Crédit Mutuel
Groupe CM11

PRESS RELEASE

Sustained commercial activity and increased financial strength

February 26, 2015

Results for the year ended December 31, 2014

Net banking income	€11,973 m	→	Overall net banking income stable	(+0.7%)
Net income of which, attributable to owners of the company	€2,415 m €2,179 m	→	Good performances	(+9%) (+8%)
CET 1 capital ratio (Basel 3 – with transitional provisions)	14.5%	→	Strong balance sheet	

Business

Loans	€287.2 bn	→	Active financing of the economy thanks to:	(+4.7%)
Total savings - of which, bank deposits - of which, insurance products - of which, savings	€551.4 bn €235.8 bn €72.4 bn €243.1 bn	→	- satisfactory deposit inflow, - steady gains in banking and insurar savings.	(+5.6%)

The CM11 Group recorded satisfactory results in 2014. While pursuing its strong ambitions for members and customers, it successfully combined growth, efficiency and effective risk management. It continued to grow in its various business lines - banking, insurance and services - while helping to finance regional and national economic growth.

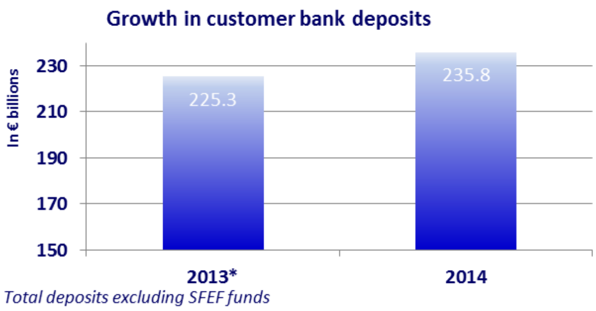
Its sound commercial performances, boosted in particular by the insurance activity, which accounted for 13% of the Group's net banking and insurance income and a significant portion of its earnings, enabled it to generate net income of more than €2.4 billion, up 9% from the previous year.

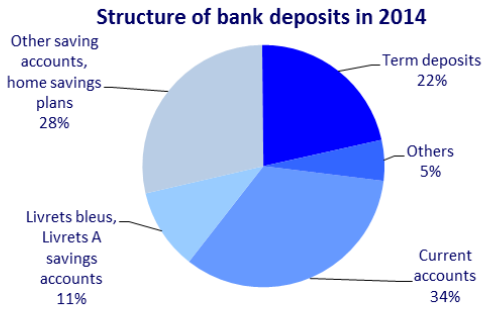
Sustained commercial activity

Commercial activity continued to grow in 2014. As a whole the CM11 Group entities acquired more than 110,000 new customers, bringing the overall total to 23.5 million.

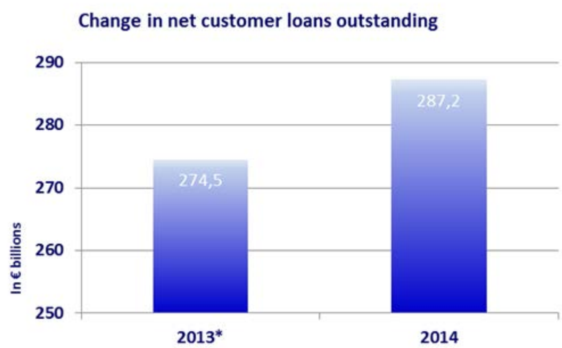
- **Banking**

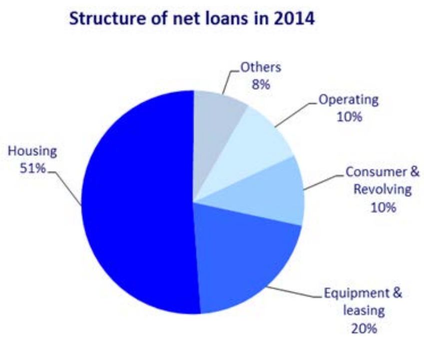
Bank deposits posted further gains, increasing by 4.5% to €235.8 billion. The €10 billion increase in deposits was driven primarily by sight accounts (+10.2%), home savings accounts (+8.3%), ordinary savings accounts (+4.0%) and Livret Bleu / Livret A savings accounts (+1.0%).



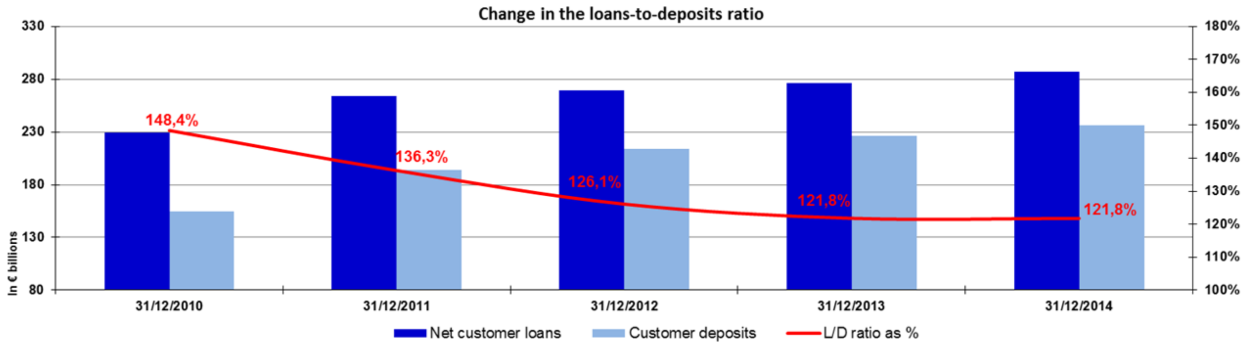


Total loan outstandings increased by nearly €12.8 billion to €287.2 billion (+4.7%). This growth resulted in part from housing loans (€2 billion; +1.4%) and investment loans (€1.8 billion; +3.9%) along with the increase in securities repurchase agreements, since as of 2014 they were no longer recognized using the fair value option. The new transactions were recognized as loans/borrowings and the income and expense on repurchase transactions was recognized under accrued interest instead of marked to market so as to better reflect the economic reality of these short-term financing transactions.





