in operations	(387)	(30)		(1)	(418)
Buildings not used in operations	(0)	(0)		0	(0)
Other property and equipment	(114)	(5)	1	2	(116)
Total depreciation	**(501)**	**(35)**	**1**	**1**	**(534)**
Net amount	**520**				**505**

Note 11: Treasury stock

	Dec. 31, 2013	Dec. 31, 2012
Number of stock units held	229,741	229,741
Proportion of capital stock	0.60%	0.60%
Carrying amount	9	9
Market value	34	24

CIC's treasury stock holding is derived from the CIC Banque CIAL partial asset contribution carried out in 2006.

Note 12: Other assets and liabilities

	Dec. 31, 2013		Dec. 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Option premiums	826	819	188	183
Securities settlement accounts	4		4	
Debts in respect of borrowed securities		2,644		1,978
Deferred tax				
Miscellaneous debtors and creditors	6,825	652	11,905	933
Non-performing receivables	1		1	
Accrued interest	3	0	2	0
Impairment provisions	(1)		(1)	
TOTAL	**7,658**	**4,115**	**12,099**	**3,094**

Note 13: Accruals

	Dec. 31, 2013		Dec. 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Collection accounts		25	2	5
Currency adjustment accounts and off-balance sheet	6,353	6,643	3,200	3,571
Other accruals	897	3,616	1,007	6,390
TOTAL	**7,250**	**10,284**	**4,209**	**9,966**

Note 14: Due to credit institutions

	Dec. 31, 2013		Dec. 31, 2012	
	On demand	At maturity	On demand	At maturity
Current accounts	9,549		11,876	
Term deposits		13,750		18,127
Amounts received under resale agreements				
Securities sold under repurchase agreements (repos)		15,476	0	19,976
Accrued interest		43		78
TOTAL	**9,549**	**29,269**	**11,876**	**38,181**
TOTAL DUE TO CREDIT INSTITUTIONS		**38,818**		**50,057**

Note 15: Due to customers

	Dec. 31, 2013		Dec. 31, 2012	
	On demand	At maturity	On demand	At maturity
Regulated savings accounts	5,811	1,214	5,694	1,150
Accrued interest				
TOTAL – REGULATED SAVINGS ACCOUNTS	**5,811**	**1,214**	**5,694**	**1,150**
Other liabilities	8,685	12,197	7,715	11,312
Securities sold under repurchase agreements (repos)		2,452		785
Accrued interest		76		79
TOTAL – OTHER LIABILITIES	**8,685**	**14,725**	**7,715**	**12,176**
TOTAL DUE TO CUSTOMERS ON DEMAND AND AT MATURITY		**30,435**		**26,735**

Note 16: Debt securities

	Dec. 31, 2013	Dec. 31, 2012
Retail certificates of deposit	53	49
Interbank instruments and money market securities	13,403	13,125
Bonds	1,487	1,162
Other debt securities	2	2
Accrued interest	31	33
TOTAL	**14,976**	**14,371**

... Financial statements

Note 17: Provisions

	Dec. 31, 2012	Additions	Reversals	Other movements	Dec. 31, 2013
Provisions for counterparty risks					
On signature commitments	25	7	(7)	1	26
On financing and guarantee commitments					
On country risks					
General provisions for counterparty risks	252	34	(9)	(4)	273
Other provisions for counterparty risks					
Provisions for losses on forward financial instruments	**102**		**(56)**	**(1)**	**45**
Provisions on subsidiaries and equity interests	**138**	**24**	**(33)**	**(1)**	**128**
Other provisions for contingencies and charges (excluding counterparty risks)					
Provisions for retirement costs[1]	38	1	(5)	10	44
Provisions for home savings accounts and plans	3	1			4
Other provisions[2]	698	110	(76)	(4)	728
TOTAL	**1,256**	**177**	**(186)**	**1**	**1,248**

(1) Other movements in provisions for retirement costs correspond to the change of accounting method relating to the application of ANC recommendation no. 2013-02, which enables retirement commitments to be measured in accordance with IAS 19R.
(2) At December 31, 2013, includes €432 million of provisions linked to tax consolidation temporary differences.

Note 17b: Provisions for risks on commitments in respect of home savings

	Dec. 31, 2013		Dec. 31, 2012	
	Outstandings	**Provisions**	Outstandings	Provisions
Home savings plans	1,029	2	964	2
Home savings accounts	74	1	74	1
Home savings loans	11		14	

Note 17c: Provision for retirement bonuses

	Jan. 1, 2013	Impact of discounting	Financial income	Cost of services rendered	Change of accounting method	Change in actuarial differences	Payment to beneficiaries	Insurance contributions	Dec. 31, 2013
Commitments	48	1		2		1	(5)		47
Insurance policy	27		1			1	(3)		26
Spreading	(10)				10				
Provision	**11**	**1**	**(1)**	**2**	**10**		**(2)**		**21**

Note 18: Subordinated debt

	Dec. 31, 2012	Issues	Redemptions	Other movements	Dec. 31, 2013
Subordinated debt	1,061	14	(584)	(10)	481
Non-voting loan stock	137			(137)	
Perpetual subordinated loan stock	2,107		(500)	137	1,744
Accrued interest	13			(8)	5
TOTAL	**3,318**	**14**	**(1,084)**	**(18)**	**2,230**

Other movements relating to subordinated debt are due to exchange rate movements on a USD 350 million liability.

Main subordinated debt issues

Issue	Issue date	Amount	Amount at year end	Rate	Maturity
Subordinated notes	09.30.03	$350m	$350m	a	09.30.2015
Non-voting loan stock	05.28.85	€137m	€137m	b	c
Perpetual subordinated notes	06.30.06	€400m	€400m	d	
Perpetual subordinated notes	06.30.06	€1,100m	€1,100m	e	
Perpetual subordinated notes	12.30.08	€500m	€500m	f	

(a) 6-month USD Libor + 55 basis points.
(b) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.
(c) Repayable at borrower's discretion as from May 28, 1997 at 130% of the face value incremented at the rate of 1.5% for each subsequent year.
(d) 6-month Euribor + 167 basis points.
(e) 6-month Euribor + 107 basis points for the first ten years, then Euribor + 207 basis points (in the absence of early redemption).
(f) Variable 3-month Euribor + 655 basis points.
(d), (e) and (f): subscribed by the parent companies BFCM and CFCM.

... Financial statements

Note 19: Equity and general banking risks reserve

	Capital	Additional paid-in capital	Reserves [1]	Revaluation reserve	Untaxed provisions	Retained earnings	Net income for the year	Total	General banking risks reserve
Equity at Jan. 1, 2012	**608**	**1,088**	**667**	**44**	**43**	**2,606**	**275**	**5,331**	**379**
Net income for the year							708	708	
Appropriation of prior year earnings						275	(275)		
Dividends paid						(246)		(246)	
Capital increase									
Impact of remeasurement									
Other movements			1		2	1		4	
Equity at Dec. 31, 2012	**608**	**1,088**	**668**	**44**	**45**	**2,636**	**708**	**5,797**	**379**
Equity at Jan. 1, 2013	**608**	**1,088**	**668**	**44**	**45**	**2,636**	**708**	**5,797**	**379**
Net income for the year							1,303	1,303	
Appropriation of prior year earnings						708	(708)		
Dividends paid						(284)		(284)	
Capital increase									
Impact of remeasurement									
Change of method [2]						(10)		(10)	
Other movements					2	(1)		1	
Equity at Dec. 31, 2013	**608**	**1,088**	**668**	**44**	**47**	**3,049**	**1,303**	**6,807**	**379**

(1) At December 31, 2013, reserves comprised the legal reserve for €60 million, the special long-term capital gains reserve for €287 million, retained earnings for €196 million, statutory reserves for €124 million and the special reserve pursuant to Article 238bis AB of the French Tax Code for €1 million.
(2) The change of method corresponds to the application of ANC recommendation 2013-02 on retirement commitments.

At December 31, 2013 CIC's capital stock comprised 38,027,493 common stock units with a par value of €16 each.
CIC generated net income of €1,303,167,371.51.
The stockholders' meeting is asked to appropriate the amount of €4,352.6 million, comprising the net income of €1,303.1 million and retained earnings of €3,049.5 million, as follows:

Dividends relating to the 2013 fiscal year	266.2
Appropriation to the legal reserve	0.0
Addition to retained earnings	4,086.4
TOTAL DISTRIBUTABLE AMOUNT	**4,352.6**

Note 20: Breakdown of certain assets/liabilities by residual term

	Within 3 months and on demand	3 months or more, within 1 year	1 year or more, within 5 years	5 years or more	Perpetual	Accrued interest	Total
Assets							
Interbank loans and advances[1]	21,864	2,772	1,269	2,644		34	28,583
Customer loans and receivables[2]	9,929	3,091	8,326	11,088		79	32,513
Bonds and other fixed-income securities[3]	58	339	1,159	927		8	2,491
Liabilities							
Due to credit institutions	26,719	5,912	4,394	1,750		43	38,818
Due to customers	23,955	2,035	4,127	242		76	30,435
Debt securities							
- Retail certificates of deposit	1	1	51				53
- Interbank instruments and money market securities	7,509	5,307	588			18	13,422
- Bonds	104	154	784	444		13	1,499
- Other		2					2

1) Excluding non-performing loans and receivables and provisions for impairment.
(2) Excluding amounts not allocated, non-performing loans and receivables and provisions for impairment.
(3) Concerns exclusively available-for-sale and held-to-maturity securities (excluding non-performing assets).

Note 21: Equivalent value in millions of euros of foreign currency assets

The equivalent value in euros of foreign currency assets and liabilities at December 31, 2013 was, respectively, €17,745 million and €15,507 million.
CIC does not hold any material operational positions in foreign currency.

Note 22: Guarantee commitments given

In connection with the CM11-CIC group's refinancing operations (mortgages and covered securities), certain customer loans granted by CIC form part of the assets given as guarantee for these refinancing operations carried by non-group entities.
At December 31, 2013, they amounted to €7,311 million.
The bank obtains refinancing from *Caisse de Refinancement de l'Habitat* by issuing promissory notes that securitize receivables covered by Article L.313-42 of the French Monetary and Financial Code, which totaled €535 million at December 31, 2013.
On the same date, home loans guaranteeing these promissory notes amounted to €1,294 million.

... Financial statements

Note 23: Commitments on forward financial instruments

Transactions in forward financial instruments (based on the concepts of micro/macro-hedging and the management of open positions/specialist management of forward commitments and options)

	Dec. 31, 2013			Dec. 31, 2012		
	Hedging	Position management	Total	Hedging	Position management	Total
Forward commitments						
Organized markets						
- Interest rate contracts		6,801	6,801		3,219	3,219
- Foreign exchange contracts						
- Other commitments		63	63		38	38
Over-the-counter markets						
- Forward rate agreements		4,616	4,616		9,822	9,822
- Interest rate swaps	12,263	209,206	221,469	12,518	226,277	238,795
- Financial swaps	39	31,748	31,787	18	33,046	33,064
- Other commitments		71	71	12	164	176
- Swaps – other		142	142		305	305
Options						
Organized markets						
- Interest rate options						
• Purchased		73	73		664	664
• Sold		109	109		1,066	1,066
- Foreign exchange options						
• Purchased						
• Sold						
- Equities and other options						
• Purchased		578	578		350	350
• Sold		217	217		922	922
Over-the-counter markets						
- Interest rate caps and floors						
• Purchased		12,264	12,264		10,608	10,608
• Sold		12,922	12,922	1	11,091	11,092
- Interest rate, foreign exchange, equity and other options						
• Purchased		24,101	24,101		9,459	9,459
• Sold		24,152	24,152		8,952	8,952
TOTAL	**12,302**	**327,063**	**339,365**	**12,549**	**315,983**	**328,532**

Breakdown of over-the-counter interest rate instruments by portfolio type

Dec. 31, 2013	Isolated open position	Micro-hedging	Global interest rate risk	Specialist management	Total
Forward commitments					
Purchases				1,870	1,870
Sales				2,746	2,746
Swaps	7,551	10,952	1,311	201,655	221,469
Options					
Purchases	169			12,095	12,264
Sales	170			12,752	12,922
Dec. 31, 2012					
Forward commitments					
Purchases				6,411	6,411
Sales				3,411	3,411
Swaps	8,710	11,767	751	217,567	238,795
Options					
Purchases	84			10,524	10,608
Sales	87		1	11,004	11,092

During 2013, transfers totaling €900 million were made from the hedging swaps portfolio to the trading swaps portfolio.

... Financial statements

Note 24: Breakdown of forward instruments by residual term

	Within 1 year	1 year or more, within 5 years	5 years or more	Total
Interest rate instruments				
Organized markets				
- Purchases	1,339	1,639		2,978
- Sales	2,090	1,845	70	4,005
Over-the-counter markets				
- Purchases	7,820	5,838	476	14,134
- Sales	8,939	6,287	442	15,668
- Interest rate swaps	86,816	91,263	43,390	221,469
Foreign exchange instruments				
Organized markets				
- Purchases				
- Sales				
Over-the-counter markets				
- Purchases	9,308	1,890		11,198
- Sales	9,304	1,890		11,194
- Financial swaps	14,859	15,264	1,664	31,787
Other forward financial instruments				
Organized markets				
- Purchases	613			613
- Sales	239	6		245
Over-the-counter markets				
- Purchases	8,918	4,020		12,938
- Sales	8,993	4,001		12,994
- Swaps	87	32	23	142
TOTAL	**159,325**	**133,975**	**46,065**	**339,365**

Note 25: Forward financial instruments – Counterparty risk

The counterparty risk related to forward financial instruments is estimated based on the method used for the calculation of prudential ratios.

Credit risks on forward financial instruments	Dec. 31, 2013	Dec. 31, 2012
Gross exposure		
Risks on credit institutions	4,112	2,468
Risks on companies	1,447	1,961
TOTAL	**5,559**	**4,429**

	Dec. 31, 2013		Dec. 31, 2012	
Fair value of forward financial instruments	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Fair value of forward financial instruments	7,187	8,595	4,659	6,805

Note 26: Other off-balance sheet commitments

	Dec. 31, 2013	Dec. 31, 2012
Foreign exchange commitments		
Amounts receivable	4,055	4,530
Amounts payable	3,592	4,189
Commitments on forward financial instruments		
Commitments made on organized and similar markets		
Forward foreign exchange commitments		
- Hedging	19,941	20,928
- Other	61,574	73,484
Financial foreign exchange swaps		
- Isolated open position	790	
- Micro-hedging	39	18
- Global interest rate risk		
- Specialist management	30,947	33,046
Finance leasing commitments		
Remaining lease payments on property finance leases		
Remaining lease payments on equipment finance leases		

Note 27: Interest income and expense

	2013		2012	
	Income	Expense	Income	Expense
Credit institutions	749	(981)	1,673	(2,166)
Customers	969	(345)	1,068	(412)
Finance leases and operating leases				
Bonds and other fixed-income securities	153	(140)	392	(205)
Other	98	(125)	643	(683)
TOTAL	**1,969**	**(1,591)**	**3,776**	**(3,466)**
Including expenses relating to subordinated debt		*(46)*		*(80)*

Note 28: Income from variable-income securities

	2013	2012
Available-for-sale securities		
Portfolio activity securities		
Equity interests and other long term investments	7	8
Investments in associates	996	323
Income from investments in non-trading real estate companies		
TOTAL	**1,003**	**331**

... Financial statements

Note 29: Commission income and expense

	2013		2012	
	Income	Expense	Income	Expense
Treasury and interbank activities	5	(2)	3	(2)
Customer transactions	178	(2)	154	(1)
Securities transactions		(7)		(8)
Foreign exchange transactions	1	(1)	1	(1)
Off-balance sheet activities				
- Commitments on securities				
- Forward financial commitments		(3)		(4)
- Financing commitments and guarantees	3	(1)	2	(1)
Financial services	224	(8)	222	(8)
Means of payment		(73)		(75)
Other commission (including income retroceded)	11	(8)	14	(11)
TOTAL	**422**	**(105)**	**396**	**(111)**

Note 30: Net gains on trading account securities

	2013	2012
On securities held for trading	281	765
On foreign exchange trading	17	10
On forward financial instruments		
- Interest rates	14	2
- Foreign exchange	14	13
- On other financial instruments, including equity instruments	(32)	(225)
Sub-total	**294**	**565**
Additions to impairment provisions on financial instruments		
Reversals from impairment provisions on financial instruments	56	59
TOTAL	**350**	**624**

Note 31: Net gains/(losses) on available-for-sale and similar securities

	2013	2012
Available-for-sale securities		
Gains on disposals	79	34
Losses on disposals	(6)	(10)
Additions to impairment provisions	(7)	
Reversals from impairment provisions	19	62
Portfolio activity securities		
Gains on disposals		
Losses on disposals		
Additions to impairment provisions		
Reversals from impairment provisions		
TOTAL	**85**	**86**

Note 32: Other banking income and expense

	2013		2012	
	Income	Expense	Income	Expense
Incidental income	1		1	
Transfer of expenses				
Net additions to provisions	25	(11)	23	(14)
Other income and expense relating to banking activities	2	(78)	22	(88)
Net income (expense) from other activities		(1)		(1)
TOTAL	**28**	**(90)**	**46**	**(103)**

Note 33: Payroll costs

	2013	2012
Wages and salaries	(214)	(214)
Payroll taxes	(94)	(102)
Retirement benefit expense	2	(4)
Employee profit-sharing and incentive bonuses	(19)	(18)
Payroll-based taxes	(37)	(29)
Net addition to provisions for retirement benefits	4	(9)
Other net additions to provisions	(1)	(2)
TOTAL	**(359)**	**(378)**

The Tax Credit for Competitiveness and Employment *(Crédit d'impôt pour la compétitivité et l'emploi – CICE)*, which amounted to €2.5 million in respect of the fiscal year 2013, was credited to payroll costs.
The *CICE* has enabled the group to maintain, and even to increase, its financing of employee training at a level well in excess of the regulatory requirements and to improve the group's overall competitiveness by the following initiatives, in particular:
- by investing, particularly in new technologies such as digital tools (tablet computers) and videoconferencing systems on laptop computers enabling customers to both have regular contact with their relationship manager and make energy savings;
- through IT developments concerning new telephone payment methods;
- by developing new services for the group's retailer customers;
- by searching for new domestic and international markets that would enable the group to reduce the costs of the services it provides to customers.

