

February 28, 2014

**PRESS RELEASE**

**BFCM Group**

***Solid commercial activity, improved results and strengthened financial solidity***

In a depressed economic climate, BFCM group, whose core business is retail banking (73% of NBI), recorded commercial gains and improved financial results while strengthening its financial solidity by maintaining close ties to its customers and addressing their concerns.

**Results for the year ended December 31, 2013**

**Net income: €1,484m**

**Commercial activity**

Support for its client base of private individuals, self-employed professionals, associations and corporates  
loan outstandings up 2.3%, with investment loans up 4.9%  
total deposits up 7.9% and current account deposits up 14.7%.

**Financial results**

	2013	2012
- Net banking income	€8,445m	€8,159m
- Net provision allocations/reversals for loan losses	-€965m	-€962m
- Net income	€1,484m	€1,200m

**Financial solidity**

CET1 ratio (Basel 2.5) of CM11-CIC Group <sup>1</sup>	14.6%	14.1%
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<sup>1</sup> With the additional requirements of floor levels

## Operating results

In 2013, the commitment of all staff members enabled the bank to best serve its client base of private individuals, associations, self-employed professionals and corporates.

Loan outstandings totaled €170 billion (+2.3%) and deposits totaled €142 billion (+7.9%; excluding SFEF loans).

The retail bank continued to improve the quality of its branch network, with 25 new branches opened in 2013, bringing the total to 2,654. Customer loans in the retail bank grew by €4.2 billion to €148 billion (+3%). Total deposits amounted to €112.2 billion (6.7%).

The insurance business also enjoyed strong growth, with a 5.6% increase in the number of policies to 25.4 million and a 21.4% increase in premium income to €9.7 billion.

Loan outstandings in the corporate banking activity totaled €12 billion (-8%) and those in the private banking activity €8.6 billion (+13.6%).

## Financial results

Net banking income rose from €8,159 million in 2012 to €8,445 million at December 31, 2013.

General operating expenses increased to €5.2 billion from €5.1 billion at December 31, 2012 (+0.2%).

Net provision allocations/reversals for loan losses were on a par with those in 2012 (€965 million; +0.3%). The actual net provision for known risks (excluding general provisions), as a proportion of total loan outstandings, increased from 0.50% to 0.51% and the overall non-performing loan coverage ratio was 69.8% at December 31, 2013.

Net income amounted to €1,484 million, up from €1,200 million in 2012.

BFCM is a subsidiary of CM11-CIC Group, which reported a core tier 1 capital adequacy ratio under Basel 2.5 rules of 14.6%, one of the highest in Europe. Under Basel 3 rules set down in the Capital Requirements Regulation of June 26, 2013 and effective as of January 1, 2014, the core tier 1 ratio at December 31, 2013 was 13%. The leverage ratio stood at 5.2%. Prudential tier 1 capital totaled €22.6 billion.

The loan-to-deposits ratio of CM11-CIC Group improved to 121.8% at December 31, 2013 compared with 126.1% a year earlier.

Rating agencies Moody's and Fitch have affirmed the long-term rating of the Banque Fédérative du Crédit Mutuel, whereas Standard & Poor's lowered it by one notch. This downgrade, linked to the economic outlook and environment in France, does not cast doubt on Crédit Mutuel's fundamentals. Accordingly, the group's ratings remain as high as those of any French bank and attest to the solidity of the balance sheet.

	Standard & Poor's	Moody's	Fitch Ratings
Long-term rating	A	Aa3	A+

## **Retail banking**

Net banking income from retail banking stood at €6,210 million, compared with €5,854 million in 2012.

General operating expenses were flat at €3,754 million.

Net provision allocations/reversals for loan losses totaled €884 million, compared with €774 million in 2012.

Income before tax stood at €1,621 million, compared with €1,243 million.

## **Insurance**

Net insurance income totaled €1,338 million, compared with €1,318 million in 2012.

General operating expenses grew by 2.4% to €391 million.

Income before tax stood at €918 million (-3.3%).

## **Corporate banking**

Net banking income came to €314 million, compared with €324 million in 2012.

Net provision allocations/reversals for loan losses fell by €60 million to €37 million at December 31, 2013.

Income before tax rose by 9.6% to €187 million.

## **Capital markets**

At December 31, 2013, net banking income totaled €513 million (€603 million in 2012).

Net provision allocations/reversals for loan losses fell to €7 million, compared with €25 million in 2012.

Income before tax fell from €383 million to €322 million.

## **Private banking**

Net banking income decreased from €464 million in 2012 to €444 million at December 31, 2013, while income before tax rose by 1.5% to €108 million.

## **Private equity**

Net banking income came to €119 million in the year to December 31, 2013, compared with €100 million in 2012. Income before tax stood at €85 million, compared with €66 million.

The investment portfolio totaled €1.9 billion, including €200 million of new investments in 2013.

The portfolio consists of 469 investment lines.

## **Outlook for 2013**

While contending with a number of challenges – economic and social, technological, competitive and regulatory – BFCM Group's priorities are focused on growth, adaptability and service quality. These requirements will enable it to preserve its identity and to differentiate itself.

The Group will also continue its efforts to support the real economy by financing the projects of companies and individuals and to strengthen its independence from the financial markets by focusing on bringing in new deposits.

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

*Percentage variations are calculated at constant business scope for the insurance business and the Group total alone.*

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 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 of euros)	December 31, 2013	December 31, 2012
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## Business

Total assets	399 725	397 205
Loans and advances to customers, incl. lease-financing <sup>(1)</sup>	169 568	165 775
Total savings <sup>(2)</sup>	418 614	396 206
- of which, customer deposits <sup>(2)</sup>	142 381	131 984
- of which, insurance products	58 585	55 044
- of which, bank financial savings (under management and custody)	217 648	209 178

## Shareholders' equity

Shareholders' equity and deeply subordinated debt	20 075	18 335
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Employees, year end <sup>(3)</sup>	42 569	43 034
Number of branches	2 654	2 658
Number of customers (in millions)	17,4	17,1

## Financial results

Consolidated income statement (in millions of euros)	December 31, 2013	December 31, 2012
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Net banking income	8 445	8 159
General operating expenses	-5 198	-5 140
Operating income before provisions	3 247	3 019
Net provision allocations/reversals for loan losses	-965	-962
Operating income after provisions	2 282	2 057
Net gains/losses on other assets and equity affiliates	18	-146
Income before tax	2 300	1 910
Corporate income tax	-816	-711
Net income	1 484	1 200
Net income attributable to owners of the company	1 211	930

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

1 Including lease-financing

2 Issuance by the SFEF is not included in customer deposits

3 Employees at group-controlled entities