REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT 2015

CIC

Construisons dans un monde qui bouge.

Building the future in a changing world

This registration document was filed with the *Autorité des Marchés Financiers (AMF)* on April 20, 2016, pursuant to Article 212-13 of the AMF's General Regulations. It may be used in support of a financial transaction if it is accompanied by a memorandum approved by the AMF. This document was prepared by the issuer and is binding on its signatories .

Chairman's statement

Development and discipline

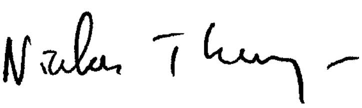
In 2015, the CIC group posted strong performance and strengthened its positions in its various businesses – banking, insurance, telephone and technology services – by balancing growth, efficiency and risk control.

Strong sales (increase of 6.6% in bank deposits and 7.1% in net lending and nearly 4.5 million property-casualty insurance policies purchased) and the responsiveness of its 20,000 employees enabled it to generate a 15% rise in income before tax to €1.702 billion.

This result reflects our motto: service first! This means anticipating and meeting the needs of customers – whether individuals, associations, self-employed professionals or corporates – by offering them performance and security. Our decentralized organization and decision-making directly at the customer level ensure our ability to respond quickly. This result also reflects a training policy that generates skills, a shared culture and internal promotion. It is this professionalism that allowed our teams to respond to the large number of loan restructuring and renegotiation requests received by the group in 2015.

Service first! This also means using technology to enhance relations with our customers and ensure their trust in us. This winning combination of both an online and in-person approach to customer relations sets us apart in a highly competitive environment marked by the emergence of non-bank stakeholders in the financial services market.

The CIC group's balance sheet, coupled with the increased solidity of its Crédit Mutuel parent company, a powerful group with a European reach, makes it a key player in the development of our regions, of companies and of all economic operators.
Through its performance and its commitment to society, CIC acts as a responsible bank on behalf of our fellow citizens. Ready to meet the challenges of tomorrow, it is building the future in a changing world. And in an environment of strong pressure on margins, it intends to carefully manage its general operating expenses and risks while continuing to grow to better serve its customers.



Nicolas Théry

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CIC PROFILE

A leading bank both in France and around the world, the CIC group promotes a universal banking model that combines businesses covering all areas of finance and insurance, financial solidity and a long-term growth strategy.

Through its commitment to the economy, society and the environment and with a strong corporate governance system, CIC acts as a responsible bank.

Its operations are organized into five businesses:
- retail banking
- financing activities,
- capital markets activities,
- private banking,
- private equity.

4,869,039 customers*, including:

3,983,996 individuals

92,045 associations

665,825 self-employed professionals

127,173 corporates

19,952 employees**

2,015 branches in France

3 foreign branches

35 foreign representation offices

20 foreign private banking offices

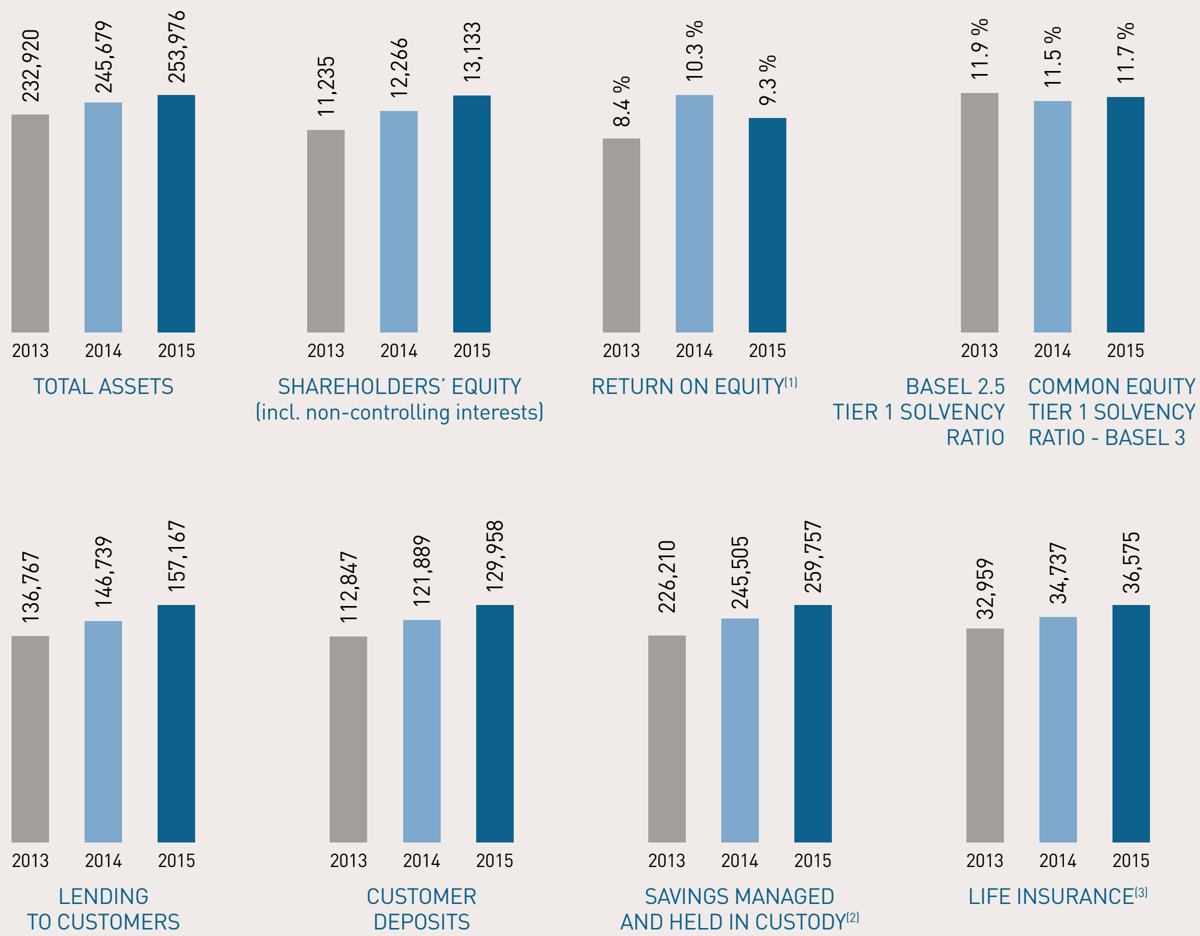
Figures as of December 31, 2015.
* Banking network
** Full-time equivalent.

KEY CONSOLIDATED FIGURES

Capital in € millions

	2015	2014	2013
Net banking income	4,782	4,410	4,466
Operating income after provisions	1,570	1,293	1,211
Net income attributable to owners of the company	1,111	1,116	845
Cost/income ratio [1]	62.8%	66.0%	64.7%

(1) General operating expenses as a percentage of net banking income



(1) Net income attributable to owners of the company as a percentage of opening shareholders' equity less dividends paid.
(2) Managed savings (life insurance, employee savings plans and UCITS) and customers' securities in custody.
(3) Month-end outstandings

Source: consolidated financial statements.

SIMPLIFIED ORGANIZATION CHART

The percentages indicate the portion of the entity controlled by CIC as defined under Article L.233-3 of the French Commercial Code (Code de Commerce).
Crédit Mutuel also holds shares in companies not controlled by CIC (i.e. in which ownership is less than 50%). They are therefore controlled by the Crédit Mutuel group in accordance with the terms of the same article of the French Commercial Code.

CIC

BANKING NETWORK

100%	CIC Nord Ouest
100%	CIC Ouest
100%	CIC Sud Ouest
100%	CIC Est
100%	CIC Lyonnaise de Banque

PRIVATE BANKING [1]

100%	Banque Transatlantique
100%	Banque CIC Suisse
100%	Banque de Luxembourg

PRIVATE EQUITY

100%	CM-CIC Investissement[2]

SPECIALIZED BUSINESSES

23.5%	CM-CIC Asset Management
99.9%	CM-CIC Épargne Salariale
100%	CM-CIC Securities[3]
99.2%	CM-CIC Bail
54.1%	CM-CIC Lease
95.5%	CM-CIC Factor
100%	CM-CIC Aidexport

INSURANCE

100 %	Groupe des Assurances du Crédit Mutuel

SHARED SERVICE COMPANIES

12.5%	Euro Information
No capital	GIE CM-CIC Titres
No capital	GIE CM-CIC Services

(1) Private banking activities are also conducted by CIC's Singapore branch (in situ and via CIC Investor Services Limited in Hong Kong).

(2) Formerly CM-CIC Capital Finance.

(3) Company absorbed by CIC on 01/01/2016.

CIC comprises:

- CIC (Crédit Industriel et Commercial), the holding company and head of the bank network, which also acts as the regional bank for the Greater Paris region and through which investment, financing and capital markets activities are carried out;
- five regional banks, each of which serves a clearly defined region;
- specialist entities and service companies serving the whole group.

Crédit Mutuel associated companies by business:

SPECIALIZED BUSINESSES
CM-CIC Asset Management: 76.5%
CM-CIC Bail: 0.8%
CM-CIC Lease: 45.9%
CM-CIC Factor: 4.5%

INSURANCE
Groupe des Assurances du Crédit Mutuel: 79.5%

SHARED SERVICE COMPANIES
Euro Information: 87.5%


CIC
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Presentation of CIC

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BUSINESSES

RETAIL BANKING*

Retail banking, the group's core business, continued to grow in 2015. With net banking income of €3.514 billion, operating expenses of €2.254 billion and net additions to/reversals from provisions for loan losses of €194 million, retail banking posted income before tax of €1.202 billion.

Retail banking: key figures (€ millions)	2015	2014	Change 2015/2014
Net banking income	3,514	3,327	5.6%
General operating expenses	(2,254)	(2,194)	2.7%
Operating income before provisions	1,260	1,133	11.2%
Net additions to/reversals from provisions for loan losses	(194)	(234)	(17.1%)
Income before tax	1,202	1,020	17.8%
Net income attributable to owners of the company	790	688	14.8%

Source: consolidated financial statements.

Retail banking, CIC's core business, continued to grow in 2015 and today has 4,869,039 customers.

The number of customers in the banking network, which consists of 2,015 points of sale, increased by 96,799 or 2%.

The network's total commitments increased by 3% with, in particular, a 25% rise in new investment loans.

Customer savings ended the year up by 5.6% thanks to home savings accounts (up 15%) and customer deposits (up 19.5%).

Life insurance outstandings increased by 5%, with a 9.6% rise in Euro-UL life insurance.

Service activities associated with electronic payment systems showed strong growth:
- number of cards in circulation up by 5.8%, including high value-added cards for individuals up by 6.5%;
- number of active merchant payment terminals up by 6.2% to 128.70 units;
- flow of card payments with merchants and corporates up by 4.1%.

In property insurance, the number of policies grew by 13.3%, of which 7.9% were for auto and 8.6% for home.

The number of mobile phone contracts reached 439,580, representing an increase of 16.4%.

* Outstandings are cumulative average outstandings.

Nort-sur-Erdre.
Photo credit:
Christiane Blanchard.

Retail banking markets

Personal banking customers 2015

New customers

The personal banking customers market currently has 3,983,996 customers (up 1.5%). This significant increase of 148,891 customers in 2015 was mainly driven by the recovery in real estate loans in the 25 to 49 year age bracket. However, 18 to 25-year-olds accounted for the highest rate of increase at 3.1%.

Customer deposits

Overall savings book balances decreased by 2.3% to €18.73 billion. This decrease resulted from substantial net outflows of €380 million on ordinary savings accounts (down 4.6%) and €63.9 million on sustainable development savings accounts (LDD).
Livret A balances remained stable.
Outflows of €295 million were also recorded on term deposits. However, significant growth in home savings schemes (PEL) (up €1.017 billion or 16.1%) and sight deposits (up €1.254 billion or 13%) resulted in a €1.486 billion increase in customer deposits.

Managed savings

Outstandings rose by 2.9% to €10 billion, driven mainly by an increase in non-money market group funds (up €142 million or 7.1%) and in «custody of equity securities» (up €362 million or 7.5%). The launch of the «CIC Exigence» wealth management service at the end of the year sparked further growth in managed savings.

Lending

New home loans rose sharply to €12.543 billion (up 91%), with outstandings up by only 1.1% as a result of loan restructuring and renegotiations triggered by the drop in interest rates.
In consumer lending and revolving credit, outstandings rose by 3.1% to €3.8 billion as a result of an increase in new lending to €2.2 billion (up 9.2%), due to the provision of pre-approved loans and the launch of CIC Auto loans.

Service contracts and remote banking

The total number of contracts was 1,310,006. This number grew at a higher rate than the number of customers (up 5.3%) thanks to the success of our global contract and our adjustable contract offering.

The appropriateness of our multi-channel customer relations approach is reflected in a very sharp increase in the number of people enrolled in remote banking (up 14.7% to 2.1 million).

Self-employed professionals

Dedicated sales force

A team of 2,225 account managers specialize in the management of self-employed professionals to respond appropriately to the needs of the various market segments. In 2015, 665,825 self-employed professionals benefited from CIC's expertise.

CIC: A NETWORK THAT OFFERS MULTIPLE OPTIONS

More than 2,000 points of sale

With 6 new branches opened, CIC maintained its policy of improving and structuring its network.
At the end of 2015, the network consisted of 2,015 points of sale.

Remote banking embraced by over 2 million Filbanque users

In personal contracts, 225,869 new customers in all markets signed up for Filbanque in 2015 as a result of enriched content and marketing. The number of personal contracts rose to 1,518,334 (up 5.7%).
With 2.05 million users, the appropriateness of CIC's multi-channel customer relations approach is reflected in a very sharp increase in the number of people enrolled in remote banking (up 14.7%).

3,729 ATMs, including 2,101 accessible to visually impaired individuals

This number includes 2,376 cash dispensers and 1,353 deposit terminals.
CIC recorded 104 million transactions at these ATMs, including 69 million withdrawals and 20 million deposits.

More than 2.3 million bank cards for individuals

The total number of cards increased further by 5.7% with 2,303,407 cards used in 2015, including 376,438 high-end cards (a 6.5% increase), i.e. 16.3% of the total.

Nearly 440,000 mobile phone subscribers

With 61,866 new customers, the total number of subscribers rose by 16.4% to 439,580. The group continued to develop its 4G offering in a highly competitive environment.

352 million online, web, app and messaging contacts

With 352 million connections in 2015, remote access continued to increase, particularly via tablets and smartphones which now account for more than 42% of all connections.

New customers

Campaigns targeting self-employed professionals resulted in the acquisition of 70,359 new customers, exceeding the 70,000 threshold. The total number of customers rose by 3.2% in 2015.

Lending

Loans made available in 2015 for our business customers increased in all categories by 32.4% compared to the previous year. New investment loans reached €3.048 billion for a 20% one-year increase, while new equipment leasing loans also rose by 9% to €436 million.

Action in support of entrepreneurs led to the issuance of 4,968 loans benefiting from a Bpifrance guarantee as part of the business creation initiative.
The €3.034 billion in new home loans made available to self-employed professionals (up 48%) represented 19.2% of the CIC network's total new lending.
Overall, loans outstanding to self-employed professionals rose by 3%.

Savings

Total savings increased significantly in 2015 by 6.4% to €24 billion. This includes an increase in sight deposits of €1.3 billion (up 17.8%) and in life insurance of €230 million (up 5.4%), as well as a negative change in savings accounts of €121 million (down 1.5%).

Customer loyalty

Products and services were actively marketed:
- the total number of remote banking contracts increased by 19,869, or 7.7%, to 279,591;
- the number of business contracts rose by 11,813, or 6.5%, to 192,531.

In the banking network, electronic payments grew by 4.1% as a result of an increase in both the number of active terminals (up 5.6%) and the volume of transactions carried out (up 8.1%).

Employee savings management

A total of 3,888 new contracts were signed, bringing the overall amount to 29,839.

Life, health and personal protection insurance

Self-employed professionals accounted for €4.515 billion (13.5%) of total life insurance business. The signing of 3,645 individual health insurance policies and 12,063 personal protection insurance policies brought the total number of policies to 12,586 (up 14.9%) and 70,841 (up 1.2%) respectively.
In terms of group health and personal protection insurance policies, account managers for self-employed professionals were responsible for the signing of 14,223 new policies in 2015.
A total of 1,944 Madelin plans (pension savings plans providing a retirement annuity) were sold.

Partnerships

Agreements with branded networks continued and totaled 135.

Agriculture

The division acquired 3,645 new customers, increasing the total to 35,837, and granted €499 million in loans (up 29%), bringing total commitments to €2.396 billion, an increase of 4.7%.

Total savings rose by 5.3% to €1.4 billion thanks in particular to the increase in life insurance outstandings, which grew by 9.8% to €337 million, and in customer deposits, which grew by 17.5% to €351 million.

Communication

Sales drives included a radio campaign aimed at all self-employed professionals and CIC took part in several events targeting this customer segment (trade fairs, conferences, etc.).

Corporates

New customers

CIC's strategy is based on direct contact between account managers and their customers. For CIC, the best way to meet customers' needs is to make every effort to find solutions. The group is committed to adapting its products and services to customers' priorities. The innovative capacity and expertise of the business centers are prerequisites for responding to all their needs. The account manager, at the center of the customer relationship, ensures the quality and efficiency of a one-to-one relationship based on mutual trust and a single commitment: service first. The total number of customers rose by 3.3%. In all, 11,508 companies joined the corporate network in 2015.

Lending

The modest recovery supported by government measures, particularly the additional depreciation rule for new investments, and record low interest rates boosted investments. New medium- and long-term lending continued to grow in 2015, taking outstandings to €13.608 billion (up 4.1%). Equipment leasing totaled €1.216 billion and real estate leasing €345 million, confirming the constant growth of the lease financing offering.
Short-term funding outstandings registered a drop of 3.7%, in line with the decline in the market.
Overall, the corporate network's commitments rose by 3.2% to €34.123 billion.
To help innovative companies grow, CIC created the «Innovative Business Loan» which includes a deferred repayment option.

Treasury management and financial investment

In 2015, CIC continued to adapt its solutions to meet companies' security, liquidity, transparency and performance needs in a context of record low interest rates.
Total savings rose by 7.7% to €34.035 billion, driven mainly by current accounts with credit balances (€11.398 billion, an increase of 25.8%).

Payments

Ensuring the security of payments is a priority that has brought about several innovations. A new strong authentication solution was implemented to enhance the mechanisms that already exist.

Safetrans has been marketed since July. This device supplements the K-Sign RGS** certificate featured in our product line.

For users of the Monetico Paiement online payment platform, a "fraud prevention" module allows our merchant customers to configure filter criteria to control activity on the site.
2015 also saw the development of Sepamail, a new easier and safer way to pay invoices.

International

Relying on the group's network of branches and 35 representative offices worldwide, CM-CIC Aidexport offers companies "tailor-made" solutions to support them internationally.
For transaction processing, the international business center operates a performance and quality improvement process. Financing solutions for import and export activities are offered by the group's experts and regional specialists to meet the needs associated with developing operations in foreign markets and ensuring secure transactions.
In 2015, a «Parent Companies/Subsidiaries» marketing campaign was launched to assist our customers via our branches in Germany and Spain and through our partnerships with Desjardins in Canada and BMCE in Morocco.

Employee benefit schemes

CIC has expanded its offering to allow management to closely involve employees in developing their company, while controlling the management of social security and other payroll-related expenses (incentive plans, profit-sharing, employee savings plans).
The 2015 Macron Law encourages companies to sign contracts in exchange for financial benefits in order to support high economic activity.
In 2015, employee savings balances rose 8.1% to €2.017 billion.
Group health insurance, boosted by the new regulations resulting from the ANI national multi-industry agreement, now rounds out the offering.
The rollout of an electronic restaurant card solution, Monetico Resto, supports the paperless systems used in every area.

Associations

The number of customers increased by 15% to 92,045, driven mainly by the network's combined efforts to help co-owner association customers open separate accounts (Alur Law).

Commitments rose by 10.3% to €805 million. At the same time, outstanding investments grew by 6.6% to €7.113 billion.

CIC's solidarity products – the Carte pour les autres and the Livret pour les autres (bank cards and savings accounts incorporating humanitarian or charitable donations) – became increasingly popular and allowed donations to be made to the partner associations. They increased by 6% during the year. CIC welcomed a new partner association at the end of the year: UNICEF.

Thanks to these partnerships, marketing development and the innovative services offered to customers (including Dynaflux Global Collect, which facilitates donation collection management), today CIC is a bank recognized by the voluntary sector.

Retail banking support services

Insurance

CIC markets the insurance product lines designed and managed by Groupe des Assurances du Crédit Mutuel (GACM), which had a total of 27.8 million policies. GACM's 2015 insurance revenue was €10.4 billion, €3.835 billion of which was generated in the CIC network.

The year was characterized by a high volume of new property insurance policies, while personal protection insurance leveled off. Gross life insurance inflows were down slightly by 3.0%, but with a clear shift toward unit-linked policies.

The national multi-industry agreement, which was set to expire on December 31, 2015, actively prepared CIC's corporate customers for the introduction of a group health insurance scheme.
Commissions paid amounted to €1.171 billion, including €329.1 million paid to CIC.

Property

In auto insurance, thanks to a completely redesigned product range and an aggressive pricing policy, the portfolio grew significantly by 18.3% to 2,645,627 policies.

The range covers the needs of all customer groups, including individuals, self-employed professionals and businesses, from basic to fully comprehensive services, with optional assistance services.

The new home insurance product line launched in 2014 is now fully operational. The number of policies grew by 9.2% to 2,391,756.

Despite the string of bad weather during the year, the Constatel telephone platform was able to cope with the influx of insurance claims. The efforts made, mainly to calculate damage remotely, improved the service provided to policyholders.

Personal insurance

The number of personal protection policies (excluding bank personal protection) increased by 1.9% with 2,308,720 policies at year-end.

With regard to loan insurance, the Assur Prêt policy provides some of the most extensive coverage in the market and simplified access conditions. The introduction of the Hamon Law and the objective comparison based on generally known criteria help borrowers make their choice.

Assurance Santé continued to develop a range of services through partnerships with healthcare professionals. The insurance offered satisfies the specifications incorporated into industry agreements and certified products, such as supplemental health insurance assistance policies. The Avance Santé card, a means of payment associated with health insurance, is increasingly recognized as a viable alternative to third-party payer systems.

Life

Gross life insurance inflows were €6.359 billion, including net inflows of €1.497 billion.

CIC's gross inflows amounted to €2.881 billion, including €531 million from CIC Private Banking branches and from wealth advisers for Sérénis Vie policies.

Net rates of return on policies and funds in euros ranged from 1.90% (Livret Assurance) to 2.25% (Plan Assurance Vie Privilège).

Insurance for self-employed professionals and corporates

The network was actively engaged in implementing changes to meet the property and personal insurance needs of self-employed professionals and corporate customers.

In terms of social protection, companies of any size can benefit from pension, personal protection or supplemental health insurance policies tailored to their needs.

To meet the requirement imposed on all private-sector companies, a decision was made to add a healthcare component to the social protection scheme of National Collective Agreements. After being stalled for a while due to a lack of staffing, this approach generated a great deal of enthusiasm at the end of 2015. Plan Santé Entreprise offers automated solutions that satisfy the specifications defined. All policies enjoy the benefits of individual policies: electronic claims management, call centers and the Avance Santé card.

The revamping of the comprehensive insurance product line was well-received and improvements continue to be made to offer solutions tailored to a wide range of professions in a standardized framework that facilitates distribution through a banking network.

Online insurance services

Filbanque subscribers have access to their policies in a dedicated area of the website that offers fully personalized service in conjunction with the branches. For personal insurance, they can obtain quotes, subscribe online, change certain coverage or choose between life insurance policies. These applications have been developed for tablets. On their smartphone, subscribers can also find useful telephone numbers, get advice in the event of an auto or home accident and view their health insurance coverage and most recent reimbursements.

Dedicated spaces are also open to employees of companies that have taken out group health insurance policies or pension savings plans.

Key figures for 2015

Key figures (€ millions)	Groupe des Assurances du Crédit Mutuel	2015/2014	Of which: CIC	2015/2014
Property	1,537	6.17%	333	11.88%
Personal insurance	2,504	1.76%	620	10.72%
Life	6,359	(2.96%)	2,881	(3.02%)
Total insurance revenue	**10,400**	**(0.58%)**	**3,835**	**0.15%**
Number of policies				
Property	11,894,590	11.29%	3,305,301	7.56%
of which auto	*2,645,627*	*18.34%*	*464,611*	*9.37%*
of which home	*2,391,756*	*9.16%*	*573,692*	*8.46%*
Personal insurance	12,535,569	1.86%	3,578,252	2.23%
of which individual personal protection (excl. bank protection)	*2,308,720*	*1.87%*	*658,579*	*(0.47%)*
of which loan guarantee insurance	*5,639,832*	*0.40%*	*1,432,139*	*1.19%*
Life	3,351,371	3.22%	836,229	2.57%
TOTAL	**27,781,530**	**5.87%**	**7,719,782**	**4.48%**

Investment funds

In a fast-changing global environment, CM-CIC Asset Management continued to grow in 2015 by remaining focused on the long term, with €61.77 billion in assets under management at December 31, 2015 (up 2.5%). Net inflows were close to €1 billion for all asset classes compared to €401 million in 2014, with nearly €195 million for formula funds, €300 million for equities and €550 million for diversified funds.

These figures are the result of efforts to offer products upstream through CIC and Crédit Mutuel and marketing campaigns in collaboration with the networks.

Along these lines, in 2015 the ACM subsidiaries approved the Capture Euro 2023 fund, which took in €91.4 million, including €72 million for the ACM subsidiaries, as well as CM-CIC Protective 90 at the end of the year. This cushion fund, developed by the same quantitative management team, accounted for more than €100 million in assets under management at the end of 2015, mostly at the ACM subsidiaries.

2015 marked the launch of «Flexigestion», a line of integrated flexible management products that features three funds (approved for purchase at the ACM subsidiaries), including the Flexigestion Patrimoine fund, which is designed for wealth management customers and has net exposure to equities of 0% to 70%. In 2016, this product line is expected to be marketed through the asset management networks of Crédit Mutuel and CIC and within Private Banking.

Total commissions paid to the networks rose by 6.2% to €177.6 million.

Under invitations to tender, a total of €662 million was collected in 2015 with the help of a restructured team, a single point of entry for the group, in partnership with the group's large accounts division and in collaboration with CM-CIC Épargne Salariale for certain transactions.

The quality of conviction-based management was confirmed in 2015. Some funds were hailed by the financial press, such as the Union Europe Growth fund, which Europerformance ranked fifth out of 355 for European equity funds. The CM-CIC Global Leaders fund, an international equity fund launched in December 2014, had €96.5 million in assets under management at December 31, 2015.

The managed assets of CM-CIC Gestion, CM-CIC AM's investment management consulting subsidiary which operates through the CIC, CIC Private Banking and Crédit Mutuel networks, increased by 8%, i.e. €9.874 billion, at the end of December, while the networks' related commissions and income rose by 14.1%. The business thus generated more than €100 million in net banking income* for the first time.

CM-CIC Asset Management continued to expand its offering through external management companies, with 401 mutual funds out of a total of 1,134 at the end of 2015, compared to 379 in 2014. The overhaul in 2015 of specific services such as delegations of administrative and accounting management and price restructuring paved the way for the redefinition in 2016 of the offering aimed at these customers.

* After payment of commissions to the networks.

Further international development in Europe, notably Germany and Spain, is expected in 2016, as is closer collaboration with the Canadian Caisses Desjardins.

Supporting the networks' development, in partnership with the other business centers, and protecting customers' interests remain the subsidiary's objectives in 2016 on behalf of the group.

Employee savings management

At the end of 2015, CM-CIC Epargne Salariale, the business center of CIC and Crédit Mutuel, represented:
- €7.575 billion in assets under management (up 8.5%);
- 75,817 corporate customers (up 6%);
- 1,311,555 employees' savings under management (down 3%).

Net inflows (up €132 million) and asset valuation (up €464 million) were behind the increase in assets under management.

Inflows in 2015 remained stable at €977 million. Withdrawal requests rose significantly in 2015 (up 10%) after declining in 2014 following the 2013 government measure. In terms of sales activity, new contracts fell by 10% compared to 2014, due in part to the high level of activity related to the national multi-industry agreement.

New business declined even more significantly (down 25%).

Contributions to savings plans increased by 4%, the result of an impulse toward saving in a difficult economic environment and awareness of retirement-related issues.

This past year saw significant capital expenditure on information technology aimed at enhancing services to corporates and savers.

Financing and management of receivables

CM-CIC Factor is the CM11 group subsidiary specializing in receivables and payables management and financing. It offers short-term financing to corporates in France and abroad, with a range of factoring and assigned business receivables management solutions.

In 2015, its net banking income was €116 million (with no significant change relative to the previous year) due to the increase in management fees and the decrease in financial income that resulted directly from the decrease in market indexing rates.

Overall profitability stood at €40.9 million (down 14%) as a result of large IT investments, with net income at €2.5 million (down 50%).

CM-CIC Factor increased its market share in factoring and business receivables management for the sixth straight year with:
- 10% growth in the volume of receivables purchased, to €29.0 billion;
- export revenue of €2.5 billion (up 35%);

• year-end outstandings of €5.1 billion (up 22%); and
• nearly 11,200 active customers.

As a result of growth in business with the networks, it paid €36.2 million in new business and risk commissions.

Real estate leasing

The year 2015 ended with a significant increase in the number of new real estate leasing financing agreements for customers of the networks (310 transactions, up 12%) for a total volume of €604 million which, however, dipped slightly by 4% from the previous year.

The contribution of real estate leasing to the long-term financing of corporate projects did not decline. It resulted in a 4% increase in CM-CIC Lease's total financial and off-balance sheet outstandings to more than €4.2 billion, thereby confirming continuous growth over a number of years (up 17.7% over the last three years alone).

Leasing activity remained diversified and mainly involved logistics warehouses (27.6% of new business in terms of volume) and commercial properties (22.3% of new business). New leases on office buildings and industrial sites were down slightly and accounted for 15.6% (-9 points) and 13.8% (-3 points) of new business respectively.

There was little change in the breakdown of existing leases, which still mainly involved logistics sites and warehouses (20%), commercial properties (25.3%) and industrial properties (21.5%). The remaining existing leases covered a range of sectors, including office buildings (15%), healthcare facilities (8%), hotels (7.7%) and recreational and educational facilities (2.5%).

Net interest income from customers rose by 19.5% after a 23.9% increase the previous year. General operating expenses excluding new tax and regulatory charges rose by less than 1%. Commissions paid to the CM11 and CIC networks totaled €18.6 million, the same as the previous year despite the slightly lower volume of new business.

Net additions to/reversals from provisions for loan losses were down sharply and net income increased significantly to €5.5 million (up 71%).

CM-CIC Lease actively continues to implement the technical resources and organizational methods, particularly with its notaries, that allow it to improve transaction processing times and therefore help develop solid partnerships with the group's corporate customers.

As such, CM-CIC Lease took the lead role in more than half of new transactions carried out through lessor pools in 2015.

Equipment leasing

In a recovering investment lease financing market, CM-CIC Bail had a satisfactory year in 2015. A total of 115,191 leases were arranged for nearly €3.8 billion to meet the investment needs of corporates, business customers, self-employed professionals and individuals.

In France, the Crédit Mutuel and CIC networks continued to record an increase in new business (up 5.2%), particularly in vehicle financing. Nearly 24% of business was generated abroad by the Benelux and German subsidiaries and by the Spanish branch that opened in early November 2015. Profitability remained high due to growth in volumes and favorable refinancing terms, enabling the financial margin to reach €164 million. Commissions paid to the networks rose sharply (up 8.7% after spreading new business commissions over time) with general operating expenses (excluding non-recurring costs to set up the Spanish branch) and net additions to/reversals from provisions for loan losses well under control. Net income totaled €32.7 million.

2015 was a strategic year for CM-CIC Bail with:
• the launch of the Crédit Mutuel Auto and CIC Auto product line throughout the CM and CIC networks;
• the opening of a branch in Spain to distribute leasing products through the Targobank Spain network;
• continued growth in all our activities; and
• the start of a quality initiative as part of the «Service Attitude» project.

FINANCING ACTIVITIES

In 2015, net banking income from financing totaled €366 million and income before tax was €246 million. The bank mobilized all its specialized teams and various branches to provide its corporate customers with customized long-term support and a full range of services.

Financing activities: Key figures (€ millions)	2015	2014	Change 2015/2014
Net banking income	366	328	11.6%
General operating expenses	(97)	(89)	9.0%
Operating income before provisions	269	239	12.6%
Net additions to/reversals from provisions for loan losses	(23)	(49)	(53.1%)
Income before tax	246	190	29.5%
Net income attributable to owners of the company	158	133	18.8%

Source: consolidated financial statements.

Large accounts: corporates and institutional investors

The commitments of the Large Accounts division increased slightly in 2015 in a sluggish economic environment. Overall exposure (excluding guarantees received) rose by 3.4% from €17.9 billion to €18.5 billion. On-balance sheet outstandings increased by 11.4% (€3.6 billion compared to €3.2 billion at end-2014), off-balance sheet guarantees (sureties and risk participations) rose by 1.7% (€5.6 billion versus €5.5 billion), and off-balance sheet financing – undrawn committed lines – increased from €9.2 billion to €9.4 billion.

Prospecting activities were relaunched, as specified in the medium-term plan. However, the risk selection policy was maintained, together with the drive for reduced concentration of commitments by means of greater sector diversification.

Net additions to/reversals from provisions for loan losses fell significantly with a net write-back of €2 million for the year. The quality of the portfolio improved, with 88.9% of commitments classified as investment grade (compared to 85.5% at the end of 2014).

In a context of negative interest rates and a general decline in margins, the amount of interest paid on deposits was revised. Deposits stood at €6.0 billion at year-end (compared to €6.6 billion a year earlier), including €4.9 billion in sight deposits. Added to that at December 31, 2015 were €2.9 billion in negotiable debt securities and €11.8 billion in money market funds (versus €11.7 billion a year earlier), excluding UCITS not in custody.

CIC was involved in 28 loan syndications (compared to 33 in 2015), 79% of which were related to refinancing (extension of the final maturity, change or no change in the loan amount, revision of the terms, usually downward to follow market trends).

Payment processing volumes totaled €246 billion, including 61% on behalf of institutional investors. Five new tenders were successful, i.e. 33% of the invitations to tender received (five are pending a response).

Formalization of the large accounts business line continued across the entire CM11 group to better coordinate the sales efforts of the various teams in contact with major customers. Along these lines, staffing levels were increased, mainly by adding employees from the specialized businesses, and a training plan was developed at the national level.

Priority projects continued to include the work carried out on the sales monitoring and transaction profitability measurement tools.

At December 31, 2015, net banking income was €78.3 million. This amount included only part of the income from transactions passed to the group's other operating entities (cross-selling), for which the large accounts division remains a significant referrer.

Specialized financing

The trends observed in 2014, namely fierce competition from non-bank stakeholders (investment funds, capital markets), continued. In addition, many banks returned to the market and were quick to offer very competitive terms as regards margins and structures.
Despite this environment, 2015 was a very good year in terms of business performance and earnings.
Net banking income and operating income before provisions increased compared to the 2014 record year. Net additions to/reversals from provisions for loan losses remained under control, despite a slight increase compared to 2014, during which significant provisions were reversed. Net income before tax was close to that of the 2014 record year.
Total commitments were up significantly as a result of the combination of strong sales activity and the appreciation of the US dollar against the euro.

Financing of acquisitions

The group supports its customers' business transfer, external growth and development projects by offering its expertise and know-how in structuring appropriate financing for each type of transaction.

On the commercial side, business was strong, especially in the small- and mid-cap sector. New business was undertaken with particular attention being paid to risk/reward ratios. This conservative approach is reflected in a high-quality portfolio with a lower risk profile.

In a market characterized by an influx of cash, lower margins and pressure on structures were felt both in France and in the bank's overseas branches. Development of the third-party management business continued with the end of the private debt fund subscription period, the final amount of which largely exceeded initial expectations.

Asset finance

2015 was a very active year for the asset financing business line (Paris, New York and Singapore). A record volume of new business was generated despite a weak environment in certain sectors. Some segments, such as dry bulk cargo, containers and offshore oil, were seriously impacted by the drop in oil prices. Business continued to grow thanks to a prudent investment policy and support for our longtime customers. Against this backdrop, in 2015 aviation accounted for nearly 50% of the division's new business. The Singapore desk was particularly active (nearly 50% of all new business), especially in the shipping and energy sectors, as a result of major transactions and the acquisition of new customers. Credit margins remained under pressure due to banking competition, which intensified for high-end operations, an area that remains our primary target. Optimized financing operations again contributed significantly to the division's income.

Project finance

In a highly competitive environment, business became more diversified with seven projects for the recently opened New York desk and three projects for the Asia-Oceania zone.
The business line enhanced and internationalized its expertise in the electricity sector, and more specifically in renewable energy, with two solar power plants in the USA, two in France and five wind farms, including three in Canada. There were also four telecom infrastructure projects and seven infrastructure projects involving such diverse areas as hydrocarbon storage and transport in France, the management, use and distribution of thermal energy in Levallois, a railway system in the United Kingdom, and a road link in downtown Melbourne. In the area of natural resources, there were also two LNG projects in the USA.
The breakdown of new business in 2015 by business sector is as follows: electricity 25.7%, infrastructure 45.5%, telecom infrastructure 17% and natural resources 11.7%. The breakdown by geographic area is as follows: Europe 63.7%, Asia-Oceania 13.9% and America 22.4%.
The overall portfolio includes: electricity 43.7%, infrastructure 34.7%, telecom infrastructure 5.4% and natural resources 16.2%.

International

CIC's international mission is to support customers in their development in foreign markets by offering a diversified range of products and services tailored to companies' needs.

With CIC Développement International, it offers SMEs an innovative range of services (market studies, organization of sales visits, partnerships, business establishment, etc.) delivered with the help of CM-CIC Aidexport, a subsidiary specializing in international consulting, and its branches and representative offices. They are promoted through the networks' marketing campaigns and at special events, such as one-day seminars and country-specific forums.

CIC also offers its investment customers a service that analyzes the credit risk of major French and international bond issuers and the main economic sectors at the European and global level.

2015 was marked by further development in buyer credit, documentary transactions and issues of guarantees for both import and export against a backdrop of increased geopolitical risks and slowing momentum in emerging countries.

Under agreements with partner banks, CIC offers a competitive line of international payment processing services, particularly for cash management and opening accounts abroad.

It offers its French and foreign customer banks a broad range of products and services. Managed by a single ISO 9001-certified business center, processing of international transactions is handled by five regional divisions to provide services close to home in tandem with the corporate banking branches. Support for customers abroad is underpinned by strategic partnerships with Desjardins in Canada, the Bank of East Asia in China, Banque Marocaine du Commerce Extérieur and Banque de Tunisie in North Africa, and Targobank in Spain.

Foreign branches and representative offices around the world

London

The main missions of the London branch are the provision of financing to UK subsidiaries of French groups, specialized financing, advisory services to businesses wishing to enter the UK market, and obtaining refinancing for the group. Despite confirmed economic growth in 2015, assets continued to decline due to the early repayment of certain loans. The branch had a good year thanks to new transactions, an increase in gross revenues and a clawback on certain debts for which a provision has been recorded. In 2015, net income* amounted to €25.3 million.

New York

The year was marked by an acceleration in economic growth, still abundant liquidity and the normalization of the Federal Reserve's monetary policy, with the gradual reduction in asset purchases and the start of interest rate hikes.

For acquisition and corporate financing, the year was characterized by a continued rise in outstandings and income thanks to new transactions. The asset financing business line also expanded with a diversified portfolio and loan structures designed to protect against risk. Operations relating to French corporates remained buoyant.

The results from capital market activities were positive, with good control of real estate securitizations.

The branch's net income* in 2015 was €23.4 million.

* Contribution to CIC's consolidated net income.

Singapore, Hong Kong and Sydney

In a still favorable economic environment in Asia despite the slowdown in growth, the product specialization policy was maintained, with priority given to the most stable countries in the region and stringent risk selection.
For specialized and corporate financing, the year saw an increase in outstandings and satisfactory income, with net additions to/reversals from provisions for loan losses close to zero.
Private banking pursued its growth strategy with a net increase in portfolios under management in Singapore and Hong Kong.
Income from capital markets activities, focused on serving institutional and private customers, was satisfactory in a context of heightened volatility.
Support in Asia for corporate customers of the network in France is built on the group's international product offering.
The branch's net income* in 2015 was €8.8 million.

Representative offices

In addition to its foreign branches, CIC has a network of 35 representative offices around the world which place their expertise and their knowledge of regional markets at the disposal of the group's customers and specialized business lines, thereby contributing to the development of its international activities.

CAPITAL MARKETS ACTIVITIES

In 2015, capital markets activities generated net banking income of €342 million.
Income before tax was €175 million.
The teams made their investment expertise available to their customers for investment transactions and hedging financial risk.

Capital markets activities: Key figures (€ millions)	2015	2014	Change 2015/2014
Net banking income	342	304	12.5%
General operating expenses	(169)	(175)	(3.4%)
Operating income before provisions	173	129	34.1%
Net additions to/reversals from provisions for loan losses	2	79	(97.5%)
Income before tax	175	208	(15.9%)
Net income attributable to owners of the company	93	157	(40.8%)

Source: consolidated financial statements.

CM-CIC Marchés

CM-CIC Marchés provides secure, conservative management of the group's capital markets activities, both for its own refinancing and investment requirements and for its customers. These activities are carried out mainly in France, but also at the New York, London and Singapore branches.

CM-CIC Marchés serves both as a vehicle for refinancing its own development and a trading room for corporates, local governments, large accounts, institutional investors and private customers interested in the effective and innovative products developed by its teams. Acting also as a service provider, CM-CIC Marchés enables other group entities to manage financial risks and transactions more effectively.

Business development

The French sales teams are based in Paris and the main regional cities. They serve network customers and large corporates by offering products to hedge their risks (interest rate risk, currency risk, commodities risk), to refinance (particularly commercial paper) and to make classic or structured investments. These activities are also marketed to international customers, where applicable through local entities.
Sales teams are armed with an original and proven range of investment products as a direct result of their expertise in "fixed income/equities/credit" investment. These activities experienced strong growth in 2015, particularly in foreign exchange and investment activities through the Cigogne fund.
In January 2016, CM-CIC Securities' staff was integrated into that of CM-CIC Marchés to create CM-CIC Market Solutions, a platform offering a comprehensive range of market solutions to customers in all primary and secondary markets as well as custodian solutions (mutual fund custodian and securities account-keeping). It will provide customers with better support for their market financing projects.

Refinancement

In 2015, refinancing[1] in the CM11 group's markets was satisfactory. Thanks to regular roadshows, key international investors now have a good understanding of the group's fundamentals and place their trust in it at the time of issues.

External resources totaled €123.9 billion (balance at end-December 2015), a 3.9% increase compared to the end of 2014 (€119.3 billion). This growth was mainly due to the increase in medium- and long-term resources intended to continue the consolidation of our recourse to the market.