Note 34: Net additions to provisions for loan losses

	2013	2012
Additions to non-performing loan impairment provisions	(125)	(152)
Reversals from non-performing loan impairment provisions	208	222
Loan losses covered by impairment provisions	(140)	(436)
Loan losses not covered by impairment provisions	(90)	(53)
Recovery of loans written off in prior years	18	31
Balance of loans	**(129)**	**(388)**
Additions to impairment provisions	(41)	(28)
Reversals from impairment provisions	16	269
Balance of risks	**(25)**	**241**
TOTAL	**(154)**	**(147)**

... Financial statements

Note 35: Net gains/(losses) on disposals of non-current assets

	2013					2012
	Government securities and similar	Bonds and other fixed-income securities	Equity interests and other long-term investments	Investments in associates	Total	Total
On non-current financial assets						
Gains on disposals		97		41	138	17
Losses on disposals		(4)	(1)	(14)	(19)	(107)
Additions to impairment provisions			(27)	(5)	(32)	(30)
Reversals from impairment provisions			39	14	53	14
Sub-total		**93**	**11**	**36**	**140**	**(106)**
On property and equipment and intangible assets						
Gains on disposals						
Losses on disposals						(1)
Sub-total						**(1)**
TOTAL					**140**	**(107)**

Note 36: Net non-recurring items

	2013	2012
Merger deficit		
Provision		
TOTAL		

Note 37: Corporate income tax

	2013	2012
Current taxes - excluding effect of tax consolidation	(25)	(10)
Current taxes - accruals relating to prior years	3	
Current taxes - effect of tax consolidation	(67)	83
TOTAL	**(89)**	**73**
Relating to operating activities		
Relating to non-recurring items		
TOTAL		

Note 38: Breakdown of income statement items by geographic area

	France	USA	United Kingdom	Singapore	Total
Net banking income	1,831	135	57	48	2,071
General operating expenses	(584)	(35)	(8)	(36)	(663)
Operating income before provisions	1,247	100	49	12	1,408
Net additions to/reversals from provisions for loan losses	(51)	(71)	(30)	(2)	(154)
Operating income after provisions	1,196	29	19	10	1,254
Net gains/(losses) on disposals of non-current assets	140				140
Income/(loss) before non-recurring items	1,336	29	19	10	1,394
Non-recurring items					
Corporate income tax	(76)	(8)	(4)	(1)	(89)
Additions to/reversals from untaxed provisions	(2)				(2)
Net income/(loss)	**1,258**	**21**	**15**	**9**	**1,303**

Note 38b: Breakdown of income statement items by business segment

	Network	Private banking	Financing	HQ and holding company services	Total
Net banking income	611	16	637	807	2,071
General operating expenses	(388)	(21)	(196)	(58)	(663)
Operating income/(expense) before provisions	223	(5)	441	749	1,408
Net additions to/reversals from provisions for loan losses	(31)		(130)	7	(154)
Operating income after provisions	192	(5)	311	756	1,254
Net gains/(losses) on disposals of non-current assets			93	47	140
Income/(loss) before non-recurring items	192	(5)	404	803	1,394
Non-recurring items					
Corporate income tax	(73)		(142)	126	(89)
Additions to/reversals from untaxed provisions				(2)	(2)
Net income/(loss)	**119**	**(5)**	**262**	**927**	**1,303**

Note 39: Average number of employees

	2013	2012
Banking staff	1,885	1,988
Managerial grade staff	1,866	1,855
TOTAL	**3,751**	**3,843**

Note 40: Total compensation paid to key executives

	Fixed salary	Variable salary	Benefits-in-kind	Sundry adjustments	Total 2013	Total 2012
Key executives	0.6	0.0	0.0	0.0	0.6	0.6

Members of the board of directors did not receive any compensation.
No advances or loans were granted to any members of the board of directors during the fiscal year.

Note 41: Earnings per stock unit

At December 31, 2013, CIC's capital stock amounted to €608,439,888, made up of 38,027,493 stock units with a par value of €16 each, including 229,791 treasury stock units which are not taken into account in the calculation of earnings per stock unit. Thus, earnings per stock unit in respect of 2013 totaled €34.48 compared with €18.73 in respect of 2012.

Note 42: Individual rights to staff training

The individual rights to staff training earned by December 31, 2012, as set out in articles L.933-1 to L.933-6 of the French Employment Code, amounted to 364,911 hours.

Investments in subsidiaries and associates at December 31, 2013

Company and address	Capital stock	Equity less capital, excluding 2013 income
Detailed information about investments in French and foreign companies with a gross value representing more than 1% of CIC's capital stock		
A/SUBSIDIARIES (more than 50% of the capital stock owned by CIC)		
A.1 CREDIT INSTITUTIONS		
French subsidiaries		
CIC Ouest - 2 avenue Jean-Claude Bonduelle, 44000 Nantes - Siren 855 801 072	83,780,000	429,486,000
CIC Nord Ouest - 33 avenue Le Corbusier, 59800 Lille - Siren 455 502 096	230,000,000	305,444,000
CIC Est - 31 rue Jean Wenger-Valentin, 67000 Strasbourg - Siren 754 800 712	225,000,000	392,390,000
CIC Banque Transatlantique - 26 avenue Franklin D. Roosevelt, 75008 Paris - Siren 302 695 937	29,371,680	80,863,320
CIC Sud Ouest - 42 cours du Chapeau Rouge, 33000 Bordeaux - Siren 456 204 809	155,300,000	88,836,000
CIC Lyonnaise de Banque - 8 rue de la République, 69001 Lyon - Siren 954 507 976	260,840,262	443,827,000
CM-CIC Epargne Salariale - 12 rue Gaillon, 75002 Paris - Siren 692 020 878	13,524,000	7,868,000
CM-CIC Bail - 12 rue Gaillon, 75002 Paris - Siren 642 017 834	26,187,800	-7,537,473
CM-CIC Lease - 48 rue des Petits Champs, 75002 Paris - Siren 332 778 224	64,399,232	33,505,782
CM-CIC Securities - 6 avenue de Provence, 75009 Paris - Siren 467 501 359	19,704,678	4,471,947
Foreign subsidiaries		
Banque de Luxembourg - 14 boulevard Royal L-2449 Luxembourg	104,784,085	619,474,128
Banque CIC Suisse - 11-13 Marktplatz CH4001 Switzerland	CHF 100,000,000	CHF 179,511,000
A.2 OTHERS		
CM-CIC Capital Finance - 28 avenue de l'Opéra, 75002 Paris - Siren 562 118 299	1,212,647,450	264,546,619
Adepi - 6 rue Gaillon, 75002 Paris - Siren 331 618 074	244,192,608	537,518,662
CIC Participations - 4 rue Gaillon, 75002 Paris - Siren 349 744 193	8,375,000	-46,676,265
CIC Associés - 4 rue Gaillon, 75002 Paris - Siren 331 719 708	15,576,000	1,865,579
CIC Migrations - 6 rue Gaillon, 75002 Paris - Siren 395 064 769	37,800	-2,047,386
B/ASSOCIATES (10% to 50% of the capital stock owned by CIC)		
General information on other subsidiaries and associates		
SUBSIDIARIES		
French subsidiaries		
Foreign subsidiaries		
ASSOCIATES		
French companies		
Foreign companies		

** Net banking income in the case of banks.*

*** Non-recurring dividend of €674,774,160.*

Share of capital held (%)	Carrying amount of securities held Gross	Net	Advances granted by CIC	Guarantees and securities given by CIC	Revenue excluding taxes for last fiscal year	Net income for last fiscal year	Dividends received in 2013 by CIC
100	366,582,576	366,582,576	0		460,737,000	52,769,000	30,265,479
100	313,939,528	313,939,528	0		487,880,000	82,106,000	61,524,979
100	231,131,411	231,131,411	0		627,989,000	108,345,000	754,199,061**
100	119,664,583	119,664,583	0		74,322,000	21,760,000	13,941,679
100	220,670,380	220,670,380	100,000,000		302,630,000	31,017,000	16,112,357
100	341,810,590	341,810,590	0		623,288,000	38,643,000	74,633,874
99.94	31,957,273	31,957,273	0		24,824,000	3,384,000	765,887
99.22	250,288,057	250,288,057	0		2,252,409,796	-4,470,475	0
27.88	22,309,854	21,258,303	0		491,789,037	4,542,394	538,598
100	38,690,049	38,690,049	0		42,135,333	-12,751,818	0
100	902,298,540	902,298,540	0		256,878,863	68,512,781	34,509,800
100	CHF 308,951,000	CHF 308,951,000	0		CHF 89,590,000	CHF 5,323,000	0
99.99	1,662,615,090	1,662,615,090	0		7,604,750	5,833,330	6,755,498
100	474,936,885	474,936,885	0		0	45,918,188	0
100	40,267,900	0	0		0	3,287,162	0
100	19,787,882	17,441,579	0		0	126,332	0
100	10,619,034	0	0		0	-18,601	0
	17,935,033	9,466,898					87,720
	34,875	34,875					0
	11,077,869	11,014,785					51,980
	1,321,600	1,321,600					4,450,000

... Investments in subsidiaries and associates at December 31, 2013

Business and results of subsidiaries and associates

Regional banks[1]

CIC Nord Ouest

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of FTE employees at December 31	2,568	2,662
Total assets	18,622	17,947
Equity attributable to owners of the company including general banking risks reserve	618	603
Customer deposits	13,271	12,992
Customer loans	16,212	15,730
Net income	**82**	**62**

CIC Est

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of FTE employees at December 31	3,215	3,361
Total assets	23,776	24,170
Equity attributable to owners of the company including general banking risks reserve	726	1,382
Customer deposits	16,327	15,649
Customer loans	21,278	21,155
Net income	**108**	**762**

CIC Lyonnaise de Banque

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of FTE employees at December 31	3,625	3,658
Total assets	29,179	30,005
Equity attributable to owners of the company including general banking risks reserve	743	784
Customer deposits	18,557	18,396
Customer loans	23,191	22,825
Net income	**39**	**75**

CIC Sud Ouest

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of FTE employees at December 31	1,691	1,679
Total assets	11,330	10,179
Equity attributable to owners of the company including general banking risks reserve	275	261
Customer deposits	6,892	6,362
Customer loans	9,366	8,520
Net income	**31**	**16**

CIC Ouest

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of FTE employees at December 31	2,591	2,656
Total assets	19,125	18,236
Equity attributable to owners of the company including general banking risks reserve	566	551
Customer deposits	12,833	12,306
Customer loans	17,327	16,728
Net income	**53**	**31**

(1) Customer deposits do not include certificates of deposit or repurchase agreements (repos).
Customer loans do not include resale agreements but include lease financing transactions.

... Investments in subsidiaries and associates at December 31, 2013

Specialist subsidiaries – Retail banking

CM-CIC Epargne Salariale

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of employees at December 31	128	128
Total assets	84	83
Equity	21	22
Assets under management (excluding current bank accounts)	6,535	6,153
Net income	**3.4**	**0.9**

CM-CIC Bail

(Financial data in € millions)	2013 Consolidated*	2012 Consolidated*
Number of employees at December 31	206	213
Total assets**	6,907	7,004
Equity**	384	412
Assets under management (excluding current bank accounts)**	6,404	6,176
Net income**	**43.4**	**27.7**

* CM-CIC Bail, CM-CIC Leasing Benelux and CM-CIC Leasing GMBH.
** Financial information.

CM-CIC Lease

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of employees at December 31	48	48
Total assets	3,763	3,452
Equity	76	75
Assets under management (excluding current bank accounts)	3,486	3,187
Net income	**4.4**	**2.0**

CM-CIC Factor

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of employees at December 31	345	343
Total assets	4,900	3,244
Equity attributable to owners of the company	139	140
Factored receivables	21,394	16,283
Assets under management (excluding current bank accounts)	3,728	2,026
Net income	**3.6**	**4.2**

Specialist subsidiaries – Financing and capital markets

CM-CIC Securities

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of employees at December 31	244	247
Total assets	920	850
Customer assets in custody	19,334	16,564
Net income	**(12.8)**	**(7.4)**

... Investments in subsidiaries and associates at December 31, 2013

Specialist subsidiaries – Private banking

CIC Banque Transatlantique [1]

(Financial data in € millions)	2013 Consolidated IFRS[2]	2012 Consolidated IFRS
Number of employees at December 31	353	308
Total assets	2,994	2,863
Equity attributable to owners of the company including general banking risks reserve	159	143
Customer funds invested in group savings products	20,982	17,114
Customer deposits	2,331	2,254
Customer loans	1,683	1,509
Net income (consolidated/attributable to owners of the company)	**28.7**	**17.9**

(1) Customer deposits do not include certificates of deposit or repurchase agreements (repos).
Customer loans do not include resale agreements but include lease financing transactions.
(2) Including Dubly-Douilhet Gestion.

Banque CIC Suisse

Key figures prepared using local accounting standards (Financial data in CHF millions)	2013 Company	2012 Company
Number of employees at December 31	308	307
Total assets	5,360	4,600
Equity	285	277
Assets in custody	3,462	3,225
Net income	**5.3**	**3.6**

Banque Pasche

Key figures prepared using local accounting standards (Financial data in CHF millions)	2013 Consolidated	2012 Consolidated
Number of employees at December 31	92	120
Total assets	743	1,108
Customer capital (assets in custody and deposits)	3,291	4,331
Net income/(loss)	**(32)**	**(15)**

Banque de Luxembourg

Key figures prepared using local accounting standards (Financial data in € millions)	2013 Company	2012 Company
Number of employees at December 31	751	755
Total assets	12,845	13,720
Equity including general banking risks reserve*	793	735
Assets in custody and deposits	56,717	61,413
Net income	**68.5**	**62.9**

* Equity includes untaxed provisions.

Dubly-Douilhet SA

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of employees at December 31	0	31
Total assets	0	73
Equity*	0	10
Assets in custody	0	977
Net income	**0.0**	**2.1**

* Equity includes untaxed provisions.

Dubly-Douilhet SA changed its name to Dubly-Douilhet Gestion and was included in the CIC Banque Transatlantique consolidation scope in 2013.

Specialist subsidiaries – Private equity

CM-CIC Capital Finance

(Financial data in € millions)	2013 Company – French GAAP	2012 Company – French GAAP
Number of employees at December 31	28	26
Total assets	1,521	1,535
Equity	1,483	1,484
Portfolio valuation	1,532	1,523
Net income	**5.8**	**7.1**

CM-CIC Investissement

(Financial data in € millions)	2013 Consolidated*	2012 Consolidated*
Number of employees at December 31	58	60
Total assets	1,672	1,588
Equity	1,605	1,539
Portfolio valuation	1,856	1,708
Net income	**27.8**	**41.0**

* CM-CIC Investissement + CM-CIC Conseil + CM-CIC Innovation + Sudinnova

Statutory Auditors' report on the company financial statements

Year ended December 31, 2013

To the stockholders,

In fulfillment of the assignment entrusted to us by your stockholders' general meeting, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying annual financial statements of CIC;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement.

An audit includes examining, on a test basis or using other sampling methods, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used, the significant estimates made in the preparation of the financial statements and the overall presentation of the financial statements. We believe that the information we have gathered is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements for the year ended December 31, 2013 give a true and fair view of CIC's assets, liabilities, financial position and of the results of its operations in accordance with French accounting rules and principles.

Without qualifying the opinion expressed above, we draw your attention to the disclosure in note 1 to the parent company financial statements concerning the first-time application of ANC recommendation no. 2013-02 on the rules for measuring and recognizing retirement and other employee benefits.

II - Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- the company uses internal models and methodologies to value positions on certain financial instruments that are not listed on active markets, as well as to recognize certain provisions, as described in note 1 to the financial statements. We examined the control systems applied to the models used, the determination of the inactive nature of the market and the parameters used;
- as stated in notes 1, 4c and 17 to the financial statements, the company recognizes impairment losses and provisions to cover the credit risks inherent to its business. We examined the control systems applicable to the monitoring of credit risk, the assessment of the risk of non-recovery and the coverage of said risks, as regards assets by specific impairment losses and as regards liabilities by general provisions to cover credit risks;
- the company makes other estimates in the usual context of preparing its financial statements, in particular as regards the valuation of equity interests and other long-term investments and the assessment of retirement benefit obligations recognized and provisions for legal and tax risks. We examined the assumptions made and verified that these accounting estimates are based on documented methods in accordance with the principles described in note 1 to the financial statements.

