

2017 ANNUAL RESULTS: DYNAMIC SALES AND A SOLID FINANCIAL PERFORMANCE

The Crédit du Nord board of directors met on 23 February 2018 under the chairmanship of Bernardo Sanchez Incera to approve the 2017 financial statements.

At 31 December 2017, the Crédit du Nord group posted resolutely **dynamic sales results with very qualitative growth in the client base**, exceptional loan origination and active growth drivers.

The group posted a resilient financial performance in an interest rate environment that remained extremely restrictive. Dynamic sales teams combined with risk control helped to underpin its performances. Consolidated NBI came out at €1,904m compared with €2,005m in 2016, which included an exceptional capital gain of €110m generated on the contribution of Visa Europe shares as part of the Visa Inc offering. General expenses amounted to -€1,286m attributable to regulatory charges and IT investment as part of the Group's transformation. The cost of risk declined sharply to -€113m. This confirms the positive trend concerning the Group's risk profile. Operating income came out at €505m. Consolidated Group net income reached €381m.

Net fees climbed +4%, underpinned by growth in service fees (+2%) linked to growth in the client base and continued development of the "bancassurance" activity. In a more favourable market environment, financial fees rose sharply (+12%) with a notable increase in outstandings.

Bernardo Sanchez Incera, chairman of the board of directors, commented on the Group's annual results as follows: **"The Crédit du Nord group recorded dynamic sales results and a resilient financial performance that demonstrate the relevance of its original model, underpinned by growth drivers in the different territories in which it operates. The Group has accelerated its transformation, in terms of both digitisation and dematerialisation. Its teams remain collectively focused on customer satisfaction, the mainstay of its approach, and on constantly improving value added for customers. This energy is directed towards servicing businesses, professionals and individuals seeking to undertake projects in the regions."**

NET BANKING INCOME	€1,904m
GENERAL EXPENSES	-€1,286m
COST OF RISK	-€113m
GROUP NET INCOME	€381m
COMMON EQUITY TIER 1 RATIO (fully-loaded Basel 3 CET 1 ratio)	11%

STRONG GROWTH DRIVERS

Life Insurance inflows were focused more significantly on unit-linked investments, which offer higher returns in periods of low interest rates.

The Private Banking activity saw continued development with very good performances (3,800 households, i.e. +9% and net inflows of €613m).

The Crédit du Nord group banks reached a new milestone as bankers-insurance providers by filling out their offering with multi-risk auto insurance.

The Corporate Finance division and brokerage firm Gilbert Dupont also had a very good year. Gilbert Dupont posted record results in 2017 (NBI +18%) thanks notably to the completion of 19 market operations.



Gilbert Dupont continues to be the leading market maker in Paris, with 95 contracts under management at 31 December.

CONTINUED DEVELOPMENT OF THE CUSTOMER BASE

2017 contributed to the ongoing development of the private individual customer base (+1%): 107,000 new individual customers were captured in core segments. This was underpinned in particular by the take-up of property loans. The active individual customer base surpassed 1.9 million, with growth of +2% in the Premium customer base. Personal loan origination for customer projects rose by +4% compared with 2016, its highest level since 2012. Total individual loan outstandings reached €24.2bn, up +6.5%.

Strong trends were maintained on the professional client market (+3%), with nearly 20,400 new clients. The self-employed professionals segment saw exceptional growth in 2017 (23% new clients) thanks to a dedicated offering involving specialised advisers and partnerships. 46% of the professional clients supported are also private clients.

Growth of +2% in the corporate client base. The capture of new clients with revenue topping €7.5m continued to grow at the same pace. The Crédit du Nord banks account for the main banking relationship of more than one third of their corporate clients, up +3%.

Through its long-standing relationships with French SMEs, the Crédit du Nord group participates actively in the financing of the economy: medium and long-term loan origination was particularly strong in the first half of the year, particularly via TLTRO II financing, and was also very strong in the second half. Loan origination reached an exceptional level in 2017 with €3.5bn disbursed, up +22% in relation to 2016.

This strength in lending favoured sustained development in credit outstandings to businesses, which reached a total of €13.3bn at the end of December. Growth in outstandings came to +7.7% year-on-year, including 8.8% in MLT loans.

Ambitious objectives in leasing were also achieved, after a record high in like-for-like production in 2016. Outstandings at the period-end also rose by 3.6%.

MAIN FINANCIAL DATA FOR 2017 IN €M (CONSOLIDATED GROUP DATA)

Auditing of the financial statements by the statutory auditor is currently underway.

NBI	1,904
General expenses	-1,286
GOI	618
Cost of risk	-113
Operating income	505
Group net income	381
Customer loans	41,610
Customer deposits	43,702
Managed customer savings	28,531

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Les banques du groupe Crédit du Nord

CONTINUED ENHANCEMENT OF CUSTOMER SERVICES

The Crédit du Nord group continued to deploy its bank as a platform approach: the teams continued to work energetically and innovatively to enhance their digital offering by adding useful and secure solutions that simplify the customer experience, through both internal and external partnerships.

In partnership with ALD, the Crédit du Nord group proposed [long-term vehicle leasing](#) to its individual and professional customers. This offering comes with various complementary service and insurance options.

On the individual customer market, multibank services were broadened into a platform of banking and non-banking services. Multi-bank budget management (with categorisation of expenses and provisional view of client account balances at all banks) was added to the [account aggregator](#) offering in 2017. Developed with Fiducéo, this solution is available across all sites, and via tablet and smartphone. At the start of 2018, this services platform was enhanced with the inclusion of a safe deposit box: [Synthèse multidoc](#) (**aggregation of online invoices, notices and statements**). In 2016, the Crédit du Nord group banks were the first traditional banks to offer an integrated account aggregator solution for multi-bank customers, across all sites, and for all mobile and tablet applications.

Moreover, the agreement obtained by the Group banks from the CNIL in May 2017 to test **voice recognition authentication** marked a new stage in the ongoing investment by the teams in the latest technologies, notably in areas to enhance security and fraud prevention.

A new extra-banking partnership launched with Gérerseul.com. This partnership is designed to enable access for premium customers to a simple online lease management solution.

For professional clients, **Assurance Multirisque des Pros** was launched, notably with a telesurveillance offering.

For corporate clients, a new mobile banking relationship management app was launched, available on Apple Store and Google Play. **New partnerships were sealed with fintech companies such as Oxatis, Payzen, and more recently iRaiser** for online fund collection. The banks have teamed up with [Fédéral](#), a financial and social engineering firm, to assist companies in implementing employee share ownership and loyalty policies.

A partnership was also signed with the [European Investment Fund](#) to provide access to financing under the InnovFin guarantee initiative. This guarantee is part of the Juncker plan and is offered under the aegis of the European Union and the European Investment Bank. It facilitates access by family-run SMEs and ISEs to financing for innovative projects in the different territories.

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ABOUT THE CRÉDIT DU NORD GROUP

The 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 services provider, the brokerage firm Gilbert Dupont.

With 8,600 employees and a network of 851 branches, the Crédit du Nord group has nearly 2 million individual customers, 305,000 professional and association clients, 55,000 corporate clients and institutional clients.

The Crédit du Nord group 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 banks is based around three core aims:

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

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

The Crédit du Nord group is a wholly-owned subsidiary of Societe Generale.

More information can be found on www.groupe-credit-du-nord.com

Find us also on



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