Short-term resources remained stable at €40.8 billion and now represent 32.9% of the total (compared to 34.1% at the end of 2014). The share of ECP[2] (30%) placed with international investors effectively supplements the traditional resources raised through negotiable certificates of deposit. The year was marked by some fluctuations in outstandings; the money market in the euro zone, which must now contend with negative interest rates on all maturities, obviously has less regularity.

Medium- and long-term resources totaled €83.1 billion (including the ECB's TLTRO[3]) compared to €78.6 billion at the end of 2014.

BFCM issues represent the bulk of the €12.1 billion issued in the markets and involve both private transactions and large public issues. Public issues included:

- €1.25 billion over 10 years issued in January
- €1.75 billion over 2 years issued in March
- €1.0 billion over 10 years issued in September in a subordinated Tier 2 format for bail-in purposes

These BFCM issues in euros were supplemented by the now traditional operations aimed at investors from more remote regions, namely:

- $1.0 billion (US144A format) over 5 years issued in October,
- ¥109.4 billion (Samurai format) in 5 tranches between 3 and 10 years issued in October.

Two covered bond issues were also carried out by our specialized Crédit Mutuel-CIC Home Loan SFH subsidiary:

- €1.0 billion over 7 years issued in January,
- €1.0 billion over more than 10 years issued in December.

In 2015, the group signed an agreement with the EIB for a new loan package for SMEs totaling €400 million. This amount, which is twice that of the previous package, demonstrates our customers' interest in this type of financing. Other proposals geared towards innovative SMEs are also being considered with a view to strengthening cooperation with the EIB.

The LCR liquidity cushion held by the Central Treasury department was €58 billion at the end of 2015 compared to €49 billion a year earlier. It allows for adequate compliance with the LCR (139% at December 31, 2015). All liquid and ECB-eligible assets amounted to €93.8 billion and covered 181% of market deposits falling due in the next 12 months (165% at end-2014).

(1) These comments and information relate to the central treasury department of the CM11 group, at the exclusion of Targobank Germany and Spain and CIC's subsidiaries and branches outside France.

(2) Euro Commercial Paper.

(3) Targeted Long Term Refinancing Operations.

Fixed income/equities/ credit investment

The teams make investments within a well-defined framework of limits. This mainly concerns the purchase and sale of financial securities acquired with the intention of holding them over the long term, and transactions involving the financial instruments linked to them.

Against a backdrop of still volatile markets, positions were managed cautiously. The results on capital markets activities in France and New York improved. The goal is to achieve positive performance while limiting the volatility of the financial results from these activities and to focus on marketing development.

Against a backdrop of still volatile markets, positions were managed cautiously. The results of capital markets activities in France and New York improved after adjustment of a reversal of provision in 2014 on the New York RMBS portfolio (in run-off management). The goal is to achieve positive performance while limiting the volatility of the financial results from these activities and to focus on developing sales.

Alternative investment products, created by investment business line experts and offered to customers, were of good quality. Stork, the main alternative investment fund, beat its comparable indices, while volatility remained under control. Total outstandings sold rose by 23%.

Services for corporates, asset management companies and institutional investors

The CM-CIC Securities investment firm, which is a broker-dealer, clearing agent, custodian and account keeper, meets the needs of corporates, asset management companies and institutional investors through its three business lines.

The Corporate division is the group's business center for financial transactions. It relies on the expertise of CM-CIC Investissement's capital structuring and specialized financing teams and benefits from the commercial coverage of large accounts, the network and the group's entities, including BECM, CIC Private Banking, CIC Banque Transatlantique, etc.

In 2015, the Primary Bond team took part in 28 bond issues, 12 of them as an active bookrunner. The team conducted private placements (EuroPP) for some of these issues, including for Artemis. During the year, the first two active mandates from non-domestic issuers were obtained (Mahle handled by BECM Germany and Amadeus handled by CIC London). The Primary Equity team completed four IPOs (Ecoslops, Cerenis, Cellnovo and Europcar), a transfer to Euronext for Direct Energie and a capital increase on behalf of Cap Gemini, and co-managed

Vivendi's public tender offer on Canal+. The department also provides issuer services (financial communication, liquidity contracts and stock buybacks, financial secretarial and securities services) for more than 150 listed and unlisted companies.

The Brokerage department trades and clears for customers on all European and North American equity markets and on numerous international equity, bond and derivative markets.

CM-CIC Securities also trades routing orders for retail customers in the Crédit Mutuel and CIC networks. CM-CIC Securities is a member of ESN LLP, a "multi-local" network of brokers operating in eight European countries (Germany, the Netherlands, Finland, Italy, Spain, Portugal, Greece and France) and is a majority shareholder of GSN North America (USA and Canada). Covering more than 600 European companies, the ESN network has a research team of 90 analysts and strategists, as well as 130 salespeople and traders throughout Europe. For its part, CM-CIC Securities has 27 analysts and strategists, and 23 salespeople in Paris and Lyon and six in New York (GSN North America). It also has three salespeople for index, equity and agricultural commodities derivatives (Préviris service for hedging wheat, rapeseed and corn crops), as well as nine salespeople and traders for traditional and convertible bonds.

The investment firm offers its customers high-quality research on US and Canadian equities and on commodities thanks to exclusive distribution agreements for Europe with Needham & Co, an independent US investment bank based in New York, Valeurs Mobilières Desjardins, a subsidiary of Mouvement Desjardins, Canada's number one cooperative financial group, and Afrifocus Securities, an independent broker from South Africa.

Over the course of the year, CM-CIC Securities held more than 300 company and analyst presentations (roadshows) and seminars in France and abroad.

As a securities custodian and account keeper, CM-CIC Securities serves 129 asset management companies, administers more than 26,500 personal investor accounts and acts as custodian for nearly 320 mutual funds, representing €25 billion in assets. The investment firm welcomed 11 new asset management companies in 2015, an acknowledgment of its teams' know-how, the quality of its SOFI account-keeping software and CM-CIC's financial strength.

On January 1, 2016, CIC absorbed CM-CIC Securities, which resulted in the transfer of assets and liabilities to CIC and the takeover of CM-CIC Securities' activities by CIC, thereby ensuring the continuity of all the services provided by CM-CIC Securities to its customers. Following this operation, the market sales activities were reorganized. This department is called CM-CIC Market Solutions and consists of five divisions. The aim of all these activities is to provide corporates, institutional investors and asset management companies with investment, hedging, transaction and market financing solutions, as well as post-trade services.

PRIVATE BANKING

In 2015, the commercial performance of the private banking activities, in volatile financial markets, was satisfactory and the overall results once again improved.

Private banking: key figures (€ millions)	2015	2014	Change 2015/2014
Net banking income	509	458	11.1%
General operating expenses	(371)	(338)	9.8%
Operating income before provisions	138	120	15.0%
Net additions to/reversals from provisions for loan losses	9	(2)	ns
Income before tax	143	119	20.2%
Net income attributable to owners of the company	79	88	(10.2%)

Source: consolidated financial statements.

CIC Private Banking covers all private banking business lines worldwide.
Internationally, the group has entities in high-growth-potential regions such as Luxembourg, Switzerland, Belgium and Asia. Its brands offer nearly 180,000 customers a wide range of high value-added services.
With €122 billion in assets under management, €18 billion in commitments and 1,900 employees, CIC Private Banking's contribution to CIC's 2015 net income was nearly €170 million, an increase of 13% compared to 2014(1). These activities seek to provide customers with high-quality service in line with the highest industry standards.

FRANCE

Two key players operate in France:
- **CIC Private Banking**, a business line that is part of the CIC network and mainly targets company executives; and
- **Banque Transatlantique**, whose tailor-made services, aimed mainly at French nationals living abroad, include private banking and stock options.

CIC Private Banking

With 382 employees in more than 50 cities in France, CIC Private Banking assists high net worth families and executives at key stages in the life of their business: broadening their capital base, growth by acquisition and family transfers.

Working together with wealth engineers, its 188 private banking managers help business owners identify problems and define appropriate business and wealth strategies.

All the skills of the group, notably in the international field, are mobilized to propose the best solutions.

In 2015, thanks to an increase in disposals of companies and its ability to handle large transactions, CIC Private Banking pursued its growth and fund inflows by drawing on its close customer relationships and selecting the best banking and financial offerings in the market.

CM-CIC Transactions PME, which provides consulting on disposals of companies valued at less than €7 million, took off in 2015 with 16 mandates signed, three of which have already been fulfilled. This service is in addition to that already in place for larger transactions and contributes to the private banking business. Work related to internal and customer communications and transaction security (non-residents, know your customer, etc.) was carried out, mainly by developing ad hoc tools.

Customer savings totaled €19 billion and the contribution of CIC Private Banking represented more than one-third of the business line's results for the year[1].

(1) Excluding Banque Pasche.

Banque Transatlantique group

2015 was a record year in terms of growth in assets under management and net banking income and results.
At the end of 2015, assets under management rose by 12% to €25.1 billion and outstanding loans by 29% to €2.4 billion.
Consolidated net banking income increased by 10% to €141.9 million, income before tax was €60.7 million and net income totaled €39.3 million. Banque Transatlantique group was able to achieve this performance thanks to the vigorous efforts of the bank's teams, with a growing number of customers placing their trust in it.
In 2015, Banque Transatlantique opened its first representative office in Madrid, followed by a second in Barcelona in January 2016.
Banque Transatlantique is bolstering its position as a key player in its three main businesses: private management, French nationals living abroad and administration of employee share ownership, stock options and bonus share issues.s.

Banque Transatlantique Paris

Net banking income rose by 17% to €83.4 million and net income by 14% to €21.4 million.

Banque Transatlantique Belgium

Net banking income increased by 13% to €14.6 million and net income by 6% to €5.2 million. Assets under management totaled €1.9 billion and outstanding loans €349 million. To support its major expansion in Belgium, the bank purchased a second building for new staff.

Banque Transatlantique Luxembourg

Net banking income totaled €7.0 million and net income stood at €1.0 million. Assets under management amounted to €1.1 billion and outstanding loans €170 million.

Transatlantique Gestion

Net banking income was up by 5% to €24.6 million and net income rose by 3% to €9.7 million. Assets under management totaled €2.8 billion.

Dubly-Douilhet Gestion

Net banking income was €9.7 million and net income was €3.2 million for €1.1 billion in assets under management.

CIC PRIVATE BANKING INTERNATIONAL NETWORK

Banque de Luxembourg

Banque de Luxembourg is one of Luxembourg's leading banks. In 2015, its private banking outstandings increased by 6% to €22.2 billion. Its customers are international business owners and high net worth families seeking reliable solutions to protect, manage and transfer their tangible and intangible assets. It provides its customers with an integrated service offering, ranging from investment advice to financing solutions. Banque de Luxembourg also assists its customers on matters related to family governance and the development of philanthropic projects.

In 2015, Banque de Luxembourg continued to expand in Luxembourg, as well as in Belgium, where it has operated since 2010. Thanks to its reputation, it is mainly called upon by customers with complex needs, such as substantial and diversified assets, operations in several countries, and so on. It is therefore constantly expanding its offering to respond to their requests in areas such as consolidation, reporting and diversification (private equity, real estate, impact investing).

Banque de Luxembourg also pioneered the development in Luxembourg of a center of excellence for investment funds and support for independent asset managers. For more than 30 years, it has provided assistance to fund sponsors, from creating their organization to supporting their international development. It helps them reap the benefits offered by Luxembourg, the largest fund administration and distribution center in the world. Third-party asset managers can outsource all their administrative tasks to it so that they can focus on supporting their customers and on their business development.

In a world where regulations are becoming increasingly complex, the bank has proactively helped its customers prepare for the challenges of implementing the UCITS V directive and is continuously expanding its banking services for professionals. The investment fund division has €40.5 billion in assets and the third-party management business has €6.7 billion in assets under management.

In 2015, the bank's net banking income was €253 million (up 14.6%) and its net income stood at €69.7 million (up 14.2%).

Banque CIC Suisse

The bank's strategy is clearly geared toward Swiss corporates and business owners based on a comprehensive approach to their private and business needs. After taking this course of action for several years, the bank experienced significant growth in 2015.

With a customer base in line with this strategy and despite market turbulence, business volume increased by 20.9% and profitability improved considerably, reaching a satisfactory level.

Credit transactions rose by €846 million compared to the previous year thanks to positive growth in mortgage and commercial business (up 21%). Home mortgages contributed the most to this result (up €497 million). The bank also took in a total of €748 million in deposits. Customer assets rose by 21.4% compared to the previous year. These results reflect the strong confidence that customers have in both the bank and the group.

CIC Singapore Branch and CICIS Hong Kong

Since 2002, CIC has carried on its private banking business in Asia from Hong Kong and Singapore, two major financial centers in this field in Asia.

In 2015, investors showed more interest in the foreign exchange markets, setting up positions to take advantage of the high level of volatility. This resulted in a significant increase in the FX business (up 44%).

Assets under management rose by approximately 9% and income increased by 5% to $29.4 million.

CIC continued to strengthen the quality, stability and number of its advisers, and bolstered its efforts in the area of regulatory follow-up and control.

In 2016, it will focus on developing discretionary portfolio management, building up recurring income and expanding our Hong Kong facility.

Ms. Deharo, Director of the CIC Private Banking Paris Opéra branch. Photo credit: Nicola Gleichauf.

PRIVATE EQUITY

As the leading French bank-owned operator, CM-CIC Investissement is the nationwide vehicle for all the corporate capital structuring business lines.

Assets under management totaling €2.6 billion were invested in over 500 companies.

Private equity: Key figures (€ millions)	2015	2014	Change 2015/2014
Net banking income	172	149	15.4%
General operating expenses	(41)	(38)	7.9%
Operating income before provisions	131	111	18.0%
Net additions to/reversals from provisions for loan losses	-	-	-
Income before tax	131	111	18.0%
Net income attributable to owners of the company	127	110	15.5%

Source: consolidated financial statements.

Together with its subsidiaries (CM-CIC Investissement SCR, CM-CIC Innovation, CM-CIC Capital Privé and CM-CIC Conseil), CM-CIC Investissement has more than 100 employees working at the Paris headquarters and six regional offices (Lyon, Nantes, Bordeaux, Lille, Strasbourg and Montreal).

With a comprehensive offering including venture capital, private equity, buyout capital and advice on mergers and acquisitions, CM-CIC Investissement takes equity stakes ranging from €1 million to €100 million to support companies in their development in France and internationally. In 2015, the environment remained complex and did not support the growth plans of CM-CIC Investissement's customers in the SME and mid-market companies segment. Nevertheless, thanks to the consistency of its strategic positioning based on a long-term vision of developing companies that often operate internationally and supporting them with long-term capital invested sustainably, the entity was resilient — both in terms of activity and portfolio performance — and overall profitability increased.

Thus, as part of its proprietary trading, nearly €310 million (including approximately two-thirds invested in mid-size companies) was invested in 127 transactions, with more than a third to support portfolio companies. The main equity stakes taken were in Groupe Circet, Proplast, Lorillard, Innov 8, Compte R, Teknimed, Freche, Aramis, Caillau, Bouvay Ladubay, Krono Safe, Mitricares and Colombus/Chargeurs, and additional investments were made in A ltrad, Joryf, NGE, PSF/Schmidt Stoeffler, Kerlink, Cie Biodiversité/Léa Nature and Financière de la Chesnaie/Fast.

Portfolio turnover was high. Divestments with a total transfer value of €333 million resulted in €152 million in capital gains (including reversals of provisions for capital losses), demonstrating the quality and resilience of the investments made. Liquidity continued to be created on assets and the main divestments concerned Labco, Joryf, Exaprint, Anavéo, Holding GS/System, La Toulousaine, Serta and Mecafer.

At December 31, 2015, this portfolio amounted to €2.1 billion (including €80 million in innovation capital) with close to 435 investments. It is diversified and has a significant amount invested in private equity (more than 60%).

Assets under management generated dividends, coupons and financial income of €64 million. In addition, the amount of unrealized capital gains increased, which had a positive impact on IFRS income.

In third-party management, CM-CIC Capital Privé suspended its FIP investment fund and FCPI innovation fund issues in 2015. Funds under management amounted to €300.9 million, after redemptions of €73 million by subscribers and the closing of three funds.

In 2015, the advisory business improved somewhat (thanks in particular to the CM-CIC Transactions PME offering, reserved for the smallest transactions), with ten transactions in a still sluggish mergers and acquisitions market.

CM-CIC Investissement and its subsidiaries contributed €126 million to CIC's consolidated net income (up 14% compared to 2014).

REGIONAL AND INTERNATIONAL DIRECTORY

Regional banks

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HISTORY OF CIC

CIC is the oldest retail bank in France.
It developed internationally and in France before adding its insurance business lines to its banking activities.

CIC, France's oldest retail bank

1859. Société générale de Crédit Industriel et Commercial was created on May 7 by imperial decree of Napoleon III.
1864. CIC took significant stakes in new banks such as Société Lyonnaise.
1895. Opening of the first foreign branch in London.
1896. CIC took part in setting up several banks around the world: Banca Nationala a Romaniei, Banco de Madrid, Banque de Nouvelle Calédonie, Banque de la Réunion and Banque de Madagascar.
1917. The stock of the regional subsidiaries was shown in CIC's balance sheet.

Policy of taking stakes in regional banks

1918-1927. CIC took stakes in the equity of regional banks: Banque Dupont, Banque Scalbert, Crédit Havrais, Crédit de l'Ouest, etc.
1927. Birth of the Groupe des Banques Affiliées (GBA).
1929. Creation of Union des Banques Régionales pour le Crédit Industriel (UBR), which brought together 18 regional and local banks. In the same year CIC founded Société de Secours Mutuels.
1948-1970. Regional banks in expansion phase.
1968. The Suez-Union des Mines group took control of CIC.
1971-1982. The majority of CIC's capital (72%) was held by Compagnie Financière de Suez. During this period, the bank opened offices abroad.

From nationalization to privatization

1982. CIC was nationalized, along with the nine regional banks under the Groupe des Banques Affiliées.
1983. The CIC group was restructured: 51% of the regional banks' capital was now held by the parent company.
1984. Restructuring continued with the creation of CIC Union Européenne, International et Cie, and Compagnie Financière de CIC.
1985. Insurance company GAN took a 34% stake in the capital of Compagnie Financière.
1987. 100% of the capital of the regional banks was now held by Compagnie Financière.
1989. GAN's stockholding increased from 34% to 51%.
1990. Merger of Compagnie Financière de CIC and Banque de l'Union Européenne to form Union Européenne de CIC, bank and holding company of the CIC group, holding 100% of the capital of the regional banks.
1991. GAN held 81.92% of the capital of Union Européenne de CIC.
1993. GAN held 92.64% of the capital of Union Européenne de CIC.
1996. The French government (Juppé administration) decided to privatize the CIC group in an over-the-counter procedure that was suspended in December of that same year.
1997. The French government (Jospin administration) resumed the privatization process on the same basis.

Crédit Mutuel acquires CIC

1998. The government announced that Banque Fédérative du Crédit Mutuel (the holding company of Fédération du Crédit Mutuel Centre Est Europe) was now the majority shareholder of Union Européenne de CIC, with 67% of the capital. GAN retained 23% and more than 7% was reserved for employees. The capital was increased from FRF 2,864,359,400 to FRF 3,500,883,600 (€436,668,775 to €533,706,264). Michel Lucas, CEO of Fédération du Crédit Mutuel Centre Est Europe, became chairman of the executive board of CIC, and Étienne Pflimlin, chairman of CMCEE, became chairman of the supervisory board.
1999. The merger of Union Européenne de CIC (the group's holding company) with CIC Paris (the regional bank for Greater Paris) gave rise to Crédit Industriel et Commercial (CIC), a new structure with a new name, which was both the group's leading bank and a regional bank. Also, BFCM sold 1% of the capital to Caisse Centrale du Crédit Mutuel.
2000-2004. Development of the international base, with a stake taken in Banque Marocaine du Commerce Extérieur, a further stake in Banque de Tunisie and partnership agreements entered into with Banca Popolare di Milano in Italy and Bank of East Asia.
2000. New organizational structure launched: implementation of a single IT system and a common corporate platform, creation of new points of sale and common business centers for Crédit Mutuel and CIC.
2001. Share capital of CIC now €560,141,376. That same year, there was another change in the ownership structure when Crédit Mutuel bought GAN's stake.
2004. A year of major changes: implementation of a single common IT tool for Crédit Mutuel and CIC, a single brand image for CIC in the Greater Paris region and expansion of the network.
A new regional organization split into six centers:
- Greater Paris region with lead bank CIC;
- Northwest with CIC Banque Scalbert Dupont and CIC Banque CIN;
- East with CIC Banque CIAL and CIC Banque SNVB;
- Southeast with CIC Lyonnaise de Banque and CIC Bonnasse Lyonnaise de Banque;
- Southwest with CIC Société Bordelaise;
- West with CIC Banque CIO and CIC Banque BRO.

2006. Mergers:
- CIC Banque Scalbert Dupont, CIC Banque CIN and CIC Crédit Fécampois merged to form a new entity: CIC Banque BSD-CIN;
- CIC Banque CIO and CIC Banque BRO merged to form a new entity:
  CIC Banque CIO-BRO.

2007. Merger:
- CIC Banque SNVB and CIC Banque CIAL merged to form a new entity: Banque CIC Est.

2008: CIC Lyonnaise de Banque absorbed CIC Bonnasse Lyonnaise de Banque.

2010:
- Banque BSD-CIN changed its name to Banque CIC Nord Ouest;
- Banque CIO-BRO changed its name to Banque CIC Ouest;
- Banque Société Bordelaise changed its name to Banque CIC Sud Ouest.

2011. On May 19, the combined shareholders' meeting changed the governance structure from that of a société anonyme (French limited liability company) with an executive board and supervisory board to that of a "classic" (single board) société anonyme.
The board of directors, meeting immediately after the shareholders' meeting, decided that general management should be assumed by Michel Lucas, chairman of the board of directors and chief executive officer, and Alain Fradin, chief operating officer.
2014. On December 11, the board of directors acknowledged Michel Lucas' resignation as chairman and chief executive officer and, at his proposal, made the following appointments: Nicolas Théry, chairman of the board of directors; Alain Fradin, chief executive officer; and Daniel Baal, deputy chief operating officer. Daniel Baal and Philippe Vidal, already deputy chief operating officer, were named effective managers ("dirigeants effectifs") alongside Alain Fradin.
2015. On March 31, CM-CIC Capital Finance, a CIC subsidiary responsible for capital structuring activities, changed its name to CM-CIC Investissement.

CAPITAL

Amount and composition of the capital

At December 31, 2015, CIC's capital totaled €608,439,888 and was composed of 38,027,493 fully paid-up shares, each with a par value of €16.

As authorized by the combined shareholders' meeting of May 26, 1999, the executive board converted the bank's capital to euros through its decision of June 19, 2001. At that time, in accordance with the authorization granted, the par value of each share was changed to €16 from FRF 100, resulting in a capital increase of €26,435,111.72.

In 2003, Banque Fédérative du Crédit Mutuel (BFCM) transferred to CIC 705,000 shares in Fédébail, representing 94% of that company's capital. Consideration for this transfer, which was approved by the extraordinary shareholders' meeting of May 15, 2003, took the form of the issue and allocation to BFCM of 199,330 new CIC shares with a par value of €16. As a result of this transaction, CIC's capital increased from €560,141,376 to €563,330,656.

As part of the restructuring of the group's capital markets activities, CIC Banque CIAL transferred its capital markets activities to CIC. This transfer was approved by the extraordinary shareholders' meeting of September 7, 2006 and 229,730 CIC shares were issued by means of a capital increase and allocated to CIC Banque CIAL in consideration for the transfer. In accordance with the approval granted under Article 115 of the French Tax Code, these shares were granted free of charge to CIC by CIC Banque CIAL at the end of the year. As a result, CIC then held 229,730 of its own shares.

In 2007, CIC absorbed Crédit Fécampois (10th and 11th resolutions of the combined shareholders' meeting of May 31, 2007), whose shareholders, other than CIC, received consideration in the form of CIC shares issued by means of a capital increase, with CIC waiving the right to receive its own shares. 5,850 new shares were issued, corresponding to a capital increase of €93,600.

Pursuant to the fourth resolution of the combined shareholders' meeting of May 31, 2007 offering the option to receive payment of the dividend in shares, the capital stock was increased by €6,526,912 through the issue of 407,932 new shares.

Pursuant to the fifth resolution of the combined shareholders' meeting of May 22, 2008 offering the option to receive payment of the dividend in shares, the capital stock was increased by €12,758,128 through the issue of 797,383 new shares. Pursuant to the fourth resolution of the combined shareholders' meeting of May 12, 2009 offering the option to receive payment of the dividend in shares, the capital stock was increased by €4,291,360 through the issue of 268,210 new shares.

Pursuant to the fourth resolution of the combined shareholders' meeting of May 20, 2010 offering the option to receive payment of the dividend in shares, the capital stock was increased by €17,763,552 through the issue of 1,110,222 new shares.

Securities not carrying the right to a stake in equity

None.

Changes in control and changes in capital

The bylaws do not contain any provision that would have the effect of delaying, deferring or preventing a change in control, or that would impose stricter conditions on changes in capital than those provided for by law.

Changes in capital over the last five fiscal years

	2011 Number of shares	2011 Amount in euros	2012 Number of shares	2012 Amount in euros	2013 Number of shares	2013 Amount in euros
At January 1	38,027,493	608,439,888	38,027,493	608,439,888	38,027,493	608,439,888
Capital increase in cash						
Of which additional paid in capital						
TOTAL CAPITAL AT DECEMBER 31	**38,027,493**	**608,439,888**	**38,027,493**	**608,439,888**	**38,027,493**	**608,439,888**

Distribution of capital at the close of the last three years, in shares and voting rights

	At 12/31/2013 Number of shares	%	Voting rights	%	At 12/31/2014 Number of shares	%	Voting rights	%
Banque Fédérative du Crédit Mutuel	27,657,888	72.73	27,657,888	73.19	27,657,888	72.73	27,657,888	73.19
Ventadour Investissement	7,407,901	19.48	7,407,901	19.60	7,759,983	20.41	7,759,983	20.53
Caisse centrale du Crédit Mutuel	384,436	1.01	384,436	1.02	384,436	1.01	384,436	1.02
Banca Popolare di Milano	352,082	0.93	352,082	0.93				
Crédit Mutuel Nord Europe	375,289	0.99	375,289	0.99	375,289	0.99	375,289	0.99
Crédit Mutuel Arkéa (Suravenir)	263,585	0.69	263,585	0.70	263,585	0.69	263,585	0.70
Crédit Mutuel Maine-Anjou, Basse Normandie	256,186	0.67	256,186	0.68	256,186	0.67	256,186	0.68
Crédit Mutuel Océan	266,292	0.70	266,292	0.70	266,292	0.70	266,292	0.70
Crédit Mutuel du Centre	219,458	0.58	219,458	0.58	219,458	0.58	219,458	0.58
Crédit Mutuel Loire-Atlantique et Centre Ouest	135,329	0.36	135,329	0.36	135,329	0.36	135,329	0.36
FCPE ACTICIC (employees and former employees)								
Crédit Mutuel Normandie	26,626	0.07	26,626	0.07	26,626	0.07	26,626	0.07
Public, other shareholders	449,000	1.18	449,000	1.18	445,882	1.17	445,882	1.18
Treasury stock (own shares and shares held under the liquidity agreement)	233,421	0,61		-	236,539	0.62		-
TOTAL	**38,027,493**	**100**	**37,794,072**	**100**	**38,027,493**	**100**	**37,790,954**	**100**

Pursuant to the agreements entered into on September 11, 2001 between CIC, BFCM, GAN and Groupama, GAN's 23% stake in CIC was acquired by Ventadour Investissement, a wholly-owned BFCM subsidiary.
In accordance with its contractual commitments, each year BFCM acquires the shares sold by current and former employees of CIC who took part in the 1998 privatization. These sales mainly concerned 463,394 CIC shares in July 2003 at the end of the five-year holding period and 66,573 shares in 2013, the last year of BFCM's contractual commitment.
On February 8, 2006, pursuant to the strategic partnership agreement entered into with CIC, Banca Popolare di Milano acquired 352,082 CIC shares from Ventadour Investissement. As a result of the termination of this partnership, Banca Popolare di Milano sold its 352,082 shares to Ventadour Investissement in June 2014.
At December 31, 2013, the «ActiCIC» FCPE company mutual fund no longer held any CIC shares and was being absorbed by a money market fund. The registered shares held directly by employees and former employees represented 0.1% of the capital of CIC at December 31, 2015.
The 236,750 shares held by CIC at December 31, 2015 (of which 229,741 own shares and 7,009 shares held under the liquidity agreement) have no voting rights but do not result in a significant change between the distribution of capital and that of voting rights between shareholders as presented opposite.

Names of natural or legal persons able to exert control over CIC, either individually, jointly or in concert

At December 31, 2015, BFCM (Banque Fédérative du Crédit Mutuel), itself a 93%-owned subsidiary of Caisse Fédérale de Crédit Mutuel, held 93.7% of CIC's capital both directly (73.2%) and jointly with its wholly-owned subsidiary Ventadour Investissement. It therefore exerts control over CIC.
BFCM's business covers the following areas:
- as the holding company of the CM11 group, it holds investments in banking and finance, insurance, real estate and technology;

	2014 Number of shares	Amount in euros	2015 Number of shares	Amount in euros
	38,027,493	608,439,888	38,027,493	608,439,888
	38,027,493	**608,439,888**	**38,027,493**	**608,439,888**

	At 12/31/2015			
	Number of shares	**%**	**Voting rights**	**%**
	27,657,888	72.73	27,657,888	73.19
	7,759,983	20.41	7,759,983	20.53
	384,436	1.01	384,436	1.02
	375,289	0.99	375,289	0.99
	263,585	0.69	263,585	0.70
	256,186	0.67	256,186	0.68
	266,292	0.70	266,292	0.70
	219,458	0.58	219,458	0.58
	135,329	0.36	135,329	0.36
	26,626	0.07	26,626	0.07
	445,671	1.17	445,882	1.18
	236,750	0.62		-
	38,027,493	**100**	**37,790,954**	**100**

- financial management, treasury and refinancing services for the group;
- lending, financial structuring, cash management and trading room for a customer base of major corporates and institutional investors.

BFCM is a subsidiary of the CM11 group, which comprises, in addition to their associated federations, Caisse de Crédit Mutuel Centre Est Europe, Caisse de Crédit Mutuel Sud-Est, Caisse de Crédit Mutuel Ile-de-France, Caisse de Crédit Mutuel Savoie-Mont Blanc, Caisse de Crédit Mutuel Midi-Atlantique, Caisse de Crédit Mutuel Loire-Atlantique et Centre-Ouest, Caisse de Crédit Mutuel Centre, Caisse de Crédit Mutuel Normandie, Caisse de Crédit Mutuel Dauphiné-Vivarais, Caisse de Crédit Mutuel Méditerranée and Caisse de Crédit Mutuel d'Anjou, Caisse Fédérale de Crédit Mutuel (the joint Caisse Fédérale) and its other main subsidiaries: ACM, BECM, the IT subsidiaries, CIC, Targobank (Germany and Spain), Cofidis, and CIC Iberbanco.

At December 31, 2015, with total consolidated assets of €570.6 billion, the CM11 group had €583.3 billion in savings in custody or under management, of which €254.4 billion in deposits, €253.0 billion in bank savings products and €75.9 billion in insurance savings products. Total lending stood at €304.1 billion.

Its shareholders' equity amounted to €37.5 billion and its Common Equity Tier 1 ratio without transitional measures was 15.1%.

As far as measures to prevent abusive control are concerned, we would point out that all transactions between BFCM and CIC are conducted at market prices, and the only regulated agreements between BFCM and CIC concern the optimization of the group's refinancing.

In addition to the chairman of the board of directors of CIC, who is also chairman of the board of directors of BFCM, and the chief executive officer of CIC, who is also chief executive officer of BFCM, BFCM has a seat on CIC's board of directors, which consists of ten directors appointed by the shareholders' meeting and two directors elected by employees.

MARKET FOR THE COMPANY'S STOCK

SHARES

CIC stock has been listed on the Paris stock exchange since June 18, 1998.
CIC's bylaws do not contain any clauses restricting the sale of these shares. However, Article 9 para. 6 of the company's bylaws requires all shareholders to declare any interest of 0.5% or more in the capital. In its twelfth resolution, the combined shareholders' meeting of May 27, 2015 renewed until October 31, 2016 the authorization given to an investment services provider to trade on the stock market under a liquidity agreement. Pursuant to this agreement, in 2015 CIC:

- acquired 27,855 shares at an average unit price of €182.81;
- sold 27,644 shares at an average unit price of €180.37;
- held 7,009 CIC shares at a market price of €180.50 at December 31, 2015, i.e. 0.018% of the capital.

These shares are held solely under the liquidity agreement and will not be canceled. The amount of trading fees corresponds to the investment services provider's invoice.

The ordinary shareholders' meeting convened on May 25, 2016 will be asked to renew this authorization. There are no particular rights, privileges or restrictions attached to the shares issued by the company.

Market data – CIC shares

	Number of shares traded	Monthly volumes € millions	Highest and lowest Low €	High €
January 2014	16,869	2.711	148.25	167.00
February 2014	11,355	1.846	159.25	165.00
March 2014	10,829	1.777	162.60	166.00
April 2014	4,653	0.754	159.95	163.85
May 2014	8,473	1.377	156.50	166.00
June 2014	8,190	1.287	150.00	159.20
July 2014	9,297	1.406	145.00	155.85
August 2014	14,133	2.130	148.60	154.80
September 2014	15,827	2.520	154.80	165.50
October 2014	11,378	1.789	149.00	164.90
November 2014	7,007	1.092	151.05	158.00
December 2014	9,838	1.526	154.00	158.00
January 2015	7,865	1.251	154.50	164.90
February 2015	8,444	1.454	162.00	192.70
March 2015	6,530	1.217	183.05	190.00
April 2015	9,856	1.878	188.00	192.65
May 2015	14,128	2.685	183.40	191.50
June 2015	19,391	3.579	176.00	192.70
July 2015	8,496	1.616	182.00	196.00
August 2015	8,408	1.598	183.00	194.75
September 2015	3,862	0.717	183.50	187.85
October 2015	8,598	1.552	176.40	184.35
November 2015	5,101	0.921	179.50	181.95
December 2015	6,170	1.112	177.00	184.00
January 2016	7,395	1.303	169.00	183.75
February 2016	9,675	1.604	152.70	174.60

SHARE PERFORMANCE

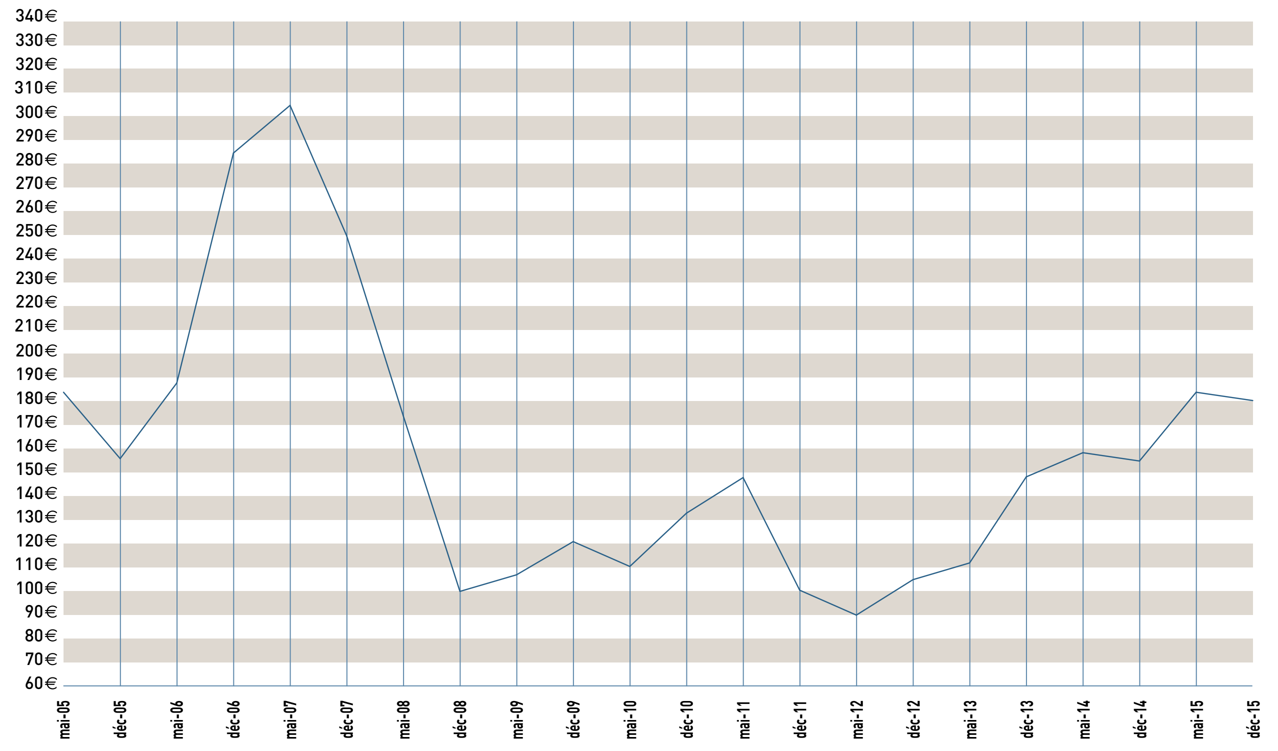
In 2015, the CIC share price rose by 16.5% to €180.50 at December 31, 2015 compared to €155.0 at December 31, 2014.

The share price was up significantly in the first two months of the year, moving from its lowest closing price for the year of €155.0 on January 5, 6 and 7, 2015 to a closing price of €188.0 on February 27. It then fluctuated and reached its highest closing price of €195.5 on July 24 before trending generally downwards.

The average price for the year was €182.693.

In 2015, 106,849 shares were traded on the Paris stock exchange, for an amount of €19.6 million.

CIC SHARE PRICE 2005-2015



DIVIDENDS AND DIVIDEND POLICY

Outstanding shares and securities

	2011	2012	2013	2014	2015
Number of shares	38,027,493	38,027,493	38,027,493	38,027,493	38,027,493
net stock dividend (in €)	6.50	7.50	7	8	8.5
TOTAL DIVIDEND PAYOUT (IN € MILLIONS)	**247**	**285**	**266**	**304**	**323**
consolidated net income attributable to owners of the company (in € millions)	555	698	845	1,116	1,111
Payout ratio	45%	41%	32%	27%	29%

The capital stock is divided into 38,027,493 shares, including 236,750 treasury shares. The dividend allocated to treasury stock is recognized directly under "retained earnings".

Non-voting loan stock

The non-voting loan stock issued in 1985 by Compagnie Financière de Crédit Industriel et Commercial, which has since become Crédit Industriel et Commercial, entitles holders to an annual coupon made up of fixed and variable components. This coupon, payable on May 28 of each year, cannot be less than 85% or more than 130% of the average (TAM + TMO /2), where TAM is the annual monetary reference rate and TMO is the fixed-rate bond index.

- The fixed-rate bond index (TMO) is the arithmetic mean of the monthly average yields on the settlement dates for subscriptions of government-guaranteed bonds and equivalents. It is established by France's National Institute of Statistics and Economic Studies (INSEE) for the period from April 1 to March 31 prior to each maturity date.
- The annual monetary reference rate (TAM) is the compound yield that would be earned on a monthly investment reinvested at the end of each month at the average monthly money market rate during the 12 months up to but not including March.

Since January 1, 1999, this rate has been calculated by compounding the EONIA (Euro Overnight Index Average) instead of the average monthly money market rate.

The fixed component of the coupon is 40% of the annual monetary reference rate (TAM), as defined above. The variable component is 43% of this same annual monetary reference rate (TAM), multiplied by the "participation ratio" (PR). The participation ratio used to calculate the variable component of the coupon due in May 2016 – PR 2016 – is equal to:

$$\text{PR 2015} \times \frac{\text{2015 income as defined in the issue contract}}{\text{2014 income as defined in the issue contract}}$$

The contract stipulates that consolidated income is adjusted for changes in shareholders' equity, CIC's scope of consolidation and consolidation methods.

CIC's adjusted net income for 2015, as determined by applying identical accounting procedures and consolidation methods at constant scope, amounted to €1,110,775 compared to €1,116,457 for 2014.

The PR 2016 is therefore equal to:

$$\frac{\text{PR 2015} \times €1{,}110{,}775}{€1{,}116{,}457}$$

i.e. 16,457 x 0.99491 = 16.373.

Coupon

The coupon rate calculated from the income shown above, including both the fixed and variable components, came to -1.199%, which is below the floor provided for in the issue contract.

Consequently, under the terms of the issue contract, the coupon rate paid to holders of non-voting loan stock in May 2016 will be 85% of (TAM +TMO)/2.

The coupon rate will be 0.394% on the basis of a TAM of 0.1612% and an average TMO of 1.0875%. This means that the gross coupon due in May 2016 will amount to €0.6002 per share with a par value of €152.45.

Coupon payments since 2012 (year paid)

	CP	TAM %	TMO %	Coupon rate %	Gross coupon
2012	9.139	0.8126	3.4408	2.765	€4.21
2013	11.439	0.1578	2.5642	1.157	€1.76
2014	13.369	0.1212	2.4758	1.104	€1.68
2015	16.457	0.0414	1.4900	0.651	€0.99
2016	16.373	(0.1612)	1.0875	0.394	€0.60

Non-voting loan stock price movements since 2011

	high (€)	low (€)	last price (€)
2011	147	138	140
2012	150	139.50	145.10
2013	150	139.97	148
2014	148	140	147.45
2015	154.90	143.50	154.50

On October 18, 1999, CIC non-voting loan stock with a par value of FRF 1,000 was converted into shares with a par value of €152.45.

STATUTORY AUDITORS' REPORT

on the interest payable on non-voting loan stock

Year ended December 31, 2015

To the holders of CIC non-voting loan stock,

In our capacity as statutory auditors of CIC, and pursuant to Article L. 228-37 of the French Commercial Code, we present below our report on the data used to determine interest payable on non-voting loan stock.

On April 19, 2016, we prepared our reports on the annual financial statements and the consolidated financial statements for the year ended December 31, 2015.

The data used to calculate the interest payable on non-voting loan stock was determined by the company's management. It is our responsibility to comment on its conformity with the issue agreement and its consistency with CIC's consolidated financial statements.

The data used in the calculations, as disclosed to us, provided for at the time of issue of non-voting loan stock in May 1985, is as follows:

The annual interest is determined as follows and includes:
- a component equal to 40% of the annual monetary reference rate or "TAM", and
- a component equal to 43% of the TAM multiplied by a participation ratio (PR) which, for the interest due on May 28, 2016, is as follows:

$$\text{PR 2015} = \text{PR 2014} \times \frac{\text{2015 adjusted consolidated net income}}{\text{2014 adjusted consolidated net income}}$$

The issue agreement sets a cap and a floor on interest payments, as follows:
- floor: 85% x (TAM + fixed-rate bond index or "TMO")/2;
- cap: 130% x (TAM + TMO)/2.