These changes resulted in a stable loan-to-deposit ratio, which was 121.8% as of December 31, 2014, unchanged from the previous year.



- **Insurance**

2014 was marked by the implementation of regulations that resulted in significant changes for the insurance business. The implementation decree regulating the basket of healthcare goods and services in connection with minimum guarantees on supplementary health insurance policies was one example. Another involved the enactment of the consumer protection law (known as the “loi Hamon”), which prescribes rules for canceling contracts. In dealing with these changes, CM11 Group is staying the course by continuing to emphasize high-quality service and good relations with policyholders, making it an insurer that stands apart.

In this economic environment, the CM11 Group’s insurance business again recorded a strong performance, in line with the emphasis placed on its growth. The networks underwrote more than 3 million new insurance policies and set a record for new auto insurance business.

Revenues totaled €10.46 billion, up 5.4% in line with the French market.
Premium income from life insurance and insurance-based savings products was more than €6.5 billion, up 6.6%. Combined with the stable level of claims expense, this growth resulted in net premium income of nearly €2 billion.
Non-life insurance continued its steady growth. The auto and homeowners segments outperformed the market once again with respective gains of +3.2% and +7.6%. In the housing market, 2014 saw the marketing of the new Corail 4.14 policy, which performed very well. Personal insurance recorded a 3.4% increase in premium income.

- **Services**

Thanks to its technological expertise, CM11 Group is developing a services activity based on telephony and remote surveillance.

Even as the market showed signs of consolidation, Euro-Information Telecom recorded an increase in its installed base of more than 90,000 lines (+6.7%). Its revenues rose by approximately 7%, to €383 million, driven mainly by the growth in access revenues. As of December 31, 2014, EIT is the leading French MVNO[1] in terms of both the number of customers as well as revenues generated during the year.

[1] MVNO: *Mobile Virtual Network Operator*

In 2014, Euro Protection Surveillance continued its growth and recorded revenues of more than €131 million (+11.5%). Now with more than 364,000 subscribers (+10.9%), EPS secured its position as the residential surveillance market leader in France with a roughly 33% share.

Meanwhile, to satisfy the concerns and challenges of today's society, CM11 Group offers its members and customers a comprehensive and effective line of real estate services (renovation, development, property rental, brokerage, etc.) through CM-CIC Immobilier. In 2014, the subsidiary put more than 5,260 new housing units and 645 building lots under contract.

Sound improvement in results

(€ millions)	**2014**	**2013** restated
Net banking income	11,973	11,894
General operating expenses	(7,546)	(7,382)
Gross operating income	4,427	4,512
Income before tax	3,610	3,431
Net income	2,415	2,214
Net income attributable to owners of the company	2,179	2,011

- **Interest margin, other components of net banking income and fee income**

CM11 Group's net banking income recorded measured 0.7% growth through the following changes:

- following a German court ruling, financial institutions were required to reimburse administrative fee income booked at the time of loan underwriting, with a 10-year retroactive impact. The effects of this ruling, which were felt by the entire German retail banking industry, weighed heavily on Targobank Germany's net interest margin, which contracted by 25%. A €213 million provision was booked and/or paid out to customers in connection with these reimbursements;

- CM11 Group's fee income rose by 1.6% thanks to financial and insurance fees generated by the domestic networks and the loan fees collected by Targobank Germany.

- net banking income for the capital markets activities were down relative to the previous year as a result of the market environment characterized by narrower credit spreads and low volatility.

The insurance business, which is the second-largest activity of the CM11 Group, recorded a 10.5% increase in revenues.

- **General operating expenses**

General operating expenses totaled €7.5 billion in 2014, a controlled 2.2% increase. The CM11 Group's total workforce increased by 519 employees in 2014. The cost-to-income ratio was 62.95%, compared with 62% the previous year.

- **Net provision allocations/reversals for loan losses**

Total net provision allocations/reversals for loan losses fell by €218 million to €873 million as of December 31, 2014. This improvement occurred in the retail banking and capital markets activities as well as the financial investments sector.
The actual net provision for known risks (excluding collective provisions) on the customer book fell by 10.5%, reflecting in particular the financial situation of the corporate and self-employed professional customers of CM11 Group.
The overall net provision allocations/reversals for customer loan losses represented 0.31% of loan outstandings, compared with 0.37% in 2013. At end-2014, the individual and overall non-performing loan coverage ratios came to 59.53% and 64.76%, respectively, compared with 61.71% and 66.93% one year earlier.

- **Net income**

Reported net income rose by 9.1% to €2.415 billion, thus proving the capacity of the CM11 Group's business model to withstand unpredictable market swings and strengthen its financial solvency.

Solid financial position strengthened

- **Liquidity and refinancing**

In 2014, the CM11 Group's fundamentals, which are well regarded by international investors, greatly facilitated access to wholesale funding.

At end-December, the volume of wholesale funding totaled €119 billion, up 8% relative to 2013. This increase was mainly due to the strengthening of the LCR liquidity buffer.

The Group significantly strengthened its Basel 3 liquidity ratios, which now exceed the 100% threshold. The LCR was 109% as of December 31, 2014.

The LCR liquidity buffer managed by the central treasury department totaled €50 billion at end-2014. It consists mainly of cash deposited with the ECB and eligible securities with short average maturities. If needed, this liquidity could be made available extremely rapidly (58% immediately and up to 92% in a few days).
The capacity to withstand an extended market closure was further strengthened. At end-2014, the volume of assets eligible for the LCR and/or held by the ECB covered 165% of wholesale funding maturities over the next 12 months (145% at end-2013).

- **Medium- and long-term refinancing**

The strategy of consolidating wholesale funding was maintained, with medium- and long-term borrowing totaling €78.6 billion at end-2014 (including TLTRO), compared with €71.9 billion one year earlier.

The Group continued to meet with investors in Europe, the United States and Asia, notably in Japan.
In 2014, the Group's reputation with investors outside Europe was cemented by the following BFCM issues:

- in January, USD 1,500 million (Rule 144A offerings) with three- and five-year maturities,
- in March and October, two offerings totaling JPY 97.2 billion (€689 million) in "samurai" bonds with two-, three- and five-year maturities.