These assessments were made in the context of our audit of the company financial statements taken as a whole and therefore contributed to the formation of our opinion expressed in the first section of this report.

III - Specific verifications and information

We also carried out the specific verifications provided for by law, in accordance with French professional standards.

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the board of directors' report and in the documents sent to stockholders on the financial position and the company financial statements.

As regards the information provided pursuant to Article L.225-102-1 of the French commercial code on compensation and benefits paid to corporate officers and commitments made in their favor, we verified the consistency of this information with the financial statements or with the data used to draw up the financial statements and, if applicable, with the information received by the company from companies that control it or are controlled by it. On the basis of this work, we certify that this information is accurate and fair.

Pursuant to the law, we satisfied ourselves that the information relating to the identity of the holders of the capital was provided to you in the board of directors' report.

Neuilly-sur-Seine and Paris La Défense, April 23, 2014

The statutory auditors

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Agnès Hussherr	Olivier Durand

CORPORATE SOCIAL RESPONSIBILITY

General Information

Preamble

The purpose of this section of the registration document is to comply with the obligations imposed by Article 225 of the Grenelle II Act of July 12, 2010 and its implementing decree dated April 24, 2012. These laws require publication of information on the employment and environmental impacts of the company's business and on its social commitments in favor of sustainable development.
The information and indicators required by law are discussed below and will be published on CIC's website.

The Crédit Mutuel-CIC group's actions in the field of corporate social responsibility (CSR) are described in the corporate social responsibility report published by Confédération Nationale du Crédit Mutuel.
*NB: unless otherwise indicated by an *, the comments that follow apply to the quantitative data provided in the indicator tables below. In addition, certain subsection titles include a code, such as SOCXX, SOTXX or ENVXX, to make it easier to locate the relevant material in the cross-reference table for information required by Article 225 of the Grenelle II Act at the end of this section.*

Introduction

CIC is a responsible company whose corporate social responsibility policy is part of the initiative adopted at the level of the Crédit Mutuel-CIC group, which has followed the principles of the UN Global Compact since 2004.

Employment aspects

For most group entities, CIC's employment policy provides for a single status and offers employees favorable agreements (in particular concerning social welfare, training and leave).

1. Staffing levels

1.1. CIC: a major employer
As of December 31, 2013, the CIC group had 20,616* employees on the payroll, which breaks down as follows:
- banks: 17,415;
- French subsidiaries: 1,528;
- branches/offices and subsidiaries abroad: 1,673.

The total number of employees fell by 484 (-2.29%), as compared to 2012 (21,100). This variation concerned banks only, which saw overall staffing levels fall by 478 employees (-2.67%).
French subsidiaries maintained nearly identical staffing levels, with an increase of one employee, while staffing levels at foreign establishments fell by seven employees.

1.2. Stable jobs
The scope used for the indicators below (mainland France) includes 18,733 full-time equivalent (FTE) employees, of whom 96.9% were on permanent contracts. The group's turnover rate was 2.20%.

1.3. Integration
Employees who have been recently hired to work in the branch network take part in a job training program that combines theoretical instruction, days of work experience and practical application in branches, and self-training. In addition, CIC maintains close ties with numerous higher education institutions, in particular through job fairs, recruitment days, seminars on jobs, finance, etc.

2. SOC45 – A company that cares about its employees' working conditions

Preventive and monitoring actions in the field of employee health and safety are conducted in the group's various entities.
In 2013, the following actions were carried out throughout the companies that apply the CIC single status:
- implementation of an action plan to prevent stress at work: the matters covered include the arrangement of workstations, the intranet, the use of the message service, the role and training of managers, and training and support offered to employees;
- a charter on preventing and combatting harassment and violence was signed and added to the internal rules of each company concerned; and
- an information brochure entitled "Preventing all Acts of Harassment and Violence at Work" was distributed to all employees.

In addition, a safety charter entitled "Safety: an Essential for All", which sets out the rules applicable to all group employees and authorized persons who have access to sites, IT resources and information provided or used by the group, was also added to the internal rules.
Employees also have access to an IT application that enables them to record instances of rude customer behavior and contains recommendations on measures that the employees concerned can take.
Actions were also taken within each entity, such as CIC's updating of the Comprehensive Occupational Risks Assessment Document and the work hardship analysis scale.

3. SOC50 – Training

Training is an essential advancement and adaptation tool in which CIC invests considerable resources.
The CM-CIC group's training plan is structured and organized to deal with three types of issues:
- meeting needs associated with the company's strategy, the acquisition or upgrading of skills by all employees, and external requirements (laws and regulations);
- career paths;
- individual skill enhancement actions.

In 2013, the training budget equaled 5% of total payroll and 13,401 employees received training (70% of employees).

4. Skills development and management

4.1. In connection with the "Mobilizing our Expertise" project, the continued group-wide deployment of the TalentSoft software suite has provided new tools, such as optimizing skills management and potential development, through its use as an instrument for evaluation and later stage career interviews. In addition, group employees have access to the new "Jobs" tool, which is designed to facilitate internal, functional and geographic mobility among the various entities. This application was developed to meet two objectives: to enable an easy search of job offers published anywhere in France and to create alerts informing users of new opportunities that meet their criteria.

4.2. In 2013, a CIC group-wide common nomenclature for jobs was created in order to standardize jobs, provide job descriptions and facilitate use of the tools described above. This nomenclature, which ultimately will be extended to the entire CM11-CIC group, heightens visibility of jobs that the group offers and possible bridges between such jobs.

5. Equality of treatment

5.1. SOC56 – Gender equality policy

In 2013, agreements or commitments were signed by the banks and certain subsidiaries with respect to equality in employment in terms of recruitment and equality of treatment in connection with experience, classification, compensation and work-life balance.
Thus, 3,455 managerial employees are women, an increase of 2.3% compared with 2012. In 2013, women accounted for 35% of promotions.

5.2. SOC69 – Employment of seniors

In application of the law to promote the employment of young people and seniors *(contrat génération),* the group's management undertook to continue to employ the same percentage of seniors as a percentage of its workforce as on December 31, 2012 over the three years in which the plan will be implemented.
Furthermore, the group plans to develop later stage career interviews, which are offered to all employees during the year in which they turn 45, so that such interviews become more of an exchange between HR and employees about their career progression, wishes and outlook for advancement.

5.3. SOC69

Certain companies back up their commitments by signing charters, such as CIC Lyonnaise de Banque with the IMS association to promote equality of opportunity and fight stereotypes of all kinds, and with *Maison de l'Emploi et de la Formation* to provide support for persons who have difficulties entering the labor market.

5.4. SOC70 – Employment and integration of the disabled

Different group entities implement varying programs to promote employment of the disabled. For example, CIC Nord Ouest has adopted measures to assist disabled workers, such as contributing to the purchase of equipment made necessary by their disability, paying for modifications to workstations, adjusting working hours if required because of the disability, adapting the physical conditions of professional training to workers' disabilities, providing assistance with administrative formalities and granting a day off for these formalities.
In addition, certain work is subcontracted to centers that employ disabled workers (ESAT).

5.5. Promotion of and compliance with the provisions of the International Labor Organization's fundamental conventions

- Respect for the freedom of association and collective bargaining rights: The group's entities regularly meet with employee representative institutions (works councils, health, safety and working conditions committees, employee representatives) if, due to their size, the entities are required to have such institutions. No corporate officers or directors of the entities within the scope of the indicators have been convicted of the crime of obstructing the functioning of employee representative institutions.
- SOC64 – Elimination of employment and professional discrimination: Because it does business essentially in mainland France, the elimination of employment and professional discrimination outside France are of little or no relevance to CIC.
- SOC65 – Elimination of forced or involuntary labor and SOC66 – Effective abolition of child labor: CIC does not use forced or involuntary labor or child labor in its branches and subsidiaries abroad.

6. Labor relations

6.1. Employees have the opportunity to share in CIC's overall performance

Results generated in 2012 enabled the group to pay, in 2013, both profit sharing and incentive bonuses. Thus, in the case of CIC entities covered by the single status, 20,233* employees received a total amount of €92.3 million in profit sharing and incentive bonuses, i.e., 11.90% of the 2012 payroll, which breaks down as 9.89% in profit sharing and 2.02% in incentive bonuses. Employees who made at least one deposit into their group savings plan received a total of €9 million in employer contributions.
No stock subscription or purchase option plans have been established for CIC executives.

*6.2. Industrial relations and summary of collective bargaining agreements**

SOC83 – Agreements signed in 2013
Several agreements relating to the entire CM-CIC group were signed between employees and management. The following agreements and amendments concern CIC entities:

- February 14: amendment no. 9 to the CM-CIC group savings plan regulations, which changed the effective date of amendment no. 8;
- March 14: amendments nos. 10 and 11 to the CM-CIC group savings plan agreement;
- April 18: amendment no. 3 to the CM-CIC group retirement savings plan (PERCO) regulations;
- June 4: amendment on electronic voting in elections for employee representatives and employee directors;
- December 9: amendment no. 3 to the CIC group single status agreement.

In addition, certain entities signed the equal employment opportunity agreement and other agreements specific to them.
SOC84 – Agreements signed in the field of occupational health and safety: none in 2013, but in the health field a first aid guide was prepared at the group level for all employees.

... Employment aspects

Specific actions were also carried out, such as, within CIC Ile-de-France, a heart health screening, emergency preparedness training proposals and flu shots.
With respect to safety, in addition to the charter discussed in subsection 2, a review of procedures in the event of an evacuation and employee training on fire prevention and safety were conducted.

6.3. SOC87 – Employee satisfaction
In 2013, no employee satisfaction surveys or internal measurement procedures were conducted, but certain improvements were adopted in connection with the CIC group single status, concerning, in particular, providing employees with a number of days of paid leave for sick or handicapped children and the calculation of the end of career payment.

6.4. Raising employee awareness of CSR factors
A self-training module for all group employees on corporate social responsibility will be deployed in early 2014.

Social aspects

CIC has a significant impact on the economic fabric of the regions it covers.

1. SOT09 – Geographical, economic and social impacts of CIC's business

1.1. CIC is a retail bank with a banking network of 2,067 branches, 1,758 of which are in the various regions. 92% of its workforce is employed in France.

1.2. A solid bank
As of December 31, 2013, CIC's Tier 1 solvency ratio was 11.9% and that of CM11-CIC was 14.6%.

1.3. A bank that contributes to financing the economy
Compared to 2012, the amount of installment loans granted by CIC's banking network increased by 34% to €21.6 billion, of which €11.6 billion was to individuals, €5.5 billion was to self-employed professionals and €4 billion was to companies.

1.4. A bank that helps start-ups
CIC has developed a specific offer *(CréaCIC)*, which focuses on three major areas: financing (in particular, through a microenterprise financing agreement entered into with BPI France), social protection and day-to-day banking services.
Furthermore, in January 2013, CIC signed a partnership agreement with the Construction Industry Business Creator/Acquirer Institute *(Institut du créateur repreneur du BTP)* to provide support to persons with projects in this sector.

1.5. The no. 1 bank in providing support to businesses abroad (Sofres study, November 2012)

1.6. A bank that provides support to young people
In 2013, the "Objective: First Employment" *(Objectif Premier Emploi)* offer was launched with the goal of providing support to young people during their search for their first job. The offer exonerates from fees for one year the bank services contract for young working people who choose Internet banking, and includes the possibility of partially deferring repayment on loans taken out by young people to finance a driver's license, a car or other projects, the possibility of winning personalized coaching provided by a specialist, and a specific set of telephone banking services.

In addition, CIC has developed partnerships with numerous higher education institutions.
SOT44 – List of principal partnerships:
- Fondation Centrale Initiatives (engineering schools in Lille, Nantes and Marseille);
- Fondation Condorcet (University of Paris Dauphine);
- Catholic Universities of Lille and Lyon;
- Kedge Business School (Marseille);
- Dijon Business School;
- University of Lyon 3;
- ESDES ("Financing Mid-caps" chair);
- EDHEC;
- Contribution to the Nancy Commercial Institute (IC) endowment fund;
- Audencia Nantes ("Family Businesses and Companies, between Continuity and Change" chair);
- University of Luxembourg (Master's in Wealth Management);
- ICHEC Brussels Business School ("Family Companies" chair).

1.7. SOT40 – A bank that supports associations
The banking network's number of non-profit customers grew to 75,642, an increase of 4.4% in 2013 compared to 2012.
Various local initiatives deserve mention, in particular those of CIC Nord Ouest branches dedicated to associations (Lille and Rouen), which offer management of information and publications in connection with donation solicitation campaigns (with EuroTVS), and of cash flows, including an electronic payment component for collecting funds or subscriptions online, including if they do not have a website, as well as specific support for their financing and investment needs.
Each year, CIC takes part in numerous association- and foundation-related exhibitions.

1.8. SOT45 – Ties with associations that assist people to transition into employment
In addition to CIC's use of the services of centers that employ disabled workers (ESAT) for certain work, other actions are carried out to assist people to transition into employment (see below).

Examples of partnerships with associations that assist people to transition into employment

ASSOCIATION	GOAL OF THE ASSOCIATION	ACTION
Maison de l'Emploi et de la Formation, Lyon	To actively monitor employment and development issues, to provide better orientation and information to persons seeking employment, to assist employers to recruit more successfully, to promote the creation of start-ups and, in short, to provide better coordination of employment, return to employment and training actions.	CIC Lyonnaise de Banque (renewal in 2013 of the charter signed in 2012): participation in mock interviews and job fairs to increase awareness of the banking sector and sponsor job candidates.
Émergences Foundation, Lyon	Émergences is a foundation of Lyon businesses that offers support to project initiators who wish to develop their initiatives to promote harmonious living by making available to them the expertise necessary to bring their plans to fruition.	CIC Lyonnaise de Banque is a founding member. Commitment to the multiyear action program.
Fondation de Lille	To contribute to equality of opportunity through education and training for all without discrimination on the basis of origin or social circumstances. Through its Ethics and Decision-Making Committee, it grants financial assistance in the form of scholarships to: • motivated and deserving young students who are experiencing difficulties in continuing higher education due to financial hardship; • socially disadvantaged persons who wish to receive training that may lead to employment; • projects of associations whose goal is to combat illiteracy or assist people to transition into employment.	CIC Nord Ouest is a partner of Scholarships of Hope *(Bourses de l'Espoir).*
L'École de la Deuxième Chance, Greater Lille	To enable young people between the ages of 18 and 25 who left the educational system without a degree or qualifications to enroll in an educational program that teaches them skills and behavior to assist them in obtaining long-term employment and integrating socially.	CIC Nord Ouest provides financial assistance.
Salvation Army	*"travailPLUS"* project: this project hires persons with restricted capacities for work in Salvation Army stores and compensates them on the basis of their work in order to improve their employability on the labor market. These may be persons who have slight physical disabilities, mental problems, immigration-related difficulties, or persons who are marginalized due to illness, an accident, addiction, difficult social circumstances or slight cognitive limitations.	Banque CIC Suisse supports the *"travailPLUS"* project.

2. A responsible product and service offer

2.1. SOT28

Socially Responsible Investment (SRI) is promoted through meetings with customers of the regional banks hosted by the group's business lines: CM-CIC Asset Management and CM-CIC Epargne Salariale on the topic "How to grow your corporate savings plan using socially responsible and community-based management" and during SRI week in October 2013 on the topics "Corporate Social Responsibility" and "SRI Actions and Involvement in the Energy Transition".
CM-CIC AM incorporates environmental, social, corporate governance and ethical criteria in the management of its funds and received the "Sustainable Development" prize at the 2013 Investor Awards.
In addition, since 2004, it has been a member of the Responsible Investment Forum (FIR), and is also a member of the European Sustainable Investment Forum (Eurosif), the International Corporate Governance Network (ICGN) and the Carbon Disclosure Project (CDP) water program.
It has adhered to the AFG-FIR transparency code since it was created, and since 2012 to the Responsible Investment Principles (PRI).
In terms of its offer, three of its SRI funds have been certified by *Novethic: CM-CIC Actions ISR, CM-CIC Obli ISR* and *CM-CIC Moné ISR.*
Another fund, *BL Equities Horizon (Ethibel* certified), is offered by Banque de Luxembourg in partnership with *VIGEO* and *Ethibel.*

2.2. CIC offers a full range of solidarity savings accounts that adopts a broad definition of solidarity that includes employment, assistance to underprivileged dependent persons and housing

The interest-paid-to-charity savings account *(livret d'épargne pour les autres)* has received solidarity certification from *Finansol*. It allows all or some of the interest earned to be paid to one or more of these charities: *Action contre la Faim, Association Petits Princes, Fondation Abbé Pierre, Habitat et Humanisme, Institut Curie, Médecins du Monde*, and *Secours Catholique.*

... Social aspects

In addition, use of the *Carte pour les Autres* entitles these same partners to a donation whenever purchases are made with this card. The *CM-CIC France Emploi* fund (a solidarity monetary fund that is *Finansol* certified) offers investors the possibility of donating 50% of their annual income from the fund to the association *France Active*. The SRI range of *"Sociale Active"* company savings plans has been certified by the Inter-Union Corporate Savings Committee (CIES). Lastly, Banque de Luxembourg offers BL-Global Bond, a bond fund that invests 20% of its assets in microfinance vehicles.