The agreement further stipulates that the participation ratio (PR) corresponding to the ratio between the 2015 and the 2014 consolidated net income will be adjusted to take into account changes in equity, group structure or consolidation methods between the two years.

Since 2005, CIC has published its financial statements under IFRS. In accordance with the resolution submitted for your approval, the calculation of interest was based on net income attributable to owners of the company for 2014 and 2015, as determined by applying the same accounting procedures and consolidation methods based on comparable group structure and comparable equity, giving a participation ratio (PR) of 16.373 for 2015 versus 16.457 for 2014.

The interest rate obtained by applying the above formula comes to -1.20% before application of the floor and cap rates, which are 0.39% and 0.60% respectively.

Therefore, in accordance with the provisions of the issue agreement, the gross interest paid in 2016 in respect of 2015 will amount to €0.60 per stock unit.

We carried out the work we considered necessary in view of the professional standards for statutory auditors applicable to this assignment. These standards require that we carry out the necessary procedures to verify the conformity and consistency of the data used to calculate the interest due on non-voting loan stock with the issue agreement and the audited annual and consolidated financial statements.

We have no matters to report concerning the conformity and consistency of the data used to calculate the interest due on non-voting loan stock.

Neuilly-sur-Seine and Paris-La Défense,
April 20, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Agnès Hussherr Jacques Lévi	Olivier Durand


CIC
Construisons dans un monde qui bouge.

Corporate governance

2

BOARD OF DIRECTORS

Members appointed by the general meeting of shareholders:

Nicolas Théry
Chairman of the board of directors
Chairman of Caisse Fédérale de Crédit Mutuel
and of Banque Fédérative du Crédit Mutuel

Catherine Allonas Barthe
Chief executive officer, ACM Vie SAM

Banque Fédérative du Crédit Mutuel
represented by Jacques Humbert – Vice-chairman

Caisse Centrale du Crédit Mutuel
represented by Luc Cortot – Director

Maurice Corgini
Director of Crédit Mutuel Centre Est Europe

Jean-François Jouffray
Vice-chairman of Crédit Mutuel Ile-de-France

Monique Leroux
Chairman and CEO of Mouvement Desjardins (Canada)

Daniel Leroyer
Chairman of Crédit Mutuel Maine-Anjou, Basse-Normandie

Michel Lucas
Chairman of Confédération nationale du Crédit Mutuel
and of Féderation du Crédit Mutuel Centre Est Europe

Éric Charpentier
Chief executive officer of Crédit Mutuel Nord Europe

Members elected by employees:

Nathalie Jolivet
Customer services technician at CIC Ouest

William Paillet
Private banking account executive at CIC Est

Non-voting board members:

Luc Chambaud
CEO of Crédit Mutuel Normandie

Gérard Cormorèche
Chairman of Crédit Mutuel du Sud-Est

Damien Lievens
Chairman of Crédit Mutuel du Centre

Lucien Miara
Chairman of Crédit Mutuel Méditerranéen

Albert Peccoux
Chairman of Crédit Mutuel Savoie-Mont Blanc

The following also attend board meetings:

Alain Fradin
Chief executive officer of CIC

Daniel Baal
Deputy chief operating officer of CIC

Philippe Vidal
Deputy chief operating officer of CIC

Gilles Le Noc
CIC company secretary, secretary to the board of directors

Gérard Fubiani
CIC works council representative

Nicolas Théry
Chairman of the board of directors

Alain Fradin
Chief executive officer

Daniel Baal

Philippe Vidal

Deputy chief operating officers

CHANGES DURING FISCAL YEAR 2015

Two changes took place during fiscal year 2015.

On May 27, the general meeting of shareholders appointed Éric Charpentier as a director, to replace Philippe Vasseur who had decided not to stand for re-election.

On July 30, the board took note of François Duret's resignation from office as non-voting board member and appointed Damien Lievens as the new non-voting board member.

COMPOSITION OF THE BOARD OF DIRECTORS

This is governed by Article 10 of the company's bylaws.
The company is administered by a board of directors composed of no fewer than nine members and no more than eighteen members appointed by the general meeting of shareholders.
The board of directors also includes two directors elected by employees, one of whom represents the executives as defined in the French banks' collective labor agreement and the other the remaining employees.
The directors elected by employees can only be natural persons. The other directors can be either natural or legal persons.
The age limit is 70. This is applied such that no-one over the age of 70 can be appointed if this has the effect of bringing the number of members over 70 to more than one third of the total number of members.
The term of office for directors is six years and they retire by rotation, one third every two years. With this in mind, the term of office of the first directors appointed by the general meeting of shareholders of May 19, 2011 is two, four or six years. The terms of office of members other than those elected by the employees expire upon the adjournment of the ordinary general meeting of shareholders ratifying the financial statements of the financial year last ended and held during the year in which their term of office expires.
The term of office of members elected by employees expires on the sixth anniversary of their election.
Non-voting board members are appointed for six years and attend board meetings in a consultative capacity.
A meeting of the board of directors on December 11, 2014 appointed Nicolas Théry as chairman of the board. This appointment was made for the duration of his term of office.
The dates of first appointment and terms of office of members of the board of directors are shown in a summary table on the next page.

OTHER CORPORATE OFFICERS: GENERAL MANAGEMENT

The board of directors, meeting on December 11, 2014, decided to opt for segregation of the functions of chairman and chief executive officer and appointed Alain Fradin as chief executive officer.

The chief executive officer and Daniel Baal and Philippe Vidal, deputy chief operating officers who are not corporate officers, have been designated as the effective managers of CIC with regard to the French Monetary and Financial Code.

The workings of general management are governed by Article 12 of the company's bylaws, which do not add anything to the provisions of the law.

The board of directors has not set limits to the powers of the chief executive officer, other than those prescribed by law and the powers specific to the board of directors and the general meeting of shareholders.

INFORMATION CONCERNING MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

Relations with the business

To the best of CIC's knowledge, there are no conflicts of interest between the obligations of the members of the board of directors or general management toward CIC and their personal interests or other obligations.

No arrangements or agreements have been entered into with the main shareholders, customers, suppliers or others pursuant to which a member of the board of directors or general management has been appointed.

There are no service agreements linking members of the board of directors or general management with any of the group's companies.

In particular, Banque Fédérative du Crédit Mutuel, which controls CIC and holds a seat on its board of directors, does not receive any management fees.

To the best of CIC's knowledge, there are no family relationships between members of the board of directors and general management.

Board members and general management are regularly reminded of the rules applicable to people who have insider information. They are also informed that they must disclose any trading in CIC shares on the stock exchange by them or persons closely linked to them to the AMF (French financial markets authority) and to CIC.

No such transactions have been reported.

The members of general management and the board of directors have each declared that:

1°. they have not, during the past five years, been:
- convicted of fraud,
- associated with the bankruptcy, receivership or liquidation of a legal entity in which they were a member of a management or governing body or of which they were the chief executive officer,
- subject to disciplinary sanctions imposed by the administrative bodies responsible for supervising CIC,
- subject to an administrative or court order which prevents them from acting as members of an administrative, management or supervisory body or from participating in the management or operations of a company;

2°. there are no potential conflicts of interest between their obligations toward CIC and their own personal interests;

3°. they have not, either directly or through a third party, entered into an arrangement or agreement with any of the main shareholders, customers, suppliers or subsidiaries of CIC pursuant to which they are granted special benefits by virtue of their position in CIC.

The originals of these declarations are held in the company secretary's office.

Summary table, group management

	Date of 1st appointment	Date of expiry of current term of office	Main position held within the company	Main positions held outside the company[1]
Board of directors				
Nicolas Théry	December 11, 2014	AGM ratifying the financial statements for 2018	Chairman of the board	Chairman of Caisse fédérale de CM and BFCM
Catherine Allonas Barthe	May 19, 2011	AGM ratifying the financial statements for 2016	Member of the board	Chief executive officer of ACM Vie SAM
Maurice Corgini	May 19, 2011	AGM ratifying the financial statements for 2020	Member of the board	Director, CM Centre Est Europe
Luc Cortot (representing CCCM)	November 12, 2014	AGM ratifying the financial statements for 2018	Member of the board	Chief executive officer of CM Océan, director of CCCM
Jean-François Jouffray	February 27, 2014	AGM ratifying the financial statements for 2020	Member of the board	Vice-chairman, CM Ile-de-France
Jacques Humbert (representing BFCM)	May 19, 2011	AGM ratifying the financial statements for 2016	Member of the board	Vice-chairman, BFCM
Monique Leroux	May 23, 2013	AGM ratifying the financial statements for 2018	Member of the board	Chairman and CEO of Mouvement Desjardins (Canada)
Daniel Leroyer	May 19, 2011	AGM ratifying the financial statements for 2018	Member of the board	Chairman, CM Maine-Anjou, Basse Normandie
Michel Lucas	May 19, 2011	AGM ratifying the financial statements for 2016	Member of the board	Chairman, Confédération nationale du CM and Féderation du CM Centre Est Europe,
Éric Charpentier	May 27, 2015.	AGM ratifying the financial statements for 2020	Member of the board	Chief executive officer, CM Nord-Europe
Nathalie Jolivet	June 18, 2014	October 26, 2017	Employee, CIC Ouest	
William Paillet	October 26, 2011	October 26, 2017	Employee, CIC Est	
General management				
Alain Fradin	December 11, 2014	Unlimited duration	Chief executive officer	Chief executive officer, Confédération nationale du CM, CM Centre Est Europe and BFCM

Board: Board of directors - CM: Crédit Mutuel - BFCM: Banque Fédérative du Crédit Mutuel - CCCM: Caisse centrale du Crédit Mutuel.
(1) The other positions and functions are listed below.

Executives' terms of office

Board of directors

Nicolas Théry

Born December 22, 1965 in Lille (59)

Business address: Crédit Industriel et Commercial 6 avenue de Provence - 75009 Paris	Term of office started	Term of office expires
Chairman of the board of directors of CIC	December 11, 2014	2019

Other positions held

Chairman and chief executive officer:		
Banque CIC Est	September 13, 2012	2019
Chairman of the board of directors:		
Caisse Fédérale de Crédit Mutuel	November 14, 2014	2016
Banque Fédérative du Crédit Mutuel	November 14, 2014	2017
Assurances du Crédit Mutuel Iard	October 14, 2014	2017
Assurances du Crédit Mutuel Vie S.A.M.	October 14, 2014	2017
Chairman of the executive board:		
Groupe des Assurances du Crédit Mutuel:	June 30, 2015	2021
Chairman of the supervisory board:		
Banque Européenne du Crédit Mutuel	November 14, 2014	2016
Director:		
Targobank Spain	November 11, 2011	2017
Confédération nationale du Crédit Mutuel	March 6, 2013	2016
Caisse de Crédit Mutuel Strasbourg Vosges	March 5, 2014	2019
Member of the supervisory board:		
CM-CIC Services	May 7, 2014	2020
Member of the management committee:		
Euro-Information	May 7, 2014	2020
Permanent representative of BECM:		
Board of directors of Fédération du Crédit Mutuel Centre Est Europe	April 5, 2013	Unlimited duration

Positions held in the past five fiscal years

Deputy chief operating officer:		
Caisse Fédérale de Crédit Mutuel	July 1, 2011	2014
Banque Fédérative du Crédit Mutuel	July 1, 2011	2014
Groupe des Assurances du Crédit Mutuel:	September 6, 2011	2014
Director:		
Banque Publique d'Investissement	February 18, 2013	2014
Permanent representative:		
GACM on the board of directors of ACM Iard SA	2013	2014
Member of the supervisory board:		
Cofidis	October 14, 2011	2015
Cofidis Participations	October 14, 2011	2015

Catherine Allonas Barthe

Born January 18, 1955, Strasbourg

Business address: ACM 42 rue des Mathurins - 75008 Paris	Term of office started	Term of office expires
Director	May 19, 2011	2017

Other positions held

Chairman:		
Foncière Massena SA	June 17, 2015	2021
Chief Executive Officer:		
ACM Vie Sam	January 1, 2006	Unlimited duration
Managing Partner:		
SCI ACM	September 1, 2012	Unlimited duration
Permanent representative:		
ACM Vie Sam (director of GIE ACM)	January 1, 2006	2019
ACM Vie SA (director of Valinvest Gestion)	2008	2016
ACM Vie SA (director of Serenis Assurances)	December 31, 2007	2020
ACM Vie SA (director of Foncière des régions)	April 17, 2015	2018
ADEPI (director of CM-CIC Asset Management)	2014	2019
GACM (director of GACM Spain)	2015	2021

Positions held in the past five fiscal years

Permanent representative:		
ACM Vie Sam on the board of directors of Foncière de Paris	2014	2015
Paragestion 2 (director of CM-CIC Asset Management)	December 11, 2013	2014
ACM Vie Sam (member of the supervisory board of CM-CIC Asset Management)	January 1, 2006	2013

Banque Fédérative du Crédit Mutuel

Head Office : 34 rue du Wacken 67000 Strasbourg	Term of office started	Term of office expires
Director	May 19, 2011	2017

Other positions held

Chairman:		
CM-CIC Immobilier	June 5, 2012	2017
Bischenberg	September 30, 2004	2016
Member of the board of directors:		
Assurances du Crédit Mutuel Vie SAM	May 13, 2015	2021
Assurances du Crédit Mutuel Vie SA	May 11, 2011	2017
Assurances du Crédit Mutuel Iard SA	May 11, 2011	2017
Banque de Tunisie	May 26, 2009.	2018
Caisse de Refinancement de l'Habitat	October 12, 2007	2019
CM-CIC Epargne Salariale	May 21, 2008	2020
CM-CIC Securities	December 31, 1999	2017
CM-CIC SCPI Gestion	January 30, 1990	2020
CM-CIC Home Loan SFH	April 16, 2007	2018
Crédit Mutuel Cartes de Paiements	March 17, 1983	2018
Critel	November 24, 1989	2020
Fédération du Crédit Mutuel Centre Est Europe	September 29,1992	Unlimited duration
Groupe Sofemo	November 19, 1986	2020
SAEM Mirabelle TV	November 30, 2009	2020
SAEM Locusem	December 16, 2010	not applicable
SEM Caeb-Bischheim	November 27, 1997	not applicable
SEM Caléo – Guebwiller	June 24, 2005	2017
SEM (joint public/private company) for the development of ZAC Forbach Sud (bank financing round)	February 24, 1989	2017
SEM Semibi Biesheim	November 14, 1984	not applicable

Sibar	May 27, 1999	not applicable
Société Fermière de la Maison de L'Alsace	January 1, 1977	2016
Société Française d'Edition de Journaux et d'Imprimés Commerciaux "l'Alsace"	June 2, 2004	2016
Ventadour Investissement	May 24, 1991	2018

Member of the supervisory board:

Batigère	March 22, 1996	
GACM	June 30, 2015	2021
SAEM Mulhouse Expo	February 16, 2005	2016
Soderec - Société d'études et de réalisation pour les équipements collectifs	May 30, 1978	2020
STET	December 8, 2004	not applicable

Member of the management committee:

Sofedis	November 24, 1994	2020
Euro Information	June 14, 2002	2020
Euro Protection Surveillance	June 27, 1992	2020
Euro TVS	November 27, 1979	2020
Euro Information Direct Service	June 14, 2002	2020
Boréal	January 25, 1991	2020

Non-voting board member:

SAFER d'Alsace	May 30, 2006	Unlimited duration
SEM E Puissance 3 – Schiltigheim	March 7, 1991	not applicable

Positions held in the past five fiscal years

Director:

CM-CIC Participations immobilières	September 17, 1981	2012
CM-CIC Aménagements Fonciers	April 23, 1981	2012
Caisse Centrale du Crédit Mutuel.	September 17, 1969	2012
Crédit Mutuel Paiements Electroniques	March 19, 2003	2012
CM-CIC Covered Bonds (now CM-CIC Home Loan SFH)	April 16, 2007	2011
SEM Action 70	October 1, 1990	2013
Crédit Mutuel Habitat Gestion	March 20, 1990	2014
SEM Destination 70	October 1, 1990	2014
SEM Euro Moselle Développement	March 15, 1991	2014
SEM Nautiland	May 25, 1987	2014

Member of the supervisory board:

Crédit Industriel et Commercial	June 17, 1998	2011
CM-CIC Asset Management	Dec. 31, 2004	2013

Caisse centrale du Crédit Mutuel

88-90 rue Cardinet 75017 Paris	Term of office started	Term of office expires
Director	May 19, 2011	2019

Other positions held

Member of the supervisory board:

Soderec	April 19, 1978	2020
La Francaise Real Estate Managers (formerly UFG REM)	January 1, 2008	2016

Director:

Centre International du Crédit Mutuel - CICM	May 22, 1984	2016
C.M.C.P.	May 16, 1983	2018
Crédit Logement	July 6, 1999	2021
CRH	April 10, 1990	2021
CM-CIC Factor	November 22, 1999	2017
France Active Garantie	July 4, 1995	2016
IDES Investissements	August 12, 1983	2016
Le Chèque Domicile	December 20, 2011	2017
Maison Europe des Cooperatives	February 5, 2008	2016
SGFGAS	March 24, 1993	2020

Non-voting board member:

SIAGI	May 12, 2005	2016

Positions held in the past five fiscal years

Member of the supervisory board:

CM – CIC Asset Management	December 30, 1997	2013

Director:

C.M.P.E.	March 19, 2003	2012
Crédit Mutuel Habitat Gestion	January 13, 1987	2014

Éric Charpentier

Born October 6, 1960 in La Flèche (72)

Business address: Crédit Mutuelle Nord Europe 4 place Richebé 59800 Lille	Term of office started	Term of office expires
Director	May 27, 2015	2021

Other positions held

Chairman of the board of directors:

Assurances du Crédit Mutuel Nord Vie	March 17, 2011	2020
BKCP Banque (SA-Belgique)	December 11, 2003	2016
BEOBANK (SA-Belgique)	April 30, 2012	2018

Vice-Chairman of the supervisory board:

Banque Commerciale du Crédit Mutuel Nord Europe (SA)	May 20, 2005	2017
Nord Europe Assurances (SA)	September 27, 2007	2017
Groupe La Française (SA)	May 29, 2006	2018

Director and chairman of the management committee:

Crédit Mutuel Nord Europe Belgium (SA-Belgique)	May 10, 2012	2018

Director:

Confédération nationale du Crédit Mutuel	October 7, 2015	2020

Permanent representative:

Groupe des Assurances du Crédit Mutuel (SA) Permanent representative of Caisse Fédérale du Crédit Mutuel Nord Europe (director)	June 30, 2015	2020
Caisse Centrale du Crédit Mutuel (SA Coopérative - permanent representative of Caisse Fédérale du Crédit Mutuel Nord Europe (director)	November 15, 2006	2019
Euro Information (SAS) Permanent representative of Caisse Fédérale du Crédit Mutuel Nord Europe (director)	May 7, 2008	2020

Maurice Corgini

Born September 27, 1942, Baume-les-Dames (25)

Business address: Fédération du Crédit Mutuel Centre Est Europe 34 rue du Wacken - 67000 Strasbourg	Term of office started	Term of office expires
Director	May 19, 2011	2021

Other positions held

Chairman of the board of directors:

Union des Caisses de Crédit Mutuel du District de Franche-Comté Sud	April 20, 1995	2018

Member of the board of directors:		
Caisse de Crédit Mutuel de Baume-Valdahon-Rougemont	May 10, 1981	2016
Fédération du Crédit Mutuel Centre Est Europe	April 20, 1995	2018
Banque Fédérative du Crédit Mutuel	June 22, 1995	2018
Caisse Agricole Crédit Mutuel	February 20, 2004	2020
Co-Managing Partner:		
Cogit'Hommes Franche-Comté		

Positions held in the past five fiscal years

Member of the supervisory board:		
Crédit Industriel et Commercial	June 17, 1998	2011
Chairman of the board of directors:		
Caisse de Crédit Mutuel de Baume-Valdahon-Rougemont	May 10, 1981	2012

Luc Cortot

Born January 21, 1953, Meaux (77)

Business address:
Crédit Mutuel Océan
34 rue Léandre-Merlet
85001 La Roche-sur-Yon Cedex 27

	Term of office started	Term of office expires
Representative of Caisse Centrale du Crédit Mutuel, Director	December 11, 2014	2019

Other positions held

Chief Executive Officer:		
Fédération du Crédit Mutuel Océan	October 1, 2014	Unlimited duration
Caisse Fédérale du Crédit Mutuel Océan	October 1, 2014	Unlimited duration
Caisse de Crédit Mutuel Océan Agri	September 11, 2014	Unlimited duration
Director:		
Océan Participations	November 20, 2014	2016
Confédération Nationale du Crédit Mutuel	November 12, 2014	2016
Member of the supervisory board:		
GIE Euro Information Production	May 13, 2015	2020
Permanent representative:		
Caisse Fédérale du Crédit Mutuel Océan (chairman of SAS Antema)	September 25, 2014	2016
Caisse Fédérale du Crédit Mutuel Océan (director of SAS Volney Developpement)	September 25, 2014	2018
Caisse Fédérale du Crédit Mutuel Océan (member of the management committee of SAS Euro Information)	May 13, 2015	2020
Caisse Fédérale du Crédit Mutuel Océan (member of the supervisory board of SA Groupe des Assurances du Crédit Mutuel)	June 30, 2015	2021
Caisse Fédérale du Crédit Mutuel Océan (director of SA Caisse Centrale du Crédit Mutuel)	September 25, 2014	2019
Caisse Fédérale du Crédit Mutuel Océan (director of SAS Crédit Mutuel Cartes de Paiement)	June 24, 2015	2017
Sofinaction (director of SA CM-CIC Asset Management)	2015	2016
VTP 5 Investissements (director of SA CM-CIC Bail)	July 1, 2015	2016

Positions held in the past five fiscal years

Managing Partner:		
SARL Océan Transactions	January 2, 2009	2014
SCI Merlet Immobilier	January 5, 2009	2014
Director:		
Caisse Fédérale du Crédit Mutuel Océan (Director of la SA ACM Lard)	September 25, 2014	2015

Jacques Humbert

Born July 7, 1942 in Patay (45)

Business address:
Fédération du Crédit Mutuel Centre Est Europe
34 rue du Wacken - 67000 Strasbourg

	Term of office started	Term of office expires
Chairman:		
Union des Caisses de Crédit Mutuel du district de Mulhouse	2002	2018

Other positions held

Member of the board of directors:		
Fédération du Crédit Mutuel Centre Est Europe	2002	2018
Caisse Fédérale de Crédit Mutuel	December 13, 2002	2018
Banque Fédérative du Crédit Mutuel	December 13, 2002	2018
Caisse de Crédit Mutuel la Doller	1988	2016
DNA	March 31, 2014	2020
Société de publications l'Alsace	June 21, 2012	2018
Permanent representative:		
Fédération du Crédit Mutuel Centre Est Europe : Assurances du Crédit Mutuel Vie SA	November 27, 2015	2021

Positions held in the past five fiscal years

Chairman of the board of directors:		
Caisse de Crédit Mutuel de la Doller	1982	2013

Jean-François Jouffray

Born June 18, 1948, Jallieu (38)

Business address:
Crédit Mutuel Ile-de-France
18 rue de la Rochefoucauld
75439 Paris Cedex 09

	Term of office started	Term of office expires
Director	February 27, 2014	2021

Other positions held

Chairman of the board of directors:		
Caisse de Crédit Mutuel Paris Champs de Mars	1995	2018
Vice-Chairman:		
Fédération du Crédit Mutuel Île-de-France	1998	2018
Director:		
Compagnie générale maritime et financière	2011	2017
Caisse maritime d'allocations familiales	2011	2017
Association des utilisateurs de transport de fret (AuTF)	2013	2019
Non-voting board member:		
Caisse Fédérale de Crédit Mutuel	2004	2017

Daniel Leroyer

Born April 15, 1951, Saint-Siméon (61)

Business address:
Crédit Mutuel Maine-Anjou, Basse-Normandie
43 boulevard Volney
53083 Laval Cedex 9

	Term of office started	Term of office expires
Director	May 19, 2011	2019

Other positions held

Chairman of the board of directors:		
Fédération du Crédit Mutuel de Maine-Anjou, Basse-Normandie	2003	2018
Caisse Fédérale du Crédit Mutuel Maine-Anjou, Basse-Normandie	2003	2016

Caisse Générale de Financement (CAgEFI)	2003	2016
Créavenir (Association)	2004	2018
Caisse de Crédit Mutuel du Pays Fertois	1998	2016
Caisse de Crédit Mutuel Solidaire de Maine-Anjou, Basse-Normandie	2007	2016
Chairman of the supervisory board:		
Soderec	2012	2020
Director:		
SAS Assurances du Crédit Mutuel Maine-Anjou-Normandie (ACMAN)	2002	2020
Confédération nationale du Crédit Mutuel	2003	2019
Volney Bocage SAS	2012	2018
Member of the executive committee:		
Fondation du Crédit Mutuel	2009	2016
Permanent representative:		
Fédération du Crédit Mutuel de Maine-Anjou et Basse-Normandie (vice-chairman of Centre International du Crédit Mutuel)	2012	2016
Fédération du Crédit Mutuel de Maine-Anjou et Basse-Normandie (chairman of Volney Evénements (Association)	2013	2016
Caisse Fédérale du Crédit Mutuel de Maine-Anjou et Basse-Normandie (director of SAS Volney Développement)	1999	not applicable
Caisse Fédérale du Crédit Mutuel de Maine-Anjou et Basse-Normandie (directorof Assurances du Crédit Mutuel Iard SA)	2012	2017
Caisse Fédérale du Crédit Mutuel de Maine-Anjou et Basse-Normandie - director of Assurances du Crédit Mutuel VIE SAM	2015	2021
Caisse Fédérale du Crédit Mutuel de Maine-Anjou et Basse-Normandie (director of Banque Fédérative du Crédit Mutuel)	2011	2018

Positions held in the past five fiscal years

Permanent representative:		
Caisse Fédérale du Crédit Mutuel de Maine-Anjou et Basse-Normandie (director of Groupe des Assurances du Crédit Mutuel - GACM)	2005	2012
Fédération du Crédit Mutuel de Maine-Anjou et Basse-Normandie (director of GIE Cloe Services)	2003	2014

Monique Leroux

Born August 11, 1954, Montreal (Canada)

Business address:

Mouvement des Caisses Desjardins Tour Sud, 40e étage 1 Complexe Desjardins Montreal (Québec) H5B 1B2 - Canada	Term of office started	Term of office expires
Director	May 23, 2013	2019

Other positions held

Chairman and CEO:		
Mouvement des Caisses Desjardins	March 29, 2008	2016
CEO:		
Desjardins Sécurité financière	March 29, 2008	2016
Desjardins Groupe d'assurances générales	March 29, 2008	2016
Chairman of the board of directors:		
Fédération des caisses Desjardins du Québec/Mouvement des caisses Desjardins	March 29, 2008	2016
Caisse Centrale Desjardins	March 29, 2008	2016
Fiducie Desjardins	March 29, 2008	2016
Desjardins Société financière	March 29, 2008	2016
Capital Desjardins Inc.	March 29, 2008	2016
Alliance Coopérative Internationale (ACI)	November 13, 2015	2017
Member of the board of directors:		
Alimentation Couche-Tard	September 22, 2015	2016
Fondation Rideau Hall	November 14, 2014	2016
Groupe Michelin	October 1, 2015	2018
Montreal University	June 1, 2015	2019
Vice-chairman of the executive committee and member of the board of directors:		
Confédération internationale des banques populaires	January 1, 2010	2017
Member of the executive committee and member of the board of directors:		
Groupement Européen des Banques Coopératives	January 1, 2009	2017

Positions held in the past five fiscal years

Director:		
Alliance Coopérative Internationale (ACI)	November 4, 2013	2015
Coopératives et mutuelles du Canada	June 27, 2013	2015
Conference Board of Canada	January 1, 2010	2014
Chairwoman of the board of directors:		
Conseil québécois de la coopération et de la mutualité	March 12, 2012	2015

Michel Lucas

Born May 4, 1939 in Lorient (56)

Business address:

Crédit Industriel et Commercial 6 avenue de Provence - 75009 Paris	Term of office started	Term of office expires
Director	May 19, 2011	2017

Other positions held

Chairman of the board of directors:		
Fédération du Crédit Mutuel Centre Est Europe	October 22, 2010	Unlimited duration
Confédération Nationale du Crédit Mutuel	October 13, 2010	2020
Le Républicain Lorrain	June 30, 2009	2021
Société du Journal l'Est Républicain	November 4, 2011	2016
Société d'Edition du journal La Liberté de l'Est	January 5, 2012	2019
Les Dernières Nouvelles d'Alsace	November 4, 2011	2021
Chairman:		
Crédit Mutuel Cartes de Paiements - CMCP	May 7, 2003	2018
Europay France	May 28, 2002	not applicable
Société de publications l'Alsace	February 19, 2014	2017
SIM (formerly – EBRa)	December 27, 2014	2018
International Information Developments	February 6, 2004	2016
Direct Phone Services	February 6, 2004	2016
Vice-Chairman of the supervisory board:		
CIC Iberbanco	June 5, 2008	2018
Vice-Chairman of the board of directors:		
Banque de Luxembourg	March 25, 2003	2017
Member of the board of directors:		
Banque Fédérative du Crédit Mutuel	October 22, 2010	2016
Caisse Fédérale de Crédit Mutuel	September 24, 2010	2016
Astrée (Tunis)	March 4, 2005	2017
Assurances Générales des Caisses Desjardins (Québec)	May 12, 1993	2016
Banque de Tunisie	March 30, 2004	2016
Banque Marocaine du Commerce Extérieur	September 17, 2004	2020
Banque Transatlantique Belgium (Brussels)	March 21, 2005	2020

Caisse de Crédit Mutuel Grand Cronenbourg	May 11, 1985	2017
Le Dauphiné Libéré	June 29, 2011	2017
Est Bourgogne Médias	September 17, 2012	2018
Le Progrès	June 22, 2012	2018
Member of the supervisory board:		
Manufacture d'impression sur étoffes	February 14, 2000	2018
CM-CIC Services	May 7, 2008	2020
CM-CIC Investissement	February 2, 2011	2017
Permanent representative:		
Banque Fédérative du Crédit Mutuel on the management board of Sofédis	1994	2020
Fédération du Crédit Mutuel Centre Est Europe Supervisory board of Groupe des Assurances du Crédit Mutuel:	June 30, 2015	2021
Management committee of Euro Information	May 11, 2011	2020
Euro Information: Management committee of Euro Information Développement	May 16, 2001	2020
Permanent representative of Crédit Industriel et Commercial:		
Board of directors of Banque Transatlantique	December 19, 2000	2018
Board of directors of Lyonnaise de Banque	July 6, 1999	2019

Positions held in the past five fiscal years

Président-Chief Executive Officer:		
Banque Fédérative du Crédit Mutuel	October 22, 2010	2014
Carmen Holding Investissement	November 7, 2008	2014
Crédit Industriel et Commercial	May 19, 2011	2014
Chairman of the executive board:		
CIC	June 17, 1998	2011
Chairman of the board of directors:		
Banco Popular Hipothecario (Targobank Spain)	October 28, 2010	2011
Caisse Fédérale de Crédit Mutuel	September 24, 2010	2014
Groupe des Assurances du Crédit Mutuel	February 24, 1993	2014
Assurances du Crédit Mutuel Vie SA	June 29, 1993	2014
Assurances du Crédit Mutuel lard SA	March 19, 1993	2014
Assurances du Crédit Mutuel Vie SAM	June 13, 1991	2014
Banque du Crédit Mutuel Ile-de-France (Fivory)	November 17, 2003	2014
Chairman of the supervisory board:		
Fonds de Garantie des Dépôts	November 26, 2008	2012
Targo Deutschland GmbH	December 8, 2008	2011
Targo Management AG	December 8, 2008	2011
Targo Bank AG	December 8, 2008	2011
Cofidis	March 17, 2009	2011
Cofidis Participations	March 17, 2009	2011
CM-CIC Investissement	February 2, 2011	2012
Banque Européenne du Crédit Mutuel	October 22, 2010	2014
Euro Information Production (EIG)	May 19, 1994	2014
Vice-Chairman of the supervisory board:		
Safran	April 15, 2009	2011
Director:		
Safran	April 21, 2011	2013
CRCM Midi-Atlantique	May 24, 2008	2014
ACMN lard	July 25, 1997	2015
Member of the management committee:		
Euro Information	June 14, 2002	2014
Euro Information Développement	June 14, 2002	2014
Permanent representative:		
Caisse Fédérale de Crédit Mutuel (director of Crédit Mutuel Paiements Électroniques)	March 19, 2003	2012
CIC (member of the supervisory board of CM-CIC Asset Management)	September 28, 1992	2013
FCMCEE (member of the board of directors of GACM)	October 14, 2014	2015

Members elected by the board of directors

Nathalie Jolivet

Born July 11, 1965, Cholet (49)

Business address:
Banque CIC Ouest
6 rue Maisonneuve - BP 51941
49319 Cholet Cedex

	Term of office started	Term of office expires
Director, representing employees:	June 18, 2014	2017

Positions held in the past five fiscal years

Member of the supervisory board of CIC representing employees	January 21, 2010	2011

William Paillet

Born April 3, 1958, Paris (75)

Business address:
CIC Est
3 rue des Coutures - 77200 Torcy

	Term of office started	Term of office expires
Director, representing employees:	December 3, 2011	2017

Other positions held

Director, representing employees:		
CIC Est (Strasbourg)	September 24, 2009	2018

Direction générale

Alain Fradin

Born May 16, 1947, Alençon (61)

Business address:
Crédit Industriel et Commercial
6 avenue de Provence - 75009 Paris

	Term of office started	Term of office expires
Chief executive officer of CIC	December 11, 2014	2019

Other positions held

Chief executive officer		
Caisse Fédérale de Crédit Mutuel	September 24, 2010	2016
Confédération Nationale du Crédit Mutuel	November 17, 2010	Unlimited duration
Fédération Centre Est Europe	October 20, 2010	Unlimited duration
Banque Fédérative du Crédit Mutuel	November 14, 2014	2017
Chairman of the board of directors:		
CM-CIC Bail	July 20, 1999	2016
Targobank Spain	October 28, 2010	2016
Chairman of the supervisory board:		
CIC Iberbanco	June 5, 2008	2020
Cofidis	March 17, 2009	2018
Cofidis Participations	March 17, 2009	2018
Euro Information Production	February 13, 2015	2018
Groupe des Assurances du Crédit Mutuel:	June 30, 2015	2021
Vice-chairman of the supervisory board:		
Targo Deutschland GmbH	December 8, 2008	2017
Targo Management AG	December 8, 2008	2018
Targobank AG	December 8, 2008	2018
CM Akquisitions GmbH	March 12, 2009	2019
Director:		
CM-CIC Titres	February 18, 1994	2018
Member of the management committee:		
Euro-Information	May 3, 2006	2017
Bischenberg	September 30, 2004	2016
Euro Information Télécom	February 1, 1999	Unlimited duration
Boréal	October 14, 2002	2020

Member of the supervisory board:

CM-CIC Services	May 7, 2008	2020
Eurafric Information	May 28, 2008	2016

Permanent representative:

CIC on the management committee of Euro TVS	November 3, 2015	2020
Board of directors of CIC Ouest	March 14, 2011	2019
Board of directors of CIC Nord-Ouest	May 5, 2011	2019
Groupe des ACM: Board of directors of Sérénis Vie	May 10, 2012	2018
BFCM Board of directors of Crédit Mutuel Cartes de Paiements	May 14, 2012	2018
Board of directors of Banco Popular Espagne	November 11, 2011	2017
FCMCEE: Board of directors of Sofédis	June 22, 2011	2020

Positions held in the past five fiscal years

Chairman:

CIC Migrations	November 26, 1999	2015

Vice-Chairman of the executive board:

Crédit Industriel et Commercial	June 17, 1998	2011

Chief Executive Officer:

Fédération du Crédit Mutuel Antilles-Guyane	May 30, 1998	2011
Fédération des Caisses du Crédit Mutuel du Sud-Est	June 21, 2001	2012
Caisse de Crédit Mutuel du Sud-Est	June 21, 2001	2012
CM-CIC Bail	July 20, 1999	2013
Caisse Centrale du Crédit Mutuel	January 1, 2010	2015

Chief operating officer:

Banque Fédérative du Crédit Mutuel	April 8, 2011	2014
Crédit Industriel et Commercial	May 19, 2011	2014

Chairman of the board of directors:

Groupe Républicain Lorrain Communication	May 4, 2007	2011

Member of the board of directors -
Member of the bureau:

Groupe Sofémo	May 30, 1997	2013

Director :

Fivory (formerly Banque du Crédit Mutuel Ile-de-France)	November 17, 2003	2014
Banco Popular Espagne	November 11, 2011	2015

Permanent representative:

CCCCM (member of the supervisory board of CM-CIC AM)	December 15, 2010	2013
CCM Sud-Est (director of ACM Vie SA)	May 4, 2005	2011
Caisse Fédérale de Crédit Mutuel (director of Crédit Mutuel Paiements Électroniques)	May 14, 2012	2014
CIC Participations (director of CIC Ouest)	May 15, 2003	2014
CIC Participations (director of CIC Nord-Ouest)	December 26, 1990	2014
CIC (management committee of Euro GDS)	December 19, 2003	2015

Delegation of powers

Summary table of currently valid powers delegated by the general meeting of shareholders to the board of directors in the field of capital increases during the current fiscal year (Article L.225-100, para. 7).

Powers delegated by the general meeting of shareholders

General meeting of shareholders of May 27, 2015

Powers delegated to the board of directors to increase the capital by:

- issuing ordinary shares or any other negotiable securities giving access to equity, maintaining shareholders' preferential subscription rights;
- incorporating premiums, reserves, profits or other;
- issuing ordinary shares or any other negotiable securities giving access to equity, with the cancellation of preferential subscription rights, by public offering or private placement as referred to in Article L.411-2, II of the French Monetary and Financial Code.
- possibility of increasing the amount of issues in case of excess demand.
- issue of shares without preferential subscription rights in consideration of contributions of shares or equity instruments made to CIC in the context of a contribution in kind.
- capital increase reserved for employees, without preferential subscription rights.

These delegations are valid for twenty-six months, until July 27, 2017. The overall ceiling for all these capital increases is set at €150 million. In addition, if the board of directors were to issue debt securities that confer equity rights, the total nominal amount of such securities would in turn be capped at €1.6 billion;

Use made of these powers by the board of directors

None.

COMPENSATION OF CORPORATE OFFICERS

PRINCIPES DIRECTEURS

CIC does not follow the recommendations of the AFEP-MEDEF code, unsuitable in its case on a number of points given its ownership structure, consisting for 98% of entities belonging to the Crédit Mutuel group.

As a result of the change in executive corporate officers of CIC and BFCM, the respective boards of the two companies, in their meetings of February 26, 2015 for BFCM and December 11, 2014 for CIC, established the new compensation arrangements for these executives and the commitments toward them.

This compensation and these commitments were established by the deliberating bodies of BFCM and CIC based on proposals by their respective compensation committees.

Non-executive corporate officers, i.e. all directors except for the chairman of the board of directors, do not receive either attendance fees or compensation of any kind.

IMPLEMENTATION

The executives concerned are the chairman of the board of directors and the chief executive officer.

The chairman of the board of directors' employment contract with BFCM was terminated with effect from November 14, 2014 and that of the chief executive officer was terminated with effect from May 1, 2011.

The board of directors of CIC, in its meeting of December 11, 2014, decided, based on a proposal by the compensation committee, to grant Nicolas Théry, as compensation for his corporate office of chairman of the board of directors, annual compensation of €250,000. It also decided to establish for Nicolas Théry, with respect to his corporate office of chairman of the board of directors, a termination indemnity equal to one year's compensation as corporate officer. The termination payment is subject to the achievement of a performance objective, which is pegged to an increase in the group's IFRS-compliant overall consolidated equity for the period from January 1, 2015 to the termination date. This agreement concerning the termination indemnity was submitted for approval by the general meeting of shareholders of CIC on May 27, 2015 together with the statutory auditors' special report.

The board of directors of BFCM, in its meeting of February 26, 2015, decided, based on a proposal by the compensation committee, to maintain Nicolas Théry's present compensation at BFCM (gross annual compensation of €450,000), which will with effect from December 1, 2014 be compensation for the performance of his corporate office as chairman of the board of directors. The board also decided to put in place a specific unemployment insurance policy for corporate officers with effect from December 1, 2014.

In addition, the board of directors set the termination indemnity to be paid to Nicolas Théry at one year of gross salary calculated on the basis of the average of the last twelve months preceding the termination of his office. Payment of this indemnity is subject to the achievement of a performance objective which is pegged to an increase in the group's IFRS-compliant overall consolidated equity for the period from January 1, 2015 to the termination date. As regards this corporate office, the above indemnity is understood to be without prejudice to that which he might receive in his capacity as an employee pursuant in particular to the labor agreements in force within the group. In this regard, note that Nicolas Théry has been employed by the group since September 1, 2009 and that his employment contract was terminated with effect from November 14, 2014. As an employee, Nicolas Théry is subject to the company supplementary pension rules of January 1, 2008. Consequently, the compensation committee proposed that these pension scheme rules be applied to Nicolas Théry's compensation in his capacity as chairman of the board of directors, under the same conditions as all group employees.

This agreement concerning the termination indemnity and retirement benefits was submitted for approval by the general meeting of shareholders of BFCM on May 13, 2015 together with the statutory auditors' special report.

The board of directors of BFCM, in its meeting of February 26, 2015, noted that Alain Fradin's appointment as chief executive officer did not result in any change in his situation up to that date in his capacity as chief operating officer. Acting on the recommendation of the compensation committee, on May 11, 2011 BFCM's board of directors decided to set the gross annual fixed remuneration of Alain Fradin at €800,000 and to give him the use of a company car, benefits under the accidental death and disability plan and, where applicable, variable remuneration, the amount of which would be determined by a decision of the board of directors on the recommendation of the compensation committee. As an employee, Alain Fradin is subject to the company supplementary pension rules of January 1, 2008. Consequently, the compensation committee proposed that these pension scheme rules be applied to Alain Fradin's compensation in his capacity as chief operating officer of BFCM, under the same conditions as all group employees. It also decided to establish for Alain Fradin a termination indemnity equal to one year of gross salary calculated on the basis of the average of the last twelve months preceding the termination of his office. Payment of this indemnity is subject to the achievement of a performance objective, which is pegged to an increase in the group's IFRS-compliant overall consolidated equity for the period from January 1, 2011 to the termination date. As regards this corporate office, the above indemnity is understood to be without prejudice to that which he might receive in his capacity as an employee pursuant in particular to the labor agreements in force within the group. This agreement concerning the termination indemnity was submitted for approval by the general meeting of shareholders of BFCM on May 10, 2012 together with the statutory auditors' special report.

Compensation received by the group's key executives is detailed in the table below.

During the year, the group's key executives also benefited from the group's accidental death and disability plans and supplementary pension plan.

Key group executives did not receive any other specific benefits.