These transactions complemented the two covered bond offerings (Crédit Mutuel-CIC Home Loan SFH) of €1,500 million and €1,000 million with five- and 10-year maturities that were launched in January and June, respectively, as well as a €1,500 million BFCM public offering in March 2014.

In May, the Group also completed a €1,000 million offering of Tier 2 subordinated notes for the purpose of protecting our unsecured creditors in light of the forthcoming bail-in rules.

Lastly, in 2014 the CM11 Group was able to proceed with the drawing on the European Investment Bank's refinancing facility. This €200 million facility designed to support small- and medium-sized business satisfying eligibility criteria is expected to be renewed in 2015.

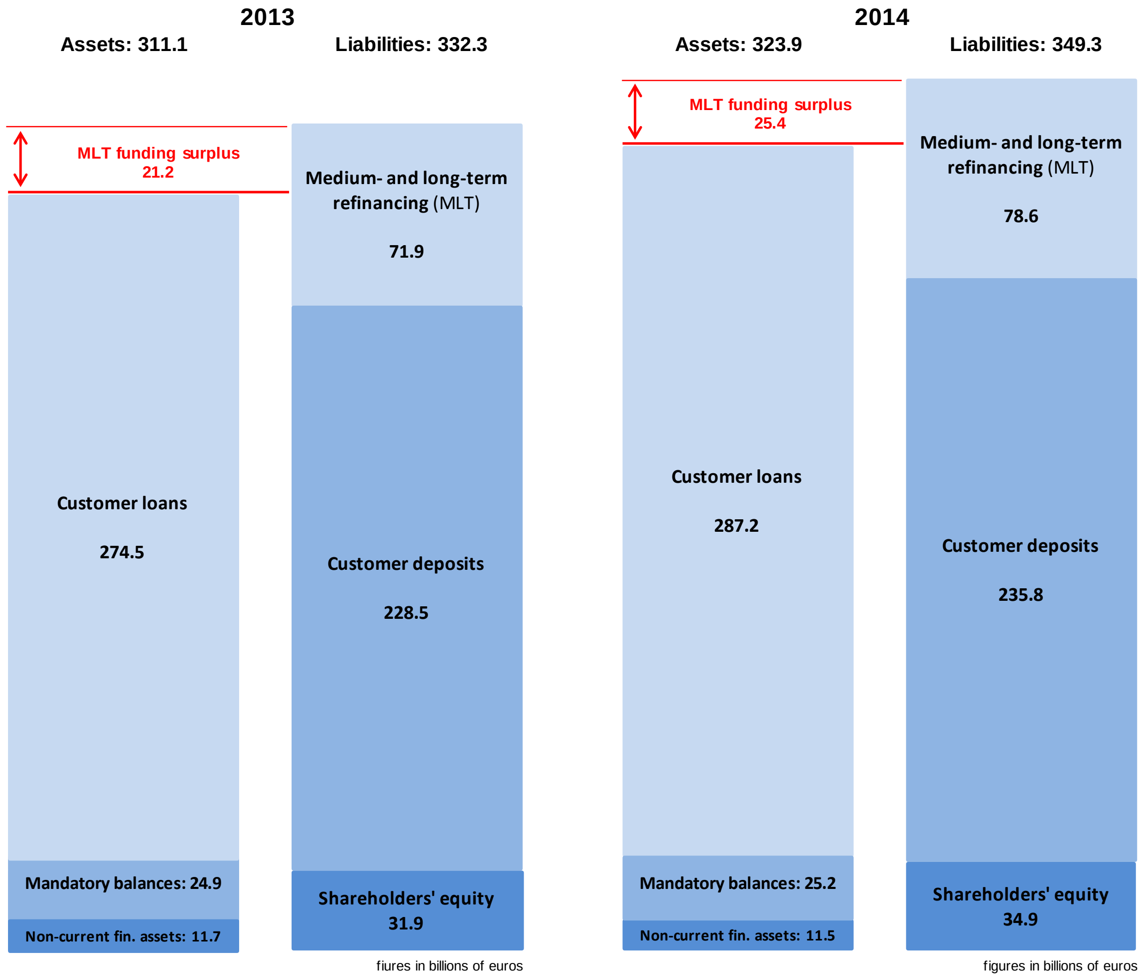
- **Short-term refinancing**

Short-term money market funding totaled €40.7 billion (+6%) at end-2014 and accounted for 34% of total wholesale funding (compared with 35% one year earlier). Of this short-term funding, one-third now comes from Euro Commercial Paper (ECP), reflecting the continued diversification of our funding in this area.

- **Stable funding surplus**

The CM11 Group had a stable funding surplus of €25.4 billion. This is a result of the policy implemented for a number of years consisting of strengthening customer deposits and extending the maturity of its market debt.

Structural strengthening of the Group's stable funding and financial assets
(€ billion)



- **Capital adequacy**

As of December 31, 2014, shareholders' equity totaled €34.9 billion and Common Equity Tier 1 capital was €26.3 billion. The Common Equity Tier 1 ratio with transitional provisions was 14.50% and the fully loaded Common Equity Tier 1 ratio was 14.4%, one of the highest in Europe. The total capital ratio was 17.90% and the leverage ratio was 4.9%.

As of 12/312014	Basel 3*
CET 1 capital ratio	14.40%
Total capital ratio	17.50%
Leverage ratio ** (minimum 3% ratio to be satisfied by 01/01/2018)	6.10%

* as adopted by the CRR/CRD4 directive, excluding transitional provisions

** recalculated as of January 1, 2015 pursuant to the European Commission Delegated Act of Oct. 10, 2014

- **European supervision – Results of Asset Quality Review (AQR) and Stress Test**

First launched in late 2013 by the European Central Bank, the prudential risk assessment (asset quality review and stress tests) kept employees throughout the Crédit Mutuel Group very busy.
The results of this detailed assessment cast a favorable light on the mutual bank's management model and confirm its strong financial health. Indeed, the impacts of the asset quality review and stress test on the Crédit Mutuel Group's CET1 capital ratio were 0.1% and 0.9%, respectively, giving a CET1 ratio 2016 of 12.9% in the adverse scenario, one of the best among large banks in the euro zone.

- **Rating**

In 2014, the rating agencies confirmed the long-term rating of Banque Fédérative du Crédit Mutuel. The Group's ratings remain among the highest attributed to French banks and reflect the strength of the balance sheet.

