Crédit Mutuel
Groupe CM11

February 23, 2017

The Crédit Mutuel-CM11 Group in 2016

Strong commercial activity, technological performance and financial soundness

Results for the year ended December 31, 2016

			change	at constant scope[1]
Net banking income	€13,302 m	Income up	3.6%	1.8%
Net income	€2,624 m	Sound improvement in results	+4.5%	2.7%
of which attributable to the owners of the company	€2,410 m		6.9%	4.8%
CET 1 capital ratio	15.0% [2]	Very good financial strength		
Business				
Customer loans	€330 bn	Ongoing development at the service of the economy	+8.5%	+4.5%
Total savings	€607.9 bn	Significant inflows	+ 4.2%	+ 3.2%
of which, bank deposits	€276.2 bn		+ 8.6%	+ 6.4%
of which, insurance products	€79.5 bn		+ 4.7%	+ 4.7%
of which, savings	€252.2 bn		- 0.3%	- 0.5%

[1] *for further details on the changes at constant scope, please seen the methodology note at the end of this press release*
[2] *excluding transitional provisions*

The Crédit Mutuel-CM11 Group recorded strong results in 2016. To best serve its 23.8 million customers and members, the group successfully combined growth, efficiency and effective risk management. It strengthened its positions in banking, insurance and technological services with telephone, remote surveillance and e-wallet solutions. New home sales via the group's real estate agency were also very strong.

In an environment marked by low interest rates and greater competition, the group's net income rose by 2.7% to €2.624 billion, its shareholders' equity reached €39.6 billion and its Common Equity Tier 1 (CET1) ratio was 15.0%, attesting to its solid financial position.

The year 2016 was also marked by a major external growth operation with the acquisition of General Electric's factoring and lease financing activities in France and Germany.

The Crédit Mutuel-CM11 Group attributes this strong performance to the strength of its cooperative model and the competence and involvement of employees and directors to whom it provides regular training, and to its ability to innovate and plan ahead to ensure that its customers and members receive the best possible service.

The group's results earned it recognition throughout 2016: it received top prize in the banking sector at the BearingPoint TNS Sofres 'Podium de la Relation Client' awards and was named top French bank by the US magazine *Global Finance* and best French banking group by the UK magazine *World Finance*.

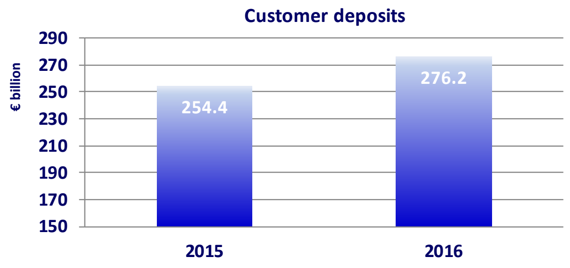
Development of commercial activity in all the banking, insurance and services businesses

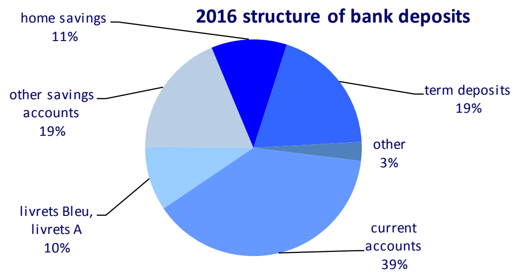
In a banking landscape characterized by low interest rates and heightened competition, the Crédit Mutuel-CM11 Group continued to develop its commercial activity to better serve its 23.8 million customers. Its performance benefited once again from its decentralized cooperative structure, its network of local branches, digital tools and its high-quality sales offering. In addition to the large amounts of loans issued and the sustained high level of deposit-taking, commercial activity was intense in the areas of insurance, telephone service, remote surveillance and real estate sales.

- **Banking**

For the second straight year, customer deposits grew significantly, reflecting strong marketing activity and customers' and members' trust in the group: +8.6% to €276.2 billion compared with +7.9% in 2015.

Customer deposits increased by €21.8 billion, driven by current accounts (+14% to €13.1 billion) and passbook accounts (+17.3% to €7.6 billion). Inflows from home savings remained high (€2.9 billion) and the total amount of these savings increased by 10.4% to €31.1 billion. Inflows from other short-term investment savings products improved in 2016: Livret Bleu and Livret A savings accounts rose by 3.2% (up €0.8 billion to €26.4 billion at end-2016, i.e. 9.5% of customer deposits).





Outstanding customer loans (€330.0 billion) rose by €25.8 billion. This increase was linked to acquisitions (the outstanding loans of the entities acquired from GE Capital in France and Germany in July 2016 totaled €10.1 billion at end-December 2016), on the one hand, and to strong commercial development, on the other. In fact, at constant scope, outstanding loans increased by 4.5%. Activity remained high in terms of housing loans (+3.4% to €161.5 billion, i.e. 49% of loans outstanding) as a result of:

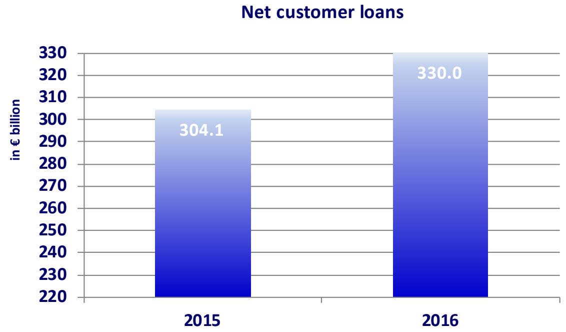
- the speed at which the network responded to requests from its customers and members, and
- canvassing of prospects in an environment of low interest rates which supports real estate loan production.

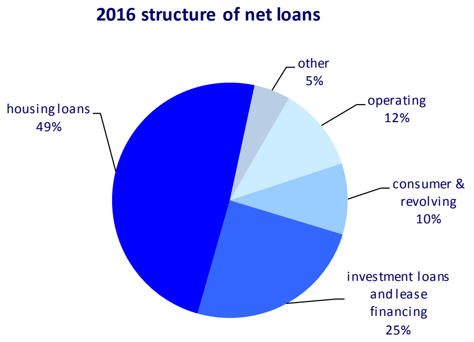
Consumer credit totaled €32.2 billion for an overall increase of 6.6% (up €2 billion). This increase was recorded at the Cofidis and Targobank Germany specialized subsidiaries (+5.4% and +8.2%, respectively) and at the branch networks of CIC (+5.9%) and Crédit Mutuel (+3.8%).

Outstanding equipment loans issued to our professional and corporate customers totaled €69.1 billion at end-2016.

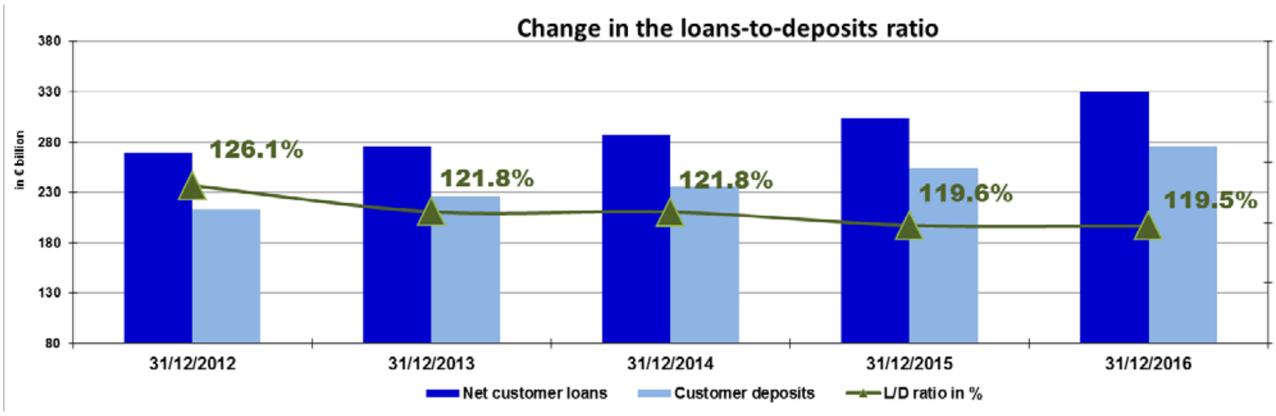
After a very high level of loan production in 2015 (€75.1 billion), new lending in 2016 remained significant (€71.9 billion, down 4.3%). The funds released for housing loans totaled €31.3 billion, those for consumer loans increased by 13.9% to €16.3 billion and investment loans rose by 0.5% to

€16.6 billion. These figures attest to the Crédit Mutuel-CM11 Group's commitment and ability to support the projects of companies and private individuals.