2.3. SOT39 – Support for persons experiencing difficulties

A specific basic service is offered to persons experiencing financial difficulties, which includes a range of alternative payment mechanisms.

3. SOT57 – Patronage and sponsorship actions

3.1. SOT55

Involvement in the cultural, classical music and heritage fields: CIC sponsors various broadcasts such as *"Le Grand Tour"* and *"Promenades musicales"* on *France 3* and *"Sur les pas de..."* on *France 5*. It created and supports the *Aix-en-Provence Easter Festival,* is a partner of the Classical Music Awards, and purchased an exceptional cello that it makes available to Ophélie Gaillard, for whom it also finances records and concerts. It contributes to the restoration work of the Hôtel National des Invalides.
CIC is also a partner of the *Alliance Française Foundation* which promotes culture throughout the world.
It also sponsors various regional projects (see below).

Principal regional cultural projects financed in 2013	Beneficiaries	Sponsors/Partners
FINE ARTS		
Normandy Impressionist Festival		CIC Nord Ouest
"Dazzling Reflections – 100 Impressionist Masterpieces" exhibition	Rouen Fine Arts Museum	CIC Nord Ouest
"Pissarro in Port: Rouen, Dieppe, Le Havre" exhibition	André Malraux Modern Art Museum (Le Havre)	CIC Nord Ouest
"A Summer at the Water's Edge – Leisure and Impressionism" exhibition	Caen Fine Arts Museum	CIC Nord Ouest
Christian Astuguevieille The Golden Age of Danish Painting: A French Collection	Roubaix La Piscine – André Diligent Art and Industry Museum	CIC Nord Ouest
Purchase of two Fragonard paintings "The Watering Place" and "The Rock"	Lyon Fine Arts Museum	CIC Lyonnaise de Banque
Marseille Provence 2013 (European Capital of Culture) "Vestiges 1991-2012" exhibition of J. Kudelka		CIC Lyonnaise de Banque, partner
CIC'ART prize awarded to an artist from the greater Southwest region, in conjunction with the contemporary art institutions of the region		CIC Sud Ouest
MUSIC		
Musical projects	Lille National Orchestra	CIC Nord Ouest
Corelli concert, concerti grossi, the informal ideal of the 18th century	Royaumont Foundation	CIC Nord Ouest
Musical projects	Rhine-Strasbourg National Opera	CIC Est
Besançon Music Festival – International young orchestra leaders competition	Music festival	CIC Est
Colmar International Festival – Vladimir Spivakov invites...	Colmar Tourism Office – City of Colmar	CIC Est
L'Epau Festival – Le Mans, Sarthe	Sarthe Cultural Center	CIC Ouest, partner
"La Folle Journée de Nantes" Festival	La Folle Journée public-private partnership	CIC Ouest, partner
Long Thibaud Crespin competition	Fondation Long Thibaud Crespin	CIC Banque Transatlantique
Initiatives to provide access to music to socially disadvantaged, ill, disabled elderly and other persons	Écouter pour mieux s'entendre Foundation	Banque de Luxembourg

THEATER		
	Compiègne Imperial Theater	CIC Nord Ouest
HISTORY		
"Rendezvous with history" Festival in Blois (book fair, discussion, films, exhibitions) on the topic of war in 2013	European Center for the Promotion of History	CIC Ouest
"Nancy 2013 – The Renaissance Effect"	City of Nancy	CIC Est
"One idea, 1000 machines" and "Body images" exhibitions		CIC Est

3.2. Actions in the solidarity field

CIC takes part in the "Together let's rebuild Haiti" program of the Crédit Mutuel Foundation (SOT48). Under the aegis of the *Fondation de France,* the Crédit Mutuel Foundation centralizes the group's various national sponsorship actions: promotion of reading and the French language in all forms through the reading division; combatting economic and social exclusion; and setting up independent and viable banking networks in developing countries via the financial support provided to Centre International du Crédit Mutuel (CICM).

CIC also partnered with *Action contre la Faim* for the "Philippines Emergency" operation by proposing to its customers that they make donations directly via *Filbanque.*

3.3. SOT53 – CIC actions in other fields

- health: donations to the *Arthritis Foundation,* founding member of the *Pays de Loire* Gene Therapy Foundation;
- humanitarian action: actions in connection with *"Habitat et Humanisme";*
- education: participation in the *"Déployons nos elles"* operation, assistance to the Spastic Children's Association of Singapore and the educational project of the Mother Teresa School.

"RecyClés" operation for persons living in substandard housing.

Example of a partnership with an association that promotes social integration

	GOAL OF THE ASSOCIATION	*"RECYCLÉS"* OPERATION FOR PERSONS LIVING IN SUBSTANDARD HOUSING
Habitat et Humanisme Rhône chapter	Provide families and individuals in difficulty with housing and support in gaining autonomy and integrating socially.	CIC Lyonnaise de Banque participated by providing urns in its retail branches for its customers to deposit unused keys and at the same time make a donation. These keys were collected and distributed to artists as raw materials for the production of original works. The works were sold at auction at an event to which customers were invited. The proceeds of this sale and the individual donations were allocated to renovating a residence for destitute women without families.

3.4. SOT58 – Skills contributions

Skills contribution is expanding within the group.

For example, CIC Lyonnaise de Banque employees, through the *"Emergences"* foundation, take part in identifying viable projects, and Banque de Luxembourg employees contribute to the Red Cross' fundraising, communication and governance.

4. Financing of projects of an environmental nature

4.1. SOT59 – Specific products

In addition to zero-interest eco-loans, we offer long-term energy saving loans (outstanding loans: €8 million) and Scrivener energy saving loans (outstanding loans: €20 million). In addition, CIC's Ecological Package enables customers who install renewable energy equipment (heat pumps, geothermal and aero-thermal equipment, photovoltaic solar panels, etc.) to insure this equipment against the risks of fire, storms, hail, theft and vandalism, and also to obtain certain specific coverage for this equipment (electricity generation liability, loss of electricity revenue, etc.).

4.2. SOT60 – Financing of programs and "major projects"

In the regions, projects financed in 2013 concerned essentially photovoltaic equipment (solar farms, equipment installed on buildings or shade structures).

The CIC group also contributes to more significant projects in France and abroad in various fields (see subsection 6 below), including by taking an equity stake on its own behalf in the only company in Europe to develop a process for converting renewable resources into hydrocarbons through fermentation.

5. SOT72 – Financing of projects of a social nature

CIC takes part in putting together financing for the construction of social housing: various forms of financing provided by CIC Nord Ouest and CIC Lyonnaise de Banque for about ten social housing programs (OPHLM, SA HLM or HLM cooperatives).

... Social aspects

6. SOT88 – Risk management

CIC is aware of the social and environmental impacts of the activities of the companies to which it grants loans.
To enhance controls of social and environmental risks, a program was initiated at the financial banking level. Starting in 2014, all new financing granted to projects will be analyzed more formally by the relevant management and an annual report will be produced.
In 2013, CIC's project financing department financed 10 projects, 6 involving renewable energies (4 wind farms or portfolios of wind farms in France and Australia, 2 biomass plants, 1 in the West Indies and 1 in mainland France), 1 portfolio of electricity plants (gas and coal) in the United States, 2 projects involving telecom infrastructures in Europe, and 1 project for the modernization of the London suburban rail network by manufacturing new trains.
Projects are selected on the basis of a set of criteria that incorporate inter alia social, environmental and ethical factors in selected business sectors and countries.
Particular attention is paid to social utility factors (for example, how strategic a project is for a country, the alignment of the interests of the various stakeholders and the overall economic rationality of the project are analyzed), local acceptance (known opposition of environmental defense groups or the local population, noise pollution, landscape impacts, etc.), and environmental criteria (compliance with current and foreseeable standards). In all cases, portfolio projects at the least comply with local laws and, in general, with the World Bank's minimum requirements. In the anti-corruption area, conditioning disbursement of the funds on satisfactory completion of KYC procedures and on obtaining a certificate issued by a trusted third party (independent technical expert) is a powerful mechanism for controlling the reality of expenditures.
The group's strategy is to focus on sectors it knows well and whose collective utility arises from meeting basic needs (supply or production of energy, means of communication, telecommunications, leisure activities, conversion industries and public service concessions).
Ordinarily, the department finances projects in countries where political and solvency risk is limited (i.e., "designated countries" within the meaning of the Equator Principles).
When it does business in more fragile countries, both politically and with respect to environmental standards, it partners with banks that have signed these principles or with multilateral agencies.
On each occasion, social and environmental impacts are not only taken into account when the operation is chosen, but also throughout the life of the project (for example, obligation to have an independent engineer monitor the construction stage and its environmental impact if justified by the size of the project; contractual obligation imposed on the borrower to comply with standards and future amendments thereto).
Furthermore, at the banking network level, CIC Ouest, together with all banks that do business in the corporate market in Loire-Atlantique, is taking part in an experiment in which a questionnaire on CSR practices is included in the corporate risk analysis grid.

7. A relationship grounded in respect for customers

7.1. SOT73 – Focus on providing quality service

7.1.1. External surveys are conducted regularly to measure customer satisfaction. In 2013, surveys conducted included the self-employed professional market (BVA survey), the small- and medium-sized business market for its activities abroad *(TNS Sofres)* and the corporate market *(TNS Sofres)*.

7.1.2. Customer relationship managers are not paid commissions on the sales of products they offer.

7.1.3. The quest for optimal responsiveness: the Internet and, more broadly, the multiplicity of digital channels (telephone, web, messaging services, chat services, etc.) have broken down the traditional boundaries of the customer relationship. CIC is in sync with the times and gives its customers the option of contacting their bank at any time, from any place and using any means, to carry out transactions and obtain information, but also to purchase products and services. These new services do not diminish the role of customer relationship managers (advice, expertise and availability) as the cornerstone of the relationship and at the service of customers.
At the same time, branches are steadily developing a *"boutique"* spirit that is friendlier and presents the bank's offer by domain (home, auto, telephone, etc.), which is consistent with customers' expectations and the bank's Internet presentation.
Lastly, as a complement to this "new" proximity and, incidentally, to reinforce the group's service and social and environmental responsibility commitments, an increasing number and types of documents are available in electronic form through the *Filbanque* online service. An electronic lock-box also allows secure and confidential storage of personal documents.
To provide additional services to their customers throughout the world, in early 2013, Crédit Mutuel-CIC and the Canadian cooperative financial group *Mouvement Desjardins* created *Monetico International* to develop payment solutions based on international standards.

7.1.4. Accessibility of banking services is ensured by offering a range of alternative payment options to persons whose check-writing privileges have been withdrawn (in particular, a payment card requiring systematic authorization), renovations to improve the accessibility of branches for the disabled, adapting cash dispensers for use by the blind, with nearly 60% of ATMs now accessible for the visually impaired, and making braille account statements and checkbooks available.

7.2. SOT74 to 78 – Ombudsman

Customers may request that the CIC ombudsman examine any disputes that come within the scope of his authority and issue a binding opinion. In 2013, 1,375 requests (-11% compared to 2012) were submitted to the ombudsman, 59% of which were within his jurisdiction. Nearly 80% of responses were made within a period of less than one month, and 57% were partly or wholly in customers' favor.

7.3. SOT79 – Fair operating practices

7.3.1. Actions undertaken to prevent corruption

CIC applies the provisions of the code of ethics common to the CM11-CIC group. This code, which incorporates the good conduct rules that employees must observe, particularly vis-à-vis customers, is based on compliance with the following general principles:

- serving the best interests of customers;
- strictly observing confidentiality rules;
- carrying out their duties with rigor and professionalism;
- acting with integrity at all times.

Employees who perform "sensitive functions", in particular within capital markets activities, financing and investment, portfolio management and financial analysis, and who are exposed to conflicts of interest or who are in possession of confidential information, are subject to strict rules governing and, in particular, restricting their personal transactions.

Management is required to ensure compliance with these principles, and application thereof is regularly verified by the control departments.

In 2013, this code was supplemented with anti-corruption provisions and two specific documents on information system security and combatting violence and harassment in the workplace.

CIC has implemented anti-money laundering and terrorist financing measures that comply with regulatory requirements and are tailored to the risks generated by its various activities, both in France and abroad. These measures comprise a set of procedures and tools that are applied by staff who are specially trained and employed in the detection of suspicious transactions, and which are themselves subject to internal controls and regular assessment by the supervisory authorities.

In this context, CIC's objective is to comply with regulatory requirements, which consist of:

- having the highest level of knowledge of its customers and their transactions and assessing money-laundering risks with the aim, where relevant, of avoiding entering into a business relationship with any customer whose identity or activities are ill-defined;
- carrying out monitoring proportional to said risks, based on the origin of the funds deposited and/or the transactions executed on behalf of each customer, in order to detect unusual or atypical transactions;
- strictly complying with embargos and international sanctions adopted by the UN, the European Union and France;
- ensuring compliance with regulatory requirements and internal standards by performing appropriate tests and formalizing such procedures;
- involving all staff in money laundering prevention by means of regular training and awareness initiatives.

The aim of the various components of the control system (periodic, permanent and compliance) is to ensure the consistency of the procedures implemented, their correct application and the coverage of risks. It relies, in particular, on "anti-money laundering" officers who, within each group entity, both in France and abroad, are responsible for the ongoing monitoring of transactions, preparing regulatory reports and contributing by their actions to heightened vigilance by all staff.

CIC does not operate in so-called "non-cooperative" countries or territories, the list of which is published on a regular basis by the French government. Transactions that customers may carry out involving countries that the Financial Action Task Force (FATF) identifies as having inadequate provisions in this respect are also subject to reinforced monitoring measures.

In connection with its marketing of products and services, CIC implements the recommendations of the commercial practices division of the French Prudential and Resolution Supervisory Authority (ACPR), in particular with respect to handling complaints, the procedure for which is described on CIC's website.

7.3.2. SOT80: Measures taken to increase customers' health and security: CIC has set up reinforced protection for transactions carried out by customers using *Filbanque,* combining a card with a personal identification number and an additional code that is sent by e-mail or SMS.

In addition, Euro Information, the IT subsidiary of the Crédit Mutuel-CIC group, has dedicated teams whose job is to constantly update software, security patches, etc., and to permanently monitor delinquent practices affecting distant banking services. Security levels are regularly audited by external auditors.

It has developed a specific module, the "CM-CIC confidence bar", which can be installed on web browsers, such as Firefox, Chrome or Internet Explorer, and which is designed to make browsing safer. If it detects a phishing site, the module blocks the page and suggests that the customer leave immediately. A specific email address, phishing@cic.fr, allows any person who thinks they have detected a fraudulent site to contact Euro Information and obtain a systematic response.

... Social aspects

8. SOT81 – Subcontracting and suppliers

A significant share of purchases is made through business centers that supply the CM-CIC group, such as Euro Information, SOFEDIS and CM-CIC Services. The latter, which is responsible for logistics, incorporates CSR aspects into its calls for bids from general supplies purveyors, with a particular focus on illegal labor, and requests service providers to report on their CSR actions at each business review meeting (at least annually, but usually every six months).

9. SOT82 – Human rights

CIC does not engage in any specific actions to promote human rights due to the fact that it conducts its business essentially in mainland France.

Environmental aspects

ENV01

The corporate social responsibility project is coordinated and directed by Confédération Nationale du Crédit Mutuel (CNCM). In 2013, several types of work were undertaken in this area, focusing on the collection of comprehensive data, including environmental data:

- a data definition project, which led to various meetings of the reporting entities for the purpose of harmonizing content, in particular with respect to reduction of paper consumption;
- a program to increase reliability: validation of data collected is now formalized through internal audit sheets used by all business line experts and data collectors;
- work is in progress on a data collection tool that will enable data consolidation.

In addition, specific actions are taken occasionally at the level of group entities. For example, CIC Nord Ouest undertook measures to detect and rectify abnormally high utilities consumption.
Due to a highly decentralized organization, at this time, the calculation of human resources devoted to CSR can be approximate only.

ENV02

Relations with stakeholders are handled at various levels: at the federation level in the case of non-financial rating agencies and NGOs, and partly at the level of the group's business line centers in the case of relations with certain suppliers (logistics, IT), and at the group level or at the level of each entity in the case of other suppliers, customers and employees.

1. General policy on environmental matters

CIC's strategies to reduce its environmental footprint are implemented in the operations of its entities by measures that seek to reduce their direct impact.
CIC is committed to:

1.1. ENV03 – Measuring and reducing or optimizing energy consumption in buildings

CO_2 emissions are monitored annually in a greenhouse gas emissions audit, which was carried out for the first time with respect to emissions in 2011 by each bank in the banking network.
In general, the group does not use renewable or "green" energy, except through its use of municipal heating and cooling systems, particularly in the Paris area and northern France (Lille, Roubaix), and at the CIC Lyonnaise de Banque head office, where the geothermal equipment is serviced regularly to improve its efficiency (ENV38).
Measures to improve the energy efficiency of buildings have been taken, such as the refurbishment of the curtain wall of the CIC Gaillon building in Paris in order to increase its heat and sound insulation properties.
The laws, regulations and standards in force are applied when retail branches or central buildings are created, transferred or undergo major renovations, and CCI seeks to meet the requirements for high energy performance (HPE), energy efficient building (BBC) and high environmental quality (HQE) certification.
Other measures have been taken to reduce energy consumption: motion detectors for lighting, reduction in façade lighting power and time (in particular at night, since July 1, 2013), LED technology (ENV40), etc.
Furthermore, CM-CIC Services Immobilier is currently considering the manner in which it will apply Act no. 2013-619 of July 16, 2013 adopting various measures to conform with European Union law in the sustainable development field (DDADUE Act), which requires major companies to conduct a first energy audit before December 5, 2015 (ENV41).