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

CM11 Group's business lines and main subsidiaries

Retail banking, the core business

(€millions)	2014	2013 restated	change
Net banking income	9,124	9,224	-1.1%
General operating expenses	(5,761)	(5,668)	+1.6%
Gross operating income	3,363	3,556	-5.4%
Income before tax	2,540	2,620	-3.1%
Net income	1,682	1,744	-3.5%

Retail banking is CM11 Group's core business and accounts for nearly 70% of its net income. It includes the Crédit Mutuel local mutual banks, the CIC branches, Banque Européenne du Crédit Mutuel, CIC Iberbanco, the Targobank branches in Germany and Spain, Cofidis Participations, Banque Casino and all the specialized businesses, whose product marketing is performed by the branch networks and which comprise insurance brokerage, equipment leasing and rentals with purchase options, real estate leasing, factoring, fund management, employee savings, telephony, remote surveillance and real estate sales.

All of these businesses recorded satisfactory commercial performances in 2013. Bank deposits rose by 4.4%. Loan outstandings also rose, albeit at a slower pace (+1.8%).

Through December 31, net banking income totaled €9,124 million, down 1.1%. This decline was due primarily to the significant drop in the gross interest margin at Targobank Germany, which contracted by 25% (€238 million) following a court ruling requiring financial institutions to reimburse administrative fees booked when loans were underwritten, with a 10-year retroactive effect. This business line also recorded a slight squeeze on the gross interest margin due to the drop in the yield on loans that was not entirely offset by a drop in the cost of funding. The increase in net fee income (+2.0%), which accounts for more than 36% of the net banking income generated by this division, partially dampened the adverse impact of the interest margin. For the bank branches alone, fee income rose by 2.3% thanks in particular to insurance commissions (+2.8%; €1,018 million received from our own company and partner insurance companies), fees on payments (€445 million; +4.6%) and fees on stock market transactions (€241 million; +3.5%). Fee income from services (remote banking, remote surveillance, real estate transactions and telephony) contracted by 2.2% to €206 million.

General operating expenses totaled €5,761 million, up slightly relative to 2013 (+1.6%). The cost-to-income ratio was 63.1%, up from 61.4%.

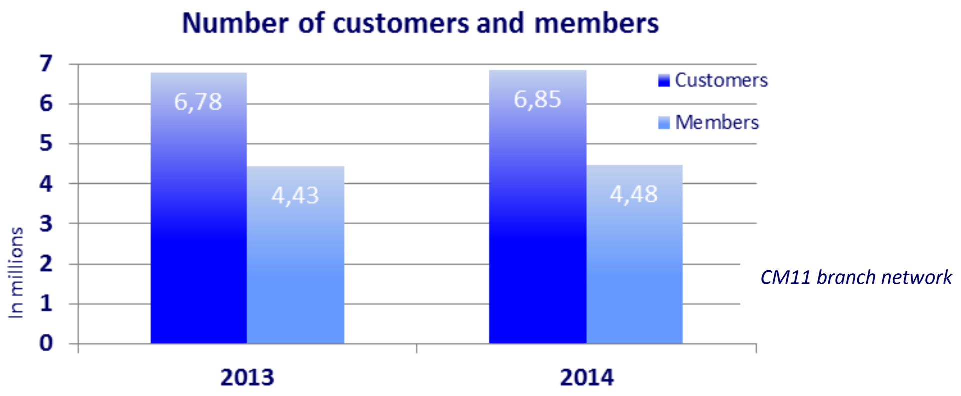
Overall net provision allocations/reversals for loan losses improved by €105 million to €893 million, which is reflected in both the €74 million decline in the net provision for known risks as well as the €31 million drop in collective provisions.

Lastly, net income was €1,682 million in 2014, compared with €1,744 million the previous year (-3.5%).

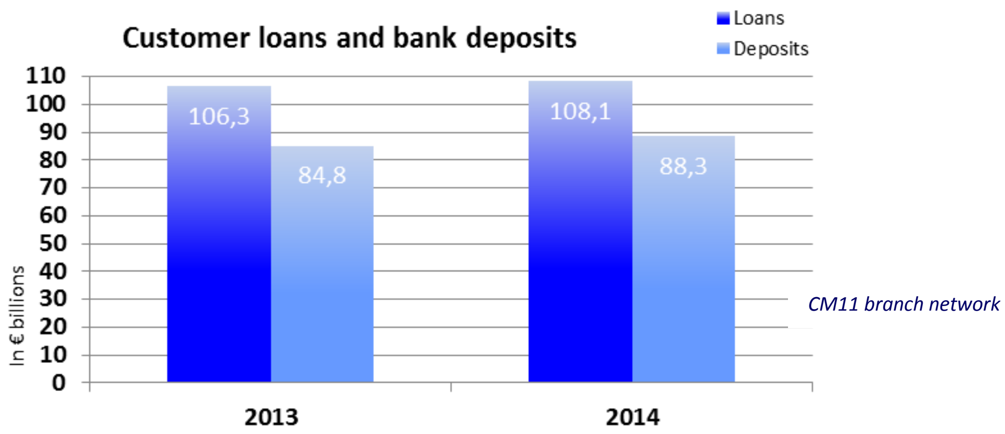
The branch networks

- **CM11 branch network**

The CM11 branch network, also called the regulatory scope, continued to serve its retail customers, associations, self-employed professionals and companies. The number of customers increased by 63,000 units to reach 6.85 million. Nearly 48,000 customers became members. Consequently, seven out of 10 customers can actively participate in the decisions affecting their local mutual bank at the general meetings for the 2014 fiscal year.



