

**PRESS RELEASE**

**BFCM Group**

***Dynamic commercial performance and increased financial strength***

BFCM, whose core business is retail banking (nearly 70% of net banking income), continued to grow, providing its customers with competitive, personalized and efficient services. Strong commercial momentum and earnings growth enabled it to further strengthen its financial structure.

**Results for the year ended December 31, 2015**

**Net income €1,877m**

**Business activity**

Support for its client base of private individuals, self-employed professionals, non-profit associations and corporates

6.3 % growth in outstanding loans, with a 9.0% increase in investment loans

9.4 % growth in total deposits, with a 19.0% increase in current account deposits.

<b><u>Financial results</u></b>	<b>2015</b>	<b>2014</b>
- Net banking income	€9,219m	€8,456m
- Net provision allocations/reversals for loan losses	- €696m	-€748m
- Net income	€1,877m	€1,701m

**Financial solidity**

**CET1 capital ratio (Basel 3 – without transitional measures) of 15.1 % for the CM11 Group**

**Business activity**

Against an economic background featuring unprecedented volumes of loan redemptions and renegotiation, the strong mobilization of BFCM's staff throughout 2015 enabled the Group to continue providing seamless service to its clientele of retail, non-profit, professional and corporate customers.

Outstanding loans totaled €190.9 billion (+6.3 %) and deposits totaled €162 billion (+ 9.4 %).

The retail banking division continued to improve the quality of its network, which comprised 2,496 branches at end-2015. Loans to retail customers grew by €7.6 billion (+ 5.1 %) to €156.9 billion while deposits increased by 11.2 % to €129.3 billion.

The insurance business also performed well, with a 5.9 % increase in the number of policies to 27 million and a premium income of €10.3 billion.

Outstanding loans grew by 23.1 % to €14.2 billion for the corporate banking division and by 15.0 % to €12 billion for the private banking activity.

## Financial results

Net banking income rose from €8,456 million in 2014 to €9,219 million in 2015, up by 8.6 % at constant scope.

General operating expenses came to €5.5 billion compared with €5.2 billion in 2014, corresponding to an increase of only 2.9 %, excluding new taxes and at constant scope.

Total net provision allocations/reversals for loan losses dropped by €52 million to €696 million. The net provision on an individual basis (excluding collective provisions) as a percentage of total outstanding loans fell from 0.42 % to 0.37 %, and the overall non-performing loan coverage ratio was 67.5 % at end-2015.

Net income amounted to €1,877 million, up 9.8 % at constant scope from €1,701 million in 2014.

BFCM is a subsidiary of CM11 Group. The CM11 Group ended 2015 with a common equity tier 1 ratio of 15.1 %<sup>1</sup> versus 14.4 % at end-2014, one of the best at the European level. The overall capital adequacy ratio was 17.9%<sup>1</sup> and the leverage ratio in accordance with the Delegated Act was 5.7 %<sup>1</sup>. At December 31, 2015, the CM11 Group's shareholders' equity totaled €37.5 billion with Common Equity Tier 1 capital of €29 billion.

CM11 Group's loan-to-deposit ratio stood at 119.6 % at December 31, 2015, corresponding to a 2.2 points improvement versus 2014.

The short- and long-term ratings assigned to the Group by the international rating agencies were confirmed in 2015 and remain among the highest assigned to any French bank.

Moody's raised Banque Fédérative du Crédit Mutuel's long-term rating from Aa3 to Aa2 in June 2015 to reflect its improved financial strength and liquidity ratios; in September its rating was downgraded to Aa3 again to reflect the deterioration in France's credit rating.

Fitch (which rates BFCM) and Standard&Poor's (which rates Groupe Crédit Mutuel) both confirmed their positive assessments and confirmed their ratings in June and December, respectively.

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

## Retail banking

Net banking income from retail banking came to €6,449 million, compared with €6,007 million in 2014. Excluding the FRU (Single Resolution Fund) tax, general operating expenses increased by 2.8 %. Net provision allocations/reversals for loan losses dropped by a substantial 12.1 % to €685 million. Income before tax totaled €1,942 million, compared with €1,525 million the previous year.