1.2. ENV37 – Travel optimization

Corporate travel plans have been adopted, in particular by CIC Est (limited to the Wacken head office in Strasbourg), CIC Ouest since 2013 for the head office in Nantes (corporate travel plan adopted jointly with other CM-CIC group entities, including CM-CIC Bail), and CIC Nord Ouest for greater Lille. Furthermore, CIC Ile-de-France reimburses 50% of employees' *Velib* and *Autolib* subscription costs for commuting purposes.
In addition, employees have various resources at their disposal for scheduling and attending meetings without the need to travel: telephone conferencing, Office Communicator, Live Meeting with "RoundTable" option, and videoconferencing.
Moreover, the charter applicable to the automobile fleet that CM-CIC Services manages on behalf of its members has been revised to include stricter criteria. With respect to training, self-training modules enable employees to receive training at their workstations, without the need to travel.

1.3. ENV39 – Reducing resource consumption

Given the nature of CIC's business, the resources concerned are essentially water and the management thereof (presence detectors, restricting water flow, water fountains connected to water faucets rather than supplied by water bottles that must be transported) and paper.
At this time, the CM11-CIC group is the largest user of La Poste's "green" mailing options (i.e., mailing that does not use air transportation or night work), with a penetration rate of 80%.

Other measures have been maintained or expanded, such as making it a general rule to print documents on both sides of the page and encouraging electronic management of documents, with actions designed to promote electronic account statements, by CIC Nord Ouest for example (the objective is to have 35% of customers opt for Internet statements).
More than 900,000 customers have already opted to receive account excerpts and statements over the Internet.

ENV43
Furthermore, since 2013, most group employees can opt for an electronic pay slip.
Awareness-raising actions are carried out through articles published in in-house newsletters or posted on the intranet, meetings with HR or emails, such as at CIC Sud Ouest where senior management has mobilized all employees to reduce consumables.

2. ENV42 – Actions vis-à-vis suppliers

Particular attention is paid to the CSR policy of direct suppliers, including *PEFC* certification (a forest certification program that promotes sustainable forest management) for printers, some of which are also *Imprim'Vert* certified, which requires implementing actions to reduce the environmental impacts of their business activities (use of recycled paper), or through the logistics and IT business function centers (terms of reference, annual reviews in the case of general supplies, for example). However, in light of economic or technical constraints, this cannot in all cases be a decisive factor in the choice of suppliers.

3. ENV45 – Measures taken to limit environmental impacts: protection of the natural environment, discharges into the air, water and soil, noise pollution, offensive odors and waste

Numerous initiatives have been taken (recycling of paper, ink cartridges, waste sorting, heat and sound insulation added when air conditioning is installed).
Furthermore, Banque de Luxembourg contributes financially to climate protection projects initiated around the world by the *Myclimate* association.

4. ENV49 – General environmental policy – ground use

Other than Banque de Luxembourg, which delays mowing its gardens, the group does not carry out any specific actions in this field.

5. ENV50 – Measures taken to develop and preserve biodiversity

These measures are taken at the business line level by taking into account social and environmental factors when deciding on financing for significant projects (preservation of protected areas), and at the supplier level through the use of green cleaning products (advance application of statutes through the use of *bisphenol A*-free containers).

Governance aspects

Governance aspects are discussed in the "corporate governance" section (page 38).

Various indicators supplement the foregoing approach.

Indicators

Methodology

Generating CSR indicators is part of a larger process of obtaining information and communicating about the actions of CIC entities and their contributions to society in general. CIC uses a measurement and reporting methodology that was prepared and updated by a national social and environmental responsibility working group that includes the various Crédit Mutuel regional federations and principal subsidiaries of the CM-CIC group.
This methodology establishes the rules for collecting, calculating and aggregating indicators, determining their scope and deciding on controls to be carried out.
In particular, the process adopted for the methodology is based on:
- Article 225 of the Grenelle II Act;
- the NRE Act;
- performing greenhouse gas emission assessments (Decree 2011-829 of July 11, 2011);
- the ILO;
- the OECD guidelines;
- the Global Compact (the group has been a member since 2003);
- the transparency code of the French Financial Management Association – Responsible Investment Forum (AFG-FIR);
- the stamp of approval granted by the Inter-Union Employee Savings Plan Committee (CIES);
- regular exchanges with stakeholders.

Requirements focus on four major areas:

Employment:
- jobs;
- organization of working time;
- labor relations;
- health and safety;
- training;
- diversity and equality of opportunity;
- promotion of and compliance with the provisions of the ILO's fundamental conventions in employment matters.

Social issues:
- geographical, economic and social impacts of the company's business;
- relationships with persons or organizations affected by business activities;
- subcontracting and suppliers;
- fair operating practices;
- other actions taken to promote human rights.

The environment:
- general policy on environmental matters;
- pollution and waste management;
- sustainable use of resources;
- energy consumption, measures taken to improve energy efficiency;
- climate change;
- preservation of biodiversity.

Governance.

Reference periods for data collected

Reference periods correspond to the calendar year, with the exception of environmental data, which, in some cases, cover the period from December 1, 2012 to November 30, 2013.

Scopes and principal management rules

As stated in the environmental section (ENV01) immediately prior to this description of methodology, several data collection projects were undertaken in 2013.
However, for certain indicators, the information collected was not deemed sufficiently reliable or no information was available, in which case it was considered preferable to list no data at all.

Employment indicators

The entities included in the scope are:
- mainland France CIC;
- banks and consolidated French subsidiaries; and
- 3 non-consolidated subsidiaries (CM-CIC Conseil, CM-CIC Aidexport and CM-CIC LBO Partners).

Since 2012, data from the SNC Saint-Pierre subsidiary have been added.
This scope covers 92% of the CIC group's employees.
Employment data are taken from the group's HR information system.
Most indicators concerning the workforce are expressed in numbers of employees "recorded" on the payroll.
Indicators include employees under all types of employment contracts, including summer worker contracts and contracts of service staff not covered by the AFB collective bargaining agreement.

Social indicators

The scope includes the banking network and CIC Banque Transatlantique.
Figures are taken from the group's management control information system, except data on microloans (sources: *France Active Garantie* and *France Initiative Network),* data monitored by the savings division of Euro Information Développement (donations made to associations pursuant to interest-paid-to-charity savings accounts (LEA)) and data on the work of the ombudsman taken from the MEDIAT tool.
The patronage and sponsorships budgets have been calculated by inventorying the budgets of the various entities within the scope.

Environmental indicators

The scope includes:
- mainland France CIC;
- banks and consolidated French subsidiaries.

Data on:
- water and energy use are calculated on the basis of invoices recognized in the accounts, direct meter readings, data provided by utilities, and estimates made on the basis of statistics provided by the National Water Research Institute and the *Pégase* database of the Ecology, Sustainable Development and Energy Ministry;
- paper consumption for in-house use is calculated on the basis of information provided by SOFEDIS (the CM-CIC group's purchasing platform), CM-CIC Services for photocopying activities, external suppliers, if applicable, and the department in charge of magazine subscriptions for the CM-CIC group;
- paper consumption for external use: in addition to data provided by SOFEDIS, information was provided by the entities of the group's IT division – Euro Information Production and Euro P3C (mailing checkbooks, credit cards and account statements) – and by other suppliers, in particular with respect to the preparation of communication documents;
- travel: the number of kilometers travelled by the automobile fleets and the liters of diesel and gasoline consumed by these fleets were estimated using information provided by CM-CIC Services, which manages the fleets, on the basis of data obtained from fuel payment cards and internal monitoring actions by the fuel-consuming entities.

Energy consumption reduction objectives and actions planned to continue reducing energy consumption are listed below:
- information provided to employees on environmentally friendly actions;
- incorporating energy efficiency measures into the design of new branches in compliance with standards in force, as well as when older branches are refurbished;
- use of lighting systems that consume less energy and gradual replacement of standard light bulbs with energy efficient light bulbs.

Paper consumption is closely tied to the volume of commercial activity (number of customers and products sold):
the objective is to reduce paper consumption by 10%.
The company has already taken the following actions:
- encouraging account statements and other documents to be sent electronically to customers;
- promoting use of the website and expanding the range of services available on the site;
- encouraging e-mail exchanges with customers;
- expanding use of electronic documents in-house;
- use of printers able to print on both sides of the page.

Governance indicators (not required by the Grenelle II Act)

The data provided is for CIC in its capacity as the group's holding company.

2013 CSR Report – Employment information

Mainland France CIC

Indicators		Mainland France CIC	Mainland France CIC, excluding SNC Saint-Pierre	Comments
	WORKFORCE			
SOC01	Total FTE workforce	18,737	19,175	FTE (full-time equivalent) employees recorded as members of the workforce as of December 31: • regardless of the type of employment contract (fixed-term / permanent / work-study / summer workers); • including if the employment contract has been "suspended" without any compensation being paid; • excluding interns working under an internship agreement; • excluding temporary workers and external service providers. Persons on disability leave are included.
SOC01_bis	Individuals recorded as members of the workforce	19,082	19,549	
SOC02	*of which, in France*	*19,062*	*19,529*	
SOC03	*of which, abroad*	*20*	*20*	
	of which, managerial staff	*8,336*	*8,352*	
SOC05	*of which, non-managerial staff*	*10,746*	*11,197*	
SOC06	*of which, men*	*7,904*	*8,193*	
SOC07	*of which, women*	*11,178*	*11,356*	
SOC08	Full-time equivalent employees on permanent contracts	18,152	18,683	
SOC08_ Non-managerial	Full-time equivalent non-managerial employees on permanent contracts	9,882	10,397	
SOC08BIS	*of which, women*	*7,093*	*7,401*	
SOC09	Full-time equivalent employees on fixed-term contracts	585	492	
SOC10	Number of employees assigned elsewhere (individuals)	104	451	
SOC11	Number of employees assigned from elsewhere (individuals)	30	30	
SOC12	% of employees on permanent contracts	96.88%	97.43%	
	RECRUITMENT			
SOC13	Total number of individuals hired	3,367	3,406	All types of contracts (fixed-term – permanent – work-study – summer workers). Including conversions of fixed-term or temporary contracts into permanent contracts. Excluding interns and temporary workers.
SOC15	*of which, women*	*2,137*	*2,125*	
SOC16	*of which, on permanent contracts*	*603*	*843*	
	DISMISSALS AND GROUNDS THEREFOR			
SOC19	Number of employees on permanent contracts who left the organization (individuals)	1,078	3,469	The following situations are deemed to end a permanent employment contract: resignation, termination during a probationary period (at the initiative of the employer or employee), termination by mutual agreement, dismissal, mobility within the group, retirement. Including death.
SOC20	*of which, dismissals*	*100*	*156*	*Regardless of the grounds: disciplinary (just cause, gross negligence or willful misconduct) / layoffs / personal factors (inability to perform work required). Including settlement agreements preceded by a notice of dismissal. Excluding termination by mutual agreement.*
SOC27	Turnover	2.20%	2.67%	Resignations + dismissals + end of probationary periods + termination by mutual agreement/ Average monthly workforce (individuals).

Indicators		Mainland France CIC	Mainland France CIC, excluding SNC Saint-Pierre	Comments
	ORGANIZATION OF WORKING TIME			
SOC29	Number of full-time employees (individuals)	17,815	18,177	Employees whose working time is equal to the statutory work duration in the country. • 35 hours per week or 151.67 hours per month for non-managerial employees; • full-time (unreduced) work duration defined in days for managerial employees.
SOC30	Number of part-time employees (individuals)	1,267	1,372	Employees whose working time is less than the statutory working time in the country. • less than 35 hours per week or 151.67 hours per month for non-managerial employees; • Full-time (reduced) work duration defined in days for managerial employees.
SOC31	% of full-time employees	93%	93%	
SOC32	% of part-time employees	7%	7%	
	ABSENTEEISM AND ITS CAUSES			
SOC38	Total number of days of absence, in working days	219,897	207,438	Applies to days of absence of the entire workforce, regardless of employment contract (permanent / fixed-term / work-study). Excluding interns and temporary workers. Excluding paid vacation days or days off under collective bargaining agreements (compensatory days pursuant to the reduction in working hours statutes, seniority, etc.).
SOC39	*of which, due to sickness*	*151,723*	*138,774*	*Excluding occupational illnesses.*
SOC40	*of which, due to workplace accidents*	*4,023*	*4,341*	*Including commuting accidents and occupational illnesses.*
	of which, due to maternity/ paternity leave	*64,151*	*64,323*	
SOC43	Number of occupational illnesses reported	8	Not available	Illnesses recognized as occupational illnesses by the social security office in charge of medical insurance (CPAM).
	HEALTH AND SAFETY CONDITIONS			
SOC44	Number of lost-time workplace accidents reported	107	109	Workplace and commuting accidents reported to CPAM (and considered as such by CPAM) that resulted in lost time, regardless of the number of days. Excluding workplace or commuting accidents that did not result in any lost time.
	TRAINING AND EMPLOYABILITY			
SOC46	Amount of payroll spent on training (in euros)	39,281,436	20,558,349	Gross yearly payroll subject to social security contributions: total gross annual salaries of interns + total bonuses paid for the year + employer's share of social security contributions + education expenses of training (expenses pursuant to agreements, accommodations, meals, etc.) + transportation. Excluding payments to training organizations (OPCA, FONGECIF, etc.). Definition of payroll revised in 2013.
SOC47	% of payroll spent on training	4.9%	2.6%	Not comparable between 2013 and 2012.
SOC48	Number of employees who completed at least one training course (individuals)	13,402	13,245	Employees on fixed-term and permanent contracts.
SOC49	% of employees who received training	70%	68%	
SOC50	Total number of hours spent on employee training	575,157	642,539	Including e-learning.

... 2013 CSR Report – Employment information

Indicators		Mainland France CIC	Mainland France CIC, excluding SNC Saint-Pierre	Comments
	EQUALITY OF OPPORTUNITY			
SOC57	Number of persons on management committees	Not available	Not available	
SOC58	*of which, women*	*Not available*	*Not available*	
SOC59	Number of female managerial staff (individuals)	3,456	3,377	
SOC60	% of managerial staff who are female	41.5%	40.3%	
SOC61	Number of managerial staff promoted to a more senior position during the year (individuals)	398	461	
SOC62	*of which, women*	*139*	*186*	
SOC63	% of managerial staff promoted who are female	34.9%	40.3%	
SOC68	Number of disabled workers	427	351	Number of persons with disabilities (reported and recognized disabilities) within the entity, as a number of "individuals" and not full-time equivalent employees or "beneficiary units" (concept defined in the Mandatory Declaration of Employment of Disabled Workers (DOETH)).
SOC71	% of the total workforce who are disabled	2.3%	1.8%	
	LABOR DIALOGUE			
SOC67	Number of convictions for the crime of obstructing the functioning of employee representative institutions (in France)	0	0	Final judgments only (not subject to appeal).
SOC78	Number of meetings with employee representative institutions (works councils, health, safety and working conditions committees, employee representatives, union representatives, etc.)	Not available	Not available	Due to their size, certain entities are not required to have employee representative institutions.
SOC79	Number of information procedures conducted with employee representative institutions (works councils, health, safety and working conditions committees, employee representatives, union representatives, etc.)	Not available	Not available	
SOC73	Gross payroll (€)	804,267,417	794,437,752	Total gross compensation of the establishment's employees (excluding employer's share of social security contributions). Compensation equals salaries and bonuses paid during the relevant year to all employees.
SOC74	Average gross annual compensation – all employees (€)	40,971	38,635	
SOC75	Average gross annual compensation – non-managerial employees (€)	28,380	27,022	
SOC76	Average gross annual compensation – managerial employees (€)	56,334	53,751	
SOC107	Total gross annual compensation paid to employees on permanent contracts (€)	792,548,446	Not available	Employees on permanent contracts only – All categories of employees, including executive management.
SOC108	Total gross annual compensation paid to non-managerial employees on permanent contracts (€)	301,742,914	Not available	
SOC109	Total gross annual compensation paid to managerial employees on permanent contracts (€)	490,805,532	Not available	
SOC80	Total social security contributions paid (€)	552,481,114	530,830,413	Employer's share of social security contributions only.

