



## Press Release

February 24, 2016

### 2015 ANNUAL RESULTS

#### Crédit du Nord Group turns in solid sales performances and very robust financial results

<b>Consolidated net banking income</b>	€1,992.7 million, up +2.7% <sup>(1)</sup>
<b>Operating expenses</b>	€1,232.4 million, under control at +0.2% <sup>(1)</sup>
<b>Cost of risk</b>	€179.2 million, down - 2.2%
<b>Consolidated net income</b>	€388.0 million, up +10.7% <sup>(1)</sup>
<b>ROE</b>	<b>14.0%</b>
<b>Common Equity Tier 1 Ratio (Basel 3 fully loaded CET 1 Ratio)</b>	<b>9.7%</b>

**Crédit du Nord's Board of Directors met on February 18, 2016 to approve the Group's financial statements for fiscal year 2015.**

**Consolidated net banking income** rose +2.7%<sup>(1)</sup> to **€1,992.7 million**. Revenue growth was driven by sales momentum, substantial deposit inflows, record new home loan activity and strong fee income. The margin on deposits climbed by +2.7%, driven by significant inflows that offset the negative impacts of the ongoing and very steep drop in deposit reinvestment rates over the year in the current market environment.

The margin on loans picked up (+3.8%), with 2015 underscored by record new home loan business, a turnaround in personal loans and a solid performance in loans to business customers under the TLTRO.

Net fee income increased by +4.0%, buoyed by a +3.9% improvement in service fee income spurred on by growth in the customer bases, and a +4.3% boost in financial fee income (drawing on financial savings momentum and strong results from Private Banking, fixed income and foreign exchange activities).

**Operating expenses** were **stable** over the year (+0.2%).

The restated **C/I ratio**, down 1.5 points, came out at **61.6%**<sup>(1)</sup>.

**Cost of risk** stood at **45 basis points**, down 4 points compared to 2014, thanks to a significant improvement in cost of risk on the business customers market.

At the end of fiscal year 2015, Crédit du Nord Group posted **consolidated net income** of **€388.0 million**, up +10.7%<sup>(1)</sup> relative to 2014.

<sup>(1)</sup> Restated for the effects of the application of IFRS relating to future commitments associated with home loan savings products (-€17.5 million in 2015 before tax), the fair value measurement of financial liabilities (+€24.0 million in 2015 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) (-€15.0 million in 2015 before tax).

## An original banking model

Crédit du Nord Group offers an original banking model: regional banks belonging to one group and thus the convenience of local banking combined with the resources and infrastructures of a nationally ranked institution.

## Regional ties and omni-channel relationship banking

The close ties that are so important for Crédit du Nord Group are reflected in three different ways:

- **its regional roots:** the banks, which have historically operated in their regions, are deeply involved in the economic, artistic, athletic and charitable life of their community;
- **close relations:** as partners to their customers at the key moments of their personal or professional lives, they are only interested in conducting their business as part of a close relationship with their customers, based on extensive knowledge of their needs and mutual trust;
- **multiple communication channels:** the Group has taken full advantage of the digital revolution for several years now. In addition to the traditional channels of communication, the Crédit du Nord Group banks have seized the opportunities made available by technological advances in recent years to expand their points of contact with their customers and meet their mobility needs. In 2015 alone, the new smartphone app for business leaders and their authorised representatives was launched, allowing them to monitor and manage their company's accounts; the Monésmart offer was also rolled out, enabling professional customers to accept payments made by their customers using debit cards thanks to a card reader connected to the retailer's smartphone and a special app; plus, the smartphone and tablet apps for individual and professional customers were enhanced: they now offer (on Android and iPhone) a range of features as broad as those available on the website, such as consulting all the savings products (including life insurance vehicles) and loans, viewing direct debits payable, managing revolving credit lines (Etoile Avance and Facilinvest), signing up for savings products completely online, ordering chequebooks, viewing account balances and recent transactions with just one click of the mouse, accessing Club Norplus offers, and more.