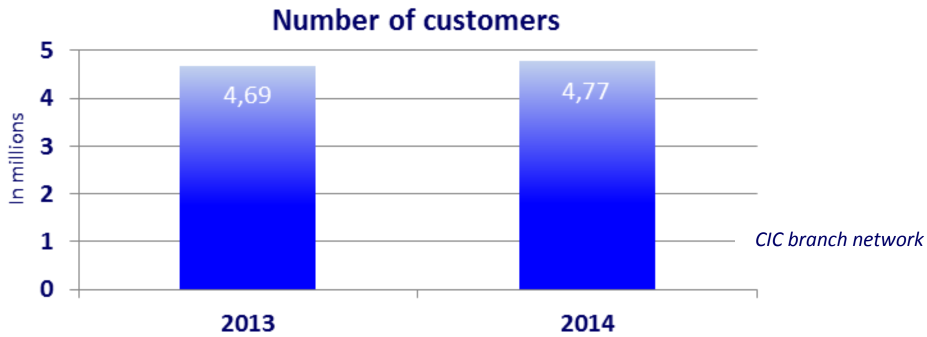
Total loan outstandings increased by €1.8 billion (+1.7%), largely the result of a €1.3 billion (+1.6%) rise in housing loans, to reach €108.1 billion as of December 31, 2014. Bank deposits increased by nearly €3.6 billion, up 4.2% to nearly €88.3 billion. New deposits in sight accounts and housing savings accounts accounted for the bulk of this increase. Financial savings saw an equally healthy 3.8% increase to €43.1 billion thanks to strong inflows in life insurance products.



Net banking income for the mutual sector increased slightly, rising by 0.5% from €3,097 million to €3,113 million. The net interest margin remained stable, and fee income rose by 2.6%, largely due to insurance commissions and commissions related to electronic money.
General operating expenses remained under control, rising by 1.2% to €1,989 million in 2014. Net provision allocations/reversals for loan losses totaled €118 million, down €18.3 million from the previous year.
Net income rose by 3.6% to €669 million.

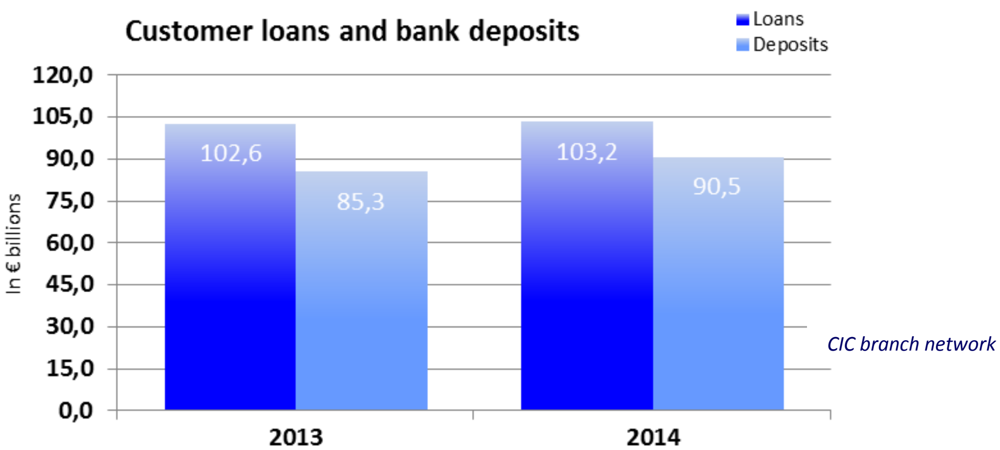
- **CIC branch network**

The branch network is also CIC's core business. As of December 31, 2014, it comprised 2,047 branches and had 4.77 million customers (up 88,000 units, or 1.9%, from one year earlier).



Loan outstandings increased by 0.5% to €103.2 billion as of December 31, 2014. With the exception of treasury facilities, which fell by 4.0%, total lending volume increased, led by equipment loans which rose by 2.1%. Housing loans increased by 0.1%.

Bank deposits increased by 6.0% to reach €90.5 billion. Sight deposits, certificates of deposit and term accounts as well as housing savings rose by 10.6%, 6.3% and 9.1%, respectively. Savings accounts remained stable (+0.1%). Financial savings increased by 2.2% to €56.6 billion.



Net banking income for the branch network rose by 0.7% to €3,134 million, up from €3,111 million one year earlier thanks to the 3.7% increase in net interest income. Fee income fell slightly because of new regulatory constraints (interchange fee, Sepa, electronic money). General operating expenses totaled €2,070 million (€2,066 million in 2013) and net provision allocations/reversals for loan losses fell by €74 million to €230 million, with declines to both net provisions for known risks and collective provisions.
The CIC branch network's net income thereby increased by 15% to €526 million, up from €457 million in 2013.

- **BECM**

BECM is a branch network present in France and elsewhere in Europe that complements the Crédit Mutuel local mutual banks while working on a cross-functional basis with the CIC regional banks. It operates in four main markets:
- large and mid-sized corporates;
- financing for real estate developers and investors, mainly in the housing sector;
- real estate companies that manage rental properties of a residential, commercial or services nature;
- flow management for large order-givers in the retail, transportation and services sectors.

Serving 21,200 customers, it has a 47-branch network, mainly in France and Germany.

Despite the ongoing trend in which companies and real estate companies seek funding through bond issues, on-balance sheet loans increased by 5.8% to €10.6 billion.

Backed by the financial strength of the CM11 Group, BECM continued to record strong growth in deposits, which rose by 28.1% to €8.3 billion. This increase made it possible to reduce the liquidity gap by an additional €0.9 billion as of the closing date.

Through its sales performance, lower funding costs, control over general operating costs and a moderate level of net provision allocations/reversals for loan losses, BECM was able to build on the profitability gains of 2013 with a 17.5% increase in net income to €78 million.

- **CIC Iberbanco**

With 139 employees working in its 29 branches in Ile-de-France, the greater Lyon region and the south of France (Bordeaux, Bayonne Midi-Pyrénées and Languedoc Roussillon), CIC Iberbanco acquired more than 3,300 new customers, bringing the total number to 43,400.

Customer funds invested in savings products increased by 9.1% to €525 million. Overall outstanding loans came to €471 million, an increase of nearly 19%.

The insurance and telephone activities are performing well, with 18,607 contracts (+11.6%) and 3,913 contracts (+17.9%), respectively.

Net banking income increased by 15.9% to €25.4 million. Net income totaled €3.9 million, up from €2.2 million in 2013.