Indicators		Mainland France CIC	Mainland France CIC, excluding SNC Saint-Pierre	Comments
	WORKFORCE ON PERMANENT EMPLOYMENT CONTRACTS AS OF DECEMBER 31 (NUMBER)			
SOC88	Under 25	564		Different definition in 2013/2012 (age ranges and types of contracts).
SOC89	*of which, women*	*379*		
SOC90	25 - 30	2,936		
SOC91	*of which, women*	*1,910*		
SOC92	31 - 35	3,061		
SOC93	*of which, women*	*1,973*		
SOC94	36 - 40	2,413		
SOC95	*of which, women*	*1,473*		
SOC96	41 - 45	1,732		
SOC97	*of which, women*	*934*		
SOC98	46 - 50	1,965		
SOC99	*of which, women*	*1,076*		
SOC100	51 - 55	2,567		
SOC101	*of which, women*	*1,403*		
SOC102	56 - 60	2,893		
SOC103	*of which, women*	*1,532*		
SOC104	60 and over	351		
SOC105	*of which, women*	*122*		

2013 CSR Report – Social information

Banking network and CIC Banque Transatlantique

Indicators		Quantitative data 2013	2012	Comments
	GEOGRAPHICAL, ECONOMIC AND SOCIAL IMPACTS			
SOT01	Number of banking network retail branches	**2,067**	2,074	
SOT01A	Other retail branches	**1**	1	CIC Banque Transatlantique.
SOT07	% of retail branches in rural areas in France (banking network)	**Not significant**	Not significant	Land in France falls into one of four categories under the urban classification scheme (ZAU). The first category consists of areas that are primarily rural, including small urban areas and rural municipalities. The three other areas are predominantly urban: urban hubs, suburban peripheries and multi-centric municipalities.
SOT08	% of urban free trade zones covered by retail branches (banking network)	**25.8%**	Not significant	The indicator used applies only to urban free trade zones in mainland France, as defined by INSEE. These are neighborhoods with over 10,000 residents that are classified as difficult or disadvantaged.
	MICROLOANS			
SOT10	Number of microloans granted during the year	-		CIC does not make personal microloans.
SOT13	Average amount of microloans granted during the year (€)	-		
SOT11	Average amount of microloans granted (€)	-		
SOT16	Number of business microloan applications, with intermediaries, processed *(ADIE, France Active Garantie, France Initiative Réseau)*	**2,758**	2,299	
	ADIE	***230***	*169*	
	France Active Garantie	***432***	*358*	*
	France Active Garantie (Nacre program)	***404***	*336*	*Including CM-CIC Bail.*
	France Initiative Réseau	***1,692***	*1,436*	*
SOT17	Amount of credit lines provided (€) (ADIE, France Active Garantie, France Initiative Réseau)	**141,253,581**	110,776,027	
	ADIE	***500,000***	*500,000*	
	France Active Garantie	***15,402,746***	*12,613,827*	*
	France Active Garantie (Nacre program)	***2,438,250***	*1,962,200*	
	France Initiative Réseau	***122,912,585***	*95,700,000*	*
SOT20	Amount guaranteed (€) (FAG)	**20,195,640**	15,459,004	Total amounts of guaranteed business microloans pursuant to the partnership with *France Active Garantie.*
	of which, amount guaranteed (FAG + FGIF)	***7,101,425***	*5,570,811*	*
	of which, amount of complementary loans associated with Nacre loans disbursed	***13,094,215***	*9,888,193*	*Including CM-CIC Bail.*
SOT26	Number of community-based microloans granted locally within the group	**-**	-	Number of non-partnered microloans under €3,000 granted locally.
SOT27	Amount of community-based microloans granted locally within the group (€)	**-**	-	Total amount of non-partnered microloans under €3,000 granted locally.

* 2012 figures revised.

Indicators		Quantitative data 2013	2012	Comments
	SRI AND ESG			
SOT28	SRI assets under management (€)	**2,301,065,850**	2,610,130,119	The amount of assets under management is for the entire CIC group, and is managed by CM-CIC Asset Management, CM-CIC's asset management company.
SOT29	Resolution approval rate	**82.7%**	84.7%	The approval rate is for shareholders' meetings in which CM-CIC AM took part.
SOT30	Number of shareholders' meetings in which the management company took part	**768**	713	Shareholders' meetings in which CM-CIC AM voted.
SOT87	ESG (€)	**15,586,502,000**	Not available	CIC assets under management, managed by CM-CIC AM, in accordance with Decree no. 2012-132 ("Decree 224") on information to be provided by asset management companies on social, environmental and quality of governance criteria in their investment policies (Article D.533-16-1).
	SOLIDARITY SAVINGS			
SOT100	Assets in solidarity savings plans	**93,974,351**	Not available	
SOT33	*of which, assets in interest-paid-to-charity savings accounts (LEA), excluding capitalized interest (€)*	***5,707,599***	*3,390,257*	
SOT37	*of which, assets in solidarity employee savings plans*	***87,892,460***	*65,707,294*	*Total funds deposited in investment funds included in corporate savings agreements and invested in assets that comply with the SRI investment process or, at the least, the ESG investment process.*
SOT31	*of which, France Emploi investment fund – Assets*	***374,291***	*Not available*	
SOT32	Share paid to associations	**52,143**	Not available	
	of which, LEA donations	***43,937***	*39,197*	
	of which, Cartes pour les autres donations	***6,786***	*Not available*	
	of which, France Emploi investment fund	***1,420***	*Not available*	
SOT40	Number of non-profit customers (associations, labor unions, works councils, etc.)	**76,080**	72,451	Banking network.*
SOT52	Total patronage and sponsorship budget (€)	**9,601,331**	7,862,513	
SOT63	Number of zero-interest eco-loans granted	**1,179**	1,062	
SOT64	Average amount of zero-interest eco-loans granted (€)	**18,726**	17,853	
SOT65	Total amount of zero-interest eco-loans	**22,078,177**	18,960,346	Annual volume (amounts outstanding at the end of the month). Volume of zero-interest eco-loans granted to customers to finance new constructions, under certain conditions, renovations and repairs to original condition, expansion or building-raising work.
SOT69	Number of renewable energy projects financed (branch network)	**162**	Not available	Financing projects for renewable energy equipment or systems actually carried out during the calendar year involving self-employed professionals, farmers and companies.

* 2012 figures revised.

... 2013 CSR Report – Social information

Indicators		Quantitative data 2013	2012	Comments
	PRODUCTS AND SERVICES OF A SOCIAL NATURE			
SOT71	Amount of regulated social loans outstanding (PLS, PSLA) (€)	**Not available**	Not available	CIC has no outstanding social home rental loans (PLS) or social home purchase loans (PSLA) because, like for Crédit Mutuel, all such loans are managed at the federal bank level with respect to refinancing matters.
	QUALITY OF SERVICE			
SOT75	Number of eligible claims submitted to the bank ombudsman	**811**	889	Claims received by the customer service department that are to be resolved using the regulatory ombudsman program.
SOT77	Number of decisions in favor of customers and applied systematically	**464**	483	
SOT78	% of decisions in favor of customers, or partially in favor of customers, and applied systematically	**57.2%**	54.3%	Statistics obtained from reviewing claims submitted to the ombudsman whose outcome was favorable to the customer, either systematically or after the ombudsman's decision.
	ECONOMIC IMPACT INDICATORS			
SOT83	Outstanding loans to customers (€)	**100,716,232,371**	97,794,077,129	Amounts outstanding at the end of the month.
	of which, housing loans	***61,809,440,561***	*59,743,662,346*	
SOT84	*- of which, to individuals*	***47,401,550,191***	*45,576,644,934*	
	of which, consumer loans	***4,751,545,023***	*4,860,776,693*	
SOT85	*- of which, to individuals*	***3,762,399,649***	*3,830,452,105*	
	of which, equipment loans	***27,969,031,779***	*26,428,777,369*	
SOT86	*- of which, to individuals*	***2,533,202,171***	*2,138,905,349*	
SOT86	*- of which, to businesses*	***10,863,493,904***	*10,834,997,640*	

2013 CSR Report – Environmental information

Mainland France CIC

Indicators		Quantitative data 2013	2012	Comments
	USE OF RESOURCES			
ENV04	Water consumption (m^3)	**206,321**	222,689	
ENV05	Total energy consumption (kwh)	**163,063,058**	180,653,918	
ENV06	*of which, electricity*	***123,961,872***	*138,757,787*	
ENV07	*of which, gas*	***25,395,413***	*22,167,361*	
ENV08	*of which, fuel oil*	***3,836,366***	*5,567,712*	
ENV05_2	*of which, cold water supplied by municipal utilities*	***3,693,436***	*2,585,038*	
ENV05_1	*of which, heat generated by steam supplied by municipal utilities*	***6,175,971***	*4,495,491*	
ENV09	Total paper consumption (for in-house and external use) (metric tons)	**3,245**	3,766	This includes all paper-based supplies (white papper, calendars, etc.) and cardboard-based supplies (inserts, file folders, etc.), except cardboard packaging for such supplies (which is counted as waste). Whether paper is for in-house or external use depends on its final use, i.e.: external use refers to paper that will end up outside the CM-CIC group and in-house use refers to paper that remains within the group.
	MEASURES TO REDUCE ENVIRONMENTAL IMPACTS AND GREENHOUSE GAS EMISSIONS			
ENV10	Paper consumption for in-house use – Total (metric tons)	**950**	1,050	
ENV11	Paper consumption for external use – Total (metric tons)	**2,295**	2,716	
ENV15R	Consumption of recycled paper for in-house and external use	**34**	28	SOFEDIS purchases only.
ENV12	Purchases/Suppliers % of recycled or certified paper purchased (incoming)	**2.6%**	2.2%	Share of recycled paper purchased from suppliers out of total quantity of paper purchased, excluding for publication and photocopying purposes, as well as graph paper. SOFEDIS purchases only.
	Paper recycled after use (metric tons)	**1,715**	Not available	
ENV13	Consumption of toner cartridges	**36,893**	38,042	
ENV16	Number of ink cartridges recycled after use	**11,207**	26,156	
ENV14	Purchases/Suppliers % of recycled toner cartridges purchased	**Not available**	0.1%	
ENV30	Leaks of refrigeration gases from air conditioning equipment (air and water cooled condensers) in kg of refrigeration gases	**Not available**	Not available	
ENV18	Business travel Air (km)	**Not available**	Not available	
ENV19	Business travel Train (km)	**Not available**	Not available	
ENV20	Business travel Automobile fleets (km) Greenhouse gas emissions measured	**54,474,216**	52,840,679	
ENV21	Number of liters of gasoline consumed by the in-house fleet	**266,270**	449,246	
ENV22	Number of liters of diesel consumed by the in-house fleet	**2,399,381**	2,194,521	
ENV23	Business travel using personal vehicles (km)	**11,582,642**	12,234,694	

... 2013 CSR Report – Environmental information

Indicators		Quantitative data 2013	2012	Comments
ENV24	Business travel using public transportation – metro/bus/tram (km)	**Not available**	Not available	
ENV25	Business travel using taxis or rental cars	**Not available**	Not available	
ENV29	Mail management: shuttle between branches and business centers Cash transportation (km)	**Not available**	Not available	
ENV31	Number of items of videoconferencing equipment (e.g., Tandberg)	**87**	Not available	
ENV32	Number of videoconferences (e.g., Tandberg)	**5,320**	Not available	
ENV34	Number of electronic documents and pages	**Not available**	77,627,072	
ENV44	Human resources assigned to CSR issues (full-time equivalent employees)	**1**	0.84	
ENV35	Number of KWh generated and resold	**Not available**	Not available	
ENV47	Amount of environmental risk provisions and guarantees	**-**	-	
ENV48	Amount of compensation paid during the fiscal year pursuant to court decisions on environmental issues and actions taken to repair damage caused	**-**	-	

2013 CSR Report – Governance

CIC holding company

Indicators		Quantitative data 2013	2012
	DIRECTORS		
GOUV01	Number of members of the board of directors	**12**	11
GOUV02	*of which, women*	***2***	*1*
GOUV23	Members of the board of directors: average age	**62.5**	61.8
GOUV24	Members of the board of directors: median age	**62.9**	62.0
GOUV25	Overall renewal rate of boards during the year (= new members elected out of the total number of members)	**9%**	9%
GOUV26	Attendance rate at board meetings	**79%**	84%

Cross-reference table for information required by Article 225 of the Grenelle II Act

on employment, environmental and social matters

Article R225-105-1 of the French Commercial Code, Decree no. 2012-557 of April 24, 2012

	CIC group indicators included in the CSR report (text and tables)
EMPLOYMENT INFORMATION	
a) Employment:	
- total workforce and breakdown of employees by gender, age and geographical area	SOC01 to SOC12 and SOC88 to SOC105
- new hires and dismissals	SOC13 to SOC20 and SOC27
- compensation and its progression	SOC73 to SOC76, SOC80 and SOC107 to SOC109
b) Working time arrangements:	
- organization of working time	SOC29 to SOC32
- absenteeism	SOC38 to SOC40 and SOC43
c) Labor relations:	
- organization of labor dialogue, in particular procedures for informing, consulting and negotiating with employees	SOC78, SOC79 and SOC87
- review of collective bargaining agreements	SOC83 to SOC84
d) Health and safety:	
- workplace health and safety conditions	SOC45
- review of agreements signed with labor unions or employee representative institutions in the field of workplace health and safety	SOC84
- workplace accidents, in particular the frequency and gravity thereof, as well as occupational illnesses	SOC44
e) Training:	
- training policies adopted	SOC46 to SOC49
- total number of hours of training	SOC50
f) Equality of treatment:	
- measures taken to promote gender equality	SOC56 to SOC63
- measures taken to promote employment or transition to employment of persons with disabilities	SOC68, SOC70 and SOC71
- anti-discrimination policy	SOC69
g) Promotion of and compliance with the provisions of the fundamental conventions of the International Labor Organization on:	
- respect for the freedom of association and the right to collective bargaining	SOC67, SOC78 and SOC79
- elimination of employment and professional discrimination	SOC64
- elimination of forced or involuntary labor	SOC65
- effective abolition of child labor	SOC66
ENVIRONMENTAL INFORMATION	
a) General environmental policy:	
- organization of the company to take account of environmental issues and, if applicable, environmental evaluation or certification procedures	ENV01 to ENV03 and ENV41
- actions taken to train and inform employees on environmental protection	ENV43
- resources devoted to preventing environmental risks and pollution	ENV44
- amount of environmental risk provisions and guarantees, provided this information will not seriously prejudice the company in ongoing litigation	ENV47

(1) The frequency and gravity of workplace accidents are not specifically reported, but the figures required for the calculations are published.

Indicators not applicable to the CIC group's business.

... Cross-reference table for information required by Article 225 of the Grenelle II Act

	CIC group indicators included in the CSR report (text and tables)
b) Pollution and waste management:	
- measures taken to prevent, reduce or remedy discharges into the air, water and soil that have serious environmental consequences	ENV31, ENV32 and ENV34
- prevention, recycling and waste elimination measures	ENV16 and ENV39
- account taken of noise pollution and other forms of pollution specific to a business activity	ENV45
c) Sustainable use of resources:	
- water consumption and water supply based on local constraints	ENV04
- consumption of raw materials and measures taken to improve efficient use thereof	ENV09 to ENV15R ENV39 and ENV43
- energy consumption, measures taken to improve energy efficiency and use of renewable energies	ENV05 to ENV08 ENV30 and ENV40
- ground use	ENV49
d) Climate change:	
- greenhouse gas emissions	ENV18 to ENV25, ENV29 ENV31, ENV32, ENV34 and ENV37
- adapting to the consequences of climate change	ENV39, ENV38 and ENV42
e) Preservation of biodiversity:	
- measures taken to preserve or develop biodiversity	ENV50
INFORMATION ON SOCIAL COMMITMENTS IN FAVOR OF SUSTAINABLE DEVELOPMENT	
a) Geographical, economic and employment impacts of the company's business:	
- in terms of employment and regional development	SOT01, SOT07 to SOT09 SOT59 to SOT60 SOT63 to SOT65 and SOT69
- on neighboring or local populations(1)	SOT10, SOT11, SOT13, SOT16 SOT17, SOT20, SOT26 to SOT33 SOT37, SOT39, SOT40, SOT71 SOT73, SOT75, SOT77, SOT78 SOT83 to SOT88
b) Relationships with persons or organizations with an interest in the company's business, in particular associations that assist people to transition into employment, educational institutions, environmental protection associations, consumer associations and neighboring populations:	
- dialogue conditions with such persons or organizations	SOT44 and SOT45
- partnership or sponsorship actions	SOT48, SOT52, SOT53, SOT55 and SOT57 to SOT58
c) Subcontracting and suppliers:	
- extent to which social or environmental issues are taken into account in purchasing policies	SOT81
- extent of subcontracting and extent to which the social and environmental responsibility of suppliers and subcontractors is taken into account in the relationships with them	SOT81
d) Fair operating practices:	
- actions taken to prevent corruption	SOT79
- measures taken to increase customer health and security	SOT80
e) Other actions undertaken under this section 3 to promote human rights	SOT82

(1) CIC's geographical impact is discussed in connection with its local establishments. However, its business does not have any impact on neighboring populations.

Indicators not applicable to the CIC group's business.

Report of one of the statutory auditors, a designated independent third party,

on the consolidated social, employment and environmental information presented in the management report

Fiscal year ended December 31, 2013

To the shareholders:

In our capacity as the statutory auditor of CIC, a designated independent third party, whose accreditation application has been accepted for review by the French Accreditation Committee (COFRAC) under number 3-1065, we hereby report to you on the consolidated employment, environmental and social information for the fiscal year ended December 31, 2013, presented in section 2 of the management report (hereinafter "CSR information"), in accordance with the provisions of Article L.225-102-1 of the French Commercial Code.