They did not receive any equity securities, warrants or options to purchase BFCM or CIC shares. Furthermore, they are not entitled to attendance fees relating either to their positions in group companies or to those in other companies by reason of their positions in the group.

The group's key executives may also hold assets with, and take loans from, the group banks on the same terms as those offered to employees in general. As at December 31, 2015 they had no loans of this kind.

Compensation received by group key executives from January 1 to December 31

2015 Amount in € (a)	Source	Fixed portion	Variable portion (b)	in-kind benefits (c)	Employer contributions for supplementary benefits	Total
Nicolas Théry	Crédit Mutuel CIC	450,000 250,000		11,286	6,733	468,019 250,000
Alain Fradin	Crédit Mutuel	800,000	0	4,845	8,559	813,404
2014 Amount in € (a)						
Michel Lucas	Crédit Mutuel CIC	229,167[1] 550,000		4,226	736	233,393 550,736
Nicolas Théry	Crédit Mutuel CIC	86,794[2] 20,833[3]			901 84	87,695 20,917
Alain Fradin	Crédit Mutuel	800,000	0	4,620	8,448	813,068

(1) from January 1 to November 30.
(2) from December 1 to December 31. Compensation includes a lump sum linked to termination of the employment contract.
(3) from December 1 to December 31.

(a) Gross amounts paid by the company during the year.
(b) The variable portion, if any, of the chief executive officer's compensation is determined by the meeting of the BFCM compensation committee following the annual general meeting of stockholders called to approve the financial statements for the previous year, in respect of which the variable compensation is paid: the variable portion paid in year n thus relates to fiscal year y-1.
(c) Company cars and/or GSC (corporate officers' unemployment benefit insurance)

VARIABLE COMPENSATION

of "risk takers"

REGULATORY FRAMEWORK

The changes underway since 2014 in the regulatory framework for the compensation of the banking profession continued in 2015.

Based on European Union regulation 575/2013, European directive 2013/36/EU and the Banking Act of July 26, 2013 relating to prudential requirements applicable to credit institutions and investment firms, the variable remuneration of "risk takers" is governed by strict rules.

This regulatory framework was supplemented by the Order of February 20, 2014 and the Decree of November 3, 2014 relating to the internal control of banking institutions, payment services and investment services, requiring compensation to be compatible with the entity's risk appetite.

Moreover, the scope of the regulated population, which changed in 2014, has been clarified. European delegated regulation 604/2014 extends and replaces the previous definition of regulated population by introducing a new staff category: risk takers (also known as material risk takers or MRT)[1]. In this context, the group has put in place an identification methodology enabling it to comply with the regulatory requirements.

"Risk takers" includes four categories of employees: effective managers, employees with powers to commit the group in an amount up to a regulatory threshold[2], those responsible for control functions, compliance and risk and any employee whose professional activities have a material impact on the company's risk profile and who receives comparable compensation.

With this new regulatory framework in mind, in December 2015 the general management of CIC, after consultation with the compensation committee, presented the board of directors with a number of provisions contained in an "outline of the compensation policy of the CM11 group". This document highlights the principles of prudence applied within the CM11 group, which are consistent with its values and practices.

In March 2015, the European Banking Authority (EBA) published draft guidelines on "sound remuneration policies"[3]. After a consultation period, on December 21, the EBA published the final version of these guidelines, which significantly modify certain practices, particularly in the area of payment instruments. Although application of these guidelines will not come into effect until 2017, the group is already working on their implementation.

RULES OF GOVERNANCE

In accordance with the applicable regulations, after consulting the general management, CM11 has set up two compensation committees, one at the group's consolidating entity, Caisse Fédérale de Crédit Mutuel (CFCM), and the other at CIC[4]. These compensation committees are composed of competent members, one of whom is independent.

The committees analyze the policies and practices in the light of all relevant criteria, including the company's risk policy. They also give their opinions on the documents submitted[5] and make proposals to the board of directors. Lastly, they check with general management to make sure that the risk and compliance divisions have been consulted on defining and implementing the compensation policy.

The board of directors, based on the compensation committee's proposals, sets the principles of the compensation policy decided by the general management.

An annual report on the compensation policy and practices is submitted to the Autorité de Controle Prudentiel et de Résolution (French Prudential Supervisory Authority - ACPR), in accordance with Article 266 of the Decree of November 3, 2014 relating to internal control. Similarly, a report containing detailed and quantified information on elements of variable compensation is published on CIC's website prior to the general meeting of shareholders called to ratify the annual financial statements. Pursuant to Article 450 of EU regulation 575/2013, this report includes in particular a breakdown of compensation exceeding certain materiality thresholds.

General principles governing the compensation policy

In general terms, CM11 group's wage policy is designed not to encourage employees to take on too much risk, particularly employees whose activities are liable to have a material impact on the institution's risk exposure. The group also makes sure that it retains talented employees and includes measures designed to prevent conflict of interests.

CM11's compensation policy is also aligned with its economic strategy, objectives, mutual values and long-term interests. It thus aims to ensure that employees' behavior is consistent with the group's long-term objectives, particularly in the areas of risk management, and to ensure that equity is regularly strengthened.

The variable elements of compensation are linked to financial and non-financial objectives assigned to individual employees and teams. For a better control of risk factors, the costs attributable to professional activities are deducted, in particular net additions to/reversals from provisions for loan losses, and liquidity.

The variable compensation paid to risk takers may not exceed the fixed portion[6]. Over a certain threshold, payment of a portion of the variable compensation awarded in a fiscal year is deferred over a period of three years and is subject to fulfilling payment conditions known as clawback clauses (see below). The deferred amount increases with the amount of the variable portion, from at least 40% of the amounts allocated to over 60% for the highest compensation packages.

Furthermore, actual payment is subject to certain conditions linked to the results of the business line, the achievement of predefined targets according to the business concerned, and employees still being effectively employed at the date of payment. Deferred compensation may thus be substantially reduced, or even not paid, in the event of a failure to manage and control risks giving rise to losses. This clause allows employees, particularly financial market professionals, to take responsibility for any medium-term risk to which they may expose the company.

Generally speaking, the compensation policy, which is in line with the group's risk policy, forbids guaranteed bonuses.

Consultation of the general meeting of shareholders on the overall compensation package, required pursuant to Article L.511-73 of the French Monetary and Financial Code

Article L.511-73 of the French Monetary and Financial Code requires that the general meeting be consulted on the overall amount of compensation of any kind paid during the past fiscal year, to effective managers, within the meaning of Article L.511-13, and categories of staff, including risk-takers, those responsible for control functions, and any employee who, based on his or her overall salary, is in the same compensation bracket, or whose professional activities have a material impact on the risk profile of the company or group. In this context, the scope of the compensation package examined by the general meeting concerns the employees included in the risk-takers category as defined by regulation 604/2014 (*see above*).

The general meeting of shareholders of May 25, 2016 will have to give its opinion, in its eighth resolution, on this package totaling €17,250,000 for 2015 and which comprises fixed and variable remuneration paid, with the latter including amounts deferred in previous years and amounts that are subject to retention clauses.

(1) This regulation defines a list of qualitative and quantitative criteria for identifying material risk takers.
(2) More specifically, employees with powers authorizing them to commit, individually or as a committee, the group for up to the regulatory threshold of 0.5% of tier 1 shareholders' equity, either through lending or by taking positions on the markets.
(3) "Consultation paper on guidelines on sound remuneration policies (EBA/CP/2015/03)", published on March 4, 2015.
(4) Given the specific nature of CIC's activities, it was decided that this entity should retain its specific prerogatives in remuneration matters.
(5) Including the proposals drawn up by the management.
(6) By decision of the general meeting of shareholders of May 2015, at the CIC scope the maximum amount of variable compensation was set at double the amount of fixed compensation.

REPORT OF THE CHAIRMAN

of the board of directors to the annual general meeting of shareholders of May 25, 2016 on the preparation and organization of the work of the board and on internal control procedures

PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD

Principles of governance

Composition of the board

The workings of the board of directors are governed by Article 11 and Articles 13 through 16 of the company's bylaws, which do not contain any stipulations over and above the legal provisions. The board of directors, at its meeting on May 23, 2013, adopted an internal regulation, comprising one article aimed at implementing the possibility provided by the company's bylaws of using video-conferencing or other types of telecommunications which conform to the specifications laid down under Article R.225-21 of the French Commercial Code, for all meetings except those in which the board is required to approve the annual financial statements or consolidated financial statements, the management report or the group management report, and convening the annual general meeting. It assesses its own performance and reports on it both in the general report which it presents each year to the ordinary general meeting of shareholders and by means of this report on the preparation and organization of its work.

CIC complies with the regulations in force regarding corporate governance. It does not however follow the recommendations of the AFEP-MEDEF code of corporate governance, unsuitable in its case on a number of points given its ownership structure, consisting for 98.21% of entities belonging to the Crédit Mutuel group, including Banque Fédérative du Crédit Mutuel which directly or indirectly holds 93.14 % of the capital.

In determining the composition of the board of directors, a number of guiding principles are applied.

1°. Incompatibilities and prohibitions: every year each director signs a sworn statement confirming that he is legally entitled to fulfill his duties (details of this statement are provided in the management report).

2°. Age limit: the composition of the board reflects a provision defined in the bylaws, whereby the number of directors over the age of 70 may not exceed one third of directors.

3°. Plurality of employment contracts: no director has a contract of employment with the company and its controlled subsidiaries (except for directors who represent employees, who are not affected by the rules concerning concurrent directorships and employment contracts).

4°. Application of the principle of balanced representation of women and men on the board of directors led the general meeting of shareholders of May 19, 2011 to appoint Catherine Allonas-Barthe as a director and the meeting of May 23, 2013 to appoint Monique Leroux as a director. They represent 20 % of the members of the board of directors appointed by the general meeting of shareholders (directors representing employees are not taken into account when calculating this percentage).

5°. Independent directors: although, for the reasons indicated above, CIC does not follow the recommendations of the AFEP-MEDEF code on corporate governance, application of the code's six criteria to ascertain whether a director is independent or not means that five directors out of the ten appointed by the general meeting of shareholders fall within this category. Independent directors should:
- not be an employee or corporate officer of the company or an employee or director of its parent company or a company that it consolidates, nor have been one in the previous five years;
- not be a corporate officer of a company in which the company holds, directly or indirectly, a directorship or in which an employee appointed as such or a corporate officer of the company (currently or within the past five years) holds a directorship;
- not be a customer, supplier, investment banker or financial banker that is significant for the company or its group, or for whom the company or its group represents a significant part of its activities;
- not have any close family ties with a corporate officer;
- not have been the statutory auditor of the company in the past five years;
- not have been a director of the company for longer than twelve years.

These five directors are Monique Leroux, Luc Cortot, Jean-François Jouffray, Daniel Leroyer and Éric Charpentier.r.

Board committees

The board relies on four specialist committees and appoints all or some of their members. The board receives regular reports on the work of these committees..

Compensation committee

The board of directors has established an internal special committee comprised of three members. Their term of office is three years, expiring at the end of the first half of the calendar year constituting the third anniversary of the start of their term of office. This committee is responsible, on the one hand, for examining the statutory situation and the compensation of the chairman of the board of directors and members of general management and making any appropriate proposals to the board on the subject, and, on the other hand, for preparing the board's deliberations on the principles of the compensation

policy for CIC's regulated population, issuing an opinion on general management's proposals in this area and on their implementation, and carrying out an annual review of this policy and reporting on it to the board.
In its meeting of February 27, 2014, the board of directors appointed or renewed the appointments of the following members:
- Daniel Leroyer, committee chairman;
- Maurice Corgini;
- Jean-François Jouffray

Appointments committee

Following the transposition of the so-called CRD4 directive, particularly Article 88 thereof, and in accordance with Article L511-89 of the French Monetary and Financial Code, the board of directors meeting on May 22, 2014 created a new internal special committee with three members. Their term of office is three years. This committee's remit is to identify appropriate candidates for directorships and make recommendations to the board of directors, assess the balance and diversity of the knowledge, skills and experience possessed both individually and collectively by the board's members, specify the duties and the qualifications required for the functions performed within the board, assess the time that must be dedicated to these functions, set a target for gender balance within the board and draw up a policy for achieving said target, and periodically review, at least once a year, the board's structure, size, composition and efficiency in the light of its duties and make appropriate recommendations to the board. The committee should also periodically assess, at least once a year, the knowledge, skills and experience possessed both individually and collectively by the board's members and report on these to the board. It should also periodically review the board's policies with regard to selecting and appointing the two executives, the chief operating officers, the head of risk management and make recommendations to the board in this area, as well as checking that the board is not dominated by an individual or small group of individuals in conditions that would be harmful to the bank's interests.
The board of directors appointed the following committee members:
- Daniel Leroyer, committee chairman;
- Maurice Corgini;
- Jean-François Jouffray

Group audit and accounts committee

With a view to meeting the requirements arising from the transposition of European Directive 2006/43/EC concerning the legal auditing of the company and consolidated financial statements by means of order no. 2008-1278 of December 8, 2008, Article L512-1-1 of the French Commercial Code and the requirements of regulation 97-02 of February 21, 1997 as amended relating to the internal control of credit institutions and investment firms (replaced by the ministerial Decree of November 3, 2014), a group audit and accounts committee was established at the CM5 (now CM11) level in June 2009 (see internal control procedures below).
The board of directors is represented on this body by two of its members appointed in the meetings of May 19, 2011 and February 27, 2014, namely:
- Maurice Corgini;
- Jean-François Jouffray

Group risk monitoring committee

This committee has been established at CM11 level and is composed of members of the deliberative bodies (see internal control procedures, below).
The board of directors is represented on this body by one of its members, appointed in its meeting of December 11, 2014, namely:
- Luc Cortot.

Ethics and compliance

The code of ethics currently applied by the CM11 group was approved by the supervisory board in its meeting of February 21, 2008.

This reference document, which brings together all the regulatory provisions regarding ethics, outlines the principles to be followed by all group entities and employees in carrying on their activities. It forms part of the general objectives established by the group concerning quality of customer service, integrity and rigor in handling transactions, and compliance with regulations. It is designed to serve as a reference in this field and to be adopted by the various entities.

Compliance with ethical rules applies not only to employees in the context of their duties but also to the entity to which they belong. The entity must see to it that the above principles, which reflect the values to which the whole CM11 group subscribes, are properly applied (see also fair operating practices, page 234).

This code is supplemented by provisions relating to the fight against corruption and two specific sets of rules on the security of information systems and the fight against violence and harassment at work.

The compendium of ethics is held available to all by the general secretariat.

Members of the board of directors and general management are reminded on a regular basis of the rules applicable to persons holding inside information. The board members have also been informed that they must declare to the AMF and to CIC any trades that they or persons closely linked to them carry out on CIC securities.

Principles and rules for the compensation of corporate officers

As a result of the change in executive corporate officers of CIC and BFCM, the respective boards of the two companies, in their meetings of February 26, 2015 for BFCM and December 11, 2014 for CIC, established the new compensation arrangements for these executives and the commitments toward them (see page 52). This compensation policy was ratified by the general meeting of shareholders of May 27, 2015.

In addition, CIC's board of directors has approved the overall compensation policy for employees whose professional activities could have a significant impact on the group's risk profile.
This general policy takes into account the requirements of Article 104 of the Decree of November 3, 2014, Articles L511-89 et seq. of the French Monetary and Financial Code and commission delegated regulation EU 604/2014 published on March 4, 2014, which sets the qualitative and quantitative criteria for identifying these categories of employees.
The latest version of the note on the compensation policy for risk takers was approved by the board of directors on December 10, 2015.
The general meeting of shareholders did not approve any directors' attendance fees. Consequently the board of directors did not allocate any fees to its members.

Rules for attending the general meeting of shareholders

The rules for attending the general meeting of shareholders are set out in the "Legal information" section, on page 259.

Information required pursuant to Article L.225-100-3 of the French Commercial Code

The information relating to points 1, 2, 7 and 8 appear on pages 33-35, 260, 43-44 and 260, 52 and 262 respectively. The other points (3 through 6, and 9 and 10) do not apply to CIC.

The work of the board in 2015

The board of directors meets once a quarter in accordance with a pre-established calendar.

Each agenda item has a corresponding file or factsheet depending on its size to provide board members with the necessary information. Detailed minutes are prepared, recording deliberations, resolutions and voting.

The board of directors met four times in 2015. The attendance rate varied between 75% and 92% (averaging 85%).

The meeting of February 26 was mainly devoted to examining and approving the financial statements and preparing the ordinary general meeting of shareholders which was held on May 27. The board examined the financial statements for fiscal year 2014, heard the conclusions of the statutory auditors and took note of the group audit and accounts committee's report of February 23. The board also adopted the proposals of the compensation committee, meeting the day before, concerning variable compensation of market professionals for 2014. It took note of the appointments committee's favorable opinion, issued at its meeting the previous day, of Eric Charpentier's candidacy for office as a member of the board of directors.

In its second meeting, on May 27 immediately following the general meeting of shareholders, the board of directors decided to implement the trading of CIC shares on the stock exchange as authorized by the AGM, in the framework of the liquidity agreement. It took note of the work done by the risk monitoring committee in its meeting of April 15 and the audit and accounts committee in its meeting of May 4, and of the CIC annual report on internal control and approved the internal rules of the group risk monitoring committee.

Meeting on July 30, the board of directors approved the interim consolidated financial statements of CIC for the first half of 2015, after taking note of the opinion of the audit and accounts committee meeting dated July 28 and hearing the statutory auditors' report. The board took note of the resignation of a non-voting board member, François Duret, who has been replaced by Damien Lievens for a period of six months. The board approved the absorption of CM-CIC Securities by CIC. It also approved the private banking, defense and nuclear energy sector policies.

In its last meeting of the year, on December 10, the board of directors took note of the work of the audit and accounts committee meeting of September 15 and of the risk monitoring committee meeting of November 2, as well as of a provisional estimate of CIC's consolidated earnings for 2015 and a forecast for 2016. It also approved the reports of the compensation and appointments committees, which had met on the same day, and approved the coal-fired power plants and mining sector policies.

INTERNAL CONTROL PROCEDURES

CIC's internal control and risk management system is integrated into that of the CM11 group. The CM11 group consists of entities governed by a single collective banking license, that of Caisse Fédérale de Crédit Mutuel, namely Crédit Mutuel Centre Est Europe, Crédit Mutuel Ile-de-France, Crédit Mutuel du Sud-Est, Crédit Mutuel Savoie-Mont Blanc, Crédit Mutuel Midi-Atlantique, Crédit Mutuel Loire-Atlantique et Centre-Ouest, Crédit Mutuel du Centre, Crédit Mutuel de Normandie, Crédit Mutuel Dauphiné-Vivarais, Crédit Mutuel Méditerranéen, and Crédit Mutuel d'Anjou, as well as all subsidiaries and consolidated companies, including CIC network headquarters and its regional banks.
The purpose of internal control and risk management work is to ensure compliance with all rules defined by supervisory authorities for the conduct of the group's operations, by using the internal and professional standards, tools, guidelines and procedures put in place to that end.

CM11's group-level internal control and risk monitoring system

General framework

Internal control and risk management are fully integrated into the group's organization with the aim of ensuring compliance with regulatory requirements and proper risk control and operational security, as well as improved performance.

Regulatory framework

As the basis of sound management of banking activities, the principles and methods applicable in the area of internal control and risk measurement are governed by numerous French and European legislative and regulatory provisions, supplemented by a number of international standards.

In this respect, the main regulatory text applicable to CM11 internal control system is the ministerial Decree of November 3, 2014, which replaces regulation no. 97-02, amended, of the consultative committee on financial legislation and regulation (Comité consultatif de la législation et de la réglementation financières - CCLRF). This Decree defining the conditions applicable to the implementation and monitoring of internal control of credit institutions and investment firms brings French regulations into line with the requirements of European Directive 2013/36/EU of July 26, 2013 (known as the CRD IV directive). With regard to risk classification, compliance and risk monitoring, it sets forth in particular the principles applying to internal control of operations and internal procedures, accounting organization and data processing, risks and results measurement systems, risk management and monitoring systems, documentation and information systems and supervision of flows.

A shared process

In accordance with the four basic principles set by the Basel Committee (universality, independence, impartiality and allocation of adequate resources) and reiterated in the above mentioned Decree, the group ensures that its internal control system is suited to its size and operations. In the same way, it ensures that it is adapted to the size of the risks incurred by its activities and that the employees involved in internal control can carry out their work in the best possible conditions. Within the group, the principles governing internal control are reflected in the guidelines issued by general management and rolled out using shared methods and tools that ensure the development of quality standards.

The internal control and risk measurement system is designed in particular to:

- fully cover the full range of the group's banking and insurance operations;
- identify, assess, monitor and aggregate risks in a consistent manner and on a consolidated basis;
- communicate clear and reliable information (particularly accounting and financial information), both internally and externally;
- ensure compliance with applicable laws and regulations, internal standards, and instructions and guidelines established by general management;
- ensure the proper operation of internal processes and the safeguarding of assets.

More broadly, the processes in place are aimed at helping to ensure proper control of activities while at the same time improving the effectiveness of processes and organization.

A structured process

One of the key purposes of the organization is to ensure the quality and completeness of the internal control system. Both for itself and the businesses it controls, the group ensures that this system is underpinned by a set of procedures and operational limits that match regulatory requirements and applicable internal and professional standards. To ensure the high quality of its internal control system, the group implements a policy of ongoing improvement, which is also designed to adapt it to regulatory developments.

The identification and control of key risks by means of benchmarks, mapping of controls, and monitoring of risks using appropriate limits, formal procedures and dedicated tools are constant objectives for the group's internal control and risk management departments. Analytical tools and tracking dashboards make it possible to perform regular reviews of the various risks to which the group is exposed, including counterparty, market, asset and liability management and operational risks. In accordance with regulatory requirements, the group issues an annual report in the format recommended by the French Prudential Supervision and Resolution Authority (Autorité de contrôle prudential et de resolution – ACPR), on internal control and on risk measurement and oversight, in light of which a detailed review of control processes is carried out.

An integrated and independent process

In line with the group's values, the control system put in place is designed to develop a prudent and top quality risk management culture throughout the group.

Within this framework, the first level of risk management and control is performed by the operational managers, who are responsible for the operations they carry out. As the first level of control, operational management is an integral part of the system with responsibility for preventing risk as well as for putting in place the corrective measures designed to remedy the dysfunctions identified.

The group's entities also have a second level of control, identified within dedicated teams. To ensure the necessary independence of these second-level controls, employees assigned to control tasks have no operational responsibilities and they report directly - via management or functional reporting lines - to the central functions, which automatically ensures their freedom of judgment and assessment.

The central functions are responsible for defining, overseeing and coordinating all the local and cross-group systems. They organize and supervise the control work. They also use their expertise and independence to help define standard controls and supervise these controls.

In the same way, periodic control is performed on an independent basis (*see below*).

CM11 group process

The process has a threefold objective:
- to separate the periodic, permanent and compliance controls into distinct functions in accordance with regulatory requirements;
- to harmonize internal control work throughout the group by creating an organization based on standardized methods and tools, and on the complementarity, subsidiarity, and independence of controls;
- to obtain a comprehensive and cross-functional view of all risks to ensure reliable, consistent and comprehensive reporting to general management and the deliberative body.

Organization of controls

In accordance with the Decree of November 3, 2014, the system comprises three functions:
- periodic control,
- permanent control,
- compliance.

The last two are subject to periodic control by the first. These functions are independent and complement each other. The consistency of the overall system is ensured by a control and compliance committee chaired by a member of the executive body. This committee reports to the group audit and accounts committee, which represents the group's supervisory bodies.

To perform their functions, the control departments have permanent and unrestricted access to individuals, premises, hardware, software and information of any kind useful to the performance of their work throughout the group.

Breakdown by type of control

Independently of the controls performed by management teams as part of their operational activities, controls are performed by:
- periodic control staff, for in-depth, audit assignments, carried out in cycles spanning several fiscal years;
- permanent control staff, for all work of a recurring nature using mainly remote applications;
- compliance staff, in particular for the application of regulations and internal and professional standards including those designed to combat money laundering and financing of terrorism.

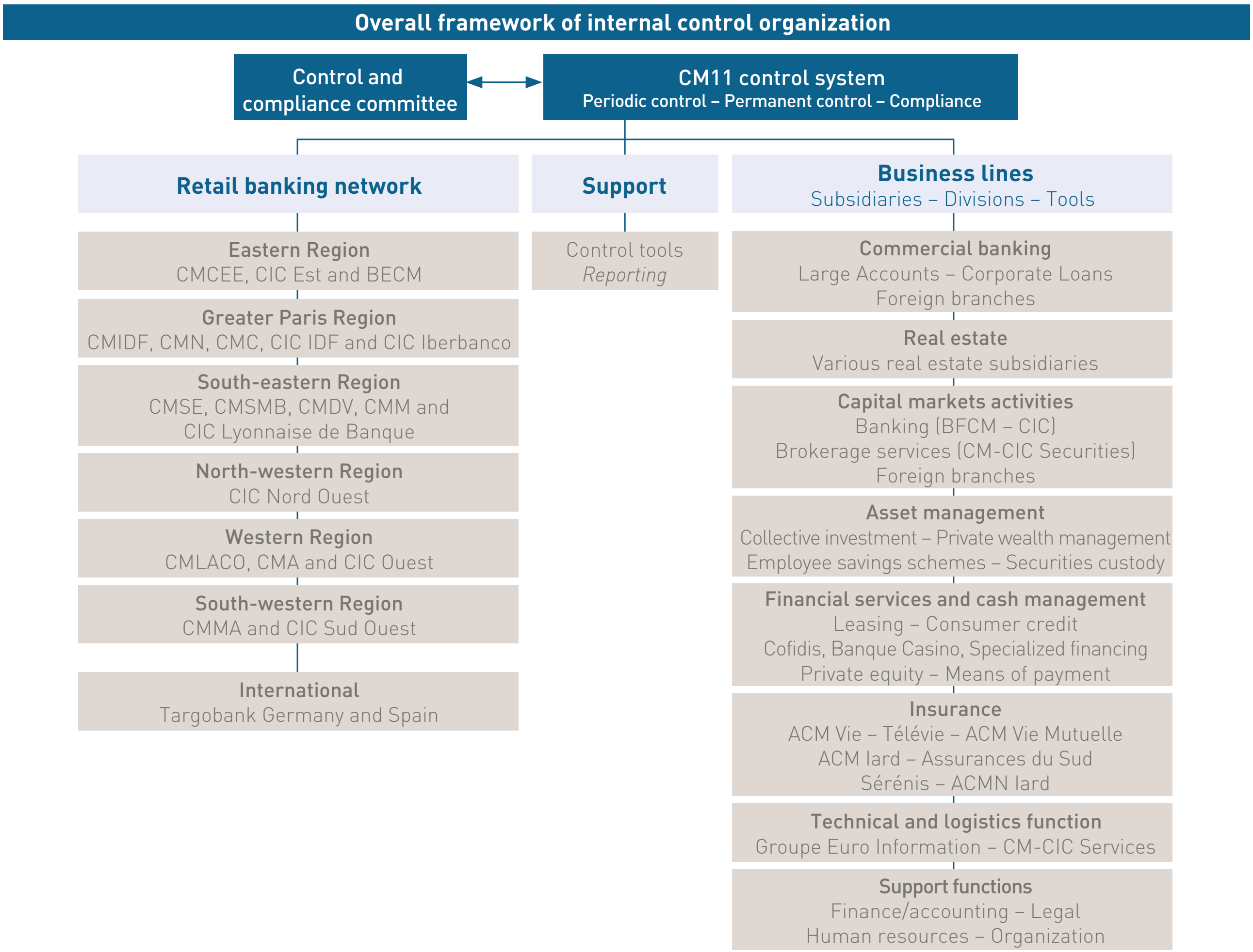
The periodic control department is responsible for supervising the overall quality of the internal control system, the effectiveness of risk monitoring and management as well as the smooth workings of permanent control and compliance.

Split between network and business lines

Control functions have been split into two structures, one dealing with the retail banking network and the other with the business lines (corporate banking, capital markets activities, asset management, financial services, cash management, etc.), with managers appointed for both at CM11 group level. The network and business line permanent control structures both report to a single manager at national level.

A common support unit for the various kinds of control

The periodic control, permanent control and compliance functions are assisted by a common support unit which is responsible for:
- developing the tools and keeping them up to date and in good working order;
- preparing the reporting instruments needed for monitoring control operations and assignments and for centralizing information for the management bodies, at central and local (regional and subsidiary) levels;
- ensuring that control tools are complementary between the various functions so as to provide optimal cover of group risks.



Oversight of internal control processes

Group control and compliance committee

Chaired by the chief executive officer, the compliance committee holds regular meetings with the staff responsible for periodic, permanent and compliance controls and risk management, with the following objectives:

- coordinating the system and ensuring that the work and assignments of the various parties involved are complementary, so that all risks are covered;
- establishing control plans and reviewing the outcomes of assignments carried out by the periodic control units as well as the work done by the permanent control and compliance functions, and proposing any improvements that might be required to the executive body;
- analyzing the findings of external inspections, in particular those carried out by the regulatory authorities;
- monitoring implementation of the resulting recommendations.

The control and compliance committee also reviews a certain number of activities and documents that serve as points of reference. In 2013 it approved the new procedures for following up recommendations made during inspection visits to the networks and audits conducted in respect of other businesses, business lines or departments, as well as the new procedures for certifying the accounts of local Crédit Mutuel banks. The document setting forth the organization of the network periodic control function, and the relationship between the central and regional units within the network periodic control function, was also submitted to the committee for approval. It met four times during the year under review (March 31, June 15, October 12, and November 30).

Group audit and accounts committee

In order to meet regulatory requirements and rules of governance, the CM11 group set up an audit and accounts committee in 2008. It comprises fourteen voluntary and independent members from the group's mutual base. Several of its members have particular skills in accounting and finance. The executive body, the control departments and the finance division are represented on it. Training seminars help members to keep up to date with new developments. This committee:

- examines the provisional internal control schedule;
- is informed of the conclusions of inspections carried out by the periodic control function and of the results of the permanent and compliance controls;
- is informed of the findings of external controls, including any changes recommended by the supervisory authorities,

- is informed of actions taken to follow up on the main recommendations made in the internal and external control reports,
- assesses the effectiveness of the internal control systems;
- receives up-to-date information on the group's risk position;
- proposes to the various deliberative bodies such improvements as it deems necessary in view of the findings of which it has been made aware.

In the area of financial reports, it:
- is responsible for monitoring the financial reporting process,
- examines the annual company and consolidated financial statements;
- assesses the conditions under which they are prepared and ensures the relevance and continuity of the accounting policies and methods.
- participates in the selection of statutory auditors;
- supervises the statutory audit of the accounts.

The group audit and accounts committee met four times in 2015 (February 23, May 4, July 28 and September 15). Minutes of these meetings were drawn up and sent to the deliberative bodies of the various federations and of CIC.
It examined the financial statements for the year ended December 31, 2015 in its meeting of February 22, 2016. There were no particular observations.

The compensation committee

In accordance with Articles L511-89, 102 and 103 of the French Monetary and Financial Code and with Article 104 of the Decree relating to internal control, CM11 has set up two compensation committees, one at Caisse Fédérale de Crédit Mutuel (CFCM), and the other at CIC. They give their opinions on the proposals made by the board of directors after consulting the risk and compliance divisions and review and approve the compensation policy on an annual basis. These committees also verify that the principles defined by the deliberative body have been effectively implemented. The compensation committees report regularly to the deliberative body.

The group ethics and compliance committee

Created within the scope of consolidation of the CM11 group, this committee has helped in particular to establish a code of ethics for the group. Each year it draws up a report on the group's implementation of and compliance with ethical principles and the code of conduct.

Risk oversight system

Group risk department

As defined in the Decree of November 3, 2014, the group's risk management department is responsible for ensuring all risks involved in banking and non-banking activities are measured, monitored and controlled, as well as contributing to CM11's growth and profitability.
It therefore analyzes and conducts a regular and exhaustive review of all risks (credit, market, interest rate, operational, assets and liabilities management, refinancing, insurance etc.) and presents a summary to general management and the deliberative body.

In 2015, the risk department again improved its consolidated risk reporting which took an operational, comprehensive and prudential approach with regard to regulatory capital allocation and regulatory changes in progress, particularly in terms of the implementation of the new Basel III rules.
It participated in many cross-functional projects including in particular those relating to crisis recovery plans and to the ICAAP and ILAAP processes for monitoring compliance with capital and liquidity requirements applicable to the group and its subsidiaries. It was also involved in preparation for the EBA stress tests scheduled for 2016.
While monitoring the quality of its risk control procedures, the risk department, which is the main interface with the regulatory authorities, oversees the follow-up of the various ACPR and ECB missions and coordinates the follow-up and implementation of recommendations and reports to the regulators on their progress.

Group risk monitoring committee

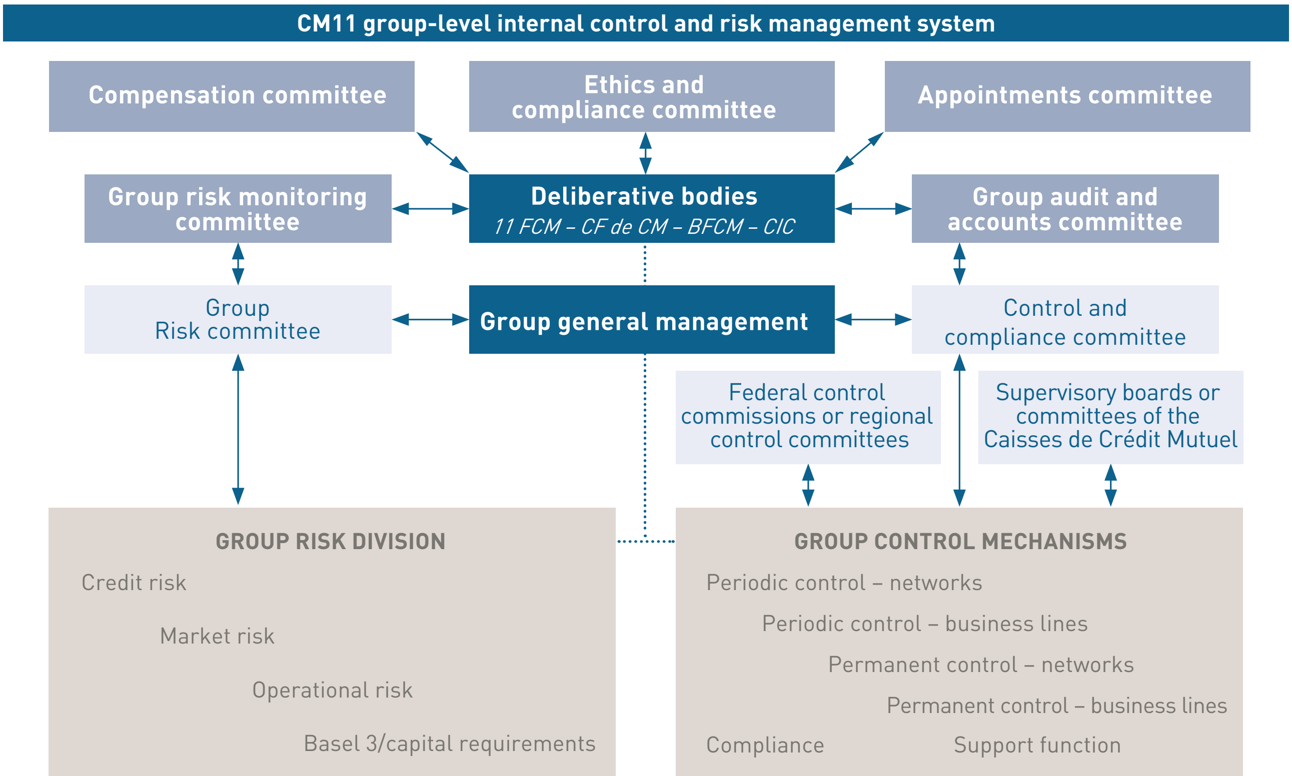
This committee is made up of members from the deliberative bodies and meets twice a year to examine strategic risk issues. It proposes to the board of directors, in light of its findings, any decisions of a prudential nature that are applicable group-wide concerning the measurement, monitoring and control of risks. Committee meetings are led by the chief risk officer, who is also responsible for presenting the files opened on the various risk areas based on work undertaken by the group risk committee. General management is also invited to the committee meetings, and the committee may also invite the heads of business lines involved in the agenda items.

Group risk committee

This committee meets quarterly in the presence of general management and the heads of the business lines and functions involved: retail banking, insurance, financing, refinancing, capital markets, commitments, and finance department.
Coordinated by the risk department, the group risk committee is responsible for the overall supervision of both existing and potential risk.

Operational risk coordination committee

This committee meets four times a year, bringing together the risk department and the group heads of permanent control and compliance. It is responsible in particular for proposing and coordinating action to protect against and reduce operational risks arising from any malfunctions detected.



CIC's risk control and monitoring procedures

This section mentions only CIC's in-house oversight bodies, but CIC must also report on its work on a company basis to the supervisory authorities, which regularly conduct on-site audits.

Control mechanisms

General structure

Board of directors

In accordance with regulatory requirements, a report on internal control work is submitted to CIC's board of directors twice a year, and the CIC annual internal control report is also submitted to it.

Levels of control

These are identical to those set up at group level, and totally integrated within the system. Designated teams perform periodic, permanent and compliance controls at CIC. They report to CIC and are linked on a functional level to the central group control division.
The CIC teams not only perform controls within the bank, but also take part in work and assignments throughout the CM11 group at the request of central divisions.

The specific control mechanism at CIC

As an integral part of CIC, CM-CIC Marchés' single treasury management team conducts all of the CM11 group's capital market refinancing activities in one trading room, with the aim of developing its ability to sell capital markets products to customers, and to strengthen its investment business line. Monitoring methods, procedures and trading limits are incorporated into a set of rules. The board of directors of CIC approves the strategy of each business line (refinancing, sales, investment), capital allocation, and the monitoring of limits and budgets.
In this system, capital markets activities are overseen by several bodies:

- CM-CIC Marchés management defines the strategy, analyzes the business, results, risks and compliance with limits and coordinates the operational aspects (information system, budget, human resources and procedures);
- the market risk committee meets once a month to monitor compliance with the rules and the decisions of CM-CIC Marchés management and approves the operating limits within the overall limits set by CIC's management;
- the CM-CIC Marchés credit committee meets weekly to decide on applications for credit lines within the scope of powers granted by the CM11 commitments committee.

The internal control system relies partly on the work of the post-market departments, in charge of controlling risks, results, accounting and regulatory control, and secondly on a team dedicated to monitoring market activities, which reports to the head of permanent controls for business lines as well as on the compliance function.

In the same way that trading activities have been consolidated into a single structure, large accounts, specialized finance activities and international businesses are now subject to dedicated control procedures.

Control work

Control work, carried out in all areas in which the bank operates, draws on group level methods and tools as well as formal procedures. The results of these controls are used to generate recommendations, implementation of which is monitored.

Basel II project

In conjunction with the Confédération nationale du Crédit Mutuel, an organization has been put in place within the group that enables regular control of the system. A procedural framework details the distribution of tasks among the various entities involved.
For managing operational risks, the group has been authorized by the French Prudential Supervisory Authority since 2010 to use the advanced approach.

Basel III project

The risk department is in charge of transition to the new regulatory constraints.

Common methods and tools

The control and risk management methods and tools continued to be harmonized. CIC benefits from the shared tools developed by the group support unit, which in particular include specific oversight functionalities.

Periodic control tools
These are aimed at providing a mapping of network risks, by consolidating all types of assignments based on a common catalog of points of control. They are regularly updated. Access to the information necessary for carrying out the controls is provided by the IT system.
In view of the group's growth, a project had been launched to develop a tool for monitoring the implementation of recommendations made by the group periodic control teams during their assignments and those made by the supervisory authorities. The PRECO tool was rolled out at the start of 2013.

Permanent control tools
Permanent controls on the branch network are performed remotely, essentially by using data from the information system. They complete the first level controls carried out on a daily basis by the heads of the operational units and regional coordination, assistance and control functions. They involve "internal control portals" which plan and structure the various tasks to be carried out with regard to hedging risks. The automated detection of cases in "risk alert" status, in accordance with predetermined anomaly criteria, is an essential part of good credit risk management. Other types of controls allow the quality of results obtained to be assessed so that resources can be deployed or inspections guided accordingly.

Compliance tools
Work continued on the implementation of systems for legal and regulatory surveillance and monitoring of compliance risk. The compliance function also has its own control areas within the "internal control portals" allowing it to check that regulatory provisions are being applied, in particular with regard to business and professional ethics, protecting customers' interests, performing investment services and combating money laundering and the financing of terrorism. In 2014, a new tool called COMPLY was developed to monitor performance of the due diligence required under the US FATCA regulations.

Procedures

These are posted on the corporate intranet and are accessible at all times by all employees with the help of search engines. The control tools refer to them, and links have been created to make it easier to look up and apply procedures. Framework procedures established at group level (central control functions) in a number of areas, in particular compliance, are applied within CIC.

Risk oversight system

Risk management

Credit risk management is organized into two structures: one focusing on the granting of loans and the other on risk measurement and the monitoring of commitments.
A commitments guidelines summarizes the internal procedures of the lending arm of CM11 in accordance with applicable statutory, organizational and regulatory provisions. It describes in particular the systems for granting loans, for measuring and overseeing commitments and for managing total assets at risk. It contains attachments relating to capital markets activities as well as to the subsidiaries directly concerned.

Liquidity and interest rate risk management for the group banks is centralized (decisions of the former executive board of CIC and the board of directors of BFCM). Hedges are allocated to the entities concerned, in accordance with their needs. They are no longer authorized to take hedging decisions individually.

Overall measurement of market risk is based on the regulatory framework. Capital market activities are monitored in accordance with procedures that are formally recorded and independent in terms of organization and control.

The management of operational risk is performed and controlled in accordance with group procedures, coordinated by dedicated units. In particular, the security of the information systems and the putting in place of business continuity plans form part of the work carried out in this area. Operational risk is dealt with in detail in the Basel II project (see above).

Risk oversight

This is carried out by dedicated, independent teams, which have at their disposal tools designed on the one hand to provide a comprehensive aggregate overview of commitments, and on the other to carry out ongoing monitoring of risk, in particular by means of an advance detection system for anomalies

and monitoring of adherence to limits as well as changes in internal ratings.
Information for assessing trends in credit, market, ALM and operational risks is provided regularly to the management bodies and other responsible persons concerned. The risk department carries out general management with regard to the regulatory capital consumed by each activity by reference to the risks incurred and the return obtained.

Accounting data and control at CIC and group levels

CIC's and CM11's finance departments, which are responsible for producing and validating the financial statements, are organized into two functional sections - networks and specialized businesses. The latter deals with financial accounting and consolidation, as well as accounting controls.
The information used for financial reporting is produced and validated by this department before being presented to the audit and accounts committee.