The loans-to-deposits ratio was stable in 2016 at 119.5% given that deposits (+8.6%) increased at virtually the same rate as loans (+8.5%). Compared with 2012, the loans-to-deposits ratio improved by 6.6 points.



- **Insurance**

The Crédit Mutuel-CM11 Group's insurance business continued to grow in 2016.

Thanks to a high volume of activity in non-life insurance, revenue rose by 2.3% to €10.8 billion.

In terms of the breakdown of non-life insurance, property and casualty insurance revenue (€1.8 billion) rose by 4.6%[1], three times more than the market (+1.5%). This strong performance was linked to a very high level of auto and homeowners insurance production, with 435,000 and 351,000 policies sold, respectively. Personal protection insurance also increased significantly in 2016, with 223,800 new policies sold (+20.5%). In the area of health insurance, the networks achieved their group policy sales targets in a market that has undergone major changes since the rollout of universal supplementary health insurance (initiated by the Accord National Interprofessionnel - national multi-sector agreement).

Life insurance revenue was down 1.1%. In an environment of very low interest rates, this decrease resulted from the measures taken by the group to limit inflows from funds in euros. The downturn in the market as a whole was similar (-0.6%).

[1] *At constant scope*

- **Service activities**

The Crédit Mutuel-CM11 Group is developing its technological expertise in order to offer its customers and members a wide range of high-quality services such as telephone, remote surveillance and electronic wallet.

EI Telecom

The group's full MVNO operator sells its products under five different brands – Crédit Mutuel Mobile, CIC Mobile, NRJ Mobile, Cofidis Mobile and Auchan Telecom – and is the only operator that combines mobile phone services with banking products and services.

For EI Telecom, the year was marked by continued development in the B2B segment along three lines: retail, focusing mainly on the branch network (products aimed at SMEs); wholesale, a new product line developed by EI Telecom to provide mobile access to large corporates or business or general public MVNOs; and the development of a white label activity with the external distribution networks (signature of an agreement with Cdiscount).

EI Telecom achieved positive net customer growth by adding 50,000 customers for a total customer base of 1,566,000. In 2016, EI Telecom recorded its highest revenue (€436 million, up 7% compared with 2015) and its highest net income (€16 million) since its creation.

At the end of 2016, EI Telecom maintained and consolidated its position as the leading French MVNO in terms of number of customers, revenue generated during the year and net income. EI Telecom is also the only full MVNO connected in 2G/3G/4G to the three main network operators: Orange, SFR and Bouygues Telecom.

Euro Protection Surveillance (EPS)

The Crédit Mutuel-CM11 Group's remote surveillance subsidiary continued to grow in 2016 and now has 415,000 subscribers (+6.5%), including 400,000 with active remote surveillance contracts (+6.7%) and nearly 12,200 with remote assistance contracts (+4.2%). EPS has consolidated its position as France's leading provider of residential remote surveillance with a market share of approximately 31%[1].

Revenue in 2016 rose by 5.4% to €150 million and net income by 13.3% to €23.6 million.

Fivory electronic wallet

The number of partners behind the e-wallet app developed by the group increased in 2016 to offer a solution consistent with new buying practices, by making both payment and certain aspects of the shopping experience electronic regardless of the distribution channel used. In June 2016, Auchan, Oney and MasterCard acquired a stake and, in October 2016, an agreement was reached with BNP Paribas to partner on the development of an innovative solution that will capitalize on each other's knowledge and partnerships (subject to prior authorization by the European Commission regarding merger control).

CM-CIC Immobilier

To meet the needs of its customers and members, the Crédit Mutuel-CM11 Group organized all its real estate subsidiaries within a division that covers a range of activities. With regard to sales of new properties, CM-CIC Agence Immobilière had 8,804 net housing unit reservations in 2016, up 34% compared with 2015 (+2,220); CM-CIC Gestion Immobilière leased a total of 4,540 properties (+14%); and CM-CIC Aménagement Foncier had 1,110 building lot reservations (+17%). In terms of development, Ataraxia Promotion had 403 housing unit reservations in 2016 compared with 439 in 2015.

[1] *Source: Atlas de la Sécurité 2016 / internal data*

Strong results

(in € millions)	2016	2015 adjusted	change *
Net banking income	**13,302**	**12,845**	**+1.8%**
Operating expenses	(8,202)	(7,907)	+1.3%
Gross operating income	**5,100**	**4,938**	**+2.7%**
Cost of risk	(826)	(803)	-11.5%
Operating income	**4,273**	**4,135**	**+5.4%**
Gains/losses on other assets	(310)	(64)	ns
Income before tax	**3,963**	**4,072**	**-4.2%**
Corporate income tax	(1,383)	(1,539)	-11.1%
Net gains/losses on discontinued operations	44	(23)	ns
Net income	**2,624**	**2,510**	**+2.7%**
Net income attributable to minority interests	214	256	-16.5%
Net income attributable to the Group	**2,410**	**2,254**	**+4.8%**

** at constant scope[1]*

- **Net banking income**

Despite persistently low interest rates, the Crédit Mutuel-CM11 Group's net banking income was €13.302 billion at constant scope (+1.8%). It includes the capital gain on the sale of the Visa Europe shares, recorded in the "holding company" segment for €269 million.

In retail banking and insurance, rate conditions and renegotiations of real estate loans negatively impacted customer margins and investment returns even though fee and commission income increased at the same time by 3.5% for retail banking.

The acquisitions successfully completed in 2016 in factoring and lease financing also helped to increase the retail banking sector's business and revenue. This sector's net banking income rose by 1.2% before adjusting for the scope or change in consolidation method effects[1].

Net banking income for the "corporate banking and capital markets" and private equity activities increased (+2.8% and +13.6%, respectively), while that of private banking was up 0.5%.

Lastly, capital gains resulting from the investment portfolio positively impacted net banking income in 2016.

- **General operating expenses**

The group's operating expenses totaled €8.202 billion, up 1.3% over one year at constant scope[1]. This slight rise includes a more than €40 million increase in the Single Resolution Fund (SRF) tax paid by the group, which rose from €43.8 million in 2015 to €84.6 million in 2016.

Thanks to this tight control of operating costs, the cost/income ratio remained stable at 61.7% versus 61.6% in 2015.

Gross operating income increased by 2.7%[2] to €5.100 billion.

[1] *For details regarding the change at constant scope, please see the methodology note on page 26 of this press release*
[1] *At constant scope*
[2] *At constant scope*

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

Overall net provision allocations/reversals for loan losses totaled €826 million in 2016 compared with €803 million in 2015. This €23 million increase includes the addition of Targobank Spain to the scope on a fully consolidated basis, which represents a cost of risk of €100 million. After adjusting for this impact and other changes in scope (including the factoring and lease financing subsidiaries acquired in 2016 from GE Capital), the Crédit Mutuel-CM11 Group's net additions to/reversals from provisions for loan losses decreased by 11.5%, thereby confirming the high quality of the group's assets.

The net provision allocation on an individual basis (excluding collective provisions) was €872.9 million in 2016 and there was a €46.4 million net reversal of collective provisions.

Overall net provision allocations/reversals for customer loan losses represented 0.24% of loan outstandings, compared with 0.26% in 2015. At end-2016, the overall non-performing loan coverage ratio was 63.0% compared with 64.6% a year earlier.

Tight control of operating costs and the cost of risk combined with a 1.8% rise in revenue led to a 5.4% increase[1] in operating income, which totaled €4.273 billion at the end of 2016.

- **Income before tax**

The group's income before tax (€3.963 billion) was down at constant scope (-4.2%). It was impacted by:

  - the group's share in the losses of Banco Popular Español (BPE);
  - provisioning of the BPE shares at fair value in line with analysts' consensus; and
  - an additional provision which increased the provision for goodwill of Targobank Spain to 100%.

- **Net income**

Corporate income tax totaled €1.383 billion in 2016 compared with €1.539 billion in 2015. After a €23 million net loss on divested activities in 2015, the group posted a €44 million net profit in 2016, including €+66 million of recycling of the translation adjustment reserve (final sale of Banque Pasche after disposal of its subsidiaries in previous years).

The Crédit Mutuel-CM11 Group's net income increased, at constant scope, by 2.7% to €2.624 billion.

A stronger financial position

- **Liquidity and refinancing**

In 2016, the Crédit Mutuel-CM11 Group was able to refinance itself under good market conditions. Low interest rates and the regular presence of investors and their strong interest in our issues created a favorable environment.

External resources totaled €132.8 billion at end-December 2016, a 7.2% increase compared with the end of 2015 (€123.9 billion).