The company's responsibility

The board of directors is responsible for preparing a management report that includes the CSR information required by Article R.225-105-1 of the French Commercial Code in accordance with the frame of reference used by the company, which consists of the 2013 version of the environmental, employment, social and governance reporting procedures (hereinafter the "frame of reference"), a summary of which is provided in the "Corporate Social Responsibility" section of the management report, and which is available upon request.

Independence and quality control

Our independence is defined by the regulations, the code of ethics of our profession, and the provisions of Article L.822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes documented policies and procedures intended to ensure compliance with ethical rules, professional standards of practice and applicable statutes and regulations.

Statutory auditor's responsibility

On the basis of our work, it is our role:

- to certify that the required CSR information is presented in the management report or, if not presented, that an explanation is provided in accordance with Article R.225-105, paragraph 3, of the French Commercial Code (CSR information presentation certification);
- to express a limited assurance conclusion that the CSR information presented, considered as a whole, is accurate in all material aspects, in accordance with the frame of reference (reasoned opinion on the accuracy of CSR information).

Our work was performed by a team of five persons between December 2013 and March 2014, for a total of about ten weeks. To help us in performing our work, we used the services of our CSR experts.
We performed the work described below in accordance with the professional standards of practice applicable in France and the order of May 13, 2013 establishing the manner in which independent third parties are to perform their duties.

1. CSR information presentation certification

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the company's sustainable development strategy with respect to the employment and environmental impact of its activities and its social commitments and, if applicable, any initiatives or programs it has implemented as a result.
We compared the CSR Information included in the management report with the list in Article R.225-105-1 of the French Commercial Code.
If certain consolidated information was not provided, we verified that explanations were provided, in accordance with the provisions of Article R.225-105, paragraph 3, of the French Commercial Code.
We verified that the CSR information covered the consolidated scope, i.e., the company and its subsidiaries, within the meaning of Article L.233-1 of the French Commercial Code, and the companies it controls, within the meaning of Article L.233-3 of the same Code, subject to the limitations described in the note on methodology in the "Corporate Social Responsibility" section of the management report, which overall covers approximately 92% of the CIC group's workforce.
On the basis of our work, and taking into account the limitations mentioned above, we certify that the required CSR information is presented in the management report.

2. Reasoned opinion on the accuracy of CSR information

Nature and scope of work

We conducted four interviews with the persons responsible for preparing CSR information in the parent company's finance, HR, risk and general services departments in charge of data collection processes and, where appropriate, the persons responsible for internal control and risk management procedures, in order to:

- assess whether the frame of reference is appropriate on the basis of its pertinence, completeness, reliability, neutrality, comprehensibility and, taking into consideration, where applicable, industry best practices;
- verify that a collection, aggregation, processing and control process has been set up to ensure the completeness and consistency of the CSR information and examine the internal control and risk management procedures relevant to the preparation of the CSR information.

We determined the nature and scope of our tests and quality control processes based on the type and importance of the CSR information with respect to the company's characteristics, the social and environmental impacts of its business activities, its sustainable development strategy, and industry best practices.

... Report of one of the statutory auditors, a designated independent third party, on the consolidated social, employment and environmental information presented in the management report

For the CSR information we considered the most important[1]:
- at the parent company level, we consulted documentary sources and conducted interviews to corroborate qualitative information (organization, policies, actions, etc.), applied analytical procedures to quantitative information and, on the basis of samples, verified the calculations and aggregation of data, and verified that this information is coherent and consistent with the other information presented in the management report;
- at the level of a representative sample of subsidiaries that we selected[2] on the basis of their business activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted about ten interviews to verify that procedures were properly applied, and carried out detailed tests, on the basis of samples, to verify calculations performed and reconcile the data with supporting documents. The sample chosen represents 35% of the workforce[3].

We assessed whether the rest of the consolidated CSR information was consistent with our knowledge of the company.

Lastly, we assessed the adequacy of any justifications that may have been provided to explain the entire or partial exclusion of certain information.

We consider that the sampling methods and the sizes of the samples that we used on the basis of our professional judgment enable us to form a conclusion of limited assurance; a higher level of assurance would have required more extensive work. Due to the use of sampling techniques and other inherent limitations in the functioning of any information or internal control system, the risk that a material misstatement in the CSR information was not detected cannot be completely eliminated.

Conclusion

On the basis of our work, we have discovered no material misstatement that would call into question the fact that, considered as a whole, the CSR information presented is accurate in all material aspects, in accordance with the frame of reference.

Paris La Défense, April 23, 2014

The statutory auditor
Ernst & Young et Autres
Olivier Durand

Sustainable development expert
Éric Duvaud

(1) **Environmental information:** general environmental policy (organization, training and information actions for employees), pollution and waste management (paper consumption, recycling and waste reduction measures), sustainable use of resources and climate change (total energy consumption, measures taken to improve energy efficiency and use of renewable energies), water consumption and supply, depending on local constraints.
Employment information: employment (total workforce and its allocation, new hires and number of employees on permanent contracts who left the organization, including dismissals, gross annual compensation of employees on permanent contracts and progression thereof), organization of working time, absenteeism (total number of days of absence), labor relations (organization of labor dialogue, report on collective bargaining agreements), workplace health and safety conditions, workplace accidents, in particular the frequency and gravity thereof, as well as occupational illnesses, policies adopted with respect to training, the share of payroll spent on training and the total number of hours spent on employee training, diversity and equality of opportunity and treatment (number of female managerial staff, employment and integration of disabled persons, anti-discrimination measures), promotion of and compliance with the provisions of the ILO's fundamental conventions (percentage of participation in stockholders' meetings, elimination of discrimination).
Social information: geographical, economic and social impacts (percentage of retail branches in rural areas in France and free trade zones covered by retail branches, number of non-profit customers), relationships with stakeholders (dialogue conditions, partnership or sponsorship actions), the significance of subcontracting and extent to which social or environmental issues are taken into account in purchasing policies and the relationships with suppliers and subcontractors (share of paper purchased that is recycled or certified), fairness of operating practices (actions taken to prevent corruption), social and solidarity savings plans (number and amount of microloans, assets under management in solidarity employee savings plans and amount of regulated social loans).
(2) CIC Lyonnaise de Banque, CIC IDF (for employment information) and the CIC head office (for environmental information).
(3) The coverage rates for the main quantitative indicators are 35% for the workforce and 24% for energy consumption.

LEGAL INFORMATION

Stockholders

Stockholders' general meetings

(Summary of Articles 18-24 of the bylaws)

Composition

All stockholders are entitled to attend stockholders' general meetings.
There are no double voting rights.
Except as stipulated in the section below on disclosure thresholds, access to stockholders' general meetings is not restricted and stockholders are not required to hold a minimum number of CIC stock units to exercise the rights conferred upon them by law.
The combined ordinary and extraordinary general meeting of stockholders and holders of voting rights certificates of June 17, 1998:

- authorized stockholders to hold their shares in either bearer or registered form (Article 7 (1) of the bylaws);
- authorized the company to obtain details of identifiable holders of stocks and securities from Euroclear France (Article 7 (3) of the bylaws);
- added mandatory stockholding disclosure thresholds (Article 9 (6) of the bylaws).

Role

Stockholders' general meetings that are duly and properly held represent all stockholders. They may be ordinary or extraordinary if they meet the appropriate conditions.
Stockholders' ordinary general meetings make all decisions other than those that change the capital stock or amend the bylaws, in particular:

- they discuss, approve or adjust the financial statements, including the consolidated financial statements, and decide on the allocation and appropriation of net income;
- they appoint, replace, remove from office or renew the terms of office of directors other than the directors who are elected by employees;
- they appoint or renew the appointments of principal and alternate statutory auditors.

Generally, they examine all proposals on the agenda other than those that are within the powers of stockholders' extraordinary general meetings.
Every year, before the deadline that applies to credit institutions, a stockholders' ordinary general meeting is held to discuss and vote on the annual financial statements and all other documents required by the French laws and regulations in force that apply to CIC.
This general meeting votes after reviewing the reports of the board of directors and the statutory auditors.
Stockholders' extraordinary general meetings examine all proposals made by the party who gives notice of the meeting that involve changing the capital stock or amending the bylaws.

Disclosure thresholds

(Summary of Article 9 of the bylaws)
In addition to statutory requirements, the bylaws require disclosure of any changes in ownership that result in stockholdings exceeding or falling below 0.5% of the capital stock or any multiple thereof. If a stockholder fails to comply with this requirement, the shares held in excess of the disclosure threshold may be stripped of voting rights for a period of two years following a request noted in the minutes of a general meeting by one or more stockholders holding shares or voting rights at least equal to the smallest proportion of capital stock or voting rights requiring disclosure.

Convening stockholders' general meetings

Stockholders meet every year at ordinary general meetings held in the forms and within the deadlines set forth in French law and regulations in force.

Requirements for attending stockholders' general meetings

In order to have the right to attend, vote by mail or be represented at general meetings, holders of bearer stock are required to provide evidence of their status as stockholders no later than midnight, Paris time, on the third working day prior to the general meeting, by providing a certificate of participation issued by the relevant authorized intermediary.
Holders of registered stock are required to arrange for their shares to be registered on CIC's registers no later than three days before the date of the stockholders' general meeting.
Stockholders' general meetings may be attended by stockholders or their proxy or proxies if they provide evidence of their capacity and identity. However, if the board of directors considers it appropriate, it may decide to issue named, personal admission tickets to stockholders beforehand, and to require said tickets to be shown.

Voting at stockholders' general meetings

All stockholders may vote by mail after providing evidence of their status at least three days before the general meeting by having the depository provide a certificate showing that their shares are duly registered. The company must receive forms for voting by mail at least three days before the date of the general meeting.
All stockholders may be represented under the conditions set forth in Article L.225-106 of the French Commercial Code *(Code de commerce)*.
Voting by mail means no proxy may be appointed and vice versa. If stockholders vote by mail or appoint a proxy, stockholders may not choose another method of taking part in the stockholders' general meeting.

All members of stockholders' ordinary or extraordinary general meetings have a number of votes that is the same as the number of shares they own or represent, subject to the application of the French law and regulations in force and the provisions of Articles 8 and 9 of the bylaws.
Decisions are adopted under the conditions as regards majorities set forth in French law and are binding on all stockholders.

Appropriation of net income

(Article 27 of the bylaws)
The net income for the fiscal year consists of income in the fiscal year, after deducting general operating expenses and the company's other expenses, including any depreciation, amortization and impairment.
From this net income, less, where applicable, previous losses, at least 5% is drawn to form the legal reserve. This ceases to be necessary when the legal reserve amounts to one-tenth of the capital stock.
The balance, after deducting and appropriating the amount of long-term capital gains, increased by retained earnings, constitutes distributable income.
From this distributable income, stockholders' general meetings may deduct any sums they consider appropriate for allocation to any optional reserve funds or to retained earnings. The balance, if any, is divided between all the stockholders in proportion to the number of stock units they own.
Dividends are paid on the date set by the stockholders' general meeting or, failing this, on the date set by the board of directors.
Stockholders' general meetings may grant all stockholders the choice between payment of the dividend or interim dividends distributed in cash or payment in shares, in whole or in part.

Stockholders' ordinary general meeting of May 22, 2014

Board of directors' report to the stockholders' ordinary general meeting of May 22, 2014

We have called this stockholders' ordinary general meeting to discuss the matters included on the agenda that are the subject of the resolutions submitted for your approval.
A report including details of business developments since the beginning of the current year and prospects for the full year has been made available or provided to you.

1 – Change of accounting method as of January 1, 2013

(first resolution)
A change of accounting method was made as of January 1, 2013, with respect to the rules for measuring and recognizing commitments to pay retirement and similar benefits in annual financial statements prepared in accordance with French accounting standards, in compliance with recommendation 2013-02 of the French Accounting Standards Board *(Autorité des normes comptables)* on corporate liabilities. The impact of this change in the amount of €10,468,000.00 must be recognized directly in equity.
Therefore, we request that you deduct this amount from retained earnings, which as a result will have a positive balance of €3,049,471,497.89.

2 – Approval of the financial statements for the fiscal year ended December 31, 2013

(second and third resolutions)
The corporate financial statements of CIC, which were approved by the board of directors at its February 27, 2014 meeting, report net income of €1,303,167,371.51. The board of directors' report provided with the financial statements gives details of the various elements that make up this income.
CIC's consolidated financial statements show net income of €851 million and net income attributable to owners of the company of €845 million. The related board of directors' report shows how this income was generated and how the group's various businesses and entities contributed to such income.
You have also been given the opportunity to review the report of the chairman of the board of directors regarding the functioning of the board of directors and internal control and the statutory auditors' reports, enclosed with the board of directors' report.
We ask you to approve the corporate and consolidated financial statements as presented to you.

3 – Appropriation of net income

(fourth resolution)
The net income for the fiscal year amounts to €1,303,167,371.51. After taking into account positive retained earnings of €3,049,471,497.89, the amount to be allocated by the stockholders' general meeting therefore totals €4,352,638,869.40.
The board of directors proposes that you vote to pay stockholders a dividend of €7.00 per share. The balance would be allocated to the retained earnings account.
The board of directors therefore invites you to:
- distribute a dividend of €266,192,451.00 to 38,027,493 shares in respect of fiscal year 2013;
- allocate the available balance, i.e., €4,086,446,418.50, to the retained earnings account.

The dividend would be paid on May 30, 2014. As provided under the tax regime applicable to distributions, it is specified that the entire dividend distributed is eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code *(Code général des impôts)*.
In accordance with the provisions of French law, the stockholders' meeting is reminded that:
- for 2010, a dividend of €334,641,938.40 was distributed, i.e., €8.80 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code;

- for 2011, a dividend of €247,178,704.50 was distributed i.e., €6.50 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code;
- for 2012, a dividend of €285,206,197.50 was distributed i.e., €7.50 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.

4 – Agreements mentioned in Article L.225-38 of the French Commercial Code

(fifth resolution)
In their special report, the statutory auditors list the regulated agreements governed by Article L.225-38 of the French Commercial Code that were entered into with the board of directors' consent, or that remained in effect during 2013. You are asked to approve said agreements.

5 – Opinion on the total amount of compensation, as required by Article L.511-73 of the French Monetary and Financial Code

(sixth resolution)
Order no. 2014-158 of February 20, 2014 that adopted various measures to conform with European Union law in the financial field, and that transposed the CRD4 directive, added Article L.511-73 to the French Monetary and Financial Code *(Code monétaire et financier)*, which provides: "The stockholders' ordinary general meeting of credit institutions and financial institutions shall be consulted annually on the total compensation of all types paid during the previous fiscal year to the persons mentioned in Article L.511-71", i.e., senior management and categories of staff that include risk takers, persons engaged in control functions, and any employee who, taking into account his total revenue, is in the same compensation bracket, and whose professional activities have a material impact on the risk profile of the company or group. We propose that the stockholders' meeting issue a favorable opinion on said total amount of compensation.

6 – Ratification of the appointment of a director

(seventh resolution)
After Mr. Jean-Louis Girodot resigned, the board of directors temporarily appointed a new director at its meeting held on February 27, 2014, i.e., Mr. Jean-François Jouffray. We request that the stockholders' meeting ratify this appointment for the remaining duration of the previous director's term of office, i.e., until the stockholders' general meeting that will be held in 2015 to vote on the financial statements for the fiscal year ending December 31, 2014.

7 – Authorization granted to the board of directors to buy back the company's stock

(eighth resolution)
We ask you to cancel the authorization previously given to the board of directors to trade in CIC stock on the stock exchange with immediate effect and to give it a new authorization for this purpose. It should be stressed that the legal framework for such transactions is set out in EU regulation no. 2273/2003 of December 22, 2003, Articles L.225-209 et seq. of the French Commercial Code, and in Title IV of Book II and Chapter I of Title III of Book IV of the general regulations of the French securities regulator *(Autorité des Marchés Financiers – AMF)*, and in its implementing instructions. Within this framework, CIC wishes to trade on the stock exchange as follows:
- stock will be traded in accordance with the liquidity agreement entered into by CIC with CM-CIC Securities, in the capacity of investment service provider, which is the trader;
- the provisions of this liquidity agreement comply with the code of ethics drawn up by the AMAFI on September 23, 2008 and approved by the AMF;
- stock will be traded freely by the investment service provider with the sole aim of ensuring the liquidity and regular listing of CIC stock on the Paris stock exchange;
- bearing in mind that, according to the regulatory framework, it is only necessary to set a maximum purchase price in order to expressly cap the corresponding commitment, the maximum purchase price will be set at €300;
- the stock held in this context will not be cancelled;
- the maximum number of stock units that may be purchased in this context remains unchanged at 100,000, i.e. 0.26% of the capital stock at the beginning of this stockholders' meeting, it being specified that the maximum commitment that may result from the use of this amount in full, taking into account the price limit set, will be €30 million;
- CIC will provide the AMF with the statistics relating to the trading of this stock every month and with a statement every six months.

For information purposes, as of December 31, 2013, the liquidity grouping created pursuant to the agreement in force held 3,680 CIC shares after purchasing 44,719 shares and selling 45,064 shares in 2013.

The ninth resolution concerns powers.