- **Targobank Germany**

Targobank continued to record gains in 2014. Through the integration of the retail banking portfolio of Valovis Bank, which was absorbed on May 30, 2014, the bank now has more than 4 million customers and, with more than 1.4 million credit cards in circulation, has become one of the leading issuers in the German market.
With respect to organic growth, Targobank opened 12 new branches last year, bringing the total number of points of sale to 363 as of December 31, 2014.

At end-December, the bank had €11 billion in loan outstandings, up 4.4% (€466 million) from one year earlier. The integration of the Valovis portfolio (€226 million in loan outstandings as of December 31) combined with more than €2.6 billion in personal loan production, comparable to the level observed in 2013, accounted for this favorable performance.
The bank also stepped up the development of its auto loan portfolio, which has been marketed online since January 2012 and is now offered at the point of sale with participating auto dealers. The volume of outstanding auto loans was €89 million as of December 31, 2014 (+52% from one year earlier).

Deposit volume also increased, rising by 2.7% (€309 million) in one year thanks to the integration of the Valovis portfolio (€120 million as of December 31) and despite the continued decline in the average interest rate offered to customers (down 28 bp in one year). As of December 31, 2014, the bank therefore had €11.6 billion in bank savings, which maintains the funding surplus with a 97% loan-to-deposit ratio.

Lastly, the wealth management business maintained steady growth. Financial savings totaled €9.4 billion at year-end, up 5.9% (€527 million) during the year.

IFRS-reported net income was €138 million, down 58% (€185 million) from 2013. This drop was due to the non-recurring impact precipitated by the ruling of the German Federal Court of Justice (Karlsruhe). The court in effect required financial institutions to reimburse administrative fees booked at the time loans were underwritten, with a 10-year retroactive effect.

Adjusted for the €213 million in non-recurring expenses in net banking income (€145 million after tax) as well as non-recurring income in 2013, the 2014 operating income would have been stable relative to 2013.

Other retail banking businesses

These businesses include the specialized subsidiaries that market their products using their own online sites and/or through the CM11 Group mutual banks and branches: consumer credit, factoring and receivables management, leasing, collective management and employee savings.

The consumer credit division accounts for 80% of the revenues of this group, which generated NBI of €1,440 million (+1.1%) in the year ended December 31, 2014.

- **Consumer credit - *Cofidis Group***

The Cofidis Participations group, 54.6% owned by Banque Fédérative du Crédit Mutuel, creates, sells and manages an extensive line of financial services, such as consumer credit, payment solutions and banking services (current accounts, savings, online trading and investments). To that end, it has four brands specializing in the marketing of financial products and services:

- Cofidis, a European online credit specialist based in France, Belgium, Italy, Spain, Portugal, Czech Republic, Hungary and Slovakia;
- Sofemo, a specialist on installment payments and vendor credit;
- Monabanq, the CM11 Group's online bank;
- Creatis, a consumer credit consolidation specialist.

Financing was relatively stable, up 0.5% from 2013, with significant growth internationally in Belgium, Spain, Portugal and Italy, and a decline in France where household consumption remains fragile.

NBI increased by 1.6% to €1,155 million. General operating expenses rose by 4.7% because of the program for IT system convergence with that of the CM11 Group. Net provision allocations/reversals for loan losses improved by €18 million to €354 million. Net income was €139 million, i.e. an increase of 11.7%.

Network support businesses

- **Factoring and receivables management**

CM-CIC Factor is the CM11 Group's customer receivables financing and management specialist. In 2014, CM-CIC Factor recorded:

- 23% growth in the volume of receivables bought, to €26.3 billion;
- €1.9 billion in export revenue (+19.6%);
- Gross managed outstandings at end-2014 of €4.2 billion (+13%).

The contribution of CM-CIC Factor to consolidated net income was €5.6 million.

- **Leasing**

CM-CIC BAIL
In an investment financing market that remains weak, CM-CIC Bail had a good year in 2014: 108,318 leases were arranged for an amount of almost €3.6 billion, thereby catering to the investment needs of companies, professionals and the self-employed.
CM-CIC Bail contributed €27 million to consolidated net income in 2014 (versus €33 million in 2013).

CM-CIC LEASE
The high level of production by the branch networks - almost €630 million in 278 new financing contracts in the form of real estate leases to the benefit of its customers - enabled CM-CIC Lease to increase its total financial and off-balance sheet outstandings to more than €4 billion (+7%).
The contribution of CM-CIC Lease to consolidated net income was stable at €6 million.

- **Fund management and employee savings**

CM-CIC AM
CM-CIC Asset Management, the CM11 Group's asset management specialist, manages €60.3 billion in assets and 677 internally and externally managed funds.
The contribution to consolidated net income was more than €4 million.

CM-CIC Epargne Salariale
As of end-2014, the outstanding managed by CM-CIC Epargne Salariale reached €6,979 million (+6.8%).
The contribution to consolidated net income was close to €4 million.

- **Real estate (CM-CIC Immobilier SAS)**

The CM-CIC Immobilier subsidiary markets building plots and housing through various companies, sells new houses and manages residential real estate for investors through CM-CIC Gestion Immobilière and also invests jointly in real estate development projects.
The contribution to consolidated net income was €1.7 million.

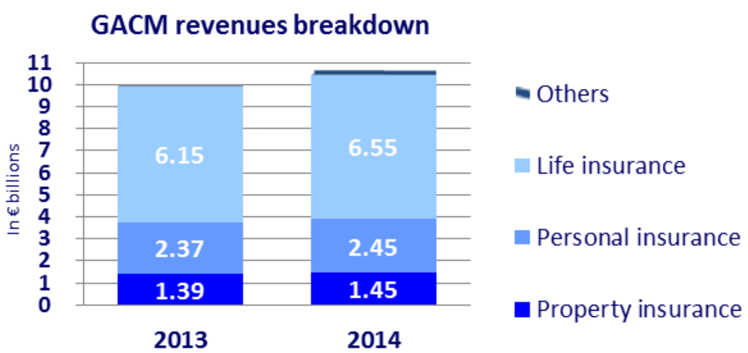
Insurance, the second business line

(€ million)	2014	2013	Change
Net banking income	1,591	1,440	+10.5%
General operating expenses	(427)	(411)	+3.8%
Gross operating income	1,164	1,028	+13.2%
Income before tax	1,109	1,000	+10.9%
Net income	680	629	+8.1%

Crédit Mutuel created and developed bank insurance starting in 1971. This longstanding experience now enables the insurance business, which is carried out through Groupe des Assurances du Crédit Mutuel (GACM), to be fully integrated into the CM11 Group commercially and technically. GACM serves more than 8.6 million policyholders who have subscribed 26.2 million contracts, up from 8.4 million policyholders and 25.7 million contracts in 2013.