At the end of December 2016, this comfortable liquidity situation resulted in:

- a €68 billion LCR liquidity cushion held by the Central Treasury department;
- a Crédit Mutuel-CM11 Group LCR ratio of 140%; and
- 159% coverage of market deposits falling due in the next 12 months by holding liquid and ECB-eligible assets.

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

The outstanding amount of resources raised with maturities of more than 12 months was €84 billion, nearly the same (+1.1%) as the previous year (€83.1 billion).

In total, €12.4 billion in medium- and long-term external resources were issued in 2016, including €9.5 billion (76.3%) in the form of public issues, with the remainder through private transactions.

This €9.5 billion breaks down as follows:

- €3.75 billion issued by BFCM in the form of senior EMTN;
- €2.55 billion (equivalent) raised through U.S. Rule 144A (USD 1.75 billion) and Samurai (JPY 121.2 billion) offerings;
- €1.7 billion issued as Tier 2 subordinated debt;
- €1.5 billion at 6.5 years issued in the form of housing bonds by our specialized Crédit Mutuel-CIC Home Loan SFH subsidiary.

In addition, in 2016 the European Investment Bank (EIB) modified the framework of its lending packages for SMEs by extending them to intermediate-sized enterprises. The group therefore finalized a new €500 million contract under the new name "loan for small, medium and intermediate-sized enterprises" based on a wider potential audience and long-term interest in this type of loan.

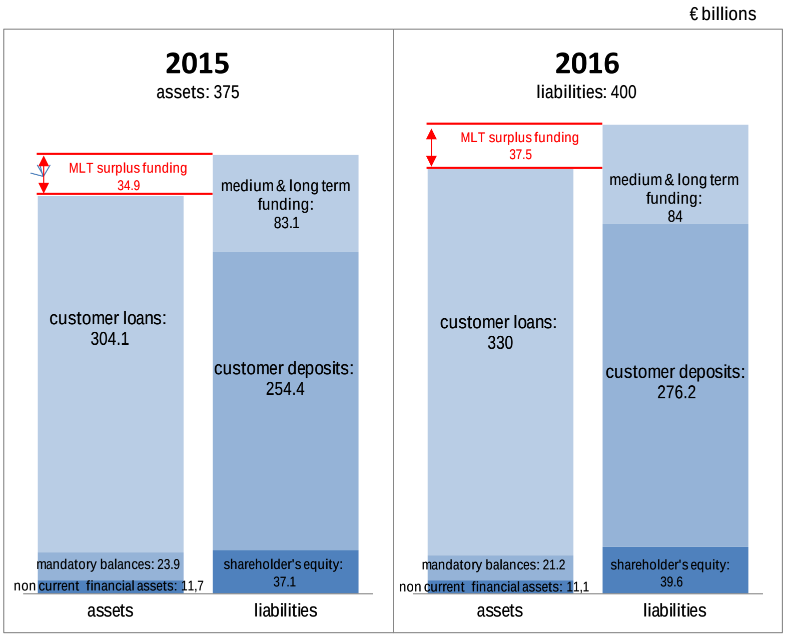
- **Short-term refinancing**

The increase in short-term resources, which benefited from large amounts of liquidity in the money market, largely explains the rise in external resources. Short-term resources totaled €48.8 billion compared with €40.8 billion at end-2015, a more than 19% increase.

- **Surplus of stable resources**

The Crédit Mutuel-CM11 Group had a surplus of stable resources over stable uses of funds of €37.5 billion. This situation results from a policy that has focused for several years on strengthening deposits and extending the maturity of market debt.

Strengthening of the structure of the group's stable resources and uses of funds



- **Capital adequacy**

At December 31, 2016, the Crédit Mutuel-CM11 Group's shareholders' equity totaled €39.6 billion compared with €37.1 billion at end-2015 as a result of the appropriation of net income.

The Common Equity Tier 1 (CET1) ratio was 15.0%[1] at end-2016 and the overall capital adequacy ratio[1] was 18.0%, up 10 basis points over one year. These levels are significantly higher than the European Central Bank's requirements established at the time of the 2017 Supervisory Review and Evaluation Process. In fact, the CET1 capital requirement with which the group must comply on a consolidated basis was set at 7.25% in 2017 and the requirement related to the overall ratio at 9.50%, plus the conservation buffer of 1.25%. The amount in excess of the SREP requirements is therefore 775 basis points for CET1 and 725 for the overall ratio.

CET1 capital[1], which was €31.1 billion at end-2016, increased by 6.9% and weighted risks, at €207.1 billion, rose by 7.6% over one year.

The leverage ratio[1] was 5.7%.

- **Rating**

The Crédit Mutuel-CM11 Group's ratings at the end of 2016 are shown in the following table. They compare favorably to those of other French and European companies.

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

During the year, Standard & Poor's, Moody's and Fitch confirmed the Crédit Mutuel-CM11 Group's short-term and long-term ratings[2].

Standard & Poor's upgraded the outlook from negative to stable in October 2016.

The main factors cited by the agencies to justify the group's stability and ratings are as follows:

[1] *Excluding transitional measures*

[2] *Standard & Poor's: ratings for the Crédit Mutuel Group; Moody's and Fitch: ratings for the Crédit Mutuel-CM11 Group*

- solid capitalization,
- a strong ability to generate capital internally,
- a robust bankinsurance model in France,
- the low risk profile of its activities.

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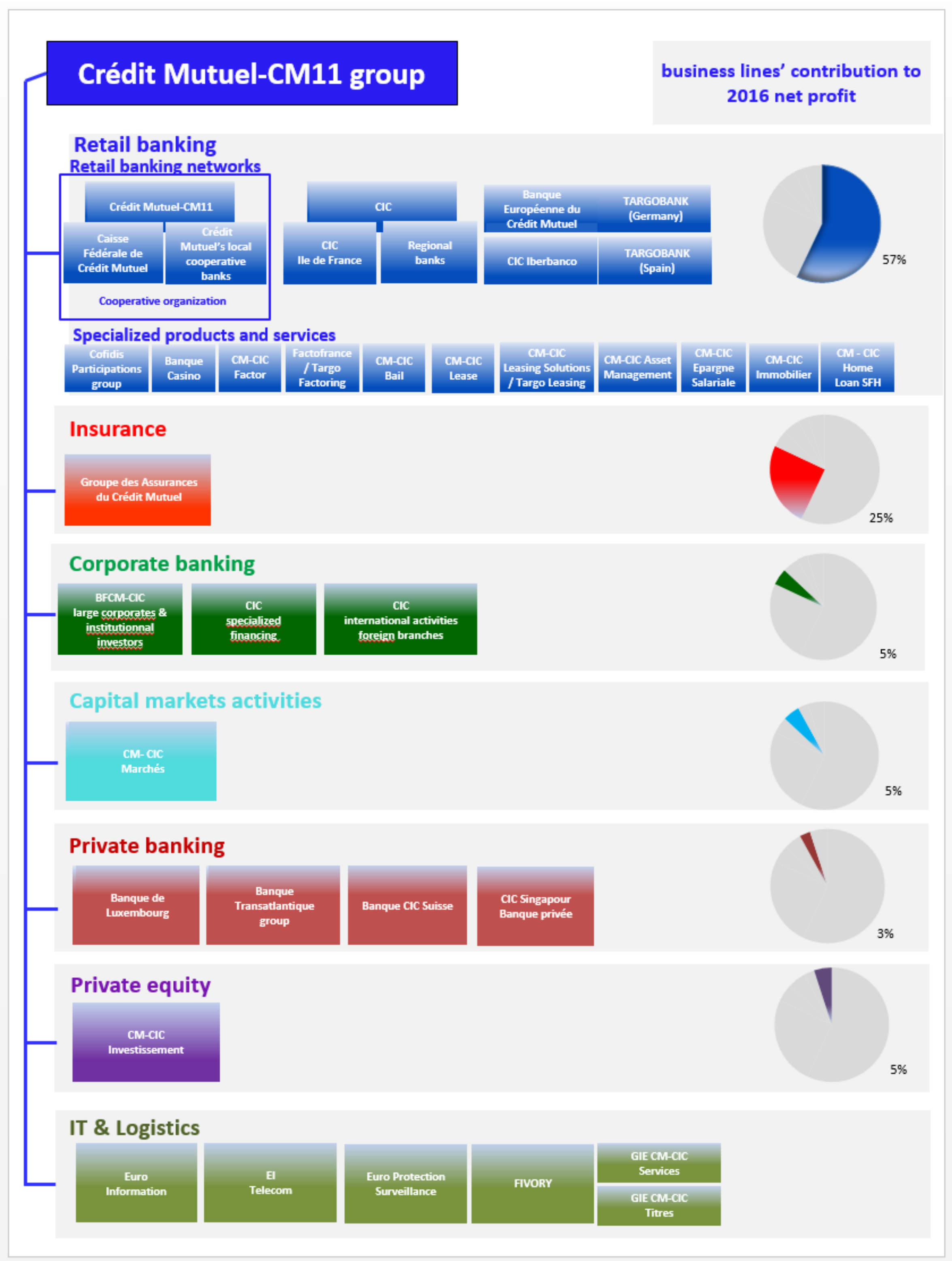
The Crédit Mutuel-CM11 Group's business lines and main subsidiaries

Business lines' contribution to 2016 net income



Retail banking and insurance, the core business

Retail banking

(in € millions)	**2016**	**2015** adjusted[(1)]	change *
Net banking income	**9,682**	**9,564**	**-0.8%**
Operating expenses	(6,181)	(5,989)	+0.4%
Gross operating income	**3,501**	**3,576**	**-2.7%**
Cost of risk	(800)	(786)	-12.9%
Gains/losses on other assets	(64)	74	ns
Income before tax	**2,637**	**2,864**	**-9.9%**
Corporate income tax	(973)	(986)	-2.7%
Net income	**1,663**	**1,877**	**-13.7%**

[(1)] after offsetting of €20 million in capital gains on securities realized by CIC EST and appropriated to the logistics & holding company segment

** at constant scope*

This business line 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: equipment leasing and leasing with purchase option, real estate leasing, vendor credit, factoring, fund management, employee savings and real estate sales.

Retail banking is the Crédit Mutuel-CM11 Group's core business and accounts for 69% of its net banking income.

The intake of funds was high at all these entities. Customer deposits grew by 9% to €241.7 billion. At the same time, outstanding customer loans increased by 8.4% to €292.8 billion.

Net banking income from retail banking was down 0.8% to €9.682 billion at constant scope. The three main branch networks (CM11, CIC and Targobank Germany) saw a decrease in their interest margin as a result of low interest rates and ongoing renegotiations of housing loans. However, revenue diversification intensified with a nearly 2% average increase in fee and commission income for these three networks.

Retail banking revenue was also positively impacted by the acquisition in July 2016 of General Electric's factoring and lease financing activities in France and Germany, which accounted for €137 million of net banking income in 2016. Without adjusting for the changes in scope, net banking income from retail banking rose by 1.2%.

Operating costs were very tightly controlled. At constant scope, they were virtually unchanged (+0.4%) at €6.181 billion.

Gross operating income was down 2.7% to €3.501 billion at constant scope.

Net provision allocations/reversals for loan losses dropped by a substantial 12.9% in 2016 to record low levels.

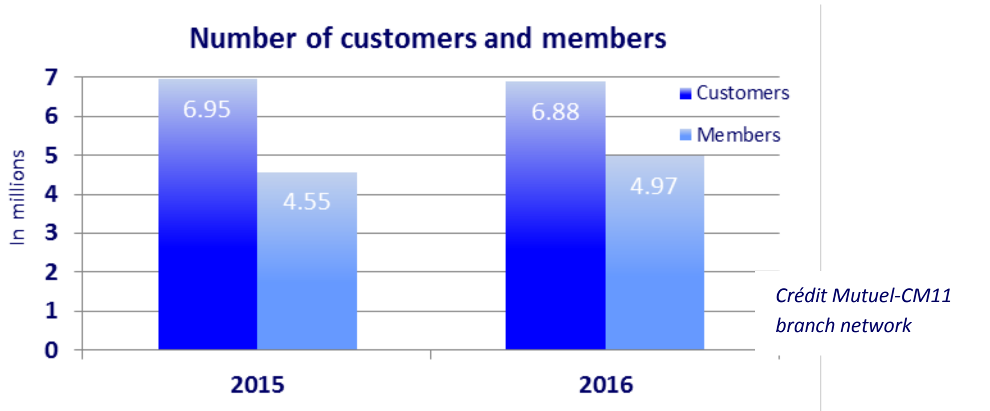
After taking into account the share of the estimated loss on the group's equity interest in the Spanish bank Banco Popular (3.95%), net income from retail banking was €1.663 billion, down 13.7% at constant scope.

Branch networks

- **Crédit Mutuel-CM11 branch network**

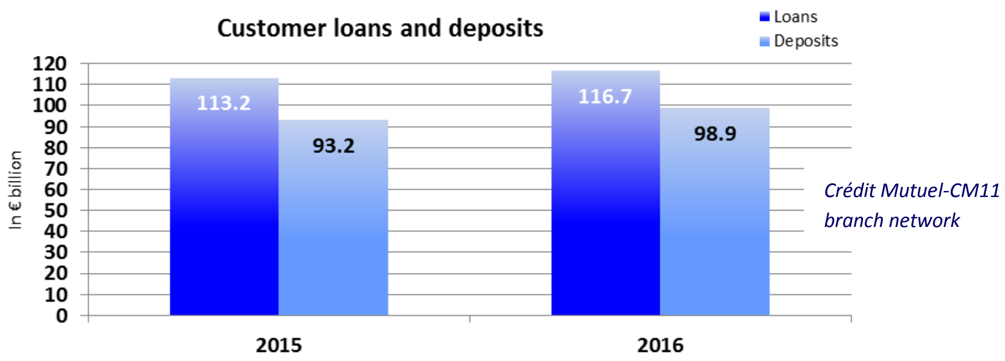
The Crédit Mutuel-CM11 branch network, also called regulatory scope, continued to expand its customer base, which now consists of 6.9 million customers, 6.1 million of whom are private individuals.

The number of customers who are members of their local Crédit Mutuel bank is now nearly 5 million. This means that over 87% of customers are able to actively participate in decisions affecting their local mutual bank, particularly at shareholders' meetings.



With €116.7 billion in outstanding loans at end-2016, lending to customers grew by 3.0% (up €3.4 billion). Outstanding housing loans rose by 3.6% to €88.6 billion and outstanding consumer loans increased by 3.7%, passing the six billion euro mark (€6.2 billion).

Customer deposits rose more rapidly than in 2015, increasing by €5.7 billion (+6.1%) to €98.9 billion. Deposit-taking was mainly linked to current accounts in credit (€3.3 billion), home savings accounts (€1.8 billion) and passbook accounts (€1.7 billion). In addition, with a rate that has held steady at 0.75% since August 2015, there was again an inflow of funds from Livret Bleu accounts (€440 million).



Net banking income from the Crédit Mutuel-CM11 branch network fell 5.3% to €2.963 billion and the decrease in the margin was not offset by the increase in fee and commission income.

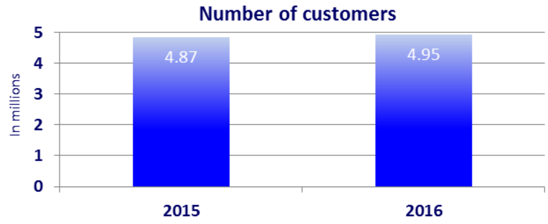
Operating expenses increased slightly by 0.4% to €2.098 billion.

Net provision allocations/reversals for loan losses continued to decrease, falling by 29.2% to €72.5 million.

Net income dropped by 15.7% to €519.5 million.

- **CIC branch network**

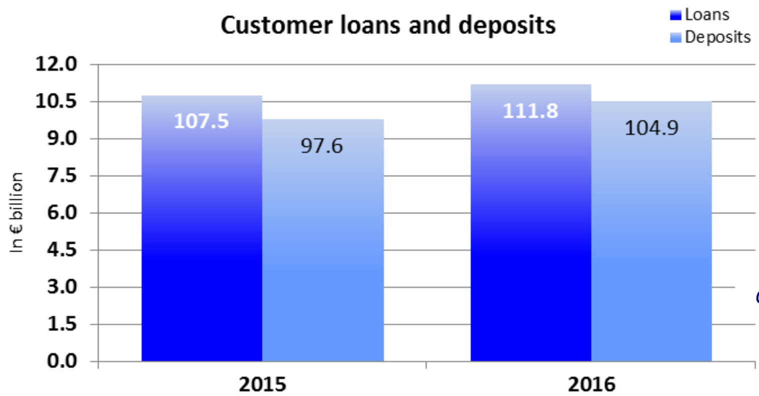
The branch network is CIC's core business. At December 31, 2016, it consisted of 1,982 branches, including those of CIC's network in Ile-de-France and the five regional banks (CIC Lyonnaise de Banque, CIC Est, CIC Nord Ouest, CIC Ouest and CIC Sud Ouest) and had nearly 5 million customers (4,954,000), a 1.8% increase over one year.



CIC branch network

Outstanding customer loans grew by 4% to €111.8 billion. The increase in outstanding loans was driven by a rise in housing loans (up €2.3 billion, i.e. +3.7%, to €66.2 billion) and investment loans (up €4.7 billion for a steep 18.5% increase). Consumer credit, which totaled €5.2 billion, also increased by 5.3% over one year.

At €104.9 billion, customer deposits again rose significantly (up €7.4 billion or +7.5%), driven by current accounts (up €8.2 billion) which benefited from the low interest rates on savings accounts. However, inflows from home savings stood at €1.1 billion and those from passbook accounts (including Livret A accounts) at €1.6 billion.



CIC branch network

The net banking income of the CIC branch network remained stable at €3.283 billion. Net fee and commission income rose by 1.4% and the interest margin fell slightly (-0.8%). General operating expenses were up by €12 million, €5 million of which stemmed from the increase in the Single Resolution Fund (SRF) tax. Excluding this, general operating expenses rose by only 0.3%. Net provision allocations/reversals for loan losses fell sharply by 16.7%. As a result, income before tax stood at €1.004 billion (+2.3%) and net income at €654 million (+8%).

- **Banque Européenne du Crédit Mutuel (BECM)**

BECM operates nationally and in Germany, where its network was expanded in 2016 with the opening of a "large corporates" branch and a "real estate" branch in Frankfurt.

Its areas of expertise include:

- large and medium-sized enterprises (LMEs),

- the financing of real estate development and real estate investors in France, primarily in the housing sector,
- property companies whose purpose is the management of commercial and service industry leases, in France and Germany,
- management of cash flows from large order-givers in the retail, transport and services sectors.

BECM operates in the corporate and real estate professionals market in each region and with appropriate levels of intervention. It works on a cross-functional basis with CIC's regional banks and on a subsidiary basis vis-à-vis CM11's network of Crédit Mutuel local mutual banks.

In Germany, BECM's development is mainly centered around large German corporate customers and relationships with the parent companies of the Franco-German subsidiaries. It contributes its knowledge of local German markets and uses its know-how to benefit its domestic network and that of the group's other banking entities.

It distributes the products and services of the group's other subsidiaries in all areas related to the corporate and real estate markets.

With 408 employees, BECM's network consists of 50 branches, including 37 dedicated to the local corporate market and 13 specializing in financing for real estate professionals.

Balance sheet lending continued to grow steadily, increasing by 8.4% to €12.4 billion.

Customer deposits rose by 22.2% to €13 billion, with a high intake in Germany underpinned by the group's recognized financial soundness. The loans-to-deposits ratio was 95.4%.

Net banking income increased by 15.3% to €274.2 million as a result of both:

- the increase in the financial margin based on a rate effect on deposits and a volume effect on loans,
- fee and commission income, particularly on electronic payments and real estate development.

Net additions to/reversals from provisions for loan losses were down sharply and net income increased by 32.2% to €113 million.

- **CIC Iberbanco**

With 166 employees (the vast majority of whom are bilingual and even trilingual) working at 35 branches in France, CIC Iberbanco took on more than 9,300 new customers in 2016, a 12% increase over 2015. Over one year, savings deposits increased by 10.5% to €662 million and outstanding loans by 27% to €772 million. Insurance (+26% with 38,200 policies) and telephone services (+10% with 5,403 subscribers) also attest to CIC Iberbanco's strength.

CIC Iberbanco continued to implement its development plan with the opening of new branches. After Versailles on October 1, 2016, two new branches are planned for the first half of 2017 in Île-de-France.

Net income in 2016 was €7.4 million.

- **Targobank Germany**

The year 2016 saw the launch of a new medium-term plan – "Targobank 2020" – which includes a series of initiatives designed to strengthen the bank's long-time activities, diversify revenue sources and further optimize productivity by controlling costs.

These initiatives resulted in a significant improvement in Targobank's market share in the consumer credit market (+5% compared with 2015). Personal loan production rose by more than €500 million (+19% to €3.2 billion) compared with 2015.

At December 31, 2016, outstanding loans totaled €12.1 billion, a 7.3% increase from December 31, 2015.

Growth was particularly strong in the distance selling channels – telephone and Internet – with online loan production up by 44% and telephone loan production by 63%. There was also a significant increase in the physical channels (+15%) The bank continued to develop its points of sale strategically, while at the same time taking steps to streamline its network (consolidation and relocation of branches, adjustment of areas).

Customer deposits also continued to grow and support the development of the loan portfolio. Outstanding customer loans totaled €13.3 billion at December 31, 2016, up by more than €1 billion compared with end-2015.

Savings increased by €439 million to €10.6 billion at December 31, 2016, bolstered by the launch of a new price offering, "Plus-Depot", which makes the bank's wealth management activity less dependent on the health of the financial markets.

The bank's IFRS income before tax was €445 million, an increase of €47 million, i.e. 11.8%, compared with 2015.

Excluding non-recurring items, in particular payment for the Visa Europe shares (€18.9 million), net income benefited mainly from the increase in outstanding customer loans, which offset the effects of the decrease in interest rates. The sharp reduction in expenses also contributed to the increase in net income.

Cofidis Group

Cofidis Participations, which is jointly held with Argosyn (formerly 3SI), creates, markets and manages an extensive line of financial services such as consumer credit, payment solutions and banking services (current accounts, savings, online trading and investments).

It has three brands specializing in the marketing of financial products and services:

- Cofidis, a European online credit and auto loan specialist based in France, Belgium, Italy, Spain, Portugal, Czech Republic, Hungary, Slovakia and Poland;
- Monabanq, an online bank; and
- Créatis, a loan consolidation specialist.

Financing rose by 15% compared with 2015, with a significant increase both in France and internationally and growth in Belgium, Spain, Portugal, Italy and Eastern Europe.

The Cofidis Group's outstanding customer loans totaled €10.1 billion at the end of 2016.

Net banking income totaled €1.217 billion and the contribution to the group's 2016 net income was €187 million, up 15.4%.

Targobank Spain

An all-purpose bank owned 51% by BFCM and 49% by Banco Popular Español, Targobank Spain has 125 branches located in Spain’s main centers of economic activity and more than 135,000 customers, most of whom are private individuals. The volume of customer loans stood at €2.1 billion at end-2016 and customer deposits totaled nearly €2 billion, up 4.3% over one year.

In 2016, BFCM acquired a controlling interest in the subsidiary (from 50% to 51% of the share capital), which included a change in management.

This change in internal governance, coupled with changes in Spanish regulations with the entry into force of *AnejoIX*[1], led to a significant adjustment of the provisions for credit risk, which stood at €100 million. In addition, provisions were set up for potential claims for reimbursement as a result of floor clauses, which reduced net banking income.

[1] *Bank of Spain circular (4/2016): according to the calendars defined based on the type of customer and loan category, banks have 18 to 21 months to cover 100% of doubtful loans; however, they must*

provision between 20% and 60% of the value of the loans after 90 days of default, whereas previously they were only required to provision 25% after this period.

Network support businesses

These businesses include the specialized subsidiaries that market their products using their own online sites and/or through the Crédit Mutuel-CM11 Group local mutual banks and branches: consumer credit, factoring, receivables management, lease financing, fund management and employee savings.

- **Factoring and receivables management**

The factoring business in France is now built around CM-CIC Factor, the Crédit Mutuel-CM11 Group's long-time customer receivables financing and management specialist, and Factofrance and Cofacrédit, two companies acquired from General Electric Capital in July 2016.

At December 31, 2016, these entities together represented one-fourth of the French market, namely:

- approximately €66.4 billion in receivables bought (€61.4 billion in 2015, up 8%);
- €13.3 billion in export revenues (€12.4 billion in 2015, up 7%);
- €9.8 billion in gross managed outstandings (no significant change compared with the previous year).

The contribution of CM-CIC Factor, Factofrance and Cofacrédit to consolidated net income was €17.4 million.

- **Lease financing**

CM-CIC BAIL

In a favorable but still uncertain environment, CM-CIC BAIL continued to grow at a sustained pace. For the first time, production exceeded the €4 billion mark, up 8.3% compared with 2015 to €4.1 billion. A total of 114,206 leases were set up to meet the investment needs of corporations, independent professionals, the self-employed and private individuals.

In France, production of the Crédit Mutuel and CIC networks alone saw strong growth of 15.9%, particularly in the area of equipment financing. Nearly 24% of production was carried out abroad at our subsidiaries in the Benelux countries and Germany and at our branch in Spain.

The lease financing businesses acquired from GE Capital are conducted under the name CM-CIC Leasing.

CM-CIC Bail and CM-CIC Leasing contributed €34.4 million to consolidated net income.

CM-CIC LEASE

In a real-estate lease financing market that is generally stable, CM-CIC Lease's production came to €629 million.

Total financial and off-balance sheet outstandings increased by 4% to more than €4.4 billion at December 31, 2016.

The contribution of CM-CIC Lease to consolidated net income was €8.4 million.

- **Fund management and employee savings**

CM-CIC Asset Management

In 2016, CM-CIC Asset Management, the Crédit Mutuel-CM11 Group’s asset management specialist, and fifth-largest management company in the French market, posted 3.1% growth in assets under management in France, from €61.8 billion to €63.7 billion, with a market share of 5.50%[1].

[1] *Source: Six Financial Information France*

This growth was mainly attributable to net inflows of an additional €1.112 billion in fixed-income assets which were able to benefit from pressure on the yield curve. With negative short-term rates, cash UCIs recorded positive performance in 2016.

CM-CIC AM's fund management quality was acknowledged by French financial magazines "Le Revenu" and "Mieux Vivre Votre Argent":

- Gold medal for the best range of balanced funds over three years;
- Gold medal for the best 10-year euro bond fund (performance at March 31, 2016, source Morningstar);
- Gold medal for the best range of balanced funds over five years (performance at June 30, 2016, source Six Financial Information France).

And for the second consecutive year, the Performance Label for the CM-CIC Dynamique International, CM-CIC Europe Growth and CM-CIC Entrepreneurs funds (performance over five years, at December 31, 2015, source Six Financial Information France).

The year 2016 ended with the overhaul of the discretionary asset management offering of the group's portfolio management company, CM-CIC Gestion, which provides its services to the CIC, CIC Banque Privée and Crédit Mutuel networks. CM-CIC Gestion saw its assets under management rise by 5% to more than €10.3 billion at end-December 2016.

The contribution to consolidated net income was €3.8 million.

CM-CIC Epargne Salariale (CM-CIC ES)

Assets managed by CM-CIC Epargne Salariale grew by 3.1% to €7.809 billion at December 31, 2016 thanks to the recovery in the stock market and the sharp rise in payments. 81,000 corporate customers representing 1.3 million employees entrusted their employee savings to CM-CIC ES.

The contribution to consolidated net income was €3.8 million.

- **Real estate**

The CM-CIC Immobilier subsidiary develops building sites and housing units through CM-CIC Aménagement Foncier, ATARAXIA Promotion and CM-CIC Réalisations Immobilières (SOFEDIM). It sells new housing units through CM-CIC Agence Immobilière (AFEDIM) and manages housing units on behalf of investors through CM-CIC Gestion Immobilière. It also participates in financing rounds related to real estate development transactions through CM-CIC Participations Immobilières.

With regard to sales of new real estate, CM-CIC Agence Immobilière put 8,804 housing units under contract in 2016 (up 34% from 2015; +2,220); CM-CIC Gestion Immobilière arranged a total of 4,540 leases (+14%); and CM-CIC Aménagement Foncier put 1,110 building lots under contract (up 17%). In the area of real-estate development, ATARAXIA Promotion recorded 403 housing reservations in 2016, compared with 439 in 2015.

The contribution to consolidated net income was €5.4 million.

Insurance, the second largest business line

(in € millions)	**2016**	**2015** adjusted	change*
Net banking income	**1,492**	**1,581**	**-7.7%**
Operating expenses	(498)	(470)	+1.3%
Gross operating income	**994**	**1,111**	**-11.4%**
Gains/losses on other assets	45	30	+65.9%
Income before tax	**1,039**	**1,141**	**-9.4%**
Corporate income tax	(306)	(418)	-26.3%
Net income	**733**	**723**	**+0.4%**

** at constant scope*

Crédit Mutuel created and developed bankinsurance in 1971. This longstanding experience now enables the insurance activity, which is carried out through Groupe des Assurances du Crédit Mutuel (GACM), to be fully integrated into the Crédit Mutuel-CM11 Group both commercially and technically.

GACM serves more than 10.3 million holders (+3.3%) of 28.6 million policies.

The Crédit Mutuel-CM11 Group's insurance business line continued to develop in 2016, with revenues rising 2.3% to €10.8 billion.

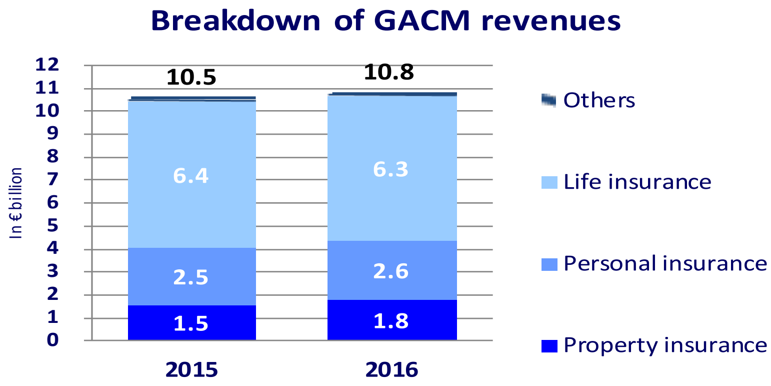
Premium income from life insurance and insurance-based savings products fell 1.1% to €6.3 billion, in line with the market (-0.6%). Net inflows declined by 16.7% (-28.6% for the market). This decline should be seen within the current context of very low interest rates, which prompts insurance companies to curb inflows in euro funds and promote unit-linked policies instead. For GACM, the weight of unit-linked policies in gross inflows grew to 12.7% in 2016, compared with 9.0% in 2015.

Property & casualty insurance revenues rose by 4.6%, outperforming the market (+1.5%). 2016 was a record year in terms of auto and home insurance production, with 435,000 and 351,000 policies sold, respectively. The professional insurance market also recorded strong growth.

One year after taking effect, the rollout of supplementary health insurance, initiated by the national inter-branch agreement ANI (Accord National Interprofessionnel) reoriented the health insurance market from individual policies towards group policies underwritten by companies. In this context, the Crédit Mutuel and CIC networks reached their sales objectives for group policies. The increase in enrollment rates and employee penetration should nevertheless continue. Some employees do indeed remain attached to their individual policy, which demonstrates the modest decline in the individual health insurance portfolio (-0.8%).

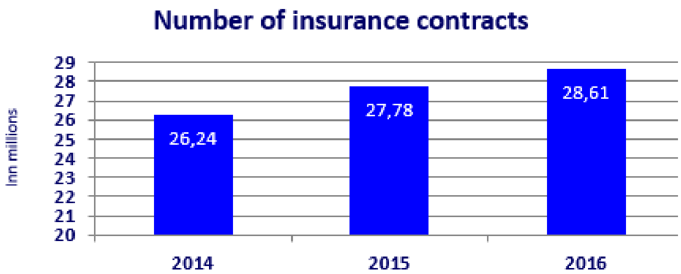
Accident and health insurance production increased significantly in 2016, with 223,800 policies sold, i.e. 20.5% of new business compared with 2015.

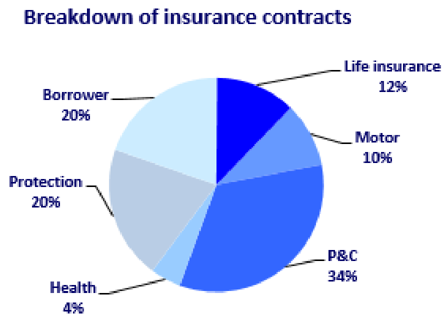
In total, premium income from personal insurance was up 4.0% to €2.6 billion.



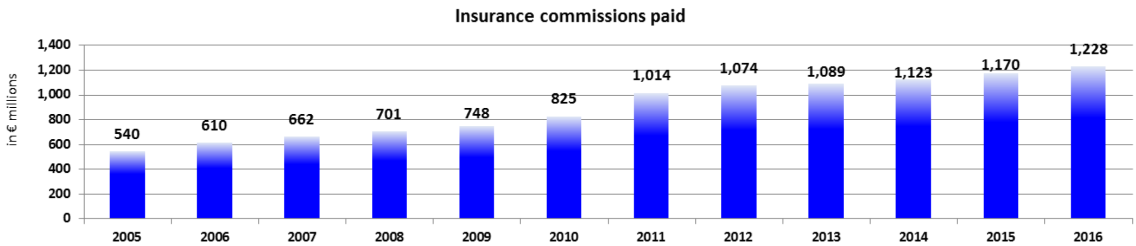
This enabled the insurance business to contribute €733 million to the group's results, representing a slight rise compared with 2015 (0.4%). Net income for GACM amounted to €744 million (+0.5%). This takes into account the impact of the fall in interest rates on provisions and on the financial performance of investments. Climatic events in May/June had a limited impact on accounts.

In life insurance, the rates paid were, on average, down by 0.49% compared with 2015. This reduction enabled a significant allocation to be made to the Provision for Dividends to Policyholders, with the aim of being better prepared for persistently low interest rates and favoring unit-linked policies.





Commission payments to the distribution networks rose by 4.9% to €1.228 billion. Over the past ten years, commission generated by the insurance business has doubled.



Lastly, the Spanish market, GACM's second largest market, accounted for 3.7% of insurance income in 2016, with €394 million in premiums written. The GACM España Group's net income has now exceeded €10 million.

At December 31, 2016, GACM's shareholders' equity totaled €9.6 billion, up 3% compared with 2015. GACM continues to have a sound balance sheet. This strength means it is well-equipped for the increasingly competitive, low interest-rate environment which will continue to put pressure on life insurance and on financial returns.

₪

Corporate banking

(in € millions)	2016	2015	change
Net banking income	**375**	**382**	**-2.1%**
Operating expenses	(108)	(101)	+6.6%
Gross operating income	**267**	**281**	**-5.2%**
Cost of risk	(22)	(21)	+3.3%
Income before tax	**245**	**260**	**-5.9%**
Corporate income tax	(90)	(94)	-3.8%
Net income	**155**	**166**	**-7.1%**

With its teams based in France or at its branches (London, New York, Singapore, Hong Kong), the corporate banking business line provides services to large corporate and institutional customers with a holistic approach to their requirements. It also supports the corporate networks' work on behalf of their major customers, and contributes to the development of international business and the implementation of specialized financing (acquisitions, assets, projects).

Net banking income for the corporate banking business fell slightly (-2.1%) to €375 million compared with 2015. The large corporate and institutional segment generated net banking income of €94 million, up 2.2%, while the “specialized financing” and “international” businesses saw income fall due to non-recurring items recognized in 2015.

Outstanding customer loans managed by the business line amounted to €14 billion while customer deposits ended the year at €5.1 billion.

Gross operating income fell by 5.2% to €267 million after taking into account a €7 million increase in operating expenses.

Net provision allocations/reversals for loan losses were stable (+0.7 million), with net provision allocations on an individual basis being mostly offset by reversals of collective provisions.

Corporate banking contributed €155 million to the group’s net income.

₪

Capital markets and refinancing activities

(in € millions)	2016	2015	change
Net banking income	**433**	**403**	**+7.5%**
Operating expenses	(223)	(186)	+19.9%
Gross operating income	**209**	**217**	**-3.3%**
Cost of risk	3	2	n.s.
Income before tax	**213**	**218**	**-2.5%**
Corporate income tax	(72)	(93)	-23.4%
Net income	**141**	**125**	**+13.2%**

The capital markets activities of BFCM and CIC are combined in a single business division, CM-CIC Marchés, which performs the Crédit Mutuel-CM11 Group's refinancing and commercial and investment banking activities from offices in Paris and Strasbourg and branches in New York, London and Singapore. The merger of CM-CIC Securities' activities with those within CIC allowed the market offering for customers to be consolidated under the brand CM-CIC Market Solutions.

After a difficult start to the year for the financial sector, which nevertheless provided opportunities, conditions were better during the rest of the year. Stock market trading volumes were down, with few primary issues. However, the very low interest rates and the ECB's corporate bond purchases generated strong growth in bond income.

In 2016, net banking income generated by capital markets and refinancing activities grew by 7.5%, totaling €433 million. Most of the profitability of commercial transactions, as well as that of the refinancing activities, is assigned to the income statement of the entities that monitor customers, as is the case for the other network support businesses.

Operating expenses increased by €37 million, €14 million of which was due to the increase in the Single Resolution Fund (SRF) tax charged to this business line and significant reversals of provisions in 2015.

After a corporate income tax saving related to an adjustment of residual deficits and temporary differences, net income for the capital markets division amounted to €141 million in 2016, up 13.2% compared with 2015.

Private banking

(in € millions)	2016	2015	change
Net banking income	**512**	**510**	**+0.5%**
Operating expenses	(367)	(371)	-1.1%
Gross operating income	**145**	**139**	**+5.0%**
Cost of risk	(4)	9	n.s.
Gains/losses on other assets	7	(4)	n.s.
Income before tax	**149**	**143**	**+4.1%**
Corporate income tax	(32)	(41)	-23.5%
Net gains/losses on discontinued operations	(22)	(23)	-1.2%
Net income	**95**	**79**	**+20.0%**

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

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

In a sluggish economic environment and in a busy regulatory context (preparation of MiFID II), the private banking entities are pursuing their commercial development. Of particular note, Banque Transatlantique created an umbrella brand with the Desjardins Movement in Quebec “Desjardins Transatlantique Gestion Privée” and Banque de Luxembourg created a new specific offering *Family Office Services* aimed at its large corporates.

The business line manages savings totaling €107.7 billion, up 3.6% without “market effects” this year. Customer loans amounted to €12.7 billion at end-2016.

Net banking income rose by €2 million to €512 million in a context where an increase in interest margins and financial commissions was difficult. Operating expenses were under control, having fallen 1.1% to €367 million. Income before tax stood at €149 million, up 4.1% before taking into account the €22 million after-tax loss of Banque Pasche, sold in the second quarter of 2016 (excluding the €66 million reclassification of the translation reserve allocated to the holding company business line).

These results do not include those of the CIC Banque Privée branches, which are integrated into CIC branch offices to serve mainly the senior executives customer segment. The income before tax of the CIC Banque Privée branches came to €95 million, a 7.8% increase from 2015.

Private equity (CM-CIC Investissement)

(in € millions)	2016	2015	change
Net banking income	**195**	**172**	**+13.6%**
Operating expenses	(46)	(41)	+11.8%
Gross operating income	**149**	**131**	**+14.1%**
Income before tax	**149**	**131**	**+14.0%**
Corporate income tax	(0)	(5)	n.s.
Net income	**149**	**126**	**+17.8%**

This business activity is carried out by CM-CIC Investissement, which has its head office in Paris and offices in Lyon, Nantes, Lille, Bordeaux and Strasbourg, thereby ensuring close ties to customers, while gradually entering a phase of international development.

The strategic positioning of CM-CIC Investissement for the past five years was underpinned by continued efforts aimed at portfolio value creation in 2016 with very promising prospects.

The momentum was strong, with €287.7 million invested in 2016, of which €125.1 million in 20 new deals and disposals totaling €322 million.

Assets invested through proprietary management totaled €2 billion across a portfolio made up of 408 equity holdings, the vast majority of which are in companies that are customers of the group's networks.

In 2016, the business line saw firm growth in income combined with effective cost control; it contributed €149 million to the group's net income in 2016, compared with €126 million in 2015.

Information technology and logistics

(in € millions)	2016	2015	change
Net banking income	**1,421**	**1,388**	**+2.4%**
Operating expenses	(1,357)	(1,276)	+6.3%
Gross operating income	**64**	**112**	**-42.6%**
Cost of risk	(5)	(6)	-8.0%
Gains/losses on other assets	15	8	+82.1%
Income before tax	**74**	**114**	**-35.4%**
Corporate income tax	(67)	(59)	+14.4%
Net income	**7**	**56**	**-87.7%**

This division comprises the purely logistical entities: the group's IT companies, the CM-CIC Services EIG, EI Telecom, Euro Protection Surveillance, Fivory and the media division.

Net banking income for the IT and logistics activity, which rose by 2.4% to €1.421 billion, consisted of the sales margins of the IT, telephone and surveillance companies, revenue from the services provided by CM-CIC Services, the net banking income of the logistics subsidiaries of Targobank

Germany and Cofidis, and the media division's sales margin.

Operating expenses rose by 6.3% due to the recognition of impairment of goodwill in respect of the media division; excluding this effect, operating expenses for the segment rose by 0.4%.

The segment's net income of €7 million is largely attributable to the poor performance of the media division, whereas the technological entities made a positive contribution to the group's net income.

Conclusion: growth and adaptation

In a context characterized by many challenges - economic, social, technological, competitive and regulatory - the Crédit Mutuel-CM11 Group set forward its priorities once more in 2016: development, adaptability, innovation, service quality and control of its costs and net provision allocations/reversals for loan losses. These requirements have allowed it to assert its identity, leverage its differences and post sound financial results, a source of strength and confidence. Its technological and digital expertise has benefited all the group's segments. It reflects its ambition to serve its 23.8 million customers and members and, more broadly, to serve people and the real economy.

To support these changes, the 2014-2016 medium-term plan has been extended through 2018. An IT and organization plan called "2018 customer-member priority" will be implemented over the coming years to improve the tools and support provided to account managers and the networks to ensure constantly improved service for members and customers.

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

Financial information for the year ended December 31, 2016 includes this press release and the specific information based on the recommendations of the Financial Stability Board and on sovereign risk exposures.

All financial communications are available on the web site: www.bfcm.creditmutuel.fr.

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Crédit Mutuel-CM11 Group* Key figures**

(in € millions)	December 31, 2016	December 31, 2015 adjusted
Business		
Total assets (1)	609,756	570,853
Loans, including lease financing	329,958	304,136
Total savings	607,882	583,272
of which, customer deposits	276,195	254,370
of which, financial insurance savings	79,451	75,857
- of which, financial savings (invested in savings products)	252,237	253,045
Shareholders' equity		
Shareholders' equity (1)	39,587	37,133
Employees, year-end (2)	69,514	66,372
Number of branches	4,587	4,511
Number of customers (in millions)	23.8	23.7

Financial results

Consolidated income statement (in € millions)	December 31, 2016	December 31, 2015 adjusted
Net banking income	13,302	12,845
Operating expenses	(8,202)	(7,907)
Gross operating income	5,100	4,938
Cost of risk	(826)	(803)
Operating income	4,273	4,135
Net gains/losses on other assets	(310)	(64)
Income before tax	3,963	4,072
Corporate income tax	(1,383)	(1,539)
Net gains/losses on discontinued operations	44	(23
Net income	2,624	2,510
Net income attributable to the group	2,410	2,254

* consolidated results of the mutual banks of Crédit Mutuel Centre Est Europe, Sud-Est, Ile-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique et Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranéen and Anjou, of their common federal bank, and of the Banque Fédérative du Crédit Mutuel and its main subsidiaries: GACM, BECM, IT, etc. and including CIC, Targobank Germany, Targobank Spain, Cofidis and CIC Iberbanco

** Figures not approved by the boards.

(1) 2015 adjusted - for shareholders' equity, including net income for the year before dividend pay-outs

(2) employees at group-controlled entities.

Methodology notes

1/ **Adjusted 2015 financial statements**: a change in accounting method was applied from January 1, 2016 in terms of the recognition of the capitalization reserve of the insurance companies; adjusted proforma 2015 financial statements have been drawn up.
The capitalization reserve is a reserve that consists of the capital gains made on disposals of bonds and is reversed only in the event of realized capital losses on bonds.
Following the transposition of Solvency II into French law, Groupe des Assurances du Crédit Mutuel (GACM) modeled the pay-outs from the capitalization reserve to policyholders. As this reserve ultimately accrues to policyholders, the recognition of the share of liabilities related to deferred profit-sharing for the restatement of the capitalization reserve makes the group's IFRS consolidated financial statements more relevant.
This change in accounting method has an impact on the group's IFRS shareholders' equity in the sum of €398.4 million at the beginning of 2016 and €401.8 million at end-2016, with an impact on 2016 income of -€3.5 million (and -€4.3 million for 2015 adjusted income).

2/ The **changes at constant scope** are calculated after:

- adjusting for companies which entered the consolidation scope between January 1, 2016 and December 31, 2016: the leasing and factoring entities acquired from General Electric Capital in France and Germany (retail banking segment); North Europe Life Belgium (insurance segment);
- a restatement for the difference in the consolidation period of Banif Mais (6 months in 2015, 12 months in 2016, retail banking segment), Atlantis (6 months in 2015, 12 months in 2016, insurance segment);
- a restatement due to the change in consolidation method of Targobank Spain (retail banking segment) and AMGEN SEGUROS GENERALES COMPAÑÍA DE SEGUROS Y REASEGUROS, SA (insurance segment): accounted for using the equity method in 2015, fully consolidated in 2016.

These items are given in detail below in the intermediate management balances:

	2016 (in € millions)			2015 (in € millions)			**changes 2016 / 2015**	
	reported	changes in scope to be adjusted	**at constant scope**	adjusted	changes in scope to be adjusted	**at constant scope**	gross	**at constant scope**
Net banking income	**13,302**	**262**	**13,040**	**12,845**	**38**	**12,807**	**+3.6%**	**+1.8%**
Operating expenses	(8,202)	(217)	(7,985)	(7,907)	(24)	(7,883)	+3.7%	+1.3%
Gross operating income	**5,100**	**44**	**5,055**	**4,938**	**14**	**4,924**	**+3.3%**	**+2.7%**
Cost of risk	(826)	(118)	(708)	(803)	(3)	(800)	+2.9%	-11.5%
Operating income	**4,273**	**(74)**	**4,347**	**4,135**	**11**	**4,124**	**+3.3%**	**+5.4%**
Gains/losses on other assets	(310)	(4)	(305)	(64)	(7)	(57)	n.s.	n.s.
Income before tax	**3,963**	**65**	**3,899**	**4,072**	**4**	**4,068**	**-2.7%**	**-4.2%**
Corporate income tax	(1,383)	(18)	(1,365)	(1,539)	(4)	(1,535)	-10.2%	-11.1%
Net gains/losses on discontinued operations	44	0	44	(23)	0	(23)	n.s.	n.s.
Net income	**2,624**	**47**	**2,577**	**2,510**	**0**	**2,510**	**+4.5%**	**+2.7%**
Non-controlling interests	214	4	210	256	4	252	-16.4%	-16.5%
Net income attributable to the group	**2,410**	**43**	**2,367**	**2,254**	**(4)**	**2,258**	**+6.9%**	**+4.8%**

Alternative performance indicators – article 223-1 of the General Regulation of the Autorité des Marchés Financiers (French financial markets authority - AMF)

Name	Definition/calculation method	For the ratios, justification of use
Operating ratio	Ratio calculated from items of the consolidated income statement: ratio of general operating expenses (sum of items “general operating expenses” and “allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets” of the consolidated income statement) to “IFRS net banking income”	Measure of the bank’s operational efficiency
Total net provision allocations/reversals for customer loan losses as a proportion of total outstanding loans (expressed in % or basis points).	Net provision allocations/reversals for customer loan losses from Note 31 to the consolidated financial statements as a percentage of gross loan outstandings at the end of the period (loans and receivables due from customers excluding individual and collective impairment)	Allows the level of risk to be assessed as a percentage of the balance-sheet credit commitments
Total net provision allocations/reversals for loan losses	“Net provision allocations/reversals for loan losses” item of the publishable consolidated income statement; by comparison with the net provision allocations/reversals for loan losses on an individual basis (definition in this table)	-
Net provision allocations/reversals for loan losses on an individual basis	Total net provision allocations/reversals for loan losses excluding collective provisions (see definition in this table)	-
Customer loans	“Loans and receivables due from customers” item of the asset side of the consolidated balance sheet	-
Customer deposits; bank deposits	“Due to customers” item of the liabilities site of the consolidated balance sheet	-
Insurance products	Life insurance products held by our customers - management data (insurance company)	
Bank savings products	Off-balance sheet savings products held by our customers or under custody (securities accounts, mutual funds, etc.) management data (group entities)	
Total savings	Sum of bank deposits, insurance savings and bank savings products	
Operating expenses, general operating expenses, management fees	Sum of lines “General operating expenses” and “Allocations/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets”	-
Interest margin, net interest revenue, net interest income	Calculated from items of the consolidated income statement: Difference between the interest received and the interest paid: - interest received = "interest and similar income" item of the publishable consolidated income statement - interest paid = "interest and similar expenses" item of the publishable consolidated income statement	-
Loan production	Amount of new loans released to customers - source management data, sum of individual data from entities of the “retail banking - branch network” sector + COFIDIS	-
Collective provisions	Application of IAS 39 which provides for a collective examination of loans, in addition to the individual examination, and, if applicable, the creation of a corresponding collective provision (IAS 39 paragraphs 58-65 and application guidance AG 84-92)	-

Loans-to-deposits ratio; commitment factor	Ratio calculated from items of the consolidated balance sheet: ratio expressed as a percentage between total customer loans ("loans and receivables due from customers" item of the asset side of the consolidated balance sheet) and customer deposits ("due to customers" item of the liabilities side of the consolidated balance sheet)	Measures the dependency on external refinancing
Overall non-performing loan coverage ratio	Determined by calculating the ratio of provisions for credit risk (including collective provisions) to the gross outstandings identified as in default within the meaning of the regulations; Calculation from Note 8a to the consolidated financial statements: "Individual impairment" + "collective impairment" / "individually-impaired receivables"	This coverage rate measures the maximum residual risk associated with loans in default ("non-performing loans")