Resolutions

First resolution

Change of accounting method as of January 1, 2013

After reviewing the board of directors' management report, the stockholders' general meeting acknowledges that a change of accounting method was made as of January 1, 2013, with respect to the rules for measuring and recognizing commitments to pay retirement and similar benefits in annual financial statements prepared in accordance with French accounting standards, in compliance with recommendation 2013-02 of the French Accounting Standards Board on corporate liabilities, and approves recognizing the impact of this change, as of January 1, 2013, in the amount of €10,468,000.00, as a deduction from retained earnings, which as a result will have a positive balance of €3,049,471,497.89.

Second resolution

Approval of the corporate financial statements for the financial year ended December 31, 2013

After reviewing the board of directors' report to the general meeting, its management report on the corporate financial statements, the appended report of the chairman of the board of directors regarding the functioning of the board of directors and internal control, the statutory auditors' report, and the annual financial statements for the fiscal year ended December 31, 2013, the stockholders' general meeting approves said annual financial statements as presented to it, which show net income of €1,303,167,371.51.

Third resolution

Approval of the consolidated financial statements for the financial year ended December 31, 2013

After reviewing the board of directors' report to the general meeting, its management report on the consolidated financial statements, the appended report of the chairman of the board of directors regarding the functioning of the board of directors and internal control, the statutory auditors' report, and the consolidated financial statements for the fiscal year ended December 31, 2013, the stockholders' general meeting approves said financial statements as presented to it, which show net income attributable to owners of the company of €845 million.

Fourth resolution

Appropriation of net income

The stockholders' general meeting notes that:
- the company's net income for the fiscal year amounts to: €1,303,167,371.51;
- retained earnings amount to: €3,049,471,497.89;
- as a result, distributable income amounts to: €4,352,638,869,40.

and decides to allocate this amount as follows:
- dividend for shares in respect of fiscal year 2013: €266,192,451.00;
- remaining balance to be allocated to retained earnings: €4,086,446,418,40.

As a result, the stockholders' general meeting sets the dividend to be paid for each of the 38,027,493 shares at €7.00. However, the dividend that would otherwise be allocated to shares that are not eligible for dividends under French law will be appropriated to retained earnings.
The ex-dividend date will be May 30, 2014.
The entire dividend distributed is eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.
In accordance with the provisions of French law, the stockholders' meeting is reminded that:
- for 2010, a dividend of €334,641,938.40 was distributed i.e., €8.80 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code;
- for 2011, a dividend of €247,178,704.50 was distributed i.e., €6.50 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code;
- for 2012, a dividend of €285,206,197.50 was distributed i.e., €7.50 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.

Fifth resolution

Agreements mentioned in Article L.225-38 of the French Commercial Code

After reviewing the statutory auditors' special report on the transactions and agreements mentioned in Article L.225-38 of the French Commercial Code, and deliberating on the basis of this report, the stockholders' general meeting approves the transactions and agreements referred to therein.

Sixth resolution

Opinion on the total amount of compensation, as required by Article L.511-73 of the French Monetary and Financial Code

After reviewing the board of directors' report to the general meeting, and the appended report of the chairman of the board of directors regarding the functioning of the board of directors and internal control, the stockholders' general meeting issues a favorable opinion on the total amount of compensation of all types paid during the past fiscal year to senior management, within the meaning of Article L.511-13, and categories of staff that include risk takers, persons engaged in control functions, and any employee who, taking into account his total revenue, is in the same compensation bracket, and whose professional activities have a material impact on the risk profile of the company or group.

Seventh resolution

Ratification of the appointment of a director

The stockholders' general meeting ratifies the appointment of Mr. Jean-François Jouffray, who was temporarily appointed by the board of directors at its meeting of February 27, 2014 to replace Mr. Jean-Louis Girodot, who had resigned, for the remaining duration of the previous director's term of office, i.e., until the stockholders' general meeting that will be held in 2015 to vote on the financial statements for the fiscal year ending December 31, 2014.

... Stockholders' ordinary general meeting of May 22, 2014

Eighth resolution

Authorization granted to the board of directors to buy back the company's stock

After reviewing the board of directors' report to the stockholders' general meeting, within the scope of EU regulation no. 2273/2003 of December 22, 2003, the provisions of Articles L.225-209 et seq. of the French Commercial Code, and of Title IV of Book II and Chapter I of Title III of Book IV of the AMF General Regulations and its implementing instructions, the stockholders' general meeting authorizes the board of directors, with immediate effect, to trade in stock in the company on the stock exchange under the following conditions:

- stock must be purchased and sold by means of a liquidity agreement entered into with an investment service provider in accordance with the regulations in force;
- these transactions will be carried out by the service provider with the sole aim of ensuring the liquidity and regular listing of stock in the company on the Paris stock exchange;
- the maximum purchase price is set at €300 per share;
- the maximum number of shares that may be purchased is set at 100,000, representing a maximum potential commitment of €30 million;
- stock held in connection with the liquidity agreement will not be cancelled.

This authorization will remain in effect until October 31, 2015 inclusive.

The stockholders' general meeting grants full powers to the board of directors to enter into all agreements, carry out all formalities, and, in general, take all the necessary steps within the aforementioned framework.

Ninth resolution

Powers

The stockholders' general meeting gives full powers to the bearer of a copy or excerpt of the minutes of this meeting to carry out all legal and administrative formalities and make all filings and publications prescribed by the laws in force.

General information

Legal information about CIC

(See also the "Presentation of CIC" and "Corporate governance" sections).

Name and registered office

The company's name is:
Crédit Industriel et Commercial, abbreviated to **CIC**
This abbreviation can be used on its own.
Its registered office is located at:
6 avenue de Provence, 75009 Paris
Telephone: +33 (0)1 45 96 96 96.

Applicable legislation and legal form

A bank organized as a French *société anonyme* (corporation) governed by the statutes and regulations in force and, in particular, by the provisions of the French Commercial Code regulating *sociétés anonymes* and the provisions of the French Monetary and Financial Code.

A company governed by French law

Incorporation date and expiration date

The company was incorporated on May 7, 1859. Its term will expire on December 31, 2067, unless it is dissolved or its term is extended before that date.

Purpose (summary of Article 5 of the bylaws)

The purpose of the company, in France or abroad, is in particular:

- to carry out all banking operations and related operations;
- to provide all investment services and related services;
- insurance broking in all businesses;
- realtor activity;
- all professional training activities relating to the above matters;
- to acquire, hold and manage interests in all banking, financial, real estate, industrial and commercial companies in France or abroad.

Registration number and APE business identifier code

Paris Trade and Companies Registry no. 542 016 381
Business identifier code: 6419Z (other financial brokerage activities).

Legal documents relating to the company

The company's bylaws, minutes of stockholders' general meetings and reports can be consulted at the registered office located at 6 avenue de Provence, 75009 Paris (Corporate Secretary's office).

Fiscal Year

January 1 to December 31.

Dependency

CIC is not dependent on any patents, licenses or industrial, commercial or financial supply agreements for the conduct of its business.

Significant contracts

As of the date hereof, CIC has not entered into any material contracts, other than those entered into during the normal course of its business, that create an obligation or a commitment that would have negative consequences for the group as a whole.

Legal and arbitration proceedings

The French antitrust authorities *(Autorité de la concurrence)* have started an investigation into the main banks in the French banking sector, aimed at ensuring that all inter-banking fees and commissions, in particular those applicable to direct debits, payments using interbank remittance slips (the "TIP" system) and online banking transactions, comply with antitrust laws.
In order to avoid any legal action, the banks have proposed an undertakings procedure, pursuant to which all the inter-banking fees and commissions at issue would be abolished in the medium term. The French antitrust authorities have approved these undertakings, subject to the sole condition that an expert economic assessment be conducted of certain ancillary fees and commissions, whose economic impact can be considered to be low. Therefore, it can be concluded that the risk of litigation involving significant expenses has been avoided at this time, as this undertakings procedure should be finalized during 2014.
Furthermore, it should be noted that multilateral interchange fees and commissions may be replaced by bilateral or unilateral fees and commissions. It is therefore too early to say what the final outcome of this investigation will be.
There are no other pending or threatened governmental, judicial or arbitration proceedings, including any proceeding of which the company is aware, that may have or has had, during the past 12 months, material impacts on the financial position or profitability of the company and/or group.

ADDITIONAL INFORMATION

Documents on display

(see also "Legal information about CIC")

This registration document is available on CIC's website (www.cic.fr) and on the website of the *AMF (Autorité des Marchés Financiers,* the French securities regulator). This is also the case for all reports and background financial information (see below, "Financial communication").

Anyone who wishes to obtain further information about CIC may, without making any commitment, request documents:
- by mail: CIC, External Relations *(Relations extérieures)*, 6 avenue de Provence, 75009 Paris
- by email: relationsexterieures@cic.fr

The documents of incorporation, the bylaws, minutes of general meetings and reports may be consulted at CIC's registered office: 6 avenue de Provence, 75009 Paris (Corporate Secretary's office).

Financial communication

The board of directors of CIC plans to approve the financial statements for the first half of 2014 on July 31. A press release will be published at this time in the financial press. Approval of the financial statements for 2014 is expected to take place in February 2015.
The board of directors organizes annual meetings with the press and specialist banking sector financial analysts in order to present the group's results and to respond to their questions. These results are then reported and commented on in the specialist press and the national daily newspapers.
Every six months, CIC publishes a newsletter for its individual stockholders, which has a print run of 20,000 copies and is also available online. Persons wishing to receive this newsletter can request it by calling +33 1 53 48 80 10.
Stockholders are thus regularly informed of the company's results and significant events affecting or involving it.
CIC's website (www.cic.fr) carries all these publications under the headings "institutional" and "stockholders and investors". The latter section contains all the financial information: publications such as the "Letter to stockholders", financial calendar, regulatory information required by the Transparency Directive, issuance programs required by the Prospectus Directive, exposure to sovereign debt, stock prices and volumes, and the group's ratings by rating agencies.
The regulatory information and the issuance programs are also available online, from the AMF's website (www.amf-france.org) under the heading "Decisions and disclosures", subheading "Search", then "Prospectuses and disclosures".

Person responsible for the registration document

Person with overall responsibility for the registration document

Mr. Michel Lucas, chairman and chief executive officer.

Declaration by the person responsible for the registration document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of my knowledge, in accordance with the facts and no omission likely to affect its import has been made.
I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of the entities in the consolidation scope taken as a whole, and that the board of directors' report provided in the "Financial information" section (pages 66-103 for the consolidated financial statements and page 161 for the company financial statements) provides a true and fair view of the development and performance of the business, the results and financial position of the company and the entities in the consolidation scope taken as a whole as well as a description of the main risks and uncertainties that they face.

I obtained a statement from the statutory auditors at the end of their assignment, in which they state they had verified the information relating to the financial position and the financial statements set out in this document, and had read the entire document.
The annual financial statements for the fiscal year ended December 31, 2013 presented in this document are the subject of a report prepared by the statutory auditors, which appears on page 200, and which contains an observation.
The statutory auditors have prepared a report on the annual financial statements for the fiscal year ended December 31, 2012 presented in the registration document filed with the AMF under no. D.13-0391, which appears on page 154 of said document, and which contains an observation.

Paris, April 23, 2014
Michel Lucas
Chairman and chief executive officer

Statutory auditors

The statutory auditors, PricewaterhouseCoopers Audit and Ernst & Young et Autres, are members of the French Regional Institute of Accountants of Versailles.

Principal statutory auditors

Name: PricewaterhouseCoopers Audit
Address: 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex
Represented by Agnès Hussherr
First term of office began on: May 25, 1988
Length of current term of office: six years from May 24, 2012.
This term of office expires at the close of the stockholders' general meeting called to approve the financial statements for the year ending December 31, 2017.

Name: Ernst & Young et Autres
Address: Tour First, 1 place des Saisons, 92400 Courbevoie
Represented by Olivier Durand
First term of office began on: May 26, 1999
Length of current term of office: six years from May 19, 2011.
This term of office expires at the close of the stockholders' general meeting called to approve the financial statements for the year ending December 31, 2016.

Alternate statutory auditors

Étienne Boris, Picarle & Associés.

Cross-reference table

... Cross-reference table

Annex 1 of EU regulation no. 809/2004 *(cont'd)*		**Pages**
16	**Operation of administrative and management bodies**	
16.1	Date of expiration of current terms of office	42-48
16.2	Service contracts between members of the administrative, management or supervisory bodies or any of its subsidiaries	41
16.3	Information about the issuer's audit committee and compensation committee	50-54 / 57-58 / 60 / 62
16.4	Statement as to whether or not the issuer complies with its country of incorporation's corporate governance regime	49 / 52
17	**Employees**	
17.1	Number of employees	202
17.2	Stockholdings and stock options	49-50
17.3	Arrangements for involving the employees in the capital of the issuer	32-33
18	**Major stockholders**	
18.1	Stockholders holding more than 5% of the capital stock or voting rights	32-33
18.2	Any differences in voting rights of the abovementioned stockholders	34 / 228
18.3	Control of the issuer	32-33
18.4	Any arrangements known to the issuer the operation of which may at a subsequent date result in a change in control of the issuer	NA
19	**Related party transactions**	**158-159**
20	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	
20.1	Historical financial information	7 / 104-159 / 162-199
20.2	Pro forma financial information	NA
20.3	Financial statements	104-159 / 162-199
20.4	Auditing of historical annual financial information	160 / 200
20.5	Age of latest financial information	104-159 / 162-199
20.6	Interim and other financial information	NA
20.7	Dividend policy	35
20.8	Legal and arbitration proceedings	233
20.9	Significant change in the issuer's financial or trading position	71
21	**Additional information**	
21.1	Capital stock	31-35 / 157
21.2	Documents of incorporation and bylaws	31 / 228-229 / 233
22	**Material contracts**	**233**
23	**Third party information and statements by experts and declarations of any interest**	**NA**
24	**Documents on display**	**235**
25	**Information on holdings**	**124-126 / 135 / 142 / 192-199**

Cross-reference table containing the information required in the annual financial report referred to in Section I of Article L.451-1-2d of the French Monetary and Financial Code and in Article 222-3 of the AMF General Regulations.

		Pages
1	**Declaration by the person responsible for the registration document**	**236**
2	**Board of directors' reports**	
2.1	Analysis of financial results, the financial position, risks and lists of delegations of authority as regards increases in capital stock by the parent company and the consolidated entity (Articles L.225-100 and L.225-100-2 of the French Commercial Code)	49 / 66-200 / 231-232
2.2	Information required by Article L.225-100-3 of the French Commercial Code relating to facts or events that may have an effect in the event of public offerings	54
2.3	Information relating to stock purchases (Article L.225-211, paragraph 2 of the French Commercial Code)	31-35
2.4	Compensation policy	49-51
2.5	Sustainable development and statutory auditors' report thereon	201-225
3	**Financial statements**	
3.1	Company financial statements	161-199
3.2	Statutory auditor's report on the company annual financial statements	200
3.3	Consolidated financial statements	104-159
3.4	Statutory auditor's report on the consolidated financial statements	160
In accordance with Articles 212-13 and 221-1 of the AMF's General Regulations, the following information is also published:		
	• Fees paid to the statutory auditors	155
	• Report of the chairman of the board of directors on the conditions for preparing and organizing the board's work and internal control procedures, as well as the statutory auditors' report thereon	52-63

In accordance with Article 28 of European Regulation no. 809-2004 on prospectuses and Article 212-11 of the AMF's General Regulations, the following are incorporated by reference:

- the annual and consolidated financial statements, as well as the group management report for the fiscal year ended December 31, 2012 and the statutory auditors' reports on the annual and consolidated financial statements as of December 31, 2012, which are presented, respectively, on pages 155 to 193 and 67 to 153 and on pages 194 and 154 of registration document D.13-0391 filed with the AMF on April 19, 2013;
- the annual and consolidated financial statements, as well as the group management report for the fiscal year ended December 31, 2011 and the statutory auditors' reports on the annual and consolidated financial statements as of December 31, 2011, which are presented, respectively, on pages 151 to 189 and 65 to 149 and on pages 190 and 150 of registration document D.12-0377 filed with the AMF on April 20, 2012.

The chapters of registration documents D.13-0391 and D.12-0377 not referred to above are either not relevant for the investor, or are covered elsewhere in this registration document.

Website: **www.cic.fr**

Persons responsible for information
Hervé Bressan - Chief Financial Officer
Telephone: +33 (0)1 53 48 70 21
Bruno Brouchiquan - Communication Director
Telephone: +33 (0)1 53 48 62 09

Published by
CIC
External Relations Department

Designed and produced by
Vivacitas

Photo credits
Caroline Doutre

The English-language version of this registration document and annual financial report is a translation of the original French text and is provided for information purposes only. It is not in any event a binding document. In the event of a conflict of interest, reference should be made to the French version, which is the authentic text. The statutory auditors' report applies to the French version of the board of directors' report and the financial statements.

PEFC
10-31-1393
PEFC certified
www.pefc.org

The chain of control guarantees the traceability of the paper used, from sustainably managed forest to the printed document.

www.cic.fr

CIC – A French société anonyme (corporation) with capital of €608,439,888 - 6 avenue de Provence, 75009 Paris
Swift CMCIFRPP – Tel.: +33 (0)1 45 96 96 96 – www.cic.fr – Paris Trade and Companies Register no. 542 016 381 – ORIAS no. 07 025 723 (www.orias.fr)
A bank governed by Article L.511-1 et seq. of the French Monetary and Financial Code
for transactions carried out in its capacity as insurance broker