Controls on the bank's financial statements

Accounting system

Accounting architecture
This is based on an IT platform shared throughout 15 Crédit Mutuel federations and CIC's regional banks, which includes accounting and regulatory functions, in particular for:
- the chart of accounts, the structure of which is identical for all institutions of the same type managed through this platform;
- the definition of automated processes and procedures shared by all the banks (means of payment, deposits and credits, recurring transactions, etc.);
- reporting tools (SURFI, consolidation software input, etc.) and oversight tools (management control). Administration of the shared accounting information system is handled by the "accounting procedures and templates" divisions, which form independent units, either within the "network" finance department or the "specialized businesses" finance department.

More specifically, the latter are responsible for:
- managing the shared chart of accounts (creating accounts, defining the characteristics of the accounts, etc.);
- drawing up shared accounting procedures and templates, in accordance with tax and regulatory requirements; if necessary, the division concerned consults the tax department, and the templates are validated by a procedure involving various operational managers.

The "accounting procedures and templates" divisions do not report to, nor are they linked to, the departments that handle the actual accounting production. As such, the divisions involved in designing and administering the system architecture are separate from the other operational departments.

All accounts within CIC must be allocated to an operational department, which is responsible for maintaining and verifying the accounts. Therefore, an account cannot be "unallocated." The organization and procedures in place provide assurance of compliance with the Decree of November 3, 2014 and the existence of an audit trail.

Chart of accounts
This is divided into two broad sections: third-party captions showing payables and receivables for individual third parties, and the general accounting captions.

Dedicated accounts are used for third party deposits and loans, enabling them to be monitored. For custody of negotiable securities, a "stock" accounting system distinguishes between securities owned by third parties and those owned by the bank.
The chart of accounts for all the credit institutions using the shared IT platform contains unique identifiers and is managed by the "accounting procedures and templates" divisions.

The chart of accounts defines the following account properties:
- regulatory characteristics (link to the official chart of accounts of credit institutions (PCEC), link to the item in the publishable financial statements, etc.);
- certain tax aspects (VAT position, etc.);
- management control characteristics (mandatory or non-mandatory presence, link to the consolidation chart of accounts, retention period for online transactions, presence at headquarters/branch, etc.).

Processing tools
The accounting information processing tools rely primarily on internal applications designed by the group's IT divisions. There are also a number of specialized internal and external applications, particularly production software for management reporting and for balances and accounting reports, a file query processing utility, consolidation software, regulatory report processing, property and equipment management and filing of tax declarations.

Procedure for data aggregation
In accordance with the model defined by CM11, accounting data are aggregated for the following entities:
- the group (e.g. CIC);
- federations made up of one or more banks or other legal entities;
- banks belonging to a federation.

The bank (branches and central departments) is broken down into branches, which represent the basic unit of the accounting system. It is at this level that accounting entries are recorded.

Accounting consistency of management data
Each branch comprises an external branch for recording financial accounting data and an internal one that records cost accounting data. At the individual branch level, the management accounting results are obtained by combining the internal and external data. The group result is obtained by adding together the balances of the branches. Links are established between financial accounting captions and the codes attributed to the products marketed by the bank. Cost accounting data are used to determine the results by business segment that are needed to prepare the consolidated financial statements.

Control methods

Automated controls

A series of automated controls is carried out when accounting records are processed and before transactions are allocated to ensure that records are balanced and valid, and to update the audit trail of the captions affected by the transaction.
In-house tools are used to control accounting transactions on a daily basis and to detect any discrepancies.

Closing process controls

At each closing date, financial accounting results are compared with forecast management accounting data and data from the previous year, for purposes of validation. The forecast management accounting data are generated by the management control department and the budget control department, both of which are independent from the production of financial statements.
This analytical review focuses mainly on:

- the interest margin; for fixed-income instruments (deposits, loans and off-balance sheet items), management control calculates the expected returns and costs based on average capital observed; these results are then compared to the interest actually recorded and validated for each business sector;
- the level of fees and commissions; based on business indicators, management control estimates the volume of fees and commissions received and payable, compared to the data recorded;
- general operating expenses (employee expenses and other general operating expenses);
- net additions to provisions for loan losses (level of provisioning and recognized losses).

Procedures put in place

Accounting procedures and templates are documented. For the network, procedures are posted on the bank's intranet.

Levels of control

Daily accounting controls are performed by the appropriate staff within each branch.
The accounting control departments (controls/procedures and "specialized businesses" management accounting) also perform more general responsibilities involving regulatory controls, monitoring supporting evidence for internal and branch accounting data, control of the foreign exchange position, and of net banking income by business segment, accounting procedures and templates with CM11, and the interface between back offices and the statutory auditors for the half-yearly and annual closings.
Furthermore, the control departments (periodic, permanent, compliance) also perform accounting work. A dedicated control portal has been put in place, and is in the process of being extended throughout the group.

Performing controls

Automated accounting controls

An automated daily control procedure based on the bank's daily balance allows the verification of balance sheet and off-balance sheet positions, asset/liability balances by branch and by currency, and the monitoring of technical accounts. This procedure is also applied to the general ledger at the end of each month.

Evidencing the accounts

All balance sheet accounts are evidenced either by means of an automated control or account validation by the department responsible for them. Reports by department evidencing accounts contain the results of checks carried out.

Controls on the consolidated financial statements

Accounting principles and methods

Adapting to regulatory developments

The system is periodically updated in line with regulatory developments (IFRS) or to improve the reliability of financial statement preparation.

IFRS compliance

IFRS accounting principles have been applied in group entities since January 1, 2005. The consolidated financial statements include a summary of them.

CIC and CM11 jointly define the French (CNC) and international (IFRS) accounting principles and methods to be applied by all group entities in their company-only financial statements. The foreign subsidiaries take these principles and methods into account when converting from their local accounting standards to French and international standards in the consolidation packages and financial reporting. The accounting principles used to consolidate the accounts conform to those of the Crédit Mutuel group.

The accounting managers of the various CM11 entities meet twice a year to prepare the half-yearly and annual closings. Individual company financial statements in accordance with IFRS are prepared for the relevant entities in the central IT system, using the same organization and team as for those drawn up in accordance with French (CNC) standards.

Reporting and consolidation

Consolidation process

The group uses a consolidation chart of accounts. Within the shared information system, each account in the chart of accounts is linked to the consolidation chart of accounts, in an identical way for all companies using the shared chart.

The consolidated accounts are prepared in accordance with a timetable distributed to all the subsidiaries and the statutory auditors, which includes, where applicable, changes in procedures and standards to be incorporated. Each consolidated subsidiary has one person in charge of its closing process and another in charge of reporting intercompany transactions between fully consolidated companies. In accordance with their professional standards, the statutory auditors for the consolidation also give the statutory auditors of the consolidated companies instructions aimed at ensuring that the subsidiary complies with the various rules.

A dedicated software package, one of the main standard tools on the market, is used to consolidate the accounts. Data input (consolidation packages) is partially automated, using an interface developed on the accounting information system. This system makes it possible to automatically retrieve balances and ensure that company-only and consolidated data are consistent.

Reporting and data control

Companies cannot submit their consolidation package before a number of consistency checks that are programmed into the input software have been carried out. These control checks (currently more than 600), established by the consolidation departments, cover a large number of aspects (changes in equity, provisions, fixed assets, cash flows, etc.) "Blocking" controls prevent a package from being transmitted by the subsidiary and can only be overridden by the central consolidation departments.

Consistency checks against company-only data are also performed by the consolidation department upon receipt of the consolidation packages (level of results, intermediate balances, etc.) Finally, systematic reconciliation statements between company-only and consolidated data are generated for equity and earnings. This process, which ensures consistency in the transition between the statutory and consolidated series, is carried out without using the consolidation software, thus leading to validation of the consolidated data.

Analysis of accounting and financial information

The consolidated financial statements are analyzed in relation to the previous year, to the budget and to quarterly accounting and financial reports. Each analysis covers a specific area, such as provisions for loan losses, trend in outstanding loans and deposits, etc. Observed trends are corroborated by the departments concerned, such as the lending and management control divisions of the various entities. Each entity's contribution to the consolidated financial statements is also analyzed.

Each time a closing involves the publication of financial data, this information is presented to CIC's general management and board of directors by the finance department. This report presents the breakdown of income, the balance sheet position and the current business situation, including the reconciliation of non-accounting data (rates, average capital, etc.).

The accounting work gives rise to a regular presentation to the group audit and accounts committee.

Conclusion

Drawing on common methods and tools, CIC's internal control and risk oversight mechanism fits into CM11's system of controls, forming a coherent whole, appropriately adapted to the group's different activities in France and internationally. It meets banking and finance regulatory requirements and conforms to the operational principles established by the group. It is our ongoing objective to consolidate and further improve efficiency.

Nicolas Théry
Chairman of the board of directors

STATUTORY AUDITORS' REPORT

pursuant to Article L.225-235 of the French Commercial Code on the report of the chairman of the board of directors of CIC

Year ended December 31, 2015

To the shareholders,

In our capacity as statutory auditors of CIC, and in accordance with Article L. 225-235 of the French Commercial Code, we hereby report to you on the report prepared by CIC's chairman in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2015.

It is the chairman's responsibility to prepare and submit to the board of directors for its approval a report on the internal control and risk management procedures implemented at the company and containing the other information required by Article L. 225-37 of the French Commercial Code related in particular to corporate governance procedures.

It is our responsibility:

- to report to you on the information set out in the chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to certify that this report contains the other information required by Article L. 225-37 of the French Commercial Code. It is not our responsibility to verify the fairness of this information.

We have performed our work in accordance with the professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information

These standards require that we perform procedures to assess the fairness of the information set out in the chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information.

These procedures mainly consist of:
- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the chairman's report is based, as well as of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in internal control relating to the preparation and processing of financial and accounting information that we may have identified during the course of our work are properly described in the chairman's report.

On the basis of our work, we have no matters to report as to the information regarding the company's internal control and risk management procedures relating to the preparation and processing of financial and accounting information contained in the chairman of the board of directors' report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We certify that the chairman of the board of directors' report contains the other information required by Article L. 225-37 of the French Commercial Code.

Signed in Neuilly-sur-Seine and Paris-La Défense,
April 20, 2016

The statutory auditors

PricewaterhouseCoopers Audit
Agnès Hussherr Jacques Lévi

Ernst & Young et Autres
Olivier Durand

STATUTORY AUDITORS' SPECIAL REPORT

on regulated agreements and third-party commitments

Shareholders' meeting called to approve the financial statements for the year ended December 31, 2015

To the shareholders,

In our capacity as statutory auditors of CIC, we hereby report to you on regulated agreements and third-party commitments.

It is our responsibility to report to you, based on the information provided to us, on the characteristics and main terms and conditions of and reasons for the company's interest in the agreements and commitments disclosed to us or identified by us during the audit, without being required to comment on their relevance or substance or seek to identify any other agreements and commitments. In accordance with the provisions of Article R. 225-31 of the French Commercial Code, it is for you to determine whether these agreements and commitments are appropriate and should be approved.

Furthermore, it is our responsibility, if applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the execution, during the year under review, of agreements and commitments already approved by the shareholders' meeting.

We carried out the work we considered necessary in view of the professional standards of the French Statutory Auditors' Association (Compagnie Nationale des Commissaires aux Comptes) relating to this assignment. This work included verifying that the information given to us agreed with the underlying documents.

Agreements and commitments submitted to the shareholders' meeting for approval

We have not been advised of any agreement or commitment authorized during the year under review to be submitted to the shareholders' meeting for approval pursuant to Article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the shareholders' meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the shareholders' meeting in previous years, remained in effect during the year under review.

1. With Nicolas Théry, chairman of the board of directors of CIC

Nature and purpose

Termination indemnity for Nicolas Théry, chairman of the board of directors of CIC.

Terms and conditions

A termination indemnity agreement was submitted to the board of directors for approval on December 11, 2014. This agreement concerns the establishment of a termination indemnity for Nicolas Théry, chairman of the board of directors of CIC.

This indemnity is set at one year of gross salary calculated on the basis of the average of the last twelve months preceding the end of his term of office. Payment of this indemnity is subject to fulfillment of the following performance condition: the CM11 group's total consolidated equity in accordance with IFRS, excluding any capital contributions or reductions, accounting impacts from Crédit Mutuel federations joining CM11 subsequent to December 31, 2014, and changes in revenue that may be "recycled," must have increased on average by at least €1 billion per year during the period from January 1, 2015 to the date of termination.
This agreement was approved with immediate effect by the board of directors on December 11, 2014.
This agreement had no effect on CIC's income statement for 2015.

2. With the Caisse de refinancement de l'Habitat (real estate refinancing - CRH) and the Banque Fédérative du Crédit Mutuel (BFCM)

Persons concerned

Nicolas Théry, chairman of the board of directors of CIC.
Alain Fradin, chief executive officer of CIC.
Jean-Louis Girodot, director of CIC.
Daniel Leroyer, director of CIC.
Jacques Humbert, permanent representative of BFCM.

Nature and purpose

Agreement on the concentration of the refinancing in favor of Caisse de Refinancement de l'Habitat (CRH) between Banque Fédérative du Crédit Mutuel and CIC.

Terms and conditions

At its August 29, 2007 meeting, the supervisory board authorized the executive board to have BFCM handle the refinancing granted by CRH under the following terms and conditions:

- authorize BFCM to act on behalf of CIC in its dealings with CRH;
- grant BFCM, through CIC, a guarantee in favor of CRH based on its mortgage loan portfolio;
- sell to BFCM CIC's 891,346 CRH shares, which carried 1,005 voting rights, for a total price of €14.1 million.

For 2015, this guarantee agreement generated income of €2.05 million for CIC on guaranteed outstandings of €495.60 million.

3. With Cigogne Fund for the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with Euroclear

Person concerned

Philippe Vidal, deputy CEO of CIC and chairman of the board of directors of Banque de Luxembourg.

Nature and purpose

Guarantee issued by CIC to Euroclear in respect of the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with Euroclear.

Terms and conditions

Cigogne Fund is a Luxembourg-based fund. Banque de Luxembourg, in its capacity as custodian of Cigogne Fund, opened an account with Euroclear Bank.
On December 14, 2006, the supervisory board authorized the signing of an agreement with Euroclear with a view to:

- opening a credit line for USD 1 billion in favor of Cigogne Fund;
- granting a guarantee to Euroclear for the same amount, for the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with this sub-custodian.

This agreement had no effect on CIC's income statement for 2015.

Neuilly-sur-Seine and Paris-La Défense,
April 20, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Agnès Hussherr Jacques Lévi	Olivier Durand


CIC
Construisons dans un monde qui bouge.

Financial information

3

CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT REPORT ON CIC'S CONSOLIDATED FINANCIAL STATEMENTS

Global economies, growing divergences

World growth slowed in 2015, particularly in developed countries as a result of the drop in oil prices related to a structural supply surplus. In fact, the divergences are growing. In developed countries, the desynchronization of growth rates and monetary policies has increased, even though growth in the emerging BRIC countries (Brazil, Russia, India and China), depicted as entities with homogeneous economic momentum, has also leveled off.

A start of the year impacted by the central banks

At the beginning of the year, the ECB opted for a strong-arm approach by launching a major asset purchase program (quantitative easing) on January 22. This decision aimed to ensure low financing costs and depreciate the single currency in order to boost exports. The euro continued the fall initiated in 2014, reaching a low of 1.05 against the dollar in March, while business indicators confirmed an encouraging trend fueled by demand. In the United States, however, the Fed remained cautious in the first half of the year in light of low salaries that fueled doubts as to the strength of the country's growth.

In May, assets experienced a significant downward correction. Yields on government bonds, which had reached historically low levels and were close to 0% in Germany (10-year maturity), rose sharply, while the first signs of a change in the inflation rate curve put an end to expectations of a deflationary spiral. At the same time, the European stock markets, which had made strong gains until April, underwent a downward correction. Growing concerns regarding the robustness of Chinese growth also weighed on confidence. In terms of raw materials, US oil production fell only slightly, against all expectations, thanks to a rapid drop in operating costs. In response, the Persian Gulf countries stepped up their own production which triggered a new fall in oil prices, with the price per barrel reaching $37 in December.

This ongoing decline in oil prices largely explains the increase in economic growth in the euro zone in 2015. This situation benefited France, which recorded growth of more than 1% in 2015, despite a still struggling real estate market and adjustments approved by the government in terms of housing construction subsidies. The policy measures aimed at improving competitiveness resulted in an improvement in companies' profitability, but the effort is still insufficient. The modest growth in exports again attested to the low level of French competitiveness.

Disruption caused by turbulence in Greece and China

Greece also contributed to the volatility by increasingly becoming the focus of discussion once again in the first half of the year. The country's government, in power since early 2015, ended by locking horns with the country's international creditors. The situation deteriorated, leading to the closure of Greece's banks. Since then, the Greek Parliament has approved a series of austerity measures and the European partners have financed the country. However, the economic situation will remain unstable until the country's sovereign debt is restructured. Elsewhere in Southern Europe, legislative elections in Portugal and Spain in the second half continued to fuel uncertainties.

At the end of August, investors had to contend with mismanagement of the stock market crisis in China, which once again rattled confidence. The sudden, unprecedented burst of the "stock" bubble dragged down other markets, while adding to fears of a marked slowdown in growth. The authorities have since introduced many measures (budgetary and monetary) to support the economy and issued numerous reassuring statements to correct the situation; however, China's balances have deteriorated and its ability to get back on track is weak. More generally, emerging countries remained under pressure, particularly as expectations of a first hike in key interest rates by the Fed (in addition to the fears surrounding China) weighed on the exchange rates of their currencies against the dollar throughout the year. The most fragile countries paid the highest price, including Brazil, which also experienced intense political upheaval, with no short-term prospects for economic improvement. Russia, for its part, suffered from the sanctions imposed in connection with Ukraine, and from the collapse in oil prices.

Resilient growth at the end of the year

The fourth quarter saw the attacks in France and elsewhere, which for now have not shattered people's confidence. The resilience of the developed countries' economies, combined with a strong job market in the United States, even allowed the US central bank to finally raise its key interest rates slightly on December 16 from 0-0.25% to 0.25-0.50%, which suggests a gradual rise in interest rates on savings. However, we believe that the Fed will be very cautious regarding the pace of interest rate increases in 2016 since the industrial sector continues to be adversely affected by the renewed strength of the dollar. The European Central Bank, for its part, took further action in early December due to low inflation expectations in the euro zone, but its moderate approach led to a correction of the overly bullish stock markets.

Business performance and results

Accounting principles

Pursuant to Regulation (EC) 1606/2002 on the application of international accounting standards and Regulation (EC) 1126/2008 on the adoption of said standards, the consolidated financial statements for the year ended December 31, 2015 have been drawn up in accordance with IFRS as adopted by the European Union at December 31, 2015. This IFRS framework includes IAS 1 to 41, IFRS 1 to 8 and 10 to 13 and any SIC and IFRIC interpretations adopted at that date.

The entire framework is available on the European Commission's website at: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm. The financial statements are presented in accordance with the format specified in recommendation no. 2013-04 of the French Accounting Standards Board (Autorité des normes comptables– ANC) on IFRS financial statements. They comply with the international accounting standards as adopted by the European Union.
Information on risk management required by IFRS 7 is provided in a specific section of the management report.

Changes in consolidation scope

The changes in scope were:
- the addition of CM-CIC Bail Espagne;
- the absorption of Pasche Finance SA by Banque Pasche;
- the liquidation/absorption of Divhold by Banque de Luxembourg;
- the deconsolidation of Serficom Brasil Gestao de Recursos Ltda., Serficom Family Office Brasil Gestao de Recursos Ltda., Serficom Family Office SA and Trinity SAM.

In addition, the following entities changed their name: CM-CIC Capital Finance became CM-CIC Investissement, CM-CIC Investissement became CM-CIC Investissement SCR and CM-CIC Capital Innovation became CM-CIC Innovation.

Analysis of the consolidated statement of financial position

The main changes in the consolidated statement of financial position items were as follows:
- bank deposits(1) increased by 6.6% compared to 2014 to €130.0 billion as a result of sustained growth in current accounts (up 14.7%) and home savings plans and accounts (up 15.5%). The savings book balance increased slightly (up 1.8%);
- net outstanding loans(1) totaled €157.2 billion, a 7.1% increase compared to 2014, with a 6.0% increase in home loans to €69.2 billion. Outstanding capital equipment loans and cash facilities grew by 9.0% and 17.1% to €31.6 billion and €24.5 billion, respectively;
- the net loans/customer deposits ratio held steady 120.9% at December 31, 2015 compared to 120.4% the previous year;
- savings under management and held in custody(1) reached €259.8 billion (up 5.8%);
- total equity and reserves attributable to owners of the company were €13.069 billion compared to €12.202 billion at December 31, 2014. Without transitional measures, Basel III Common Equity Tier 1 (CET 1) capital was €11.6 billion, the Common Equity Tier 1 capital adequacy ratio was 11.7%, the total ratio was 12.1% and the leverage ratio was 4.4%. These figures confirm the group's soundness.

Under Pillar 2, following the supervisory review and evaluation process carried out by the ECB, the CET 1 requirement applicable to the CIC group was set at 8.75% at January 1, 2016 (ratio with transitional measures including the capital conservation buffer). The additional safety cushion required based on the Crédit Mutuel group's status as a bank of systemic size is 0.125% from January 1, 2016 and will be increased by 0.125% per year to reach 0.5% in 2019. The CIC group's regulatory capital requirement was therefore 8.875% at January 1, 2016.

Analysis of the consolidated income statement

(in € millions)	2015	2014	Change 2015/2014
Net banking income	4,782	4,410	8.4%
General operating expenses	(3,005)	(2,911)	3.2%
Operating income before provisions	1,777	1,499	18.5%
Income before tax	1,702	1,482	14.8%
Corporate income tax	(562)	(358)	57.0%
Net profit/loss on discontinued operations*	(23)		NA
Net income	1,117	1,124	(0.6%)
Net income attributable to owners of the company	1,111	1,116	(0.4%)

* Since January 1, 2015, Banque Pasche has been treated as an entity held for sale according to IFRS 5.

Net banking income grew by 8.4% to €4.782 billion. The retail banking segment's net banking income represented 73% of total net banking income.
The cost/income ratio rose to 62.8% (compared to 66.0% a year earlier) with an increase in general operating expenses of 3.2% to €3.005 billion versus €2.911 billion at end-2014, mainly due to the new tax for the Single Resolution Fund (SRF).
Net additions to/reversals from provisions for loan losses remained stable, up from €206 million at the end of 2014 to €207 million.
Individual net additions to/reversals from provisions for loan losses increased by €5 million and collective provisions were reversed by €1 million compared to an addition of €3 million in 2014.
Individual net additions to/reversals from provisions for customer loan losses, as a proportion of total loan outstandings, decreased from 0.18% to 0.14% and the overall non-performing loan coverage ratio was 51.2% at December 31, 2015.
The share of income of associates and gains on disposals of non-current assets fell to €132 million compared to €189 million at the end of 2014. This decrease was mainly due to the sale in April 2014 of shares in Banca Popolare di Milano (BPM), in which CIC held a 6.6% stake.

(1) Including currency effect, specifically relative to the US dollar and Swiss franc.

Income before tax therefore rose by 14.8% (€1.702 billion versus €1.482 billion at the end of 2014). However, net income remained stable (down 0.6%), with corporate income tax rising from €358 million to €562 million. In 2014, extraordinary events (disposal of the shares in Banca Popolare di Milano and reversal of provisions on the New York branch) had reduced corporate income tax by nearly €53 million, whereas old and new taxes (Single Resolution Fund) were no longer deductible in 2015. The net loss on activities held for sale (Banque Pasche) of €23 million also weighed on 2015 net income.

Notation

As a direct result of the downgrade of France's ratings, on September 23, 2015 the Moody's rating agency lowered CIC's long-term rating from Aa2 with a negative outlook to Aa3 with a stable outlook. On June 30, 2015, the agency had raised CIC's rating from Aa3 to Aa2 based on the group's improved financial solidity and liquidity indicators. On June 23, 2015, the Fitch agency confirmed CIC's ratings.
Moreover, on December 3, 2015, Standard & Poor's confirmed the long-term rating of A with a negative outlook of the Crédit Mutuel group's entities. CIC's ratings are as follows:

At April 4, 2016	Standard & Poor's	Moody's	Fitch Ratings
Short term	A-1	P-1	F1
Long term	A	Aa3	A+
Outlook	Negative	Stable	Stable

Business performance

Description of business lines

CIC's business segments reflect its organizational structure (see chart on page 8).

Retail banking, CIC's core business, comprises all the banking and specialized activities whose products are marketed by the regional banking network, organized around five regional divisions, and the CIC network in the Greater Paris region: life and property-casualty insurance, equipment leasing and rentals with purchase options, real estate leasing, factoring, fund management, employee savings and real estate.

Financing encompasses credit facilities for large corporate and institutional customers, specialized financing (export financing, project and asset financing, etc.) and international operations.

Capital markets activities comprise investments in activities involving fixed-income instruments, equities and foreign currencies ("ITAC") as well as brokerage services.

Private banking offers a broad range of financial and private asset management expertise to entrepreneurs and private investors, both in France and abroad.

Private equity includes equity investments, M&A consulting and financial and capital markets engineering.

The **holding company services** segment includes all activities that cannot be attributed to one of the other business segments.

Results by business segment

Retail banking

(in € millions)	2015	2014	Change 2015/2014
Net banking income	3,514	3,327	5.6%
General operating expenses	(2,254)	(2,194)	2.7%
Operating income before provisions	1,260	1,133	11.2%
Income before tax	1,202	1,020	17.8%
Net income attributable to owners of the company	790	688	14.8%

Lending by retail banking rose by 5.0% to €124 billion, due mainly to home loans (up 4.8%), capital equipment loans (up 6.0%) and cash facilities (up 17.0%). Retail banking deposits increased at a more steady rate by 8.2% to €99.7 billion as a result of growth in current accounts in credit (up 21.2% to €39.3 billion) and home savings plans and accounts (up 15.6% to €8.9 billion).

Retail banking net banking income increased by 5.6% to €3.514 billion. Net fee income represented 42% of net banking income, an increase of 8.7%. The net interest margin rose by 2.7%.

General operating expenses were up by 2.7% to €2.254 billion (€2.194 billion in 2014).
Net additions to/reversals from provisions for loan losses fell by 17.1% to €194 million compared to €234 million in 2014.
Income before tax therefore stood at €1.202 billion compared to €1.020 billion a year earlier, up by 17.8%.

Banking network

The banking network had 2,015 branches at December 31, 2015 and 4,869,039 customers (up 2.0% compared to end-December 2014). Loan outstandings rose by 4.2% to €107.5 billion at December 31, 2015. Home loans increased by 4.8% and capital equipment loans by 5.6%. Deposits totaled €97.6 billion, up by 7.8% compared to December 31, 2014. Current accounts and home savings grew by 20.7% and 15.6% respectively. Savings book accounts were stable (up 1.4%).
Savings increased by 2.8% to €58.2 billion compared to €56.6 billion at the end of December 2014 thanks to life insurance, which posted 4.4% growth in outstandings.

The insurance business continued to grow.
The number of property and casualty policies increased to 4,450,327 and the services businesses rose by:
- 14.7% in remote banking with 2,055,486 contracts,
- 16.4% in mobile phone services (439,580 contracts),
- 4.4% in electronic surveillance (87,855 contracts),
- 6.2% in electronic payment terminals (128,070 contracts).

Net banking income in the branch network grew by 5.5% to €3.306 billion compared to €3.134 billion a year earlier, due particularly to an 8.4% increase in net fee income. Fees on loans accounted for 58% of this increase and insurance commissions 19%.
General operating expenses, which include the new SRF tax, totaled €2.118 billion (€2.070 billion at end-2014), while net additions to/reversals from provisions for loan losses came to €184 million, down by €46 million, two-thirds of which stems from the decrease in individual net additions to/reversals from provisions for loan losses.
Income before tax in the branch network thus grew by more than 20% to €1.002 billion compared to €834 million in 2014.

Retail banking's support businesses

These activities generated net banking income of €208 million at end-2015 compared to €193 million at end-2014 and income before tax of €200 million (€186 million at end-2014), more than two-thirds of which was the share of income from the CM11 group's insurance business.

Financing

(in € millions)	2015	2014	Change 2015/2014
Net banking income	366	328	11.6%
General operating expenses	(97)	(89)	9.0%
Operating income before provisions	269	239	12.6%
Income before tax	246	190	29.5%
Net income attributable to owners of the company	158	133	18.8%

Loan outstandings in the financing segment were €13.6 billion.
In 2015, net banking income of €366 million benefited from the improvement in net interest income (up 18.1% compared to 2014), with a positive currency effect for the foreign branches. This currency effect also impacted general operating expenses, which rose by 9%. Net additions to/reversals from provisions for loan losses decreased by more than 50% to €23 million and actual net provisioning for known risks was down by €37 million. Income before tax rose by €56 million to €246 million compared to €190 million in 2014.

Capital markets activities

(in € millions)	2015	2014	Change 2015/2014
Net banking income	342	304	12.5%
General operating expenses	(169)	(175)	(3.4%)
Operating income before provisions	173	129	34.1%
Income before tax	175	208	(15.9%)
Net income attributable to owners of the company	93	157	(40.8%)

The capital markets division generated net banking income of €342 million (€304 million in 2014). There was a €2 million provision reversal in net additions to/reversals from provisions for loan losses compared to a reversal of €79 million in 2014 on the RMBS portfolio in New York.
Income before tax fell from €208 million to €175 million. This income does not include the payment of €48 million in commissions to the networks, up by 23% from 2014, for the hedging of interest rate, foreign exchange and commodities risks for customers.

Private banking

(in € millions)	2015	2014	Change 2015/2014
Net banking income	509	458	11.1%
General operating expenses	(371)	(338)	9.8%
Operating income before provisions	138	120	15.0%
Income before tax	143	119	20.2%
Net profit/loss on discontinued operations	23		N.A.
Net income attributable to owners of the company	79	88	10.2%

Bank deposits in private banking increased by 12.7% to €18.6 billion. Loan outstandings totaled €12.0 billion, up by 15.0% compared to 2014. Savings under management and held in custody were up 7.7% to €85.4 billion. Net banking income grew by 11.1% to €509 million compared to €458 million a year earlier, thanks in particular to net fee income, which rose by €26 million. General operating expenses increased by 9.8%, with a 5.0% rise in employee expenses (increase in staff) and a 16.5% rise in other expenses (IT investments and change in goodwill amortization methodology). Net additions to/reversals from provisions for loan losses increased from a €2 million expense in 2014 to €9 million in income. Income before tax was €143 million (€119 million in 2014), up by 20.2% before recognition of the net loss of €23 million on Banque Pasche, held for sale.

Private equity

(in € millions)	2015	2014	Change 2015/2014
Net banking income	172	149	15.4%
General operating expenses	(41)	(38)	7.9%
Operating income before provisions	131	111	18.0%
Income before tax	131	111	18.0%
Net income attributable to owners of the company	127	110	15.5%

The total amount invested stood at €1.9 billion, including €310 million invested in 2015. The portfolio comprises 435 investments. The private equity business performed well in 2015, posting net banking income of €172 million at December 31, 2015 compared to €149 million in 2014 and income before tax of €131 million compared to €111 million a year earlier.

Headquarters and holding company services

(in € millions)	2015	2014	Change 2015/2014
Net banking income	(121)	(156)	N/A
General operating expenses	(73)	(77)	N/A
Operating income before provisions	(194)	(233)	N/A
Income before tax	(195)	(166)	N/A
Net income attributable to owners of the company	(136)	(60)	N/A

The holding company's net banking income mainly included:
- a €50 million expense to finance working capital and the cost of subordinated notes (€82 million expense in 2014);
- a €67 million expense to finance the network expansion plan (€79 million expense in 2014);
- an €8 million net interest expense generated by the creation of the liquidity buffer in 2015;
- a €6 million expense for net loss and provision on the sale of investments in non-consolidated companies (€8 million expense in 2014);
- €2 million in dividends (compared to €5 million in 2014).

General operating expenses decreased from €77 million in 2014 to €73 million.
Net additions to/reversals from provisions for loan losses totaled €1 million (zero in 2014).
In 2015, there was no share of income of associates, compared to 2014 in which this figure was €68 million, due to the disposal of the shares in Banca Popolare di Milano (BPM), in which CIC held a 6.6% stake.
As a result, income before tax was €(195) million compared to €(166) million at the end of 2014.

Information on sites included in the consolidation scope in accordance with Article 7 of Law No. 2013-672 of July 26 of the French Monetary and Financial Code, amending Article L.511-45, and Decree No. 2014-1657 of December 29, 2014

2015: Site by country	Business line
Germany	
CM-CIC Leasing GMBH	Banking network subsidiaries
Belgium	
Banque Transatlantique Belgium	Private Banking
CM-CIC Leasing Benelux	Banking network subsidiaries
Spain	
CM-CIC Bail Espagne (branch)	Banking network subsidiaries
UNITED STATES	
CIC New York (branch)	Financing and capital markets
France	
Adepi	HQ, holding company services and logistics
Banque Transatlantique	Private Banking
CIC Est	Retail banks
CIC Lyonnaise de Banque	Retail banks
CIC Nord Ouest	Retail banks
CIC Ouest	Retail banks
CIC Participations	HQ, holding company services and logistics
CIC Sud Ouest	Retail banks
CM-CIC Asset Management	Banking network subsidiaries
CM-CIC Bail	Banking network subsidiaries
CM-CIC Capital et Participations	Private equity
CM-CIC Conseil	Private equity
CM-CIC Epargne Salariale	Banking network subsidiaries
CM-CIC Factor	Banking network subsidiaries
CM-CIC Innovation	Private equity
CM-CIC Investissement	Private equity
CM-CIC Investissement SCR	Private equity
CM-CIC Lease	Banking network subsidiaries
CM-CIC Proximité	Private equity
CM-CIC Securities	Capital markets
Crédit Industriel et Commercial - CIC	Banking
Dubly-Douilhet Gestion	Private Banking
Gesteurop	HQ, holding company services and logistics
Groupe des Assurances du Crédit Mutuel (GACM)	Insurance company
Sudinnova	Private equity
Transatlantique Gestion	Private Banking
Luxembourg	
Banque de Luxembourg	Private Banking
Banque Transatlantique Luxembourg	Private Banking
Cigogne Management	Capital markets
Diversified Debt Securities SICAV - SIF	Capital markets
United Kingdom	
Banque Transatlantique Londres (branch)	Private Banking
CIC Londres (branch)	Financing
Singapore	
Banque Transatlantique Singapore Private Ltd	Private Banking
CIC Singapour (branch)	Financing, capital markets and private banking
Switzerland	
Banque CIC (Suisse)	Private Banking
Banque Pasche	Private Banking

2015: Information by country	Net banking income	Income before tax	Corporate income tax	Other taxes	Public subsidies received	FTE employees
Germany	5	3	(1)	(1)		3
Belgium	17	10	(3)	(1)		34
Spain	0	0	0	0		0
United States of America	136	70	(47)	(5)		84
France	4,123	1,452	(477)	(708)		18,306
Luxembourg	289	117	(25)	(18)		795
United Kingdom	43	30	(6)	(2)		47
Singapore	66	10	(1)	(2)		227
Switzerland	103	10	(2)	(10)		310
TOTAL	**4,782**	**1,702**	**(562)**	**(747)**		**19,806**

RECENT DEVELOPMENTS AND OUTLOOK

Building on its strengths and expertise needed to adapt to rapid changes in its businesses, in 2015 the CIC group focused on combining growth, efficiency and risk management. It owes its success to its firm commitment to customer service, regular training of its employees and the strength of its cutting-edge technology: a winning combination that allows it to take both an online and in-person approach to customer relations.
Through its economic performance and commitment to society, CIC is both a responsible bank dedicated to serving people and a bank ready to meet the challenges of tomorrow.

SIGNIFICANT CHANGES

There have been no significant changes in CIC's commercial or financial position since the end of the last fiscal year for which audited financial statements have been published.

COMPENSATION OF CORPORATE OFFICERS

See "Corporate governance" on page 52.

VARIABLE COMPENSATION OF "RISK TAKERS"

See "Corporate governance" on page 54.

RISK MANAGEMENT

This section sets out the information required by IFRS 7 regarding risk exposures arising from financial instruments. The figures provided in this section have been audited, except for those specifically marked with an asterisk(*), which have been checked for accuracy and consistency as stipulated in Article L.823-10 of the French Commercial Code, as has the rest of the board of directors' report. The periodic and permanent control functions and the compliance function provide strict oversight of processes across all business activities.
The controls, the review of reports and the action plans undertaken are described in the report of the chairman of the board of directors to the shareholders' meeting on pages 59 to 67.
The risk management department consolidates overall risk monitoring and optimizes risk control by measuring the capital allocated to each business and analyzing return on equity.

Credit risk

a - Organization of the lending unit

In accordance with the applicable regulations, the lending unit is organized mainly around the following two mechanisms:
- loan origination;
- risk assessment and the monitoring of commitments and management of at-risk items.

The lending unit and exposure management are organized based on a single set of guidelines that prescribes the rules and practices applicable within the group.

Loan origination procedures

Loan origination draws on know-your-customer, risk assessment and credit approval procedures

Know-your-customer
The close ties that have been formed with the economic environment are the basis for obtaining information about existing and prospective customers. Customer segments have been defined and risk-profiled, which determines the targeting of marketing efforts. A loan file is prepared as evidence to support the credit approval process.

Risk assessment
Risk assessment draws on various analyses performed at different stages in the lending cycle including, in particular:
- customer ratings;
- risk groups;
- the weighting of products in accordance with the type of risk involved and collateral and guarantees pledged.

Employees concerned receive regular refresher training on risk supervision and oversight.

Customer ratings: a single system for the entire group
In accordance with the applicable regulations, rating is at the heart of the group's credit risk procedures: approval, payment, pricing and monitoring. As such, all approval powers are based on the counterparty's rating. Generally speaking, the lending unit approves the internal ratings of all loan files that it handles.
Rating algorithms and expert models have been developed to improve the group's credit risk assessment and to comply with the regulatory requirements concerning internal rating approaches.
This rating system is common to the entire Crédit Mutuel group. Confédération Nationale du Crédit Mutuel (CNCM) is responsible for defining the rating methodologies for all portfolios. Nevertheless, the regional entities are directly involved in carrying out and approving working parties' assignments on specific subjects and the work related to data quality and applications acceptance tests.
The group's counterparties that are eligible for internal approaches are rated by a single system.
Models (algorithms or grids) are used to differentiate and correctly classify risk. The assessment scale reflects the manner in which the risk changes and is broken down into nine non-default positions (A+, A-, B+, B-, C+, C-, D+, D- and E+) and three default positions (E-, E= and F).
Monitoring of the rating models focuses on three aspects: stability assessment, performance assessment and additional analyses. CNCM is responsible for this monitoring, which covers each rating model.

Risk groups (counterparties)
"Group of connected clients" means natural or legal persons that form a unit from the standpoint of risk because one of them, directly or indirectly, has control over the other or others, or because the connections between them are such that it is probable that if one of them encountered financial problems, such as financing or repayment difficulties, the others would also encounter financing or repayment difficulties. Risk groups are formed based on a procedure that incorporates the provisions of paragraph 39 of Article 4 (1) of EU Regulation 575/2013.

Product and guarantee weightings
When assessing counterparty risk, a weighting of the nominal commitment may be applied based on a combination of the loan type and the type of guarantee.

Credit approval process
The credit approval decision is mainly based on:
- a formalized risk analysis of the counterparty;
- the rating of the counterparty or group of counterparties;
- approval levels;
- the dual review principle;
- rules for setting maximum lending limits based on the capital;
- remuneration adapted to the risk profile and capital consumption.

Management of the decision-making process is automated and is conducted in real-time: after a loan application is reviewed, the electronic file is transmitted to the decision maker at the appropriate level.

Approval levels
The customer relationship manager is responsible for ensuring the completeness, quality and reliability of the information collected. In accordance with Article 107 of the Order of November 3, 2014, he compiles loan files intended to formally record all qualitative and quantitative information on each counterparty. He checks the reliability of the information gathered either with customers or using any external means

(sector studies, annual reports, legal information and rating agencies) or internal means at his disposal. Each customer relationship manager is responsible for any decisions he takes or causes to be taken and is endowed with personal approval powers.
For loan files whose amount exceeds the personal approval powers, the decision falls to a credit approval committee whose operating rules are covered by procedures.
Approval powers reflect a range of commitment caps based on:
- the rating;
- the total amount of commitments for a given counterparty or risk group, weighted where relevant by the type of loan concerned or the eligible guarantees;
- any specific exclusions.

Role of the lending unit

Each regional bank has a lending team that reports to the bank's executive management and is independent of the operational departments. It has two key roles and is therefore split into two independent teams, whose responsibilities are as follows:
- one team is responsible for checking that the loan approval decisions are appropriate based on the dual review principle, by verifying that the expected return on the loan is commensurate with the risk taken;
- the other team is responsible for prudential oversight and credit risk assessment arrangements, and also performs permanent controls.

Risk assessment, commitment monitoring procedures and management of at-risk items

In accordance with the prevailing regulations, commitments are monitored by national and regional entities.

Risk measurement

To measure risk, CIC uses an array of tools that provide an aggregated, static and dynamic view of:
- the exposure to a given counterparty or group of counterparties;
- new and existing loans, based on elements adapted to the business lines concerned (rating, market, lending products, business segments, remuneration, etc.).

Each commercial entity has information systems and is therefore able to check compliance on a daily basis with the limits assigned to each of its counterparties.

Commitment monitoring

Together with other interested parties, the lending unit contributes to the quarterly, formalized monitoring of the quality of the credit risk of each business line.
The lending unit's monitoring mechanism operates, independently from the loan origination process, in addition to and in coordination with the actions taken mainly by first-level control, permanent control and the risk department. The objective is to identify as early as possible at-risk situations using specific criteria for each customer segment, either through software applications or through the relevant operations and commitments managers.
The "major risks" limits, determined based on either capital under CRBF Regulation 93-05 in the case of regulatory limits, or capital and internal counterparty ratings in the case of corporate limits, are monitored in accordance with the methods (including those covering frequency) defined in the procedures specific to this area.

Breaches and abnormal movements in accounts are monitored by using advanced risk detection tools (management of debtors/sensitive risks/automatic transfer to the out-of-court collections unit, etc.), based on both external and internal criteria, in particular ratings and account histories. These criteria are used to flag loans for special handling as early as possible. This identification is automated, systematic and exhaustiv

Permanent controls on commitments

The network permanent control function, which is independent of the lending function, performs second-level controls on credit risk. Counterparties exhibiting warning signs are reviewed, and entities with multiple negative indicators are identified. The aim of the control is to ensure that appropriate "risk" strategies are applied and suitable remedial action implemented.
This adds an additional layer of security to the credit risk management mechanism.

Management of at-risk items

A unified definition of default in accordance with Basel and accounting requirements

A unified definition of default has been adopted for the entire Crédit Mutuel group. Based on the principle of aligning prudential information with accounting information (ANC Regulation No. 2014-07 of November 26, 2014/(EU) Regulation No. 575/2013), it involves matching the Basel concept of loans in default and the accounting concept of non-performing loans and loans in litigation. Information systems take into account contagion, thereby enabling the downgrading to be extended to the related outstandings.