At the same time, the CRMs for the Group's professional, business, institutional and wealth management customers were equipped with tablets containing all the key information and tools they need when meeting with customers at their place of business: documentation on the bank, its products and services, contracts, e-mail, schedule, etc. They can also scan documents or hold video conferences between customers and experts located far apart, and share documents with them in real time.

"On issues as sensitive as family protection, business and financing projects – sometimes even life itself – which our customers bring to us, trust is a crucial bond. We firmly believe that this bond relies on a close relationship and expertise," said Philippe Aymerich, Chief Executive Officer of Crédit du Nord.

## Expertise focused on helping customers realise their plans

The banks of Crédit du Nord Group contribute to their customers' success through the quality of their offer, services and advice.

The Group's sales approach is tailored to the needs of each type of customer:

- a dedicated advisor for individual, professional and non-profit customers, with non-profits handled by the same branch and the same person for private or professional matters;
- both a CRM and an advisor for business customers;
- both a CRM and wealth management advisor for wealth management customers.

In order to meet the specific requirements of certain businesses, target their individual expectations and offer an appropriate response, Crédit du Nord Group even ensures that some of its advisors specialise their area of expertise and designs a bespoke offer. For example, this is the approach taken for independent professionals in the last two years.

Finally, customers have access to a network of experts, working in the different regions, specialising in specific areas such as e-banking, employee savings, leasing, equity capital transactions, foreign trade, etc.

The Crédit du Nord Group banks assist their customers by helping to fund their projects. In 2015, they granted some €6.5 billion in housing loans (+71.5%) to individual customers. The Group was an active partner in funding the economy and developing SMEs by issuing more than €3.4 billion in equipment loans and leases (+16%).

### **An attractive approach**

Year after year, customers are won over by this different approach to banking and join the Crédit du Nord Group banks. In 2015, the active customer bases expanded by +3.3% for individuals, +4.1% for professionals and +2.1% for businesses.

Furthermore, the results of the customer satisfaction surveys conducted by independent firm CSA<sup>(1)</sup> confirm just how much customers value and appreciate the relationship banking model offered by Crédit du Nord Group.

For the past 10 years, the Bank has distinguished itself with its excellent performances in terms of overall customer satisfaction:

- 7 times No. 1 and 10 times in the Top 3 for the individual customers market,
- 4 times No. 1 and 9 times in the Top 3 for the professional customers market,
- 5 times No. 1 and 9 times in the Top 3 for the business customers market,

“The performances generated in fiscal year 2015 once again underscored the relevance of the positioning established by the Crédit du Nord Group banks and the very special bond they have with their customers,” explained Bernardo Sanchez Incero, Chairman of the Crédit du Nord Board of Directors.

<sup>(1)</sup> *Competition surveys measuring customer satisfaction carried out by polling institute CSA on a representative sample of more than 10,500 individual, professional and business customers of the top 11 French banks.*

## KEY FINANCIAL DATA (GROUP CONSOLIDATED DATA)

In EUR m	2015	Change 2015/2014 Consolidated	Change 2015/2014 Restated <sup>(1)</sup>
NBI	1,992.7	+3.6%	+2.7%
Operating expenses	1,232.4	+0.2%	+0.2%
GOI	760.3	+9.5%	+7.0%
Cost of risk	179.2	-2.2%	-2.2%
Operating income	581.1	+13.6%	+10.2%
Consolidated net income	388.0	+14.2%	+10.7%

In EUR m	2015	Change 2015/2014
Customer loans	38,064	+5.3%
Customer deposits	36,872	+11.0%
Managed customer savings	26,204	+2.6%

<sup>(1)</sup> Restated for the effects of the application of IFRIC 21, IFRS relating to future commitments associated with home loan savings products, the fair value measurement of financial liabilities, and IFRS 13 – Fair Value Measurements – to the valuation of derivative products, notably credit value adjustments (CVA) and debit value adjustments (DVA).

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 investment service provider, brokerage firm Gilbert Dupont.

With almost 9,000 employees and a network of 899 branches, Crédit du Nord Group serves over 2 million individual customers, 274,000 professional and non-profit customers, and 54,000 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.

For more information, visit [www.groupe-credit-du-nord.com](http://www.groupe-credit-du-nord.com)

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