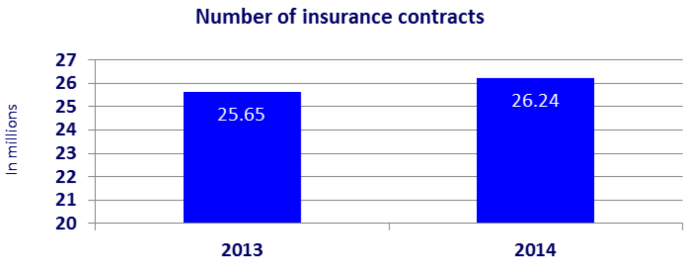
Following the measures taken in 2013, the new features of the insurance market continue to be implemented. The rules relating to the French multi-sector bargaining agreement *(Accord National Interprofessionnel)* are becoming clearer with the publication of the decree on benefit baskets. The consumption bill (the so-called Hamon bill) enacted in March introduces the notion of infra-annual cancellation of insurance for borrowers and also makes it possible for individuals to cancel auto and house insurance contracts at any time after the first year of insurance.

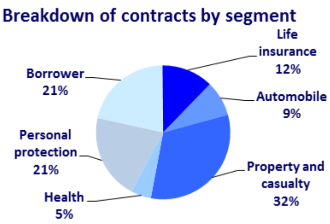
In this economic environment, the CM11 Group's insurance business recorded an excellent activity level this year as well. The branch networks sold more than 3 million new insurance contracts, and recorded historical production in the auto sector.
Revenues reached €10.46 billion (up 5.4%), in line with the French market.



Premium income from life insurance and insurance-based savings products totaled more than €6.5 billion, a 6.6% increase. Combined with stable claims, this growth resulted in net premium income of nearly €2 billion.

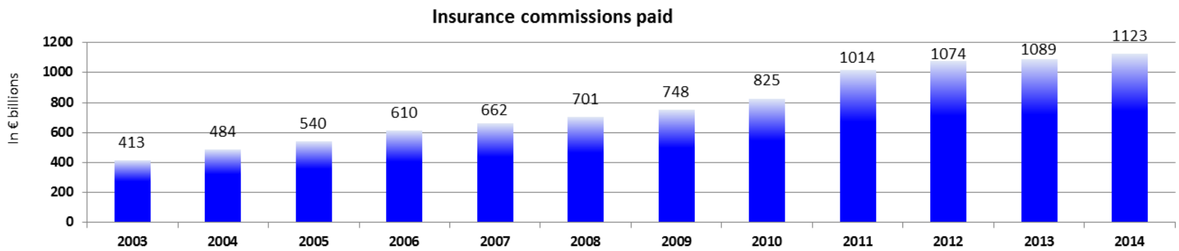
The property and casualty insurance business continued its steady growth. The auto and home insurance segments once again outperformed the market, posting respective gains of 3.2% and 7.6%. In home insurance, the year was marked by the launch of the new contract Corail 4.14, which was very well received. Personal insurance posted a 3.4% increase in premium income.





In terms of claims, the number of loss claims in property and casualty insurance dipped despite the various weather-related events during the year. This trend was, however, dashed by cyclical and regulatory factors. The deterioration in road safety indicators resulted in an increase in serious bodily injuries in an already inflationary context. In addition, the low interest-rate environment also had a negative impact on the provisioning expense.

Net insurance income therefore totaled €1,591 million (+10.5%) and GACM's net income for 2014 was €680 million, an 8.1% increase. These results include commission payments to the distribution network of €1,123 million (+3.1% compared with 2013), of which €978 million paid within the CM11 Group.



On 1 January 2015, the Desjardins Assurances group finalized the purchase of State Farm Canada. GACM took part in the transaction with an amount of 200 million Canadian dollars, thereby maintaining its 10% stake in DGAG which has become the second largest actor in the Canadian property and casualty insurance market. GACM will continue its international expansion also in 2015 with new projects in Spain and Belgium.

In France, GACM will continue the work undertaken to better adapt its insurance solutions to the needs of professional customers and companies through the Crédit Mutuel and CIC branch network.

Corporate banking

(€ million)	2014	2013	Change
Net banking income	359	314	+14.5%
General operating expenses	(92)	(89)	+3.0%
Gross operating income	268	225	+19.1%
Income before tax	217	188	+15.9%
Net income	151	124	+22.4%

This division covers the financing of large corporates and institutional customers, value-added financing (projects and assets, exports, etc.), international activities and financing provided by foreign branches.

In France, 2014 was marked by very sluggish economic growth and weak investment activity. Against this backdrop, French corporations sought new sources of growth outside the eurozone. Liquidity remained abundant in the markets, leading most large corporates to renegotiate their credit lines to obtain far more favorable financial conditions. Moreover, bond financing, which now accounts for the bulk of long-term funding for large corporates, continued to grow in 2014; the CM11 Group increased its presence in the main bond issues (Auchan, APRR, RTE, etc.).

The Group's financial strength remains a key asset in our commercial activity in the market for large corporates and institutional investors and, in particular, in our capacity to attract funding.

The business line managed €11.5 billion in loans (-3.8%) and €7.7 billion in deposits (-12.2%) as of end-2014.

NBI totaled €359 million (+14.5) thanks to an increase in the interest margin. General operating expenses increased by 3% and overall net provision allocations/reversals for loan losses increased by €13 million to €50 million. Net income was therefore €151 million, a 22% increase.

Capital markets and refinancing activities

(€ million)	2014	2013	Change
Net banking income	358	513	-30.1%
General operating expenses	(193)	(184)	+5.3%
Gross operating income	165	329	-49.8%
Income before tax	244	322	-24.2%
Net income	186	204	-8.7%

The capital markets activities of BFCM and CIC are combined in a single entity, CM-CIC Marchés, which carries out CM11-CIC's refinancing and commercial and investment banking activities from offices in Paris and Strasbourg and branches in New York, London, Frankfurt and Singapore.

These transactions are recorded on two balance sheets:

- At BFCM, for the refinancing business;
- At CIC, for the commercial and investment banking businesses in fixed-income, equity and credit products.

The capital markets activities also include a stock market brokerage activity provided by CM-CIC Securities.

As of 31 December 2014, NBI totaled more than €358 million (€513 million in 2013). General operating expenses increased by 5.3% and net provision allocations/reversals for loan losses improved noticeably as it recorded a net reversal of €79 million versus a €7 million charge in 2013. Net income was €186 million, compared with €204 million at end-2013.

Private banking

(€ million)	2014	2013	Change
Net banking income	458	444	+3.1%
General operating expenses	(338)	(329)	+2.7%
Gross operating income	120	115	+4.3%
Income before tax	119	108	+9.6%
Net income	87	70	+23.7%

This business line develops know-how in financial management and estate planning, which is provided to business owners and their families and private investors.

The companies making up this business line operate both in France through CIC Banque Transatlantique and abroad through the subsidiaries Banque de Luxembourg, Banque CIC Suisse, Banque Transatlantique Luxembourg, Banque Transatlantique Belgium, Banque Transatlantique London, Banque Pasche and CIC Private Banking in Singapore.

The business line managed €16.5 billion in bank deposits in 2014, up 4.8% from 2013. Customer loans rose by nearly 22% to €10.4 billion. The business line therefore generated a €6.1 billion funding surplus made available to the CM11 Group. Savings totaled nearly €72 billion.

NBI was €458 million (+3.1%). Net provision allocations/reversals for loan losses fell to €2 million, from €8 million in 2013. Net income increased by €17 million to €87 million.

Private equity

(€ million)	2014	2013	Change
Net banking income	149	119	+24.8%
General operating expenses	(38)	(34)	+11.5%
Gross operating income	111	85	+30.1%
Income before tax	111	85	+30.3%
Net income	111	86	+29.7%

Private equity is a key division in the Group's commercial strategy by helping to strengthen the equity capital of Crédit Mutuel's and CIC's business customers over the medium to long term (seven to eight years). This business activity is carried out by CM-CIC Capital Finance, which has its head office in Paris and satellite offices in Lyon, Nantes, Lille, Bordeaux and Strasbourg, thereby ensuring close ties to customers.

The outstanding amount was €1.8 billion, of which €278 million invested in 2014. The portfolio consists of 459 equity investments.

Thanks to a positive trend in the financial markets, especially in midcaps and biotech shares, combined with increased portfolio rotation that generated significant capital gains, the private equity activity posted NBI of €149 million as of 31 December 2014 versus €119 million in 2013, and net income totaled €111 million compared with €86 million one year earlier.

Logistics

(€ million)	**2014**	**2013** Restated	**Change**
Net banking income	1,324	1,322	+0.2%
General operating expenses	(1,214)	(1,163)	+4.4%
Gross operating income	110	159	-30.5%
Income before tax	106	152	-30.1%
Net income	50	79	-36.7%

This division comprises the purely logistical entities: intermediary holding companies, operating real estate held in specially designated companies, the Group's IT companies, EI Telecom, Euro Protection Surveillance and the media division.

NBI for the logistics activity, €1,324 million (+0.2%), consisted of sales margins for the IT, telephony and surveillance companies and the services provided by CM-CIC Services, the NBI of the logistics subsidiaries of Targobank Germany and Cofidis as well as the sales margin for the media division.

Overall, the entities making up the logistics activity generated net income of €50 million at end-2014, compared with €79 million in 2013.

In conclusion

In an environment marked by widely contrasting challenges of an economic, social, technological, competitive and regulatory nature, among others, the CM11 Group focused on its development, adaptability and service quality. These requirements are crucial for the Group to maintain its identity and stand out from its competitors.
As part of its medium-term plan for 2014-2016, the CM11 Group has set two priorities: improving quality and adapting to new customer behaviors in order to meet the needs of companies, professionals and individuals. This concern about concrete actions and anticipation is a key component of Crédit Mutuel's identity, driven by its volunteer directors and its employees.
These priorities are maintained in 2015, as all efforts will have to focus on improving NBI. This will require protection of outstanding loans, development of consumer credit, leasing and factoring and an increase in insurance commissions and in financial and telephony fees. The most crucial of these priorities are service and development of the loyalty of members and customers.

Audit procedures have been performed on the consolidated financial statements. The certification report will be issued following the finalization of additional procedures required for the publication of the annual financial report.
Financial information as of December 31, 2014 includes this press release and the specific information based on the recommendations of the Financial Stability Board and on sovereign risk exposures.
The figures for 31 December 2013 may have been restated in accordance with IFRS 10/11 standards, in which case the presentations of the intermediate management balances include a statement to that effect.
All financial communications are available on the web site: www.bfcm.creditmutuel.fr.

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Crédit Mutuel
Groupe CM11

CM11 Group (*) Key figures (**)

(in million euros)	December, 31 2014	December, 31 2013 pro forma (1)
Business		
Total assets	543 735	509 207
Loans and advances to customers, including lease-financing (2)	287 224	274 451
Total savings (3)	551 375	517 570
- of which, customer deposits (3)	235 831	225 649
- of which, insurance products	72 412	68 305
- of which, bank financial savings (managed and under custody)	243 133	223 616
Shareholders' equity		
Non-controlling interests (4)	34 856	31 997
Employees, year end (5)	65 571	65 052
Number of branches	4 539	4 544
Number of customers (in millions)	23,5	22,7

Financial results

Consolidated income statement (in million euros)	December, 31 2014	December, 31 2013 pro forma (1)
NBI	11 973	11 894
General operating expenses	-7 546	-7 382
Operating income before provisions	4 427	4 512
Net provision allocations/reversals for loan losses	-873	-1 091
Operating income after provisions	3 555	3 421
Net gains/losses on other assets and equity affiliates	55	10
Income before tax	3 610	3 431
Corporate income tax	-1 196	-1 217
Net income	2 415	2 214
Net income attributable to owners of the company	2 179	2 011