Identification of at-risk items

The process involves identifying all receivables to be categorized as "at-risk items" and then allocating them to the category corresponding to their situation: sensitive (not downgraded to non-performing), non-performing or in litigation. All receivables are subject to an automated monthly identification process using internal and external indicators that have been parameterized in the information system. Downgrading, in accordance with the prevailing regulatory criteria, is carried out automatically.

Transfer to non-performing, provisioning and reclassification as performing

Adjustments associated with the transfer to non-performing, provisioning and the reclassification as performing comply with the prevailing prudential rules and are processed automatically monthly, which ensures the process is exhaustive.

Management of customers downgraded to non-performing or in litigation

The manner in which the counterparties concerned are managed depends on the severity of the situation: at the branch by the customer relationship manager or by specific, specialized staff, by market, counterparty type or collection method.

b - Quantified data

2015 was characterized by an increase in customer lending and by a decrease in net additions to/reversals from provisions for loan losses compared to 2014.

Accounting data

At €190.6 billion, total gross exposures were up by 13.3% compared to the end of 2014. Customer loans totaled €152.6 billion, up by 7.1% compared to 2014, and loans to credit institutions rose by 47.5%.

Loans and receivables (excluding repurchase agreements)

(in € millions) (year-end principal balances)	2015	2014
Loans and receivables		
Credit institutions	37,907	25,708
Customers	152,649	142,514
GROSS EXPOSURE	**190,556**	**168,222**
Impairment provisions		
Credit institutions	0	(3)
Customers	(2,702)	(2,766)
NET EXPOSURE	**187,854**	**165,453**

Medium- and long-term loans increased by 6.4% and short-term loans rose by 13.1%.

Customer loans

(in € millions) (year-end principal balances)	2015	2014
SHORT-TERM LOANS	**29,658**	**26,233**
Current accounts in debit	5,180	5,345
Commercial loans	5,686	4,485
Treasury facilities	18,047	15,891
Export credits	745	512
MEDIUM- AND LONG-TERM LOANS	**117,466**	**110,450**
Capital equipment loans	31,526	28,923
Home loans	69,072	65,139
Finance leases	9,681	9,290
Other	7,187	7,098
TOTAL GROSS CUSTOMER LOANS	**147,124**	**136,683**
Non-performing loans	5,276	5,570
Accrued interest	249	261
TOTAL CUSTOMER LOANS	**152,649**	**142,514**

Commitments given

(in € millions) (year-end principal balances)	2015	2014
Financing commitments given		
Credit institutions	315	506
Customers	29,699	26,457
Guarantee commitments given		
Credit institutions	1,151	1,688
Customers	12,825	12,683
PROVISION FOR RISKS ON COMMITMENTS GIVEN	**90**	**99**

Focus on home loans

Home loan outstandings grew by 6% in 2015 and represented 47% of total gross customer loans. Given their nature, home loan outstandings are split among a very large number of customers and are backed by real estate collateral or first-rate guarantees covering 88.7% of their value.

(in € millions) (year-end principal balances)	2015	2014
Home loans	69,072	65,139
Of which with Crédit Logement guarantee	*28,015*	*24,235*
Of which with a mortgage or similar highly-rated guarantee	*33,257*	*32,920*
Of which with other guarantees [1]	*7,800*	*7,984*

(1) Junior mortgages, pledges, surety.

Loan book quality

The loan book is of high quality.
Based on the group's nine internal credit ratings (excluding default ratings), customers rated in the top eight categories represented 97.7% of loans and receivables due from customers.

Breakdown of performing customer loans by internal rating

	2015	2014
A+ and A-	34.74%	33.77%
B+ and B-	29.74%	32.15%
C+ and C-	23.32%	22.28%
D+ and D-	9.87%	9.49%
E+	2.33%	2.30%

Concentration risk/Exposure by segment

These two items are dealt with in the section entitled "Information on Basel III Pillar 3".

Major risks

Corporates

Capital in € millions	2015	2014
Commitments in excess of €300m		
Number of counterparty groups	31	24
Total commitments	16,853	14,917
Of which, on statement of financial position	*6,266*	*5,021*
Of which, off-statement of financial position (guarantee and financing commitments)	*10,587*	*9,896*
Commitments in excess of €100m		
Number of counterparty groups	106	90
Total commitments	28,753	25,742
Of which, on statement of financial position	*11,248*	*9,538*
Of which, off-statement of financial position (guarantee and financing commitments)	*17,504*	*16,203*

Banks

Capital in € millions	2015	2014
Commitments in excess of €300m		
Number of counterparty groups	5	4
Total commitments	3,051	2,314
Of which, on statement of financial position	*2,323*	*1,431*
Of which, off-statement of financial position (guarantee and financing commitments)	*729*	*883*

Sovereign risks

Sovereign risks are detailed in note 7b to the consolidated financial statements.

At-risk items and net additions to/reversals from provisions for loan losses

Non-performing loans and loans in litigation totaled €5.276 billion at December 31, 2015 compared to €5.569 billion at December 31, 2014, a decrease of 5.3%.

However, they remained stable in proportion to outstanding customer loans, accounting for 3.5% (3.9% at the end of 2014).

At December 31, 2015, actual net provisioning for known risks fell to 0.14% of gross outstanding customer loans compared to 0.18% at December 31, 2014.

Quality of risks arising on customer loans and receivables

(in € millions) (year-end principal balances)	2015	2014
Individually-impaired loans and receivables	5,276	5,569
Individual impairments	(2,517)	(2,583)
Collective impairments of receivables	(185)	(183)
Coverage ratio	51.2%	49.7%
Coverage ratio (individual impairment provision only)	47.7%	46.4%

Analysis of unpaid installments on customer loans that were not classified as non-performing

2015	≤ 3 months	> 3 months ≤ 6 months	> 6 months ≤ 1 year	> 1 year	Total
Debt instruments[1]	0	0	0	0	0
Loans and receivables	1,478	69	84	54	1,684
Central banks	0	0	0	0	0
Public administrations	0	0	0	0	0
Credit institutions	0	0	0	0	0
Other financial firms	70	2	12	3	87
Non-financial firms	236	22	22	9	289
Retail customers	1,172	45	49	42	1,308
TOTAL	**1,478**	**69**	**83**	**54**	**1,684**

2014					
Debt instruments[1]	0	0	0	0	0
Loans and receivables	1,496	43	54	23	1,616
Central banks	0	0	0	0	0
Public administrations	0	0	0	0	0
Credit institutions	1	0	0	0	1
Other financial firms	22	5	7	2	36
Non-financial firms	203	3	22	7	235
Retail customers	1,270	35	25	14	1,344
TOTAL	**1,496**	**43**	**54**	**23**	**1,616**

(1) Available-for-sale or held-to-maturity securities.

Interbank loans

Interbank loans by geographic area

	2015*	2014 (restated)*
France	69.05%	81.58%
Europe excluding France	17.42%	8.59%
Other countries	13.53%	9.83%

* The breakdown of interbank loans by geographic area is based on the country of residence of the borrower institution. .

At the end of 2015, exposures continued to be mainly in European institutions, particularly French and British banks. The share of outstanding loans outside Europe increased, these loans being mainly in Asia/Oceania and North America.

Interbank loans by internal rating

Internal rating	Equivalent external rating	2015*	2014 (restated)*
A+	AAA/AA+	3.64%	0.53%
A-	AA/AA-	34.81%	59.82%
B+	A+/A	23.96%	29.67%
B-	A-	28.05%	2.55%
C and below (excluding default ratings)	BBB+ and below	9.55%	7.43%
Not rated		-	-

* The breakdown of interbank loans by internal rating is based on the country of residence of the borrower institution.

Interbank loans were mainly concentrated in the best internal rating grades, with 90.45% of exposures rated between A+ and B- at end-2015 (i.e. an equivalent external rating between AAA and A-), versus 92.57% in 2014. The increase in the proportion of loans with a C or lower rating reflects several downgrades of internal ratings in 2015.

Debt securities, derivatives and repurchase agreements (repos)

The securities portfolios relate primarily to capital markets activities and to a lesser extent to asset-liability management.

(in € millions) (year-end principal balances)	2015	2014
Debt securities	20,717	20,117
Of which, government securities	*6,825*	*8,183*
Of which, bonds	*13,892*	*11,934*
Derivatives	4,387	5,580
Repurchase agreements (repos) and securities lending	14,050	15,845
GROSS EXPOSURE	**39,154**	**41,542**
Provisions for impairment of securities	**(32)**	**(63)**
Net exposure	**39,122**	**41,479**

Asset-liability management (ALM) risk

Organization

The CM11 group's asset-liability management functions, which were previously organized on a supervised, decentralized basis, are being gradually centralized. The decision-making committees for matters concerning risk and interest rate management are as follows:

- the ALM technical committee, which manages risk in accordance with the risk limits applied within the group. The committee comprises the heads of the business lines concerned (finance department, asset-liability management, refinancing and treasury, risk) and meets at least once every quarter. The following indicators are compiled at consolidated level and by entity: static and dynamic liquidity gaps, static interest rate gaps and the sensitivity of net banking income and of net asset value;
- the ALM monitoring committee, composed of the group's senior executives, which examines changes in asset-liability management risk and approves the risk limits.

Hedging decisions are aimed at maintaining the risk indicators within the limits set for CM11 as a whole and for each of its component entities. The hedges are assigned to the entities concerned, in accordance with their needs. The various asset-liability management risk indicators are also presented each quarter to the group risk committee.

Asset-liability management:

- its key objectives are to shelter commercial margins from the effects of interest and exchange rate fluctuations and to ensure that the bank has sufficient liquidity to meet its obligations and protect it from a liquidity crisis;
- does not operate as a profit center but as a function that serves the bank's profitability and development strategy, as well as the management of liquidity risk and interest rate risk arising from the network's activities;
- helps to define the bank's sales and marketing policy in terms of customer lending criteria and rules governing internal transfer rates, and is in constant contact with the sales teams throughout the network.

"Group conventions" for the management of risk and the setting of risk limits are published in a set of group guidelines for asset-liability management that are used throughout the CM11 group.

Interest rate risk management

Interest rate risk arising on the group's commercial operations stems from interest rate differentials and differences in benchmark lending and borrowing rates. Analysis of this risk also takes into account the volatility of outstandings on products with no contractual maturity date and embedded options (early repayment and roll-over options for loans and the use of confirmed credit lines, etc.). The management of interest rate risk arising on all operations connected with the banking network's business is analyzed and hedged overall based on the residual position in the statement of financial position using so-called macro-hedges. In addition, specific hedges may be established for customer loans involving a material amount or an unusual structure.

Risk limits are set in relation to the annual net banking income of each bank and each group. The technical committee decides on the hedges to be put in place and allocates them pro rata to the needs of each entity.

Interest rate risk is analyzed based on the main indicators below, which are updated each quarter:

1 - The static fixed-rate gap, corresponding to items in the statement of financial position, both assets and liabilities, whose cash flows are considered to be certain over a horizon of one to ten years, and governed by limits from three to seven years that are measured by a net banking income ratio.
2 - The static inflation gap over a horizon of one to ten years.
3 - The sensitivity of the net interest margin, calculated based on national scenarios and subject to limits. It is measured in annual steps, over a two-year horizon and is expressed as a percentage of each entity's net banking income.

Five scenarios are calculated:
- Scenario 1: a 1% increase in market interest rates and a 0.33% increase in inflation (core scenario);
- Scenario 2: a 1% decrease in market interest rates and a 0.33% decrease in inflation;
- Scenario 3: a 2% increase in market interest rates and a 0.66% increase in inflation;
- Scenario 4: a 3% increase in short interest rates, a 1% decline in long rates and stable inflation (stress scenario);
- Scenario 5: a 2% decrease in market interest rates (floored at 0) and a 0.66% decrease in inflation.

CIC's net interest income is exposed to a decline in interest rates: -3.13% at one year (i.e. a decline of €125.8 million in absolute terms). This sensitivity has increased relative to September 2015 (-3.04%). At two years, sensitivity to a drop in interest rates is -4.58% (i.e. a decline of €187.8 million in absolute terms), which is slightly higher than in September 2015 (-4.54%).

Sensitivity as a % of NBI	1 year	2 years
Scenario 1	3.53%	5.04%
Scenario 2	(3.13%)	(4.58%)
Scenario 3	6.42%	9.11%
Scenario 4	6.64%	5.35%
Scenario 5	0.12%	(3.88%)

4 - The sensitivity of net asset value that arises when using the standard calculation for the Basel II indicator (a uniform shift of 200 bp applied to the entire statement of financial position, as an increase or decrease) enables the change in the discounted value of items in the statement of financial position according to the various scenarios to be measured as a percentage of total equity.

Sensitivity of net asset value	As a percentage of total equity
Sensitivity +200 bp	+13.13%
Sensitivity -200 bp	-12.16%

Liquidity risk managemen

The liquidity risk management mechanism is operated in close conjunction with BFCM, which manages the group's long-term refinancing, and is based on the following procedures:
- establishing the static liquidity gap, based on contractual and agreed maturities and incorporating off-statement of financial position commitments; warning thresholds (sources/applications of funds) are calculated at maturities ranging from three months to five years and are subject to target levels in order to lock in and optimize the refinancing policy;
- calculating the dynamic liquidity gap over five years, incorporating new loan production, thereby facilitating measurement of future financing needs associated with the development of commercial activity;
- calculating the liquidity gap under a Basel III stress scenario, taking into account assumptions as to loss of deposits and loan renewals in accordance with the bank's customer base; transformation ratios are calculated from three months to seven years;
- the ALM technical committee decides on the liquidity hedges to be put in place in light of all these indicators. These hedges are allocated pro rata to the cumulative needs. les répartitions se font au prorata des besoins cumulés.

Breakdown of maturities for liquidity risk – residual contractual maturities

2015 (in € millions)	≤ 1 month (a)	> 1 month ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	No fixed maturity (b)	Total
Assets								
Financial assets held for trading	1,404	357	2,004	2,532	3,567	2,970	45	12,879
Financial assets at FV through profit or loss	64	0	0	0	307	48	1,792	2,211
Derivatives used for hedging purposes (assets)	8	4	12	185	526	191	3	929
Available-for-sale financial assets	391	469	1,077	1,429	3,478	5,013	603	12,460
Loans and receivables (incl. finance leases)	35,005	10,006	16,137	15,616	36,826	62,953	189	176,731
Held-to-maturity investments	0	0	0	51	9	0	0	60
Liabilities								
Central bank deposits	0	0	0	0	0	0	0	
Fin. liabilities used for hedging purposes (liabilities)	1,304	97	573	644	1,844	2,048	118	6,628
Fin. liabilities at FV through profit or loss	50	120	73	0	0	0	0	243
Derivatives used for hedging purposes (liabilities)	19	28	136	312	2,574	504	4	3,577
Fin. liabilities carried at amortized cost	114,626	20,693	27,241	17,497	23,275	17,025	1,917	222,274
Of which debt securities, including bonds	*1,618*	*6,225*	*6,001*	*1,290*	*1,247*	*1,878*	*1*	*18,260*
Of which, subordinated debt	*16*	*0*	*0*	*0*	*0*	*261*	*0*	*277*

2014 (in € millions)	≤ 1 month (a)	> 1 month ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	No fixed maturity (b)	Total
Assets								
Financial assets held for trading	1,203	791	2,686	2,053	4,118	3,939	0	14,790
Fin. assets at FV through profit or loss	26	3	0	0	503	46	1,588	2,166
Derivatives used for hedging purposes (assets)	2	0	18	36	395	417	1	869
Available-for-sale financial assets	144	492	721	1,220	3,573	4,248	619	11,017
Loans and receivables (incl. finance leases)	42,147	12,683	14,619	15,196	34,038	61,783	810	181,276
Held-to-maturity investments	0	0	0	0	57	0	0	57
Liabilities								
Central bank deposits	16	18	25	0	0	0	0	59
Fin. liabilities held for trading	1,046	190	1,121	530	2,411	3,365	3	8,666
Fin. liabilities at FV through profit or loss	858	618	1,049	0	0	0	0	2,525
Derivatives used for hedging purposes (liabilities)	15	19	72	347	2,459	1,278	2	4,192
Fin. liabilities carried at amortized cost	**102,888**	**19,147**	**30,123**	**14,577**	**26,742**	**15,439**	**1,820**	**210,736**
Of which debt securities, including bonds	*4,028*	*1,783*	*8,628*	*338*	*2,079*	*1,414*	*0*	*18,270*
Of which, subordinated debt	*26*	*62*	*479*	*15*	*0*	*17*	*244*	*843*

(a) Including accrued interest and securities given/received under repurchase and reverse repurchase agreements.
(b) Including undated debt securities, equities, non-performing loans and loans in litigation and impairment losses; for marked-to-market financial instruments, also includes differences between fair value and redemption value.

Currency risk

The foreign currency positions of each CIC entity are automatically centralized by CIC and by BFCM. This centralization is performed daily for commercial transfers and for cash flows, both inflows and outflows, denominated in foreign currencies.
Any unrealized foreign currency gains and losses are translated into euros at the end of each month and the resulting foreign currency position is also centralized by the holding company.
As such, with the exception of certain long-term foreign currency private equity transactions, no group entity bears any currency risk at its own level. The holding company is responsible for clearing foreign currency positions daily and monthly via the market.
Only the activities of CM-CIC Marchés benefit from foreign currency position management at their level.
The structural foreign currency positions arising from foreign currency advances made to foreign branches are not hedged.
The foreign exchange gain or loss is recognized in the asset or liability translation accounts and therefore does not pass through the income statement. The profits or losses of the foreign branches are retained in the branches and thus form part of the structural foreign currency position.

Equity risk

CIC has exposure to various types of equity risks.

Assets measured at fair value through profit or loss
Equities held in the trading portfolio amounted to €986 million at December 31, 2015 compared to €734 million at December 31, 2014 and only concerned CIC's capital markets business (see note 5b to the consolidated financial statements).

Equities accounted for using the fair value through profit or loss option related mainly to the private equity business and amounted to €1.836 billion (see note 5a to the consolidated financial statements).

Available-for-sale financial assets
Equities classified as available-for-sale and various equity investments amounted to €178 million and €418 million respectively.

Long-term investments mainly included:
a) investments in non-consolidated companies totaling €66 million;
b) other long-term securities totaling €171 million.

Net reversals of impairment losses recognized in the income statement totaled €89 million (net reversal of impairment loss of €35 million in 2014). At December 31, 2015, the purchase cost of impaired equities was €164 million with a corresponding impairment of €56 million. Their market value was €108 million.

Private equity
CIC's private equity business comprises dedicated private equity entities whose portfolios are all accounted for under the fair value option. The portfolios comprise around 400 investment lines, relating mainly to small- and medium-sized enterprises.

Risks related to the private equity business

Assets invested	2015	2014
Number of listed investment lines	34	34
Number of unlisted investment lines	354	375
Number of funds	47	50
Proprietary portfolio (in € millions)	2,078	1,996
Funds managed on behalf of third parties (in € millions)	302	360

Market risk*

General structure

CM-CIC Marchés comprises the capital markets activities of BFCM and CIC in France and those of the branches in London, New York and Singapore (CIC).
They are organized around three business lines: refinancing (transactions which are mainly recognized on BFCM's statement of financial position), commercial and fixed income-equity-loan investment ("ITAC") (recognized on CIC's statement of financial position). For these three business lines, management is "secure and conservative".

Refinancing
A dedicated treasury management team is responsible for refinancing all the activities of the CM11 group. It seeks to diversify its investor base in Paris, London and now in the United States (US144A format) and Asia (Samurai format) and its refinancing facilities, including Crédit Mutuel-CIC Home Loan SFH. The products concerned consist mainly of monetary instruments or bonds and futures used to hedge interest rates and exchange rates.
In addition to the pure refinancing positions, this business also has a portfolio of securities classified as available-for-sale: the main reason for holding them is to provide the bank with a portfolio of securities it can liquidate in the event of a liquidity crisis.

Commercial
The sales teams working out of Paris or within the regional banks use a wide range of standardized tools and products. The aim of the dedicated technical desk responsible for designing, match funding and reversing positions ("CAR") is to optimize prices, preserve commercial margins and reverse positions on exchange rate and interest rate instruments.
The business also involves the sale of investment products such as Libre Arbitre or Stork (resulting directly from the expertise of the fixed income-equity-loan business line), which are aimed at institutional, corporate and retail customers of Crédit Mutuel's and CIC's various networks.
At January 1, 2016, CM-CIC Securities' staff was integrated into CM-CIC Marchés to create CM-CIC Market Solutions, a comprehensive range of market solutions offered to customers in all primary and secondary markets as well as custodian solutions (mutual fund custodian and securities account maintenance). It will provide customers with better support for their market financing projects.

Fixed income-equity-loan investment
This business line is organized around desks specialized in investment transactions involving equities/hybrid instruments, credit spreads and fixed income. These activities involve mainly purchases and sales of financial securities acquired with the intention of holding them for the long term, as well as trading in related financial instruments. These activities are called upon to create value in a disciplined risk environment, to drive commercial development and to provide expertise or services to other group entities.

Internal control structures

In 2015, the internal control function continued to improve its organization and monitoring methodologies. It continued to update its procedures to take into account a unified system of limits incorporating the market activities of the branches and to present the CRD4 regulatory changes, in particular stressed VaR and incremental risk charge (IRC) as well as risk measurement in VaR/stress tests, as part of the "market risk internal model" project, and regulatory risk measurement (CAD and European capital adequacy under Basel III standards).
A set of methodologies is formalized in a "body of rules". Updates throughout the year integrate new products and improve the monitoring of risk measurement. A comprehensive, formal validation is carried out at least once a year. CIC's capital markets activities are organized as follows:

- they are under the responsibility of a member of general management;
- the front-office units that execute transactions are segregated from those responsible for the monitoring of risks and results (control function) and from those in charge of transaction validation, settlement and recording in the accounts (back-office function);
- control teams operate under the responsibility of the group's risk department, which compiles management reports summarizing risk exposures. The level of capital allocated is validated by CIC's and BFCM's boards of directors;
- the permanent control system is based on first-level controls performed by three control teams:
  - the risks and results team validates production, monitors results on a daily basis and ensures compliance with limits,
  - a team in charge of accounting and regulatory issues is responsible for reconciling accounting and economic results, providing oversight on regulatory matters and controlling operational risks,
  - a CM-CIC Marchés team covering legal and tax compliance is responsible for first-level legal and tax issues;

- second-level controls organized around:
  - capital markets businesses' permanent controls, which reports to the permanent control department, supervises first-level permanent controls carried out by CM-CIC Marchés and conducts its own direct controls on activities,
  - CIC's lending department, which monitors at-risk outstandings for each counterparty group,
  - CIC's legal and tax department, which works with the CM-CIC Marchés legal and tax unit,
  - CIC's finance department, which oversees accounting procedures, the chart of accounts and accounting and regulatory controls;
- the CM11 group's periodic controls team, which intervenes with specialist auditors to carry out periodic controls and compliance checks in respect of capital markets activities.

A market risk committee that meets monthly is responsible for monitoring the strategy, results and risks of CM-CIC Marchés (in France and at the branches) in relation to the limits prescribed by CIC's and BFCM's boards of directors. Chaired by the member of general management responsible for CM-CIC Marchés, it comprises the chief executive officer of CIC and of BFCM, the front office, post-market, back office, accounting and regulatory control and risks and results managers, and the manager of the risk department and the group permanent control department. It validates the operational limits established in connection with the general limits set by CIC's and BFCM's boards of directors, which are regularly informed of the risks and results of these activities. The market risk committee is also the body that validates the major policies of the "market risk internal model".

Risk management

The system of market risk limits is based on:
- an overall limit for regulatory capital (CAD/European capital adequacy), broken down by desk, and for VaR;
- internal rules and scenarios (CAD risks, historical VaR and stress tests), which convert exposures into potential losses.

The limits cover the various types of market risk (interest rate, currency, equity and counterparty) and are broken down into sub-limits for each type of risk and for each activity.
The group's risk division is responsible for monitoring and managing breaches of the overall limit and/or the limit allocated to each business line.
Risks are monitored based on first-tier indicators such as sensitivity to various market risk factors (mainly for traders), and second-tier indicators such as potential losses, to provide an accessible overview of capital markets exposures for decision-makers.
The regulatory capital allocated to the fixed income-equity-loan investment and commercial business lines in mainland France, which was stable from 2010 to 2012 and revised downwards in 2013, rose slightly in mid-2015 compared to 2014. At the end of 2015, the limits of these activities were maintained for 2016.
A process for calculating the amount of the credit valuation adjustment (CVA) charge supplements the risk monitoring procedure.
The CM11 VaR was €7.5 million at the end of 2015. A stress test framework complements the risk management system, with an escalation procedure if limits are breached.

The capital consumed by the RMBS business carried out at the New York branch continued to fall in line with the amortization and sales of the securities in the portfolio in runoff. The activities of the Investment business are maintained within reduced limits under the supervision of CM-CIC Marchés.

CM-CIC Marchés' overnight treasury position must not exceed a certain limit, reduced from €10 billion to €7 billion for 2016, with an intermediate warning limit set by management and approved by CIC's and BFCM's boards of directors. The refinancing period for portfolio assets is also subject to monitoring and limits.

The main CIC trading desk risks are as follows:

1 - hybrid instruments: capital consumption averaged €79 million in 2015 and ended the year at €74.9 million. Convertible bond holdings stood at €2 billion at the end of 2015 (€1.9 billion in 2014).

2 - credit: these positions correspond to either securities/credit default swap (CDS) arbitrages, or to Itraxx/CdX index or tranche positions, or asset-backed securities (ABS). Capital consumption in the corporate and financial credit portfolio, which includes positions based on Itraxx/ CDX indices and tranches, hovered around €54 million throughout the year and ended 2015 at €49 million. This drop was due to the maturity of Itraxx tranches. In the ABS portfolio, the capital consumed hovered around €40 million (€41.3 million at year-end) as a result of prudent management of risks associated with peripheral countries and a reduction in positions in these countries.

3 - M&A and miscellaneous equities: capital consumed averaged €47 million in 2015, with a high of €64 million in September. This increase followed the trend in outstandings and the removal of corporate actions from M&A. Outstandings in respect of this activity therefore totaled €391 million in December 2015 (with a high of €554 million in September) compared to €329 million at the end of 2014.

4 - fixed income : positions relate to directional investments or yield-curve arbitrage strategies, typically with an underlying of mainly European government securities. The positions on the peripheral states are very limited. As regards Italy, holdings fell below €200 million at the end of 2015 and have remained low since the €1.7 billion maturity in September 2014. The total holding of government securities was €2.8 billion at the end of 2015 compared to €3.1 billion at the end of 2014, including French government securities totaling €1.9 billion. A liquidity portfolio, which is used to manage the buffer and is invested primarily in sovereign securities, is held in BFCM's accounts.

Model risk

CM-CIC Marchés' risks and results team is responsible for developing the few models used to value its positions. In 2015, there were four such models, which are governed by a general policy approved every year by the market risk committee. This policy requires that the risks and results team develop and document these models, and that their performance be tracked in a file kept by the risks and results team and reviewed by the permanent control department and the group risk department, for presentation to the market risk committee. These models are also incorporated into the audit plan by the group's periodic control team.

Credit derivatives

These products are used by CM-CIC Marchés and are recognized in its trading portfolio.
CM-CIC Marchés is subject to exposure limits by issuer or counterparty for all types of products. Outstanding amounts are monitored on a daily basis and exposure limits are reviewed periodically by the lending committees and capital markets risk committees.

Securitization

In 2015, the group's investments in securitizations increased by 21%, or €1.2 billion, and represented outstandings of €6.8 billion at December 31, 2015.

The securitization portfolios are managed conservatively and consist mostly of senior, very high credit quality securities. The increase in outstandings in 2015, which mainly involved AAA securities, further improved the overall quality of the portfolios, as 74% of the securities have a AAA rating (compared to 69% in 2014) and 16% have an A to AA rating. The portfolios are diversified in terms of both type of exposure (RMBS, CMBS, CLO, auto loan ABS, consumer loan ABS and credit card ABS) and geographic region (USA, Netherlands, UK, France, Italy and Germany).

Investments are made within a well-defined framework of limits approved by the group's lending department. These limits are reviewed at least once a year.

Investments made by the capital markets activities, which represent 90% of securitization outstandings, must also comply with a body of rules specific to CM-CIC Marchés that strictly governs portfolio risks and outstandings.

Regulatory requirements for securitizations have been strengthened regularly since the last financial crisis. As such, specific procedures have been developed to ensure close monitoring of tranches and continuously verify information about the performance of the underlying exposures.

Stress tests are also conducted on the portfolios every month. In 2014, the European Central Bank conducted an asset quality review (AQR), in addition to its stress tests, with highly satisfactory results. It will do the same in 2016 based on the holdings at the end of 2015.

Breakdown of outstandings by portfolio (€ millions)	2015	2014
Banking portfolio	6,154	4,374
Trading portfolio	594	1,218
Total	**6,748**	**5,592**

Breakdown of outstandings by inv. grade/non-inv. grade (%)	2015	2014
Investment grade (of which 74% AAA)	92%	90%
Non-investment grade	8%	10%
Total	**100%**	**100%**

Breakdown of outstandings by region	2015
USA	41.8%
Netherlands	12.6%
Italy	10.9%
United Kingdom	9.4%
France	7.7%
Germany	6.3%
Spain	1.9%
Norway	1.5%
Ireland	1.4%
Portugal	1.1%
Greece	0.7%
Europe (other countries)	0.5%
Australia	0.2%
Caribbean	0.1%
Other	4.0%
Total	**100.0%**

The group has very little exposure to the most vulnerable European countries (Ireland 1.1%; Portugal 1.5%; Greece 0.2%). Furthermore, tranches categorized as non-investment grade are monitored closely and, in Greece's case, provisions have been recorded.
The New York branch holds a residual portfolio of pre-2008 non-investment grade US RMBS of €437 million, which is managed on a run-off basis. Losses expected on this portfolio are fully provisioned.

Operational risk*

In the context of the Basel II capital adequacy regulations, the Crédit Mutuel group has implemented a comprehensive operational risk management system under the responsibility of senior management bodies. Group-wide guidelines describe the risks concerned and the quantitative evaluation methods to be used.
The group has an overall operational risk management function that is clearly identified and split in practice between national functions and regional functions. It covers operational risk, contingency and disaster recovery plans and insurance taken out to cover these risks.
The system in place for measuring and monitoring operational risk is based on a common platform applied throughout the group and a procedure for identifying and modeling risks in order to calculate the final amount of capital that must be allocated to these risks.
Crédit Mutuel is authorized to use its advanced measurement approach to calculate its regulatory capital adequacy requirements in respect of operational risk, with the exception of the

deduction of expected losses from its capital adequacy requirements, from January 1, 2010, for the consolidated group excluding the foreign subsidiaries, the Cofidis group and CM-CIC Factor. CM-CIC Factor was also authorized to use this approach as from January 1, 2012, as was Banque de Luxembourg as from September 30, 2013.

Main objectives

The operational risk management policy set up by the group is designed:

- to contribute to the group's effective management by controlling risks and the associated costs;
- from a human perspective, to protect staff, develop responsibility, autonomy and control, and leverage skills group-wide;
- from an economic standpoint, to protect margins by tightly managing risk across all activities and adapt insurance programs to the risks identified;
- from a regulatory standpoint, to respond effectively to Basel II regulations and supervisory authorities' requests, draw on the internal control system (Order of November 3, 2014), optimize contingency and disaster recovery plans for mission-critical operations and adapt financial reporting (Pillar 3 of Basel III).

Role and position of the management function

The national operational risk management function coordinates and consolidates the entire procedure through deploying a dedicated team and also assists the operational risk managers in the regional groups. The regional operational risk management function implements the risk management procedure and verifies that it is consistent with the national risk management policy.

Measurement and control procedures

For modeling purposes, the group relies mainly on the national database of internal losses, an external database and scenarios developed within the context of mappings and statistical work, performed in accordance with common procedures and regulatory requirements.

Homogenous risk maps broken down by business line and by risk type and objects have been drawn up for all activities, with probability-based models culled from the work of outside experts. The maps and calculation of the capital adequacy requirements are validated by the operational risk steering committee. Capital adequacy requirements are calculated at national level and are then split at regional level.

General operational risk mitigation techniques include:

- preventative actions identified during the mapping process and implemented directly by operational or permanent control staff;
- safeguard initiatives, which focus on the widespread implementation of contingency and disaster recovery plans, logistics and IT solutions for all mission-critical operations in order to limit the seriousness of any incident in the event of a crisis.

A consistent group-wide crisis management process, linked to the market system for interbank operations, covers crisis communication and the three phases of contingency and disaster recovery plans: emergency, business continuity and back-on-track plans.

Reporting and general oversight

Application of the operational risk management policy and risk profile is monitored using key indicators, thresholds and warnings covering the assessment of potential risks, changes in loss experience and the effectiveness of risk-reduction and financing measures. The group's effective managers and supervisory bodies are regularly provided with information on this risk data, including that required under the Order of November 3, 2014.

Documentation and procedures

The group applies a set of permanent procedures that are approved by the managing bodies and regularly updated, covering:

- governance: procedures dealing with the roles and responsibilities of the various management, decision-making and supervisory bodies, and of the national function, the frequency and recipients of reports, the scope for the monitoring of group entities, and the methodology for the integration of subsidiaries;
- the collection of incident information: procedures laying down the rules for collecting information and controlling internal losses;
- the measurement system: procedures concerning, in particular, modeling that is probability-based and drawn from the work of experts, the rules for gathering key risk indicators (KRI), the basis for the allocation of capital adequacy requirements and COREP reports.

Contingency and disaster recovery plans

Disaster recovery plans are part of the back-up measures put in place by the group to limit any losses resulting from operational risk. Contingency and disaster recovery plan guidelines, which have been drawn up by Crédit Mutuel, may be consulted by all teams concerned and are applied at the level of the regional groups.

Plans are classified into two categories:

- business-specific contingency and disaster recovery plans relate to a given banking function that is associated with one of the business lines identified in accordance with Basel II;
- cross-functional contingency and disaster recovery plans relate to activities that constitute operational support services (logistics, HR and IT issues).

Plans can be split into three components:

- emergency plan: this is triggered immediately and involves measures designed to handle emergencies and institute solutions for operating in a weakened environment;
- business continuity plan: this involves resuming activities under adverse conditions in accordance with procedures defined before the crisis;
- back-on-track plan: this is prepared shortly after the business continuity plan kicks in.

Crisis management and its organization

Crisis management procedures at the level of the group and the regions cover the most efficient organization and communications systems for handling these three phases: emergency, business continuity and back-on-track plans.

These procedures are supported by:

- a crisis committee, chaired at the regional level by the CEO of the bank or at the national level by the group CEO, who takes key decisions, prioritizes actions and handles internal and external communication;

- a crisis unit, which pools information, implements decisions and provides follow-up;
- a crisis liaison team for each business line, which coordinates operations on the ground together with the crisis unit and, in particular, puts in place a contingency and disaster recovery plan until business gets back to normal.

Insurance deducted from equity

The French Prudential Supervision and Resolution Authority (*Autorité de contrôle prudentiel et de résolution – ACPR*) has authorized Crédit Mutuel to take into account insurance as a factor to reduce its capital requirements in respect of operational risk under the advanced measurement approach with effect from the June 30, 2012 closing.

The principles applied to the financing of operational risks within the group depend on the frequency and severity of each potential risk, and consist of:

- insuring low-severity, high-frequency risk (expected loss) or financing such risk through withholding on the operating account;
- insuring insurable serious and major risks;
- developing self-insurance for amounts below insurance companies' deductible amounts;
- allocating regulatory capital reserves or provisions financed by easily accessible assets for serious risks that cannot be insured.

Crédit Mutuel's insurance programs comply with the provisions of Article 323 of (EU) Regulation No. 575/2013 of the European Parliament and of the Council of June 26, 2013 concerning the deduction of insurance under the advanced measurement approach (AMA).

The insurance cover used in the deduction process includes damage to real and personal property (multi-risk), fraud (specific banking risks) and professional third-party liability.

Training

Each year, the group provides operational risk training for the network managers, internal controllers and operations staff responsible for monitoring these risks.

CIC's operational risk loss experience

The total amounted to €65.8 million in 2015, including €56.7 million of actual losses and €9.1 million of net provisions. This total breaks down as follows:

- fraud: €30.9 million;
- industrial relations: €3 million;
- human/procedural error: €8.5 million;
- legal risk: €21.9 million;
- natural disasters and systems malfunctions: €1.5 million.

Other risks

Legal risks

Legal risks are incorporated into operational risks and concern, amongst other things, exposure to fines, penalties and damages for faults by the business in respect of its operations.

Industrial and environmental risks

Industrial and environmental risks are incorporated into operational risks and are analyzed from the perspective of systems malfunctions and the occurrence of natural disasters (100-year flood, deluge, earthquakes, pollution, etc.), their impact on the company and the means of prevention and protection to be put in place, including crisis management and contingency and disaster recovery plans.

The corporate policy concerning environmental and social risks is described in the "social aspects" part of the Corporate Social Responsibility section.

INFORMATION ON BASEL III PILLAR 3

Information published in accordance with the transparency requirements of the Order of February 20, 2007 regarding capital requirements.

Information on capital adequacy risks

Risk management

Risk management policies and procedures implemented

The risk management policy and the procedures implemented are detailed in the section entitled "Risk management".

Structure and organization of the risk management function

Within the group, the three bodies responsible for measuring, monitoring and controlling risks are the risk department, the risk committee and the risk monitoring committee. The monitoring procedures comply with the provisions of the Order of November 3, 2014 on internal control of the risk management function whose mission it defines.

Group risk department

The mission of the group risk department, which regularly analyzes and reviews all types of risks with an eye towards the return on allocated regulatory capital, is to contribute to the group's growth and profitability whilst ensuring the quality of the risk management procedures.

Group risk committee

This committee meets quarterly and includes the operational staff, the heads of the business lines and functions involved and general management. The head of the risk department draws up the agenda and management reports, details the main risks and any changes thereto and chairs meetings. This committee is responsible for overall ex-post and ex-ante risk monitoring.

Group risk monitoring committee

This committee consists of members of the deliberative bodies and meets twice a year to review the group's strategic challenges in the risk area. Based on the findings presented, it makes recommendations on all decisions of a prudential nature applicable to all entities.
The head of the risk department chairs the meetings of this committee and presents the files prepared for the various risk areas based on the work of the group risk committee. General management also participates in the meetings of this committee, which may also invite the heads of the business lines with a stake in the items on the meeting agenda.

Scope and nature of risk reporting and measurement systems

In collaboration with the various business lines, the CM11 risk department regularly produces summary management reports which review the various risks: credit, market, overall interest rate, intermediation, settlement, liquidity and operational. All the group's main business lines are subject to monitoring and reporting. These management reports are based mainly on the Basel II tools common to the entire group and interfaced with the accounting systems.

Composition of the capital

Since January 1, 2014, regulatory capital has been determined in accordance with section 1 of EU Regulation No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending EU Regulation No. 648/2012 (referred to as the "CRR"), supplemented by technical standards (delegated regulations and EU implementing regulations of the European Commission).
Capital is now the sum of:

- Tier 1 capital: consisting of Common Equity Tier 1 (CET1) capital net of deductions and Additional Tier 1 (AT1) capital net of deductions;
- Tier 2 capital net of deductions.

Tier 1 capital

CET1 capital consists of capital stock instruments and the associated share premiums, reserves (including those relating to accumulated other comprehensive income), retained earnings and the general banking risks reserve (for non-consolidating groups). Total flexibility of payments is required and the instruments must be perpetual.

AT1 capital consists of perpetual debt instruments with no incentive or obligation to redeem (in particular step-ups in interest rates). AT1 instruments are subject to a loss absorption mechanism that is triggered when the CET1 ratio is below a minimum threshold of 5.125%. The instruments may be converted into shares or their nominal value may be reduced. Total payment flexibility is required: coupon payments may be canceled at the issuer's discretion.

Article 92 (1) of the CRR sets a minimum Common Equity Tier 1 capital ratio of 4.5% and a minimum Tier 1 capital ratio of 6%.

Common Equity Tier 1 capital is determined on the basis of the CIC group's equity[1], calculated for the regulatory scope, to which "prudential filters" and a number of regulatory adjustments are applied.

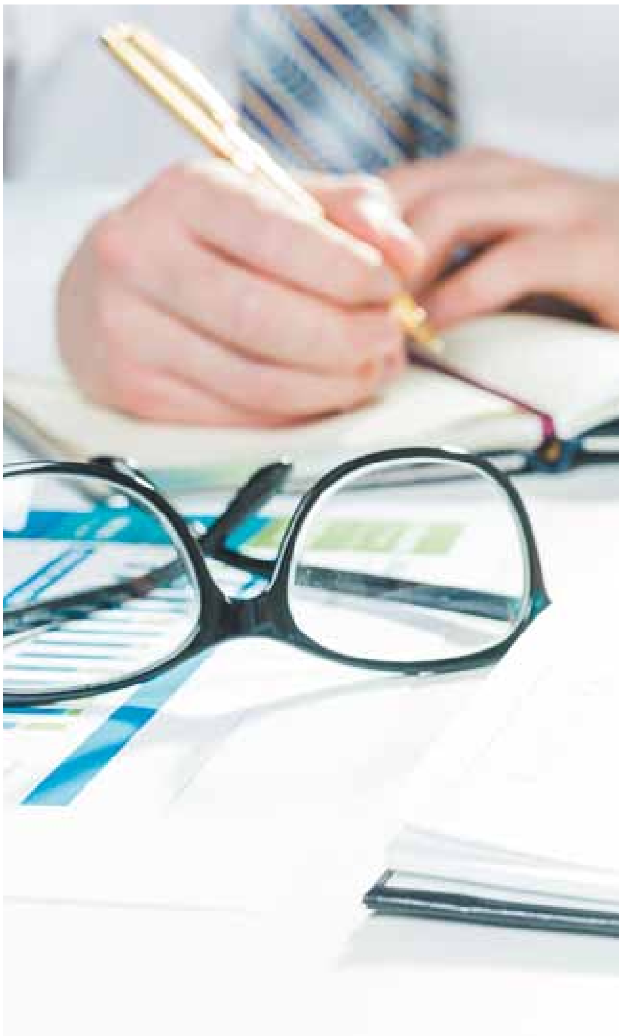
* Please refer to the table on page 97 for the breakdown of regulatory capital.