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<sup>1</sup> Excluding transitional measures

## **Insurance**

Net insurance income came to €1,501 million compared with €1,545 million in 2014. The positive trend in property and casualty claims partly offset the impact of the fall in interest rates on the provisions charge. These favorable conditions enabled the insurance business to contribute €708 million to BFCM's consolidated net income compared with €660 million in 2014.

## **Corporate banking**

Net banking income came to €382 million, compared with €359 million in 2014. Net provision allocations/reversals were down by €29 million to €21 million at end-2015. Income before tax grew by 19.7 % to €260 million.

## **Capital markets**

Net banking income totaled €403 million in 2015 compared with €358 million in 2014. Tight control of general operating expenses resulted in a decrease of 3.8 %. After net provision allocations/reversals for loan losses, which did not record exceptional reversals as in 2014, net income came to €125 million compared with €186 million the previous year.

## **Private banking**

Net banking income rose from €458 million in 2014 to €510 million in 2015, while income before tax rose by 20.7 % to €143 million.

## **Private equity (CM-CIC Investissement)**

Net banking income came to €172 million in 2015, up from €149 million in 2014, and income before tax increased from €111 million in 2014 to €131 million in 2015. The investment portfolio totaled €1.9 billion, including €310 million of new investments in 2015. The portfolio comprises 435 equity holdings, of which the vast majority are in companies that are Group customers.

## **Conclusion: growth and rigor**

The strategy rolled out in 2015 will be intensified in 2016 to take into account the low interest-rate environment and stiffer competition. Our priority will be to build the loyalty of existing customers and members and win new ones in all our markets, in particular in consumer credit and secured financing (factoring, lease financing) for business and professional customers; and to develop our service activities, particularly in insurance and technology.

To support these changes, the 2014-2016 medium-term plan will be extended out to 2018 and an IT and organization plan will be implemented over the next three years to improve the tools and support provided to account managers and to the networks so as to ensure constantly improved customer service.

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

Complete regulatory information, including the registration document, is available on the internet site [www.bfcm.creditmutuel.fr](http://www.bfcm.creditmutuel.fr) and is published by BFCM in accordance with the provisions of Article L451-1-2 of the French Monetary and Financial Code and Articles 222-1 and following of the General Regulations of the Autorité des Marchés Financiers (French financial markets authority - AMF).

### Director of information

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## BFCM Group (\*) Key figures

(in € millions)	December 31, 2015	December 31, 2014
<b>Activity</b>		
Total assets	458,515.	428,244
Loans and advances to customers, including lease-financing	190,903	179,105
Total savings	471,181	443,136
of which, customer deposits	162,041	148,174
of which, insurance products	66,170	62,729
of which, savings(managed and in custody)	242,970.	232,233

### Financial structure

Shareholders' equity <sup>(1)</sup>	25,653	22,367
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Employees, year-end <sup>(2)</sup>	42,825	42,366
Number of branches	2,496	2,523
Number of customers (in millions)	17.1	16.7

## Financial results

Consolidated income statement (in € millions)	December 31, 2015	December 31, 2014
Net banking income	9,219	8,456
General operating expenses	(5,458)	(5,249)
Gross operating income	3,761	3,206
Net provision allocations/reversals for loan losses	(696)	(748)
Operating income	3,065	2,458
Net gains/losses on other assets and equity affiliates	(46)	67
Income before tax	3,020	2,525
Corporate income tax and other taxes	(1,143)	(824)
Net income	1,877	1,701
Net income attributable to owners of the company	1,542	1,384

\* Consolidated figures for Banque Fédérative du Crédit Mutuel and its principal subsidiaries: ACM, BECM, IT, etc. and including CIC, TARGOBANK Germany, Cofidis and CIC Iberbanco

(1) Including net income for the year before dividend pay-outs

(2) Employees at group-controlled entities.