



Press Release

February 19, 2015

2014 ANNUAL RESULTS

A solid 2014 from Crédit du Nord Group, continuing on from its 2013 success.

Consolidated net banking income: EUR 1,924 million, up by +0.4%*

Operating expenses contained, up by +0.9%

Cost of risk significantly down at 49 bp of loan outstandings

Net income (Group share): EUR 340 million, down by -10.9%*

ROE: 12.7%

Core Tier 1 ratio (under Basel 3) of 9.20%

Crédit du Nord's Board of Directors met on February 19, 2015 to approve the Group's 2014 financial statements.

Consolidated net banking income amounted to **EUR 1,924 million**, up **+0.4%***.

Income was boosted by solid growth in margins on deposits (+5.8%), driven by very high inflows of deposits (+7.5%), particularly demand deposits among all customers and home loan savings plans.

Penalised by lacklustre demand and intense competitive pressure in the market for Individual customers, the interest margins on loan outstandings declined (-4.5%).

Net fee income was stable. The impact of the ceiling on trading fee income and weak loan demand was partly offset by momentum from financial savings and life insurance in particular (financial fee income up by +3.4%).

Operating expenses were **kept under control**, despite increasing by **+0.9%** due to the decline on some unused IT assets and as a result of tax adjustments in respect of 2011 and 2012.

The restated **cost-to-income ratio** amounted to **63.1%*** (up by 0.3 points compared to 2013).

Cost of risk came out to **49 basis points**, a significant -7.4% decline compared to 2013.

Crédit du Nord ended the year with **consolidated net income (Group share)** of **EUR 340 million**, a decline of **-10.9%*** compared to 2013, which had benefited from EUR 52.5 million in capital gains generated from the sale to Societe Generale of the stake the group held through Etoile Gestion Holding in Amundi (asset-management subsidiary jointly owned by Societe Generale and Crédit Agricole). Restated for this item, consolidated net income (Group share) increased by **+1.6%**.

*Change restated for the impact of the application of IFRS to future commitments related to home loan savings products (-EUR 0.05 million in 2013, -EUR 12.01 million in 2014 before tax), the fair value measurement of financial liabilities (-EUR 43.51 million in 2013, -EUR 18.65 million in 2014 before tax), and the application of IFRS 13 – Fair Value Measurements – to the valuation of derivative products, notably credit value adjustments (CVA) and debit value adjustments (DVA) (-EUR 10.85 million in 2013, +EUR 6.93 million in 2014 before tax). The change was also restated for the Amundi dividend collected in 2013 (+EUR 8.05 million).

Banks serving their ever-growing customer base

Throughout 2014, Crédit du Nord Group banks continued their commercial development, with **sustained growth in each active customer base**.

At December 31, 2014, Crédit du Nord boasted 2,256,000 Individual customers, 211,000 Professional customers and 47,800 Business customers. For its part, the Group's Private Banking activity counted more than 4,700 customers.

At their service for their everyday banking needs, for investing their savings or protecting their loved ones and their property (personal protection, insurance), Crédit du Nord Group banks help their customers turn their plans into reality.

Accordingly, in 2014, they **distributed over EUR 3.8 billion in housing loans to Individuals**. Meanwhile, they continued to contribute to financing the economy with **close to EUR 3 billion disbursed in the form of equipment loans or leases**, up by **+8.6%** compared to 2013. The ECB's TLTRO, which provided an opportunity to offer attractive interest rates to customers, greatly contributed to this trend.

Banks that combine regional roots, a relationship approach, expertise and technological innovation

Crédit du Nord Group was established through the grouping of some 80 regional banks that have pooled their respective strengths and talents. Its eight regional banks offer the advantages of a **historical presence in their region** and a **solid grasp of the local economic fabric**.

Backed by a national group, they also benefit from a **centralised, multimarket, multibank and multichannel information system** that makes it possible for their customers:

- to conduct all of their transactions in any of the Group's branches, whichever banner their own branch is under;
- to choose how they want to interact with their bank, based on the customers' wishes: face to face at the branch; alone on the Internet, on a smartphone or tablet using mobile applications; with their remote account manager (subscription to basic products by telephone and email for Individual customers); or at the customer's home or office.

At the end of 2014, the Group launched **a new version of its smartphone and tablet apps** which now give its Individual and Professional customers access to **the same expanded functionalities, on both the iOS and Android platforms**.

All Business and Institutional specialists and advisors have been provided with tablets and a dedicated app, giving them all of the necessary tools to support their customers (documentation, simulation tools, scanner, etc.)

At the same time, **branches were equipped with the Webex solution**, which gives customers the option to meet with their advisor remotely, to remotely consult one of the bank's experts (in electronic payments, employee savings, wealth management, etc.) and to share documents in real time.

All of these initiatives are aimed at increasing advisors' pro-activeness and customers' satisfaction, which is a priority for Crédit du Nord Group. The Group once again ranked **among the leaders in the 2014 competitive survey conducted by the CSA Institute⁽¹⁾**, taking first place in the market for Business customers and third in the Individual and Professional customer markets.

Bolstered by these solid results, Crédit du Nord Group is committed to sustaining its performance in 2015, in terms of customer satisfaction, commercial development, operating efficiency and risk management, all while pursuing its adaptation to new issues facing retail banking.

(1) Competitive barometers to measure customer satisfaction conducted by the CSA Institute among a representative sample of over 10,500 Individual, Professional and Business customers of the main banks in the market.

KEY FINANCIAL DATA (GROUP CONSOLIDATED DATA)

Pursuant to IFRS 11, Antarius is now consolidated using the equity method in the Group's financial statements as from January 1, 2014. Changes over the year are shown below on a proforma basis for this accounting method.

In EUR m	2014	2013	Change 2014/2013 Consolidated	Change 2014/2013 Restated*
NBI	1,924.2	1,893.8	+1.6%	+0.4%
Operating expenses	1,229.1	1,218.2	+0.9%	+0.9%
GOI	695.1	675.6	+2.9%	-0.4%
Cost of risk	183.2	197.8	-7.4%	-7.4%
Operating income	511.9	477.8	+7.1%	+2.2%
Net income (Group share)	340.2	368.9	-7.8%	-10.9%

In EUR m	2014	2013	Change 2014/2013
Customer loans	36,176	35,480	+2.0%
Customer deposits	33,227	30,899	+7.5%
Managed customer savings	25,550	25,390	+0.6%

* Restated for the effects of the application of IFRS relating to future commitments associated with home loan savings products, the fair value measurement of financial liabilities, and the application of IFRS 13 – Fair Value Measurements – to the valuation of derivative products, notably credit value adjustments (CVA) and debit value adjustments (DVA). The change was also restated for the Amundi dividend collected in 2013.

The audit of the consolidated financial statements carried out by the Statutory Auditors is currently in progress.

About Crédit du Nord Group:

Crédit du Nord Group comprises eight regional banks - Courtois, Kolb, Laydernier, Nuger, Rhône-Alpes, Société Marseillaise de Crédit, Tarneaud and Crédit du Nord - and one brokerage firm, Gilbert Dupont.

The Group's 9,000 employees and network of 907 branches serve nearly 2.3 million Individual customers, 211,000 Professional customers, and 53,000 Business and Institutional customers.

Crédit du Nord Group's entities enjoy a large degree of freedom in the management of their activities, ensuring quick decision-making and exemplary responsiveness to their customers' needs.

The strategy of the Group's banks is based around three core aims:

- to be a reference bank in terms of the quality of customer relationships;
- to develop a high degree of individual and collective professionalism;
- to offer customers state-of-the-art services and technologies.

The quality and strength of Crédit du Nord Group's results is recognised by the market and through Standard & Poor's long-term rating of A and Fitch's rating of A.

Crédit du Nord Group is a wholly owned subsidiary of Societe Generale.

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