Prudential filters:
In prior regulations, unrealized gains were filtered out of common equity under Article 2bis of Regulation No. 90-02 and, in accordance with the symmetry principle, the exposure value, for the weighted risk calculation, particularly for the exposure value of equities, did not take these unrealized gains into account.
Despite the targeted elimination of prudential filters on unrealized gains and losses (Article 35 of the CRR), partial application of prudential filters and symmetrical treatment continues during the transitional phase as follows:
In 2014, 100% of unrealized gains were excluded from Common Equity Tier 1 capital (and, for the sake of symmetry, also from exposure value, in the denominator).
In 2015, insofar as 40% of unrealized gains will be included in Common Equity Tier 1 capital (and 60% excluded), exposure value, in the denominator, will have to be adjusted accordingly.
For unrealized losses, the ACPR's General Secretariat decided to accelerate the timetable by requiring that all unrealized losses be incorporated into Common Equity Tier 1 capital as from 2014 (decision of the College of November 12, 2013). The exposure value in the denominator thus also includes 100% of unrealized losses in 2014.
Unrealized gains and losses are netted on a portfolio by portfolio basis.
Differences relating to the equity accounting of associates are split between reserves and retained earnings, on the one hand, and interim profit or loss, on the other, depending on the equity tier in which they originated.
Conversely, unrealized gains and losses recognized for accounting purposes directly in equity due to a cash flow hedge and those relating to other financial instruments, including debt instruments, continue to be eliminated (as they were under Regulation No. 90-02 of the CRBF (*Comité de la Réglementation Bancaire et Financière* – French Banking and Financial Regulation Committee)).
Other CET1 adjustments mainly involve:
- anticipating dividend payments;
- deducting goodwill and other intangible assets;
- the negative difference between provisions and expected losses as well as expected losses on equities;
- value adjustments due to requirements for prudent valuation;
- deferred tax assets that rely on future profitability and do not arise from temporary differences net of related tax liabilities;
- gains or losses recorded by the institution on liabilities measured at fair value and that result from changes in the institution's credit standing;
- gains and losses at fair value on derivatives recognized as liabilities on the institution's statement of financial position and that result from changes in the institution's credit standing;
- direct, indirect and synthetic holdings in CET1 instruments of financial sector entities when they exceed a threshold of 10% of CET1.

Tier 2 capital

Tier 2 capital consists of subordinated debt instruments with a minimum maturity of five years. Incentives for early redemption are prohibited.
The amount of "eligible capital" is more limited. This concept is used to calculate large exposure thresholds and non-financial investments weighted at 1,250%; this is the sum of:
- Tier 1 capital and
- Tier 2 capital, capped at 1/3 of Tier 1 capital.

Pursuant to the provisions of EU Regulation No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (referred to as the "CRR"), there is no difference between the book value of capital and regulatory capital. For the CIC group, the scopes used for the book value of capital and regulatory capital consist of the same entities and the consolidation methods are identical.



Breakdown of regulatory capital

(in € millions)	CET1	AT1	AT2	Total regulatory capital
Capital attributable to owners of the company				
Paid-in capital	608			608
(-) Indirect holdings in CET1 instruments	-			-
Share premiums	1,088			1,088
Prior retained earnings	10,228			10,228
Gain or loss (attributable to owners of the company)	1,111			1,111
(-) Non-qualifying share of interim or year-end profits	(367)			(367)
Capital - Non-controlling interests				
Qualifying non-controlling interests	15	-	0	15
Accumulated other comprehensive income	**34**			34
of which equity instruments	59			59
of which debt instruments	(141)			(141)
of which cash flow hedge reserve	0			0
General banking risks reserve (solo entity under French standards)	-			-
BALANCE SHEET ITEMS INCLUDED IN THE CAPITAL CALCULATION				
(-) Gross amount of other intangible assets including deferred tax liabilities on intangible assets (a-b)	(197)			(197)
(-) Goodwill in intangible assets	(115)			(115)
(-) Deferred tax assets that rely on future profits and do not arise from temporary differences net of related tax liabilities	0			0
(-) Deductible deferred tax assets that rely on future profits and arise from temporary differences	-			-
Subordinated debt			262	262
(-) Securitization positions that may be weighted at 1.250%	(477)			(477)
(-) Instruments of relevant entities where the institution does not have a significant investment	-	-	-	-
(-) Instruments of relevant entities where the institution has a significant investment	-	-	-	-
Other adjustments				
Prudential filter: cash flow hedge reserve	0			0
Prudential filter: value adjustments due to requirements for prudent valuation	(84)			(84)
Prudential filter: cumulative gains and losses on liabilities measured at fair value due to changes in own credit standing	-			-
Prudential filter: FV gains and losses arising from own credit risk related to derivative liabilities	-			-
Transitional adjustments due to grandfather clauses on capital instruments	-	-	-	-
Transitional adjustments due to grandfathering clauses on additional non-controlling interests	29	0	0	29
Transitional adjustments on gains and losses on capital instruments	(59)			(59)
Transitional adjustments on gains and losses on debt instruments	141			141
Other transitional adjustments	(9)	-	22	13
Under the internal ratings-based approach, negative difference between provisions and expected losses	(320)			(320)
Under the internal ratings-based approach, positive difference between provisions and expected losses			123	123
Credit risk adjustments (standardized approach)			-	-
Excess of deduction from T2 items impacting AT1		-	-	-
Excess of deduction from AT1 items impacting CET1	-	-		-
TOTAL	**11,628**	**0**	**408**	**12,036**

Qualitative information on capital instruments - Tier 2 capital

Tier 2 capital instruments include redeemable subordinated notes, perpetual subordinated notes and non-voting loan stock issued by the CIC group.

Issuer	ISIN code	Issue date	Maturity	Nominal value	Interest rate	Call option exercise date	Step-up	Eligible T2 amount	Total amount included in T2 including transitional treatment
Non-voting loan stock									
Crédit Industriel et Commercial	FR0000047805	May-85	No maturity date	137	Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.	May-97	No	137	**137**
Lyonnaise de Banque	FR0000047789	June-85	No maturity date	23	Minimum 85% of TMO Maximum 130% TMO	Jun-97	No	15	**15**
Perpetual subordinated notes									
Crédit Industriel et Commercial	FR0000584377	Jul-87	No maturity date	76	TME + 0.25%	Jul-94	No	76	**76**
Crédit Industriel et Commercial	FR0000165847	Dec-90	No maturity date	30	P1C + 1.75%	Dec-99	No	30	**30**
Redeemable subordinated notes									
Crédit Industriel et Commercial		Jun-03	Jan-16	14	4.50%	NA	No	3	**3**

Detailed capital disclosures

(in € millions)	2015	Amount subject to pre-Regulation (EU) No. 575/2013 treatment or residual amount pursuant to Regulation (EU) No. 575/2013
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Capital instruments and related share premium accounts	**1,696**	
of which shares	*608*	
of which share premiums	*1,088*	
Retained earnings	**10,228**	
Accumulated other comprehensive income (and other reserves)	**34**	
General banking risks reserve	**-**	
Amount of qualifying items referred to in Art. 484 (3) and related share premium accounts subject to phase-out from CET1	**-**	
Non-controlling interests eligible for CET1	**15**	29
Independently audited interim profits net of any foreseeable expense or dividend	**744**	
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**12,718**	

Detailed capital disclosure (contd) (in € millions)	2015	Amount subject to pre-Regulation (EU) No. 575/2013 treatment or residual amount pursuant to Regulation (EU) No. 575/2013
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	(84)	
Intangible assets (net of related tax liabilities) (negative amount)	(312)	
Empty set in the EU		
Deferred tax assets that rely on future profits, excluding those arising from temporary differences (net of related tax liabilities when the conditions in Art. 38 (3) are met) (negative amount)	0	0
Fair value reserves related to gains and losses on cash flow hedges	0	
Negative amounts resulting from the calculation of expected losses	(320)	
Any increase in equity resulting from securitized assets (negative amount)	-	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
Defined benefit pension fund assets (negative amount)	-	
Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	-
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
Direct, indirect and synthetic holdings by the institution of CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
Empty set in the EU		
Exposure amount of the following items which qualify for a risk weight of 1.250%, where the institution opts for the deduction alternative	*(477)*	
of which qualifying holdings outside the financial sector (negative amount)	-	
of which securitization positions (negative amount)	(477)	
of which free deliveries (negative amount)	-	
Deferred tax assets arising from temporary differences (amount above the 10% threshold, net of related tax liabilities when the conditions in Art. 38 (3) are met) (negative amount)	-	-
Amount exceeding the 15% threshold (negative amount)	-	-
of which direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
Empty set in the EU		
of which deferred tax assets arising from temporary differences	-	-
Losses for the current financial year (negative amount)	-	
Foreseeable tax charge relating to CET1 items (negative amount)		
Regulatory adjustments applied to Common Equity Tier 1 capital in respect of amounts subject to pre-CRR treatment	*29*	
Regulatory adjustments relating to unrealized gains and losses pursuant to Articles 467 and 468	*73*	
of which filter for unrealized loss on equity instruments	-	
of which filter for unrealized loss on debt instruments	(17)	
of which filter for unrealized gain on equity instruments	148	
of which filter for unrealized gain on debt instruments	-	
Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre-CRR	-	
Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	
Total regulatory adjustments to Common Equity Tier 1 (CET 1) capital	**(1,090)**	
Common Equity Tier 1 (CET 1) capital	**11,628**	

Detailed capital disclosure (contd)

(in € millions)	2015	Amount subject to pre-Regulation (EU) No. 575/2013 treatment or residual amount pursuant to Regulation (EU) No. 575/2013
Additional Tier 1 (AT1) capital: instruments		
Capital instruments and related share premium accounts	-	
of which classified as equity under applicable accounting standards		
of which classified as liabilities under applicable accounting standards	-	
Amount of qualifying items referred to in Art. 484 (4) and related share premium accounts subject to phase-out from AT1	-	
Qualifying Tier 1 capital included in consolidated AT1 capital (including non-controlling interests not included in row 5) issued by subsidiaries and held by third parties	26	0
of which instruments issued by subsidiaries subject to phase-out		
Additional Tier 1 (AT1) capital before regulatory adjustments	**26**	
Additional Tier 1 (AT1) capital: regulatory adjustments		
Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	-
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
Direct, indirect and synthetic holdings by the institution of AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
Regulatory adjustments applied to Additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Art. 472 of Regulation (EU) No. 575/2013	-	
Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to Art. 475 of Regulation (EU) No. 575/2013	-	
Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	-	
Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**-**	
Additional Tier 1 (AT1) capital	**26**	
Tier 1 capital (T1 = CET1 + AT1)	**11,628**	

Detailed capital disclosure (contd) (in € millions)	2015	Amount subject to pre-Regulation (EU) No. 575/2013 treatment or residual amount pursuant to Regulation (EU) No. 575/2013
Tier 2 (T2) capital: instruments and provisions		
Capital instruments and related share premium accounts	262	
Amount of qualifying items referred to in Art. 484 (5) and related share premium accounts subject to phase-out from T2	-	
Qualifying capital instruments included in consolidated T2 capital (including non-controlling interests and AT1 instruments not included in row 5) issued by subsidiaries and held by third parties	0	
of which instruments issued by subsidiaries subject to phase-out		
Credit risk adjustments	123	-
Additional Tier 1 (AT1) capital: regulatory adjustments	**385**	
Tier 2 (T2) capital: instruments and provisions	-	-
Direct and indirect holdings by an institution of T2 own instruments and subordinated loans (negative amount)	-	-
Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
of which new holdings not subject to transitional arrangements	-	-
of which holdings existing before January 1, 2013 and subject to transitional arrangements	-	-
Direct holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
Regulatory adjustments applied to Tier 2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)	-	
Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Art. 472 of Regulation (EU) No. 575/2013	-	
Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to Art. 475 of Regulation (EU) No. 575/2013		
Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	22	
of which subsidies received by leasing companies	-	
of which unrealized gains on equity instruments reported as additional capital	22	
of which restatement for holding of capital instrument	-	
Total regulatory adjustments to Tier 2 (T2) capital	**22**	
Tier 2 (T2) capital	**408**	
Total capital (TC = T1 + T2)	**12,036**	
Risk-weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013	-	
of which items not deducted from CET1 (Regulation (EU) No. 575/2013, residual amounts) (items to be detailed line by line, for example, deferred tax assets that rely on future profits net of related tax liabilities, indirect holding of own CET1, etc.)	-	
of which items not deducted from AT1 (Regulation (EU) No. 575/2013, residual amounts) (items to be detailed line by line, for example, reciprocal cross holdings of AT1 capital instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)	-	
of which items not deducted from T2 (Regulation (EU) No. 575/2013, residual amounts) (items to be detailed line by line, for example, indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, etc.)	-	
Total risk-weighted assets	**99,594**	

Detailed capital disclosure (contd) (in € millions)	2015	Amount subject to pre-Regulation (EU) No. 575/2013 treatment or residual amount pursuant to Regulation (EU) No. 575/2013
Capital ratios and buffers		
Common Equity Tier 1 capital (as a percentage of total risk exposure amount)	11.68%	
Tier 1 capital (as a percentage of total risk exposure amount)	11.68%	
Total capital (as a percentage of total risk exposure amount)	**12.09%**	
Institution-specific buffer requirement (CET1 requirement in accordance with Art. 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount	-	
of which capital conservation buffer requirement	-	
of which countercyclical buffer requirement	-	
of which systemic risk buffer requirement	-	
of which global systemically important institution (G-SII) or other systemically important institution (O-SII) buffer	-	
Common Equity Tier 1 capital available to meet buffer requirements (as a percentage of risk exposure amount)	7.18%	
[non-relevant in EU regulations]		
[non-relevant in EU regulations]		
[non-relevant in EU regulations]		
Amounts below thresholds for deduction (before risk weighting)		
Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below the 10% threshold and net of eligible short positions)	410	
Direct and indirect holdings of the capital of financial sector entities where the institution has a significant investment in those entities (amount below the 10% threshold and net of eligible short positions)	22	
Empty set in the EU		
Deferred tax assets arising from temporary differences (amount below the 10% threshold, net of related tax liabilities when the conditions in Art. 38 (3) are met)	118	
Applicable caps on the inclusion of provisions in Tier 2 capital		
Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	-	
Cap on inclusion of credit risk adjustments in T2 under standardized approach	-	
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	123	
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	315	
Capital instruments subject to phase-out (only applicable between January 1, 2014 and January 1, 2022)		
Current cap on CET1 instruments subject to phase-out arrangements	-	
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
Current cap on AT1 instruments subject to phase-out arrangements	-	
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
Current cap on T2 instruments subject to phase-out arrangements	-	
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Capital adequacy ratios

The CIC group's capital adequacy ratios at December 31, 2015, taking into account transitional arrangements* and incorporating income net of estimated dividends, were as follows:

(In € billions)	2015	2014
COMMON EQUITY TIER 1 (CET 1)	**11.6**	**10.7**
Capital	1.7	1.7
Eligible reserves before adjustments	11.0	10.0
Deduction from Common Equity Tier 1 capital	(1.1)	(1.0)
ADDITIONAL TIER 1 (AT1) CAPITAL	**0.0**	**0.0**
TIER 2 (T2) CAPITAL	**0.4**	**0.6**
TOTAL CAPITAL	**12.0**	**11.3**
Risk-weighted assets in respect of credit risk	89.4	84.5
Risk-weighted assets in respect of market risk	3.7	3.6
Risk-weighted assets in respect of operational risk	6.6	5.2
TOTAL RISK-WEIGHTED ASSETS	**99.6**	**93.2**
CAPITAL ADEQUACY RATIOS		
Common Equity T1 (CET1) ratio	11.7%	11.5%
Tier One ratio	11.7%	11.5%
Overall ratio	12.1%	12.1%

* In accordance with the regulatory declaration.

Under the CRR, the overall capital requirement is maintained at 8% of risk-weighted assets ("RWA").

Capital adequacy

Pillar 2 of the Basel accord requires banks to carry out their own assessment of their economic capital and to use stress scenarios to assess their capital requirements in the event of an economic downturn. The effect of this pillar is to structure the dialog between the bank and the ACPR on the adequacy of the institution's capital.

The work carried out by the group to bring it into compliance with the requirements of Pillar 2 is in line with improvements being made to the credit risk measuring and monitoring procedures. During 2008, the group introduced its internal capital assessment process in accordance with the Internal Capital Adequacy Assessment Process (ICAAP). The methods for measuring economic need have been broadened and, at the same time, management and control procedures have been drafted with the aim of defining the group's risk policy. In addition, various stress scenarios have been developed, which have enhanced the process for assessing economic capital and forecasts within the group.

This process is carried out in particular for credit, sector concentration, unit concentration, market, operational and reputation risks and for risks associated with the insurance activities.

The difference between economic capital and regulatory capital (which will be supplemented by the countercyclical contract starting on January 1, 2016) constitutes the margin which enables the level of the group's capital to be secured. This margin depends on the group's risk profile and its degree of risk aversion.

(in € millions)	2015
CAPITAL REQUIREMENTS IN RESPECT OF CREDIT RISK	**7,149**
Standardized approach	**1,332**
Central governments or central banks	30
Regional or local authorities	8
Public-sector entities	0
Multilateral development banks	0
International organizations	0
Credit institutions	26
Corporates	739
Retail customers	222
Exposures secured by a mortgage on immovable property	200
Exposures in default	45
Exposures associated with particularly high risk	20
Exposures in the form of covered bonds	3
Items representing securitization positions	11
Exposures to institutions and corporates with a short-term credit assessment	
Exposures in the form of units or shares of collective investment undertakings (UCIs)	0
Exposures in the form of equities	10
Other	19

(in € millions)	2015
Internal ratings-based approach	**5,816**
Central governments and central banks	
Credit institutions	313
Corporates	3,352
- Of which specialized financing weighted at:	
50%	*16*
70%	*9*
90%	*81*
115%	*49*
250%	*23*
0%	
Retail customers	
- Small and medium-sized entities	199
- Exposures secured by immovable property collateral	683
- Renewable exposures	26
- Other	112
Equities	870
- Private equity (190% weighting)	*245*
- Significant financial sector holdings (250% weighting)	*5*
- Listed equities (290% weighting)	*12*
- Other equities (370% weighting)	*608*
Securitization positions	44
Other non credit-obligation assets	219
Counterparty default risk	**2**
CAPITAL REQUIREMENTS IN RESPECT OF MARKET RISK	**260**
Position risk	250
Currency risk	9
Settlement-delivery risk	0
Commodity risk	0
CAPITAL REQUIREMENTS IN RESPECT OF OPERATIONAL RISK	**524**
Internal ratings-based approach (AMA)	504
Standardized approach	6
Foundation approach	15
CAPITAL REQUIREMENTS IN RESPECT OF THE CVA	**34**
CAPITAL REQUIREMENTS IN RESPECT OF MAJOR RISKS	**0**
TOTAL CAPITAL REQUIREMENTS	**7,967**

Concentration risk

Exposures by category

Although CIC has its roots in the corporate market, it has gradually strengthened its position in the retail segment. It maintains, however, a strong presence in the corporate sector.
The composition of the CIC group's portfolio clearly reflects these fundamentals, with the retail segment increasing to 39% at December 31, 2015.

Retail banking

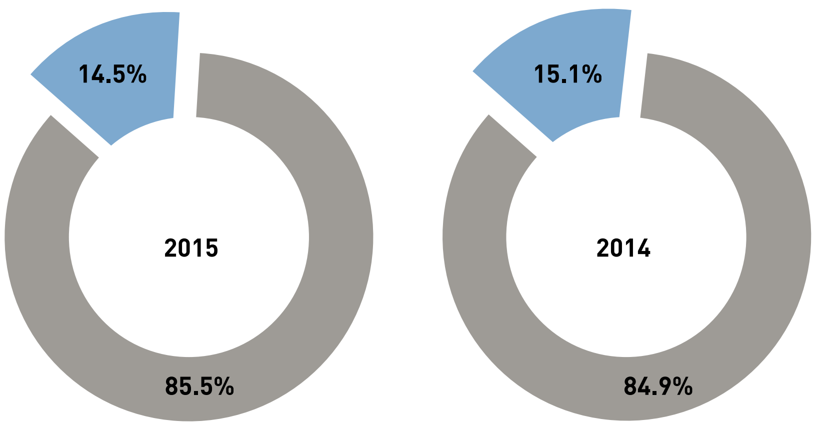
Exposure category (in € millions)	2015 IRB	2015 Standardized	2015 Total	2014 IRB	2014 Standardized	2014 Total	Average exposure 2015
Central governments and central banks		40.7	40.7		31.0	31.0	40.7
Credit institutions	22.5	7.5	30.1	24.4	7.2	31.6	30.1
Corporates	71.7	16.7	88.4	68.0	19.7	87.7	87.3
Retail customers	101.1	9.0	110.1	95.4	7.5	102.9	107.4
Equities	3.8	0.3	4.1	3.6	0.3	3.9	4.1
Securitization	5.1	0.2	5.3	3.6	0.2	3.9	4.9
Other assets not corresponding to credit obligations	2.9	0.2	3.1	2.9	0.2	3.1	3.3
TOTAL	**207.2**	**74.6**	**281.8**	**197.2**	**66.1**	**264.0**	**277.7**

The group has focused on the most advanced forms of the Basel II accord, beginning with its core business, retail banking.

The ACPR has authorized it to use its internal ratings system to calculate its capital adequacy requirements in respect of credit risk:
- using the advanced method, as from June 30, 2008, for the retail customer portfolio;
- using the foundation method, as from December 31, 2008, for the bank portfolio;
- using the advanced method, as from December 31, 2012, for the corporate and bank portfolio.

In the case of the regulatory credit institution, corporate and retail customer portfolios, the group was authorized to use advanced internal methods in respect of 85% of the exposures at December 31, 2015.
In agreement with the ACPR's General Secretariat, the group uses, and will continue to use, the standardized method to measure the capital adequacy requirements of the central government and central bank portfolios. The standardized method has been applied in the case of CM-CIC Factor and the foreign subsidiaries since December 31, 2013.

Share of gross exposures by approach for the credit institution, corporate and retail categories



Exposures by counterparty's country of residence

Exposure category	France	Germany	Belgium	Luxembourg	Rest of the world	Total Dec. 31, 2015
Central governments and central banks	12.7%	0.1%	0.0%	0.1%	3.0%	16.0%
Credit institutions	6.6%	0.2%	0.1%	0.1%	1.5%	8.4%
Corporates	23.6%	0.7%	0.5%	1.2%	6.1%	32.1%
Retail customers	40.0%	0.1%	0.1%	0.2%	3.0%	43.5%
TOTAL (%)	**82.9%**	**1.1%**	**0.8%**	**1.6%**	**13.6%**	**100%**

CIC operates mainly in France and the rest of Europe. The geographic breakdown of gross exposures at December 31, 2015 reflects this, as 86% of its commitments are in the European Economic Area.

Exposures by sector

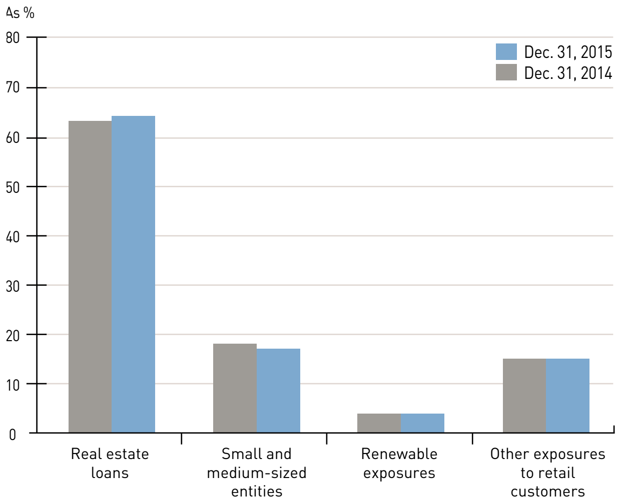
The scope for the breakdown by business sector consists of central governments and central banks, credit institutions, corporates and retail customers.

As a %

Exposure categories	2015	2014
Public administrations	15%	12%
Farming	1%	1%
Food and beverage	2%	2%
Other financial activities	3%	3%
Banks and financial institutions	11%	12%
Building and construction materials	4%	5%
Industrial goods and services	3%	4%
Distribution	4%	5%
Miscellaneous	1%	1%
Unincorporated businesses	3%	3%
Holding companies and conglomerates	2%	3%
Real estate	3%	3%
Automotive industry	1%	1%
Media	1%	1%
Retail	34%	32%
Oil and gas and commodities	2%	2%
Household products	1%	1%
Health	1%	1%
Utilities	1%	1%
Advanced technology	2%	2%
Telecommunications	1%	1%
Industrial transportation	2%	2%
Travel and leisure	2%	2%
TOTAL	**100%**	**100%**

Breakdown of retail customer portfoliol

Outstanding loans to retail customers totaled €110.1 billion at December 31, 2015, 7.0% higher than at December 31, 2014. The following chart provides a breakdown of this portfolio by regulatory sub-category.



Credit risk adjustment

The definitions for accounting purposes of "past due" and "impaired", the description of the approaches and methods adopted for determining general and specific credit risk adjustments, and the breakdown of additions and reversals for fiscal year 2015 are presented in the notes to the financial statements published in the CIC group's annual report. Net additions to/reversals from provisions for customer loan losses were generally stable during the period (the trend is the same for the parameters used under the internal ratings-based approach to calculate expected losses).

The tables below categorize outstanding non-performing loans and loans in litigation and the related provisions at December 31, 2015 according to their Basel treatment method.

The group's information systems also have the ability to identify the restructured loans in its portfolios of performing loans and loans in default, defined according to the principles established by the EBA on October 23, 2013.

Breakdown of outstandings covered by the internal approach

Exposure category (in € millions)	At Dec. 31, 2015 Gross exposures	Exposure at default (EAD)	of which defaulted EAD	Provisions at Dec. 31, 2015	Provisions at Dec. 31, 2014
Central governments and central banks					
Credit institutions	22.5	21.4	0.0	0.0	0.0
Corporates	71.7	57.5	1.5	0.7	0.8
Retail customers	101.1	95.1	3.4	1.7	1.7
- Exposures secured by immovable property collateral	65.5	64.7	1.5	0.5	0.5
- Revolving	4.7	2.7	0.1	0.1	0.1
- SMEs	14.0	12.8	0.4	0.9	0.8
- Other	16.9	14.9	1.4	0.3	0.4
Equities	3.8	3.8	NA	0.0	0.0
Securitization positions	5.1	5.1	NA	0.2	0.2
Other non credit-obligation assets	2.9	2.9	NA	0.0	0.0

The provisions included in this table consist of provisions applied to non-performing loans (individual provisions). Information about collective provisions is provided in the notes to the consolidated financial statements.

Breakdown of outstandings covered by the standardized approach

Exposure category (in € millions)	At Dec. 31, 2015 Gross exposures	Exposure at default (EAD)	of which defaulted EAD	Provisions at Dec. 31, 2015	Provisions at Dec. 31, 2014
Central governments and central banks	40.7	40.1	0.0	0.0	0.0
Credit institutions	7.5	6.7	0.0	0.0	0.0
Corporates	16.7	11.0	0.3	0.1	0.1
Retail customers	9.0	8.4	0.1	0.0	0.0
Equities	0.3	0.3	NA	0.0	0.0
Securitization positions	0.2	0.2	NA	0.0	0.0
Other non credit-obligation assets	0.2	0.2	NA	0.0	0.0

The provisions included in this table consist of provisions applied to non-performing loans (individual provisions). Information about collective provisions is provided in the annual report.

Exposures in default by geographic region

Breakdown at December 31, 2015 of gross exposures of non-performing loans and loans in litigation (%)

Exposure category	France	Germany	Belgium	Luxembourg	Rest of the world	Total 2015
Central governments and central banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Credit institutions	0.1%	0.0%	0.0%	0.0%	0.2%	0.2%
Corporates	27.7%	0.3%	0.2%	1.3%	5.7%	35.3%
Retail customers	63.2%	0.1%	0.1%	0.2%	0.8%	64.5%
TOTAL	**91.1%**	**0.4%**	**0.3%**	**1.6%**	**6.7%**	**100%**

Standardized approach

Exposures under the standardized approach

Exposure under the standardized approach (in € billions)	At Dec. 31, 2015 Gross exposures	Exposure at default (EAD)
Central governments and central banks	40.7	40.1
Credit institutions	7.5	6.7
Of which local and regional authorities	0.6	0.5
Corporates	16.7	11.0
Retail customers	9.0	8.4
Equities	0.3	0.3
Securitization positions	0.2	0.2
Other non credit-obligation assets	0.2	0.2
TOTAL	**74.6**	**67,0**

Use of external credit rating agencies

The group uses the rating agencies' assessments to measure sovereign risk on exposures linked to central governments and central banks. The cross-reference table used to link the credit quality steps to the external ratings taken into consideration is that defined in the regulations.
Exposures to central governments and central banks are almost exclusively weighted at 0%. The capital requirements associated with this portfolio are evidence that the group's sovereign risk is limited to high-quality counterparties.

Rating system

Description and control of rating system

A single rating system for the entire Crédit Mutuel group
Rating algorithms and expert models have been developed to improve the group's credit risk assessment and to comply with the regulatory requirements concerning internal rating approaches. This system is used by the entire Crédit Mutuel group.
Confédération Nationale du Crédit Mutuel (CNCM) is responsible for defining the rating methodologies for all portfolios. Nevertheless, the regional entities are directly involved in carrying out and approving working parties' assignments on specific subjects and the work related to data quality and applications acceptance tests. The counterparty rating system is common to the entire group.
The group's counterparties eligible for internal approaches are rated by a single system which is based on:

- statistical algorithms or "mass ratings" reliant on one or more models based on a selection of variables that are representative and predictive of risk for the following segments:
  - individuals,
  - retail legal entities,
  - non-trading real estate companies,
  - individual entrepreneurs,
  - farmers,
  - not-for-profit organizations,
  - corporates,
  - financing of corporate acquisitions.
- rating grids developed by experts for the following segments:
  - banks and covered bonds,
  - large corporates,
  - financing of large corporate acquisitions,
  - real estate,
  - insurance.

These models (algorithms or grids) are used to differentiate and correctly classify risk. The value scale reflects the manner in which the risk changes and is broken down into eleven positions including nine performing positions (A+, A-, B+, B-, C+, C-, D+, D- and E+) and two default positions (E- and F).

A unified definition of default in accordance with Basel and accounting requirements
A unified definition of default has been adopted for Crédit Mutuel as a whole. Based on the principle of aligning prudential information with accounting information (CRC 2002-03), this is reflected in the matching of the Basel concept of loans in default and the accounting concept of non-performing loans and loans in litigation. Information systems take into account contagion, thereby enabling the downgrading to be extended to the related outstandings. The controls carried out by internal audit and by the statutory auditors ensure the reliability of the procedures for identifying defaults used to calculate capital adequacy requirements.

Internal ratings system formalized monitoring procedures

The quality of the ratings system is monitored using national procedures which specify the topics to be reviewed, the warning thresholds and responsibilities of the personnel involved. These documents are updated by CNCM's risk department as often as is necessary based on the decisions ratified.

Reporting of the monitoring of the mass rating models focuses on three main aspects: stability assessment, performance assessment and various additional analyses. Reports are drawn up in respect of each mass rating model on a quarterly basis and supplemented by monitoring work and annual and half-yearly checks, which are more detailed.

As regards the expert grids, the system comprises comprehensive annual monitoring based on the carrying out of performance tests (analysis of rating concentrations, of transition matrices and of consistency with the external rating system) supplemented in the case of the large corporates and similar customers by interim monitoring carried out on a six-monthly basis.

The parameters used to calculate weighted risks are national and apply to all group entities. The annual monitoring of default probabilities is carried out prior to any new estimate of the regulatory parameter. Depending on the portfolio, this monitoring is supplemented by intermediate monitoring, carried out on a half-yearly basis. The procedures for monitoring loss given default (LGD) and credit conversion factors (CCF) are implemented on an annual basis, their main objective being to validate, at the level of each segment, the values used by these parameters. In the case of loss given default, this validation is carried out mainly by verifying the strength of the prudence margin calculation methods and by reconciling the LGD estimators with the most recent data and actual figures. As regards the CCF, it is validated by reconciling the estimators with the most recent CCFs observed.

The internal rating system comes within the scope of both permanent and periodic controls

The group's permanent control plan concerning Basel II comprises two levels. At national level, permanent control is involved on the one hand in validating new models and significant adjustments made to existing models and, on the other hand, in the ongoing monitoring of the internal ratings system (and, in particular, its parameters). At regional level, permanent control verifies the overall suitability of the internal ratings system, the operational aspects related to the production and calculation of ratings, the credit risk management procedures directly related to the internal rating system and the quality of the data.

As regards periodic control, the group's audit unit carries out an annual review of the internal ratings system. A framework procedure defines the type of assignments to be carried out on an ongoing basis on the Basel II procedures as well as the breakdown of responsibilities between the regional and national audit units.

Integration of the internal ratings system into the group's operational processes

The regional groups implement the national Basel II procedures on the basis of measures tailored to their specific situation (composition of committees, risk management procedures, etc.). In accordance with the regulations, the Basel II procedures are implemented within the various Crédit Mutuel entities at all levels of the credit management process, as shown in the following diagram depicting the manner in which ratings are used.

The following measures ensure the overall consistency of the procedures:

- national governance of the internal ratings system;
- the circulation of national procedures by CNCM;
- communication between entities on practices (during plenary meetings or bilateral exchanges between CNCM and the groups or between group entities);
- the use by almost all group entities of two information systems, determining the Crédit Mutuel group's structure (same applications used on a national basis, possibility of use of common applications on a federation-wide basis);
- national reporting applications;
- audits carried out by permanent control and confederal inspection.

The aim of these applications and responsibilities is to ensure that the group complies with regulatory requirements and that the manner in which the internal ratings system is used is consistent throughout the group. The methodological guidelines, the status of the procedures and the main consequences of the reform are regularly presented at all Crédit Mutuel federations, CIC's banks and the subsidiaries.

Value exposed to risk dealt with under the advanced internal ratings-based approach by category and by internal rating (excluding exposures at default)

Credit institutions and corporates

Dec. 31, 2015 (in € millions)	Credit quality step	Gross exposure	Of which, off-statement of financial position	Exposure at default (EAD)	Risk-weighted assets (RWA)	Risk weight (RW) %	Expected loss (EL)
Credit institutions	1	820	6	820	57	6.93	0
	2	7,844	480	7,613	179	2.35	0
	3	5,399	403	5,080	683	13.45	0
	4	6,321	438	6,040	2,206	36.52	0
	5	1,480	422	1,292	320	24.80	0
	6	392	110	317	172	54.30	0
	7	207	51	174	210	120.31	0
	8	64	56	42	67	158.42	0
	9	8	6	5	14	283.68	0
Large corporates	1						
	2	440	344	241	44	18.29	0
	3	3,316	1,920	2,409	617	25.63	0
	4	6,384	4,534	4,245	1,406	33.12	0
	5	12,718	8,536	8,004	4,622	57.74	0
	6	4,800	2,860	3,220	2,833	87.98	0
	7	3,924	1,800	2,948	3,305	112.12	0
	8	3,131	1,110	2,526	3,845	152.20	0
	9	875	299	721	1,674	232.05	0
Other corporates	1	3,926	1,020	3,327	965	29.01	3
	2	7,754	1,363	6,994	2,160	30.89	7
	3	3,212	456	2,970	1,193	40.17	6
	4	3,743	584	3,442	1,651	47.96	11
	5	3,926	603	3,398	1,982	58.34	18
	6	2,699	554	2,450	1,651	67.37	21
	7	1,393	191	1,282	1,022	79.69	22
	8	459	58	423	391	92.48	12
	9	424	73	378	416	110.10	20
Corporates under the IRB slotting approach*		7,045	1,139	6,945	5,410	77.90	51

* Specialized financing algorithm.

***Retail* - Individuals**

Dec. 31, 2015 (in € millions)	Credit quality step	Gross exposure	Of which, off-statement of financial position	Exposure at default (EAD)	Risk-weighted assets (RWA)	Risk weight (RW) %	Expected loss (EL)
Exposures secured by immovable property collateral	1	10,737	287	10,573	169	1.59	1
	2	11,562	247	11,421	218	1.91	1
	3	7,702	154	7,614	359	4.71	2
	4	6,537	128	6,464	593	9.17	3
	5	4,588	90	4,538	775	17.07	6
	6	1,806	35	1,786	516	28.87	5
	7	2,034	135	1,957	776	39.64	10
	8	1,299	18	1,289	703	54.57	12
	9	712	7	708	554	78.31	22
Revolving	1	420	320	164	2	1.01	0
	2	1,258	742	665	8	1.27	0
	3	823	451	463	14	3.09	0
	4	723	363	433	28	6.39	1
	5	397	182	252	32	12.74	1
	6	351	150	231	49	21.35	1
	7	251	95	175	58	33.37	2
	8	138	41	106	56	53.35	3
	9	60	12	50	46	90.26	4
Other	1	1,618	346	1,493	28	1.89	0
	2	2,571	513	2,374	63	2.63	0
	3	2,045	454	1,874	121	6.44	1
	4	1,651	359	1,509	167	11.04	1
	5	1,225	239	1,141	195	17.06	2
	6	817	172	762	180	23.57	3
	7	932	520	662	107	16.13	5
	8	413	70	388	112	28.79	5
	9	178	19	172	81	46.80	8

Retail - Other

Dec. 31, 2015 (in € millions)	Credit quality step	Gross exposure	Of which, off-statement of financial position	Exposure at default (EAD)	Risk-weighted assets (RWA)	Risk weight (RW) %	Expected loss (EL)
Exposures secured by immovable property collateral	1	3,670	68	3,632	227	6.26	1
	2	4,930	77	4,887	503	10.30	4
	3	1,984	55	1,954	336	17.21	3
	4	2,149	66	2,113	538	25.49	6
	5	1,478	52	1,450	465	32.08	6
	6	1,187	33	1,168	511	43.75	9
	7	759	10	754	436	57.84	11
	8	399	5	396	268	67.64	9
	9	464	2	462	351	75.89	20
Revolving	1	53	31	28	1	3.22	0
	2	37	20	21	1	6.69	0
	3	16	8	10	1	12.46	0
	4	13	6	8	1	15.88	0
	5	9	4	6	1	23.18	0
	6	20	8	13	5	33.97	0
	7	9	3	6	3	48.84	0
	8	7	2	5	3	66.16	0
	9	5	1	4	4	93.53	0
SMEs	1	3,726	901	3,090	251	8.12	2
	2	3,076	602	2,663	333	12.50	4
	3	1,643	281	1,452	243	16.75	4
	4	1,945	330	1,726	327	18.94	7
	5	1,397	216	1,257	256	20.40	8
	6	1,566	287	1,384	314	22.68	18
	7	1,032	153	928	234	25.23	17
	8	626	76	572	184	32.06	19
	9	524	54	486	190	39.20	29
Other	1	576	53	548	38	6.93	0
	2	566	58	533	59	11.06	0
	3	181	19	171	29	16.84	0
	4	248	47	222	44	19.84	1
	5	202	48	174	38	21.81	1
	6	142	28	127	31	24.61	1
	7	82	8	78	21	26.45	1
	8	56	4	54	17	31.58	1
	9	42	2	40	18	43.38	2

The loss given default (LGD) used to calculate expected losses provides a cycle average estimate whereas the accounting information recorded relates to a given year. Consequently, a comparison between expected loss (EL) and losses for a given year is not relevant.

Credit risk reduction techniques

Netting and collateralization of repurchase agreements and over-the-counter derivativesé

With the credit institution counterparties, CM-CIC Marchés supplements these agreements with collateralization contracts (credit support annex: CSA). These contracts are administered using the TriOptima platform.
Thanks to margin calls, which are usually made on a daily basis, the residual net credit risk on over-the-counter derivatives and repurchase agreements is greatly reduced.

Description of the main categories of security interests taken into account by the institution

The manner in which the group uses guarantees in the calculation of weighted risks depends on the nature of the borrower, the calculation method adopted for the hedged exposure and the type of guarantee.
As regards contracts used for retail banking customers and dealt with under the Advanced Internal Ratings-Based Approach, guarantees are used as a basis for segmenting the loss in the event of default, calculated on a statistical basis on all the group's non-performing loans and loans in litigation.
As regards contracts used for "sovereign", "credit institution" and, in part, "corporate" portfolios, personal and financial sureties are used as risk reduction techniques, as defined by the regulations:

- personal sureties correspond to the commitment entered into by a third party to take the place of the primary debtor in the event said primary debtor defaults. By extension, credit derivatives (purchase of protection) are included in this category;
- financial sureties are defined by the group as the right of the institution to liquidate, retain or obtain the transfer or ownership of certain amounts or assets such as pledged cash deposits, debt securities, equities or convertible bonds, gold, units in UCITS, life insurance policies and all types of instruments issued by a third party and repayable on demand.

Use of the guarantee is only effective if said guarantee meets the legal and operational criteria laid down by the regulations. Operational procedures describe the characteristics of the guarantees used, the eligibility criteria and the procedures for dealing with warnings generated in the event of non-compliance. Subsequent processing to calculate weighted risks taking into account risk reduction techniques is largely automated.

Procedures applied with regard to the valuation and management of instruments constituting security interests

The procedures used to value guarantees depend on the nature of the instrument constituting the security interest in property. Generally speaking, research carried out within Crédit Mutuel is based on statistical estimation methodologies, directly integrated into applications, based on external indices to which discounts may be applied depending on the type of asset accepted by way of guarantee. By exception, specific procedures stipulate expert valuations, particularly in the event that thresholds set for transactions are exceeded.
These procedures are drawn up at national level. Group entities are then responsible for operational management, monitoring valuations and calling guarantees.

The main categories of protection providers

Other than intra-group guarantees, the main categories of protection providers taken into account are mutual guarantee associations specializing in home loans.

Securitization

Objectives

In connection with its capital markets activities, the group's involvement in the securitization market concerns taking investment positions with a threefold aim: return, risk taking and diversification. The risks concerned are mainly credit risk on the underlying assets and liquidity risk including, in particular, the changes in the European Central Bank's eligibility criteria. The activity is purely an investment activity relating to senior or mezzanine tranches, but which still benefit from an external rating.
In the context of specialized financing, the group assists its customers by acting as a sponsor (arranger or co-arranger) or sometimes as an investor in the context of the securitization of trade receivables. The conduit used is General Funding Ltd (GFL), which subscribes to senior units in the securitization vehicle and issues commercial paper. GFL benefits from a liquidity line granted by the group, which guarantees that it will place the conduit's commercial paper. The group is exposed mainly to credit risk on the portfolio of receivables ceded and to the risk of the capital markets drying up.

Capital markets activities: monitoring and control procedures

Market risks in respect of the securitization positions are monitored by the risks and results team using various courses of action and daily procedures which enable trends in market risks to be monitored. The risks and results team analyzes on a daily basis the trend in the results of the securitization strategies and explains it on the basis of risk factors. It monitors compliance with the limits set in the body of rules.

The group also reviews the credit quality of the securitization tranches on a daily basis by monitoring the ratings set by the external credit rating agencies Standard & Poor's, Moody's and Fitch Ratings. The actions of these agencies (upgrades, downgrades and credit watch placements) are analyzed. In addition, a quarterly summary of changes in ratings is prepared.

As part of the counterparty limits management procedure, the following work is carried out: in-depth analysis of securitizations that have reached the group commitment approval level and of certain sensitive securitizations (issued in countries that are peripheral to the eurozone or that have been significantly downgraded). These analyses aim, in particular, to assess the level of credit enhancement of the position as well as the performance of the underlying.

In addition, a record is prepared for each securitization tranche, regardless of the approval level, summarizing the main characteristics of the tranche held, the structure and the underlying portfolio. In the case of securitizations issued on or after January 1, 2011, information about the performance of the underlyings has been added. This information is updated once a month. The agents' issue prospectuses and pre-sale documentation are also recorded and made available with the records, as well as the investor reports for securitizations issued on or after January 1, 2011.

Finally, the capital markets business has an application for measuring the impact of various scenarios on the positions (trend in prepayments, defaults and recovery rates in particular).

Credit risk hedging policies

The capital markets business traditionally involves the purchase of securities. However, the purchase of protection in the form of credit default swaps may be authorized and is governed, where relevant, by the procedures relating to the management of capital markets activities.

Prudential approaches and methods

Those entities authorized to use the internal ratings-based approach to credit risk apply the method based on the ratings. In all other cases, the standardized approach is used.

Accounting principles and methods

Securitization securities are recognized in the same way as other debt securities, i.e. based on their accounting classification. The accounting principles and methods are detailed in note 1 to the financial statements.

Exposures by securitization type at December 31, 2015

Exposures are stated net of provisions.

Securitization by type

EAD (in € billions)	Banking portfolio – Standardized approach	Banking portfolio – Internal ratings-based approach	Trading portfolio – Internal ratings-based approach	Correlation portfolio – Internal ratings-based approach
Investor				
- Traditional securitization	0.2	5.5	1.3	
- Synthetic securitization				1.1
- Traditional re-securitization				
- Synthetic re-securitization				
Sponsor		0.0		
Total	**0.2**	**5.6**	**1.3**	**1.1**

Breakdown of outstandings by credit quality step

EAD (in € billions)	Banking portfolio – Standardized approach	Banking portfolio – Internal ratings-based approach	Trading portfolio – Internal ratings-based approach	Correlation portfolio – Internal ratings-based approach
Credit quality step				
E1	0.1	4.0	1.3	
E2		0.7	0.0	
E3		0.0	0.0	
E4		0.2		
E5		0.1	0.0	
E6	0.1	0.0		
E7		0.1	0.0	
E8	0.0	0.0		
E9	0.0	0.0		
E10		0.0		
E11		0.0		
Positions weighted at 1,250%	0.0	0.5	0.0	
Total	**0.2**	**5.6**	**1.3**	**1.1**

Capital requirements

Positions weighted at 1.250% of the banking portfolio and counted in exposures at default (EAD) are no longer included in the capital requirement as they are deducted from CET1 (see composition of the capital).

(in € millions)	Banking portfolio – Standardized approach	Banking portfolio – Internal ratings-based approach	Trading portfolio – Internal ratings-based approach	Correlation portfolio – Internal ratings-based approach
Total	**10.7**	**44.1**	**14.8**	**17.7**

Equities

Value exposed to risk (in € billions)	2015
Equities	
Under internal ratings-based approach	
Private equity (190%)	1.6
Significant financial sector holdings (250% weighting)	0.0
Exposures to listed equities (290%)	0.1
Other exposures to equities (370%)	2.1
Under standardized approach	**0.3**
Of which private equity (150%)	*0.2*
Holdings deducted from capital	**0.0**
Total amount of unrealized gains and losses included in equity	0.1
Of which unrealized gains included in Tier 2 capital	*0.0*

The private equity business line is broken down into:
- the line covering equities under the internal ratings-based approach weighted at 190%; and
- the standardized approach weighted at 150%.

Trading desk counterparty risk

Counterparty risk concerns derivatives and repurchase agreements (repos) within the banking and trading portfolios, which are entered into mainly by CM-CIC Marchés.
In this context, netting and collateral agreements have been put in place with the main counterparties, which limits exposures to counterparty risk.
Capital adequacy requirements were mainly measured using the IRBA at December 31, 2015.

Counterparty riskk

Value exposed to risk (in € billions)	2015	2014
Derivatives	3.9	5
Repurchase agreements (repos)*	0.9	0.4
TOTAL	**4.8**	**5.4**

* For securities received under repurchase agreements (repos), the value exposed to risk corresponds to the fully adjusted value.

Interest rate risk: banking portfolio

Those items relating to the measurement of capital requirements with regard to the banking portfolio's interest rate risk are dealt with in the section entitled "Risk management".

Market risks

Market risks are calculated on the trading portfolio. In the case of interest rate and equity risks, they result mainly from CM-CIC Marchés activities.
Counterparty risks concerning derivatives and repurchase agreements (repos) are detailed in the section entitled "Counterparty risk".
Those items relating to the measurement of capital requirements in respect of market risks are dealt with in the section entitled "Risk management".

Operational risk

Information regarding the structure and organization of the function responsible for operational risk management is provided in the section entitled "Risk management".
That section also meets the disclosure requirements concerning policy and procedures implemented on the one hand and reporting systems and risk measurement on the other hand.

Description of the advanced method approach (AMA)

In connection with the implementation of the operational risk advanced measurement approach (AMA) for measuring capital requirements in respect of operational risks, a dedicated, independent function is responsible for managing this risk. The operational risk measurement and control procedures are based on mappings prepared by business line, subject and risk type, in close collaboration with the functional departments and using the day-to-day risk management procedures. The mappings serve as a standardized framework for analysis of the loss experience and result in modeling drawn from the work of experts which is reconciled with probability-based estimates based on different scenarios.
For modeling purposes, the group relies mainly on the national database of internal losses. Information is transferred to this database according to a national collection procedure that defines a uniform threshold of €1,000 above which each loss must be input and which provides guidelines for reconciliations between the loss database and the accounting records.
In addition, the group subscribes to an external database that is used on an ongoing basis according to procedures and applies methodologies for integrating this data into the operational risk measurement and analysis system.
The group's general management and reporting system incorporates the requirements of the order of November 3, 2014 on internal control. Exposures to operational risk and losses are reported to the effective managers on a regular basis and at least once a year.
The group's procedures in the areas of governance, collection of loss information and its risk measurement and management systems enable it to take the appropriate corrective action. These procedures are the subject of regular checks.

Authorized use of the AMA

The group has been authorized to use the advanced method approach to calculate regulatory capital requirements in respect of operational risk (with the exception of the deduction of expected losses from its capital requirements). This authorization came into effect on January 1, 2010 in the case of the consolidated companies except foreign subsidiaries and was extended to CM-CIC Factor as from January 1, 2012 and to Banque de Luxembourg as from September 30, 2013.

Operational risk hedging and reduction policy

General operational risk mitigation techniques include:
- preventative actions identified during the mapping process and implemented directly by operational or permanent control staff; and
- safeguard initiatives, which focus on the broad implementation of contingency and disaster recovery plans.

These plans can be split into three components:
- emergency plan: this is triggered immediately and involves measures designed to handle emergencies and institute solutions for operating in a weakened environment;
- business continuity plan: this involves resuming activities under adverse conditions in accordance with procedures defined before the crisis;
- back-on-track plan.

An ongoing national procedure deals with the methodology used to draw up a contingency and disaster recovery plan. It constitutes a reference document accessible to all staff involved. It is applied by all the regional groups.

Use of insurance techniques

The French Prudential Supervision and Resolution Authority (Autorité de contrôle prudentiel et de résolution – ACPR) has authorized the group to take into account insurance as a factor to reduce its capital requirements in respect of operational risk under the advanced measurement approach with effect from the June 30, 2012 closing.

The principles applied to the financing of operational risks within the group depend on the frequency and severity of each potential risk, and consist of:
- insuring low-severity, high-frequency risk (expected loss) or financing such risk through withholding on the operating account;
- insuring insurable serious and major risks;
- developing self-insurance for amounts below insurance companies' deductible amounts;
- allocating regulatory capital reserves or provisions financed by easily accessible assets for serious risks that cannot be insured.

The group's insurance programs comply with the provisions of Article 323 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 concerning the deduction of insurance under the advanced measurement approach (AMA).

The insurance cover used in the deduction process includes damage to real and personal property (multi-risk), fraud (specific banking risks) and professional third-party liability.

Information on encumbered and unencumbered assets

Since December 31, 2014 and pursuant to Article 100 of the CRR, the CIC group has reported to the competent authorities the level of unencumbered assets at its disposal and their main characteristics. These assets may serve as collateral to obtain other financing on the secondary markets or from the central bank, and are therefore additional sources of liquidity.

An asset is considered "encumbered" if it serves as collateral, or may be used under a contract, for the purpose of securing, collateralizing or increasing the value of a transaction from which it cannot be separated. In contrast, an "unencumbered" asset is one that is exempt from any legal, regulatory, contractual or other restrictions on the institution's ability to liquidate, sell, transfer or assign it.

For example, the following types of contracts are defined as encumbered assets:
- secured financial transactions, including repurchase agreements, securities lending and other forms of lending;
- collateralization agreements;
- collateralized financial guarantees;
- collateral placed in clearing systems, clearing houses and other institutions as a condition for access to service. This includes initial margins and default funds;
- central bank facilities. Pre-positioned assets must not be considered encumbered unless the central bank does not allow withdrawal of these assets without prior approval;
- underlying assets of securitization structures, where these assets have not been derecognized by the structure. Underlying assets of securities held in custody are not considered encumbered, unless these securities are pledged or collateralized in any way to secure a transaction;
- assets in cover pools used for covered bond issuance. These assets count as encumbered, except in certain situations where the entity holds these covered bonds (bonds issued for itself).

Assets placed at facilities that are not used and can be freely withdrawn should not be considered encumbered.

At December 31, 2015, the level and characteristics of the CIC group's encumbered and unencumbered assets were as follows:

Disclosure of encumbered assets

Table A - Assets (in € billions)		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
010	**Reporting institution's assets**	**44.8**		**209.2**	
030	Capital instruments	0.3	0.3	3.1	3.1
040	Debt securities	9.5	9.5	12.6	12.6
	Loans and advances	29.8		178.0	
120	Other assets	5.3		15.4	

Table B - Guarantees received (in € billions)		Fair value of the encumbered counter-guarantee received or of encumbered own debt securities issued	Fair value of the counter-guarantee received or of own debt securities issued available to be encumbered
130	**Guarantees received by the institution**	**10.1**	**4.3**
150	Capital instruments	1.5	0.6
160	Debt securities	8.6	3.0
230	Other guarantees received	0.0	0.7
240	**Own debt securities issued, other than own guaranteed bonds or own asset-backed securities**	**0.0**	**0.0**

Table C - Encumbered assets/guarantees received and related liabilities (in € billions)		Corresponding liabilities, contingent liabilities or securities loaned	Assets, counter-guarantees received and own debt securities issued other than covered bonds and securities backed by encumbered assets
010	**Carrying amount of selected financial liabilities**	**23.0**	**23.5**

Leverage ratio

Reconciliation of consolidated accounting assets and exposures used in the leverage ratio

Level in € millions		Exposure at Dec. 31, 2015
1	**Consolidated assets as published in the financial statements**	**253,976**
2	**Adjustments on entities consolidated for accounting purposes but outside the regulatory scope**	**-**
4	Adjustments on derivatives	2,282
5	Adjustments on securities financing transactions (SFTs)	(1,931)
6	Adjustments on off-balance sheet items (conversion of off-balance sheet items to credit equivalents)	19,312
EU-6a	(Adjustments on intra-group exposures excluded from the calculation of the leverage ratio, in accordance with Article 429.7 of the CRR)	-
EU-6b	(Adjustments on exposures excluded from the calculation of the leverage ratio, in accordance with Article 429.14 of the CRR) – CDC debt	-
7	Other adjustments	(7,157)
8	**Total leverage ratio exposure**	**266,482**

Presentation of the main components of the leverage ratio

Level in € millions		Exposure at Dec. 31, 2015
Balance sheet (excluding derivatives and securities financing transactions)		
1	Balance sheet items (excluding derivatives, securities financing transactions and fiduciary assets, but including collateral)	228,579
2	(Assets deducted to determine Tier 1)	(320)
3	**Total balance sheet exposure (excluding derivatives, securities financing transactions and fiduciary assets) - sum of lines 1 and 2**	**228,259**
Derivatives		
4	Replacement cost associated with all derivatives (i.e. net of eligible margin calls received)	1,898
5	Add-on for potential future exposures associated with derivatives (market price valuation method)	2,023
7	(Deductions of margin calls in cash paid under derivatives transactions)	67
9	Adjusted effective notional amount of written credit derivatives	6,085
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(3,403)
11	**Total derivative exposures - sum of lines 4 to 10**	**6,670**
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	11,794
14	Counterparty credit risk exposure for SFT assets	447
16	**Total securities financing transaction exposures - sum of lines 12 to 15a**	**12,241**
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	43,921
18	(Adjustments to credit risk equivalent amounts)	(24,609)
19	**Other off-balance sheet exposures - sum of lines 17 to 18**	**19,312**
Exempted exposures pursuant to Articles 429.7 and 429.14 of the CRR (on-balance sheet and off-balance sheet)		
EU-19a	(Exemption of intra-group exposures (individual basis) pursuant to Article 429.7 of the CRR (on-balance sheet and off-balance sheet))	0
EU-19b	(Exemption of exposures pursuant to Article 429.14 of the CRR (on-balance sheet and off-balance sheet)	0
Equity and total exposure		
20	**Tier 1**	**11,628**
21	**Total exposures - sum of lines 3, 11, 16, 19, EU-19a and EU-19b**	**266,482**
Leverage ratio		
22	**Leverage ratio**	**4.36%**
Choice of transitional arrangements and amounts of derecognized fiduciary items		
EU-23	Choice of transitional arrangements for defining capital measurement	YES

Breakdown of exposures taken into account for the leverage ratio

Level in € millions		Exposure at Dec. 31, 2015
EU-1	**Total balance sheet exposures*, of which:**	**228,579**
EU-2	**Trading book exposures**	**9,420**
EU-3	**Banking book exposures, of which:**	**219,159**
EU-4	Guaranteed bonds	814
EU-5	Exposures treated as sovereign exposure	39,701
EU-6	Exposures on regional governments, multilateral development banks, international organizations and public-sector entities not treated as sovereign exposure	489
EU-7	Credit institutions	17,911
EU-8	Exposures secured by a mortgage on immovable property	75,192
EU-9	Retail exposures	28,852
EU-10	Corporate exposures	41,398
EU-11	Exposures in default	2,716
EU-12	Other exposures (equities, securitizations and other assets not related to credit exposures)	12,086

* excluding derivatives, securities financing transactions and exempted exposures.

Description of the processes used to manage excessive leverage risk

The procedures for managing excessive leverage risk have been approved by CNCM's board of directors and mainly concern the following points:

- the leverage ratio is one of the capital adequacy key indicators and its monitoring is the responsibility of the confederal risk committees and the regional groups;
- an internal limit has been defined at the national level and for each Crédit Mutuel group;
- if the limit set by the supervisory body is breached, the specific procedure involving the executive management of the group in question and the boards of directors of the group and of CNCM has been defined and applies to all the Crédit Mutuel groups.

FINANCIAL STATEMENTS

Consolidated statement of financial position

Assets

(in € millions)	Notes	2015	2014
Cash and amounts due from central banks	4	7,563	19,226
Financial assets at fair value through profit or loss	5	15,090	16,955
Derivatives used for hedging purposes	6	929	869
Available-for-sale financial assets	7	12,460	11,017
Loans and receivables due from credit institutions	4	44,739	34,538
Loans and receivables due from customers	8	157,166	146,739
Remeasurement adjustment on interest-rate risk hedged portfolios	9	562	659
Held-to-maturity financial assets	10	60	57
Current tax assets	11	370	431
Deferred tax assets	12	380	451
Accruals and other assets	13	11,228	11,409
Non-current assets held for sale		116	0
Investments in associates	14	1,681	1,611
Investment property	15	35	37
Property and equipment and finance leases (lessee accounting)	16	1,367	1,412
Intangible assets	17	197	235
Goodwill on consolidation	18	33	33
TOTAL		**253,976**	**245,679**

Liabilities and equity

(in € millions)	Notes	2015	2014
Due to central banks	19	0	59
Financial liabilities at fair value through profit or loss	20	6,871	11,190
Derivatives used for hedging purposes	6	3,577	4,192
Due to credit institutions	19	73,780	69,733
Due to customers	21	129,958	121,889
Debt securities	22	18,260	18,270
Remeasurement adjustment on interest-rate risk hedged portfolios	9	(742)	(1,007)
Current tax liabilities	11	217	214
Deferred tax liabilities	12	262	275
Accruals and other liabilities	23	7,247	6,615
Liabilities associated with non-current assets held for sale		130	0
Provisions	24	1,006	1,139
Subordinated debt	25	277	844
Equity		13,133	12,266
Attributable to owners of the company		13,069	12,202
- Capital stock		*608*	*608*
- Share premiums		*1,088*	*1,088*
- Consolidated reserves		*10,015*	*9,193*
- Unrealized gains and losses recognized directly in equity	*26a*	*247*	*197*
- Net income for the year		*1,111*	*1,116*
Non-controlling interests		*64*	*64*
TOTAL		**253,976**	**245,679**

Consolidated income statement

(in € millions)	Notes	2015	2014
Interest income	28	7,690	10,192
Interest expense	28	(5,638)	(8,044)
Commission income	29	2,418	2,222
Commission expense	29	(514)	(476)
Net gain/(loss) on financial instruments at fair value through profit or loss	30	593	441
Net gain/(loss) on available-for-sale financial assets	31	229	74
Income from other activities	32	179	157
Expenses on other activities	32	(175)	(156)
Net banking income		**4,782**	**4,410**
Payroll costs	33a	(1,698)	(1,662)
Other general operating expenses	33c	(1,141)	(1,090)
Depreciation, amortization and impairment	34	(166)	(159)
Operating income before provisions		**1,777**	**1,499**
Net additions to/reversals from provisions for loan losses	35	(207)	(206)
Operating income after provisions		**1,570**	**1,293**
Share of income/(loss) of associates	14	138	189
Net gain/(loss) on disposals of other assets	36	(6)	0
Income before tax		**1,702**	**1,482**
Corporate income tax	37	(562)	(358)
Post-tax gain/(loss) on discontinued operations and assets held for sale		(23)	0
Net income		**1,117**	**1,124**
Net income attributable to non-controlling interests		6	8
NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY		**1,111**	**1,116**
Basic earnings per share (in €)	38	29.39	29.54
Diluted earnings per share (in €)	38	29.39	29.54

Statement of comprehensive income

(in € millions)	2015	2014
Net income	**1,117**	**1,124**
Translation adjustments	79	60
Remeasurement of available-for-sale financial assets	(36)	58
Remeasurement of hedging derivatives	1	9
Share of unrealized or deferred gains and losses of associates	(18)	106
Total gains and losses recognized directly in equity that may be recycled to profit or loss	**26**	**233**
Remeasurement of non-current assets		
Actuarial differences on defined benefit plans	24	(24)
Total gains and losses recognized directly in equity that may not be recycled to profit or loss	**24**	**(24)**
Net income and gains and losses recognized directly in equity	**1,167**	**1,333**
Attributable to owners of the company	*1,161*	*1,334*
Non-controlling interests	*6*	*(1)*

Headings relating to gains and losses recognized directly in equity are presented net of tax.

Consolidated statement of changes in equity

(in € millions)	Capital stock	Additional paid-in capital	Elimination of treasury stock	Reserves [1]
Equity at Jan. 1, 2014	**608**	**1,088**	**(55)**	**8,666**
Appropriation of prior year earnings				845
Dividends paid				(264)
Change in investments in subsidiaries without loss of control				(1)
Sub-total: movements arising from shareholder relations	**0**	**0**	**0**	**580**
Consolidated net income for the period				
Translation adjustments				
Changes in fair value of AFS financial assets [2]				
Changes in fair value of hedging instruments				
Changes in actuarial differences				
Sub-total	**0**	**0**	**0**	**0**
Other movements				(1)
Equity at Dec. 31, 2014	**608**	**1,088**	**(55)**	**9,248**
Impact of the application of IFRIC Interpretation 21				9
Equity at Jan. 1, 2015	**608**	**1,088**	**(55)**	**9,257**
Appropriation of prior year earnings				1,116
Dividends paid				(302)
Sub-total: movements arising from shareholder relations	**0**	**0**	**0**	**814**
Consolidated net income for the period				
Translation adjustments				
Changes in fair value of AFS financial assets [2]				
Changes in fair value of hedging instruments				
Changes in actuarial differences				
Sub-total	**0**	**0**	**0**	**0**
Other movements				(1)
Equity at Dec. 31, 2015	**608**	**1,088**	**(55)**	**10,070**

(1) At December 31, 2015 reserves comprised the legal reserve for €61 million, the special long-term capital gains reserve for €287 million, retained earnings for €4,637 million, other CIC reserves for €320 million and post-acquisition retained earnings for €4,765 million.
(2) AFS: Available for sale.

At December 31, 2015, CIC's capital stock comprised 38,027,493 shares with a par value of €16 each, including 229,741 treasury shares.

Equity attributable to owners of the company						Non-controlling interests	Total consolidated equity
Gains and losses recognized directly in equity							
Translation adjustments	AFS financial assets [2]	Hedging instruments	Actuarial differences	Net income for the year	Total		
11	**22**	**(11)**	**(44)**	**845**	**11,130**	**105**	**11,235**
				(845)	0		0
					(264)	(7)	(271)
					(1)	(5)	(6)
0	**0**	**0**	**0**	**(845)**	**(265)**	**(12)**	**(277)**
				1,116	1,116	8	1,124
68					68	1	69
	169				169		169
		11			11		11
			(24)		(24)		(24)
68	**169**	**11**	**(24)**	**1,116**	**1,340**	**9**	**1,349**
2	(2)	(1)			(2)		(2)
81	**185**	**(1)**	**(68)**	**1,116**	**12,202**	**64**	**12,266**
					9		9
81	**185**	**(1)**	**(68)**	**1,116**	**12,211**	**64**	**12,275**
				(1,116)	0		0
					(302)	(7)	(309)
0	**0**	**0**	**0**	**(1,116)**	**(302)**	**(7)**	**(309)**
				1,111	1,111	6	1,117
79					79		79
	(54)				(54)		(54)
		1			1		1
			24		24		24
79	**(54)**	**1**	**24**	**1,111**	**1,161**	**6**	**1,167**
1	(1)				(1)	1	0
161	**130**	**0**	**(44)**	**1,111**	**13,069**	**64**	**13,133**

Consolidated statement of cash flows

(in € millions)	2015	2014
Net income	1,117	1,124
Corporate income tax	562	358
Income before tax	**1,679**	**1,482**
+/- Net depreciation/amortization expense on property and equipment and intangible assets	180	157
- Impairment of goodwill and other non-current assets	53	(18)
+/- Net additions to provisions and impairment	(302)	(121)
+/- Share of income/loss of associates	(138)	(189)
+/- Net loss/gain from investing activities	(16)	22
+/- (Income)/expense from financing activities		
+/- Other movements	(172)	33
Non-monetary items included in net income before tax and other adjustments	**(395)**	**(116)**
+/- Cash flows relating to interbank transactions	7,177	10,382
+/- Cash flows relating to customer transactions	(1,681)	(438)
+/- Cash flows relating to other transactions affecting financial assets or liabilities	(4,473)	(1,405)
+/- Cash flows relating to other transactions affecting non-financial assets or liabilities	780	(987)
- Taxes paid	(434)	(297)
Net decrease/(increase) in assets and liabilities from operating activities	**1,369**	**7,255**
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	**2,653**	**8,621**
+/- Cash flows relating to financial assets and investments	51	(4)
+/- Cash flows relating to investment property	1	1
+/- Cash flows relating to property and equipment and intangible assets	(113)	(59)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**(61)**	**(62)**
+/- Cash flows relating to transactions with shareholders (1)	(258)	(221)
+/- Other net cash flows relating to financing activities (2)	(561)	(169)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	**(819)**	**(390)**
IMPACT OF MOVEMENTS IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	**425**	**418**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**2,198**	**8,587**
Net cash flows from (used in) operating activities (A)	2,653	8,621
Net cash flows from (used in) investing activities (B)	(61)	(62)
Net cash flows from (used in) financing activities (C)	(819)	(390)
Impact of movements in exchange rates on cash and cash equivalents (D)	425	418
Cash and cash equivalents at beginning of year	**28,119**	**19,532**
Cash accounts and accounts with central banks	19,167	10,006
Demand loans and deposits – credit institutions	8,952	9,526
Cash and cash equivalents at end of year	**30,317**	**28,119**
Cash accounts and accounts with central banks	7,563	19,167
Demand loans and deposits – credit institutions	22,754	8,952
CHANGE IN CASH AND CASH EQUIVALENTS	**2,198**	**8,587**

(1) Cash flow relating to transactions with shareholders included:
- €302 million in dividends paid by CIC to its shareholders in respect of 2014,
- €7 million in dividends paid to non-controlling shareholders,
- €51 million in dividends received from associates.

(2) Other net cash flows relating to financing activities comprised:
- the redemption of subordinated loans that had matured amounting to €585 million,
- the issue and redemption of bonds representing a net amount of €24 million.

Notes to the consolidated financial statements

Note 1 : Summary of significant accounting policies and valuation and presentation methods

Pursuant to regulation (EC) 1606/2002 on the application of international accounting standards and regulation (EC) 1126/2008 on the adoption of said standards, the consolidated financial statements have been drawn up in accordance with IFRS as adopted by the European Union at December 31, 2015. This IFRS framework includes IAS 1 to 41, IFRS 1 to 8 and 10 to 13 and any SIC and IFRIC interpretations adopted at that date. The entire framework is available on the European Commission's website at: http ://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.
The financial statements are presented in accordance with the format specified in recommendation no. 2013-04 of the French Accounting Standards Board (Autorité des normes comptables–ANC) on IFRS financial statements. They comply with the international accounting standards as adopted by the European Union.
Information on risk management required by IFRS 7 is provided in a specific section of the board of directors' report.

Standards and interpretations applied as from January 1, 2015

- The amendments adopted by the European Union do not have a material impact on the financial statements. They relate mainly to:
  - IFRS 3: exclusion from the application scope of partnership accounts (no cases);
  - IFRS 3 and IAS 40: clarification on the standard to apply in the case of the acquisition of investment property;
  - IFRS 13: scope of the portfolio approach;
  - IFRIC 21: Levies: the impact of the first-time application is disclosed in the consolidated statement of changes in equity.

Standards and interpretations adopted by the European Union and not yet applied

Standards	Subject addressed	Mandatory date of application	Consequences of application
IAS 1	Disclosure initiative	01.01.2016	Limited
IAS 19	Employee contributions	02.01.2016	n/a
IAS16 / IAS 38	Property, plant and equipment – clarifications on the revenue-based depreciation method	01.01.2016	n/a
IFRS 11	Accounting for acquisitions of interests in joint operations. Accounting for a co-investor's acquisition of additional interests in a joint operation.	01.01.2016	n/a

IFRS 9 *Financial Instruments*, published by the IASB, is to replace IAS 39 Financial Instruments: Recognition and Measurement. It defines new rules for classifying and measuring financial instruments, providing for impairment provisions for credit losses on financial assets, and hedge accounting, excluding macro-hedging. IFRS 9 had not yet been adopted by the European Union as of December 31, 2015. Its application will become mandatory for accounting periods beginning on or after January 1, 2018. It has not therefore been applied as of December 31, 2015.
The section of IFRS 9 relating to credit risk impairment responds to the criticisms raised concerning the incurred credit loss model under IAS 39, i.e. that it causes accounting for credit losses to be delayed and the amounts of the credit losses recognized to be too low.
IFRS 9 allows provisioning for incurred credit losses to be replaced by provisioning for expected credit losses. Impairment provisions will be recognized, as regards financial assets for which there are no objective indications of losses on an individual basis, based not only on past losses observed but also on reasonable and justifiable cash flow forecasts.

This more forward-looking approach to credit risk is already taken into account when collective provisions are currently recognized on portfolios of financial assets with similar characteristics, pursuant to IAS 39. It was confirmed by the results of the asset quality review carried out by the European Central Bank during 2014.
In the second quarter of 2015, the group launched an initiative, currently at the project stage, and comprising the various departments concerned (finance, risk, IT, etc.). It covers all the group's relevant activities, including insurance, for which delayed application of the standard would be required, given the interactions with the future IFRS 4, which are still being considered by the IASB.
As regards the planned implementation of IFRS 9, the group is currently directing most of its efforts to an analysis of the standard. It is not therefore possible as yet to quantify the potential financial impacts of its adoption.

Use of estimates in the preparation of the financial statements

Preparation of the financial statements may require the use of assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the statement of financial position, and in the disclosure of information in the notes to the financial statements. This requires managers to draw upon their judgment and experience and make use of the information available at the date of preparation of the financial statements when making the necessary estimates. This applies in particular to:
- the impairment of debt and equity instruments;
- the use of calculation models when valuing financial instruments that are not listed on an active market and are classified in "Available-for-sale financial assets", "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss";
- calculation of the fair value of financial instruments that are not listed on an active market and are classified in "Loans and receivables" or "Held-to-maturity financial assets" for which this information must be provided in the notes to the financial statements;

- impairment tests performed on intangible assets;
- the measurement of provisions, including for retirement and other future employee benefit obligations.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and which are not intended at the time of their acquisition or grant to be sold. They include loans granted directly by the group or its share in syndicated loans, purchased loans and debt securities that are not listed on an active market. Loans and receivables are measured initially at fair value, which is usually the net amount disbursed at inception. They are subsequently carried at amortized cost using the effective interest rate method.
The interest rates applied to loans granted are deemed to represent market rates, since they are constantly adjusted in line with the interest rates applied by the vast majority of competitor banks. Commissions received in connection with the commercial renegotiation of loans are recognized over more than one period. The renegotiation involves the amendment or derecognition of the former loan. The restructuring of a loan due to the borrowers' financial problems requires amendment or novation of the contract. Following the definition of this concept by the European Banking Authority, the group has integrated it into its information systems to ensure consistency between the accounting and prudential definitions. The relevant financial information is included in the management report.
The fair value of loans and receivables is disclosed in the notes to the financial statements at the end of each reporting period and corresponds to the net present value of future cash flows estimated using a zero-coupon yield curve that includes an issuer cost inherent to the debtor. Commissions received or paid that are directly related to setting up the loan and are treated as an additional component of interest are recognized over the life of the loan using the effective interest rate method and are shown under interest items in the income statement.

Impairment of loans and receivables and available-for-sale or held-to-maturity debt instruments and provisions for financing commitments and financial guarantees given

Individual impairment of loans
Impairment is recognized when there is objective evidence of a measurable decrease in value as a result of an event occurring after inception of a loan or group of loans, and which may lead to a loss. Loans are tested for impairment on an individual basis at the end of each reporting period. The amount of impairment is equal to the difference between the carrying amount and the present value of the estimated future cash flows associated with the loan, discounted at the original effective interest rate. For variable-rate loans, the last known contractual interest rate is used. Loans on which one or more installments are more than three months past due (six months in the case of real estate loans and nine months for local authority loans) are deemed to represent objective evidence of impairment. Likewise, an impairment loss is recognized when it is probable that the borrower will not be able to repay the full amount due, when an event of default has occurred, or where the borrower is subject to court-ordered liquidation.
Impairment charges and provisions are recorded in net additions to/reversals from provisions for loan losses. Reversals of impairment charges and provisions are recorded in net additions to/reversals from provisions for loan losses for the portion relating to the change in risk and in net interest for the portion relating to the passage of time. Impairment provisions are deducted from the asset in the case of loans and receivables and the provision is recorded under provisions in liabilities for financing and guarantee commitments.
Loan losses are recorded in losses and the corresponding impairments and provisions are written back.

Collective impairment of loans (portfolio-based impairment)
Customer loans that are not individually impaired are risk-assessed on the basis of loan portfolios with similar characteristics. This assessment draws upon internal and external rating systems, the estimated probability of default, the estimated loss rate, and the amount of loans outstanding. Portfolio-based impairment is deducted from the carrying amount of the assets concerned, while any movements in impairment are included in "Net additions to/reversals from provisions for loan losses" in the income statement.

Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

Finance leases – lessor accounting

In accordance with IAS 17, finance lease transactions with non-group companies are included in the consolidated statement of financial position in an amount corresponding to the net investment in the lease.

In the lessor's financial statements, the analysis of the economic substance of the transaction results in the recognition of a financial receivable due from the customer. This amount is reduced in line with lease payments received, which are broken down between principal repayments and interest.

Finance leases – lessee accounting
In accordance with IAS 17, assets acquired under finance leases are included in property and equipment and an obligation in the same amount is recorded as a liability. Lease payments are broken down between principal repayments and interest.

Financial guarantees (sureties, guarantees and other undertakings) and financing commitments given

Financial guarantees are treated like an insurance policy when they provide for specified payments to be made to reimburse the holder for a loss incurred because a specified debtor fails to make payment on a debt instrument on the due date.

In accordance with IFRS 4, these financial guarantees are still measured using French GAAP, pending an addition to the standards to enhance the current mechanism. Consequently, these guarantees are subject to a provision in liabilities in the event of a likely outflow of resources.

By contrast, financial guarantees that provide for payments in response to changes in a financial variable (price, credit rating or index, etc.) or a non-financial variable, provided that in this event the variable is not specific to one of the parties to the agreement, fall within the scope of application of IAS 39. These guarantees are thus treated as derivatives.

Financing commitments that are not regarded as derivatives within the meaning of IAS 39 are not shown in the statement of financial position. However, a provision is made in accordance with IAS 37.

Purchased securities

Securities held by the group are classified in the categories defined in IAS 39: financial instruments at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans.

Held-to-maturity financial assets

Classification
Held-to-maturity financial assets are financial assets listed on an active market, with fixed or determinable payments that the group has the positive intention and ability to hold to maturity, other than those that the group has designated at fair value through profit or loss or as available for sale. The positive intention and ability to hold to maturity are assessed at the end of each reporting period.

Basis for recognition and measurement of related income and expenses
Held-to-maturity investments are recognized at fair value upon acquisition, including transaction costs, which are recognized over more than one period as they are included in the calculation of the effective interest rate. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest rate method, which builds in the actuarial amortization of premiums and discounts (corresponding to the difference between the purchase price and redemption value of the asset). Income earned from this category of investments is included in "Interest income" in the income statement.
Should a credit risk arise, impairment on held-to-maturity financial assets is calculated in the same way as for loans and receivables.

Available-for-sale financial assets

Classification
Available-for-sale financial assets are financial assets that have not been classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value through profit or loss.

Basis for recognition and measurement of related income and expenses
Available-for-sale financial assets are carried at fair value until disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account. On disposal or recognition of an impairment in value, the unrealized gains and losses recorded in equity are transferred to the income statement. Purchases and sales are recognized at the settlement date.
Income accrued or received on fixed-income available-for-sale securities is recognized in the income statement under "Interest income", using the effective interest method.
Dividend income relating to variable-income available-for-sale securities is taken to income under "Net gain/ (loss) on available-for-sale financial assets".

Impairment of available-for-sale debt instruments
Impairment losses are calculated based on fair values. They are recognized in "Net additions to/reversals from provisions for loan losses" and are reversible. In the event of impairment, any unrealized or deferred gains or losses are written back to the income statement.

Impairment of available-for-sale equity instruments
An equity instrument is impaired when there exists objective evidence of impairment, either in the event of:
a) a significant or lasting decline in the fair value to below cost; or
b) the existence of information on significant changes that have a negative impact and have arisen in the technological, market, economic or legal environment in which the issuer operates and which indicates that the cost of the investment may not be recovered.
In the case of an equity instrument, the loss of at least 50% of its value compared with its acquisition cost or a loss of value lasting more than 36 consecutive months implies an impairment. Such instruments are analyzed on a line-by-line basis.

Judgment must also be exercised for securities that do not meet the above criteria but for which it is considered that recovery of the amount invested in the near future cannot reasonably be expected.
The loss is recognized in the income statement within "Net gain/(loss) on available-for-sale financial assets". Any subsequent impairment is also recognized in the income statement.
Permanent impairment of shares or other equity instruments, which has been recognized in the income statement, is irreversible so long as the instrument is carried in the statement of financial position. In the event of a subsequent appreciation in value, this will be recognized in equity within "Unrealized or deferred gains and losses".

Financial instruments at fair value through profit or loss

Classification
Financial instruments at fair value through profit or loss comprise:
a) financial instruments held for trading purposes, consisting mainly of instruments that:
  - were acquired for the purpose of selling or repurchasing them in the near term; or
  - are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
  - represent derivatives not classified as hedges.
b) Financial instruments designated at inception as at fair value through profit or loss in accordance with the fair value option provided by IAS 39. The fair value option is designed to help entities produce more relevant financial information, by enabling:
  - certain hybrid instruments to be measured at fair value without separating out embedded derivatives, provided the embedded derivative has a material impact on the value of the instrument;
  - a significant reduction in accounting mismatches between certain assets and/or liabilities: this is particularly the case where a hedging relationship (interest rate or credit) cannot be identified;
  - a group of financial assets and/or liabilities to be managed and monitored for performance in accordance with a risk management or investment strategy on a fair value basis. This category mainly includes all securities held in the private equity portfolio.

Basis for recognition and measurement of related income and expenses
Financial instruments included in this category are recognized in the statement of financial position at fair value up to the date of their disposal. Changes in fair value are taken to the income statement under "Net gain/(loss) on financial instruments at fair value through profit or loss". Income received or accrued on fixed-income securities in this category is included in the income statement under "Interest income". Purchases and sales of securities at fair value through profit or loss are recognized on the settlement date. Any changes in fair value between the transaction date and settlement date are recognized in the income statement. Fair value also incorporates an assessment of counterparty risk on these instruments.

Fair value
Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability as part of a normal transaction between market participants on the measurement date. The fair value of an instrument upon initial recognition is generally its transaction price.
If the instrument is traded on an active market, the best estimate of fair value is the quoted price.
The appropriate quoted market price for an asset held or a liability to be issued is usually the current bid price, and for an asset to be acquired or a liability held, the ask price.
When the bank has assets and liabilities with offsetting market risks, the net position is valued at the bid price for a net asset held or a net liability to be issued and at the ask price for a net asset to be acquired or a net liability held.
A market is deemed to be active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions in very similar instruments carried out on an arm's length basis.
Observable market data are used provided they reflect the reality of a transaction at arm's length on the valuation date and there is no need to make an excessive adjustment to said value. In other cases, the group uses non-observable data (mark-to-model).
Derivatives are remeasured based on available observable market data such as yield curves to which the bid/ask price is then applied.
When observable data is not available or when market price adjustments require the use of non-observable data, the entity may use internal assumptions relating to future cash flows and discount rates, comprising adjustments linked to the risks the market would factor in. Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, of liquidity risks associated with the instrument or parameter concerned, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions. As regards derivatives that constitute a receivable, their valuation also incorporates the risk of the counterparty defaulting. When a derivative constitutes a debt, its valuation takes into account the risk of the group entity owning it defaulting.
A multi-criteria approach is adopted to determine the value of securities held in the private equity portfolio, backed by historical experience of valuing unlisted companies.

Fair value of financial instruments

There are three levels of fair value of financial instruments, as defined by IFRS 13:
- Level 1: prices quoted on active markets for identical assets or liabilities: this concerns, in particular, debt securities with prices quoted by at least three contributors and derivative instruments quoted on a regulated market;
- Level 2: data other than the level 1 quoted prices, which are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. data derived from prices); included, in particular, in level 2 are interest rate swaps whose fair value is generally determined with the help of yield curves based

on market interest rates observed at the end of the reporting period;

- Level 3: data relating to the asset or liability that are not observable market data (non-observable data). The main constituents of this category are investments in non-consolidated companies, whether or not held via venture capital entities, and, in the capital markets activities, debt securities quoted by a single contributor and derivatives using mainly non-observable parameters. The instrument is classified within the same hierarchy level as the input of the lowest level that is significant for the fair value taken as a whole. Given the diversity and volume of the instruments measured at level 3, the sensitivity of the fair value to the change in the parameters would be immaterial.

Financial instruments at fair value through profit or loss – derivatives

A derivative is a financial instrument:

a) whose fair value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, price index, rate index or credit index, or other variable – sometimes called the "underlying";

b) which requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts exhibiting a similar response to changes in the underlying;

c) which is settled at a future date.

Derivatives are classified as financial instruments held for trading except when they are part of a designated hedging relationship.

Derivatives are recorded in the statement of financial position under financial instruments at fair value through profit or loss. Changes in fair value and interest accrued or payable are recognized in "Net gain/(loss) on financial instruments at fair value through profit or loss".

Derivatives qualifying for hedge accounting in accordance with IAS 39 are classified as fair value hedges or cash flow hedges, as appropriate. All other derivatives are classified as trading items, even if they were contracted for the purpose of hedging one or more risks.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that meets the definition of a derivative when separated from its host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Embedded derivatives are separated from the host contract and accounted for as a derivative at fair value through profit or loss provided that they meet the following conditions:

- they meet the definition of a derivative;
- the hybrid instrument hosting the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics and associated risks of the embedded derivative are not deemed to be closely related to those of the host contract.

Financial instruments at fair value through profit or loss – derivatives – structured products

Structured products are financial products created by bundling basic instruments - generally options - to exactly meet customers' needs. CIC offers various categories of structured products based on plain vanilla options, binary options, barrier options, Asian options, lookback options, options on several assets and index swaps.

There are three main methods of valuing these products: methods consisting of solving a partial differential equation, discrete time tree methods and Monte Carlo methods. CIC uses the first and third methods. The analytical methods used are those applied by the market to model the underlyings.

The valuation parameters applied correspond to observed values or values determined using a standard observed values model at the end of the reporting period. If the instruments are not traded on an organized market, the valuation parameters are determined by reference to the values quoted by the most active dealers in the corresponding products and/or by extrapolating quoted values. All the parameters used are based on historical data. The parameters applied to measure the value of unquoted forward financial instruments are determined using a system that provides a snapshot of market prices. Every day, at a fixed time, the bid and ask prices quoted by several market players, as displayed on the market screens, are recorded in the system. A single price is fixed for each relevant market parameter.

Certain complex financial instruments – mainly customized equity barrier options with single or multiple underlyings presenting low levels of liquidity and long maturities – are measured using internal models and valuation inputs such as long volatilities, correlations, and expected dividend flows where no observable data can be obtained from active markets. Upon initial recognition, these complex financial instruments are recorded in the statement of financial position at their transaction price, which is deemed to be the best indication of fair value even though the result of the model-based valuation may differ. The difference between the price at which a complex instrument is traded and the value obtained from internal models, which generally represents a gain, is known as "day one profit". IFRS prohibit the recognition of a margin on products valued using models and parameters that are not observable on active markets. The margin is therefore deferred. The margin realized on options with a single underlying and no barrier is recognized over the life of the instrument. The margin on products incorporating barrier options is recognized upon maturity of the structured product, due to the specific risks associated with the management of these barriers.

Reclassification of debt instruments

Fixed-income securities or debt instruments classified at fair value through profit or loss may be reclassified in other categories as follows:

a) Held-to-maturity, only in rare cases, in the event of a change in the management intention, and provided that they satisfy the eligibility conditions for this category;

b) Loans and receivables in the event of a change in the management intention, the capacity to hold the security for the foreseeable future or until maturity and provided that they satisfy the eligibility conditions for this category;
c) Available for sale only in rare cases.

Fixed-income securities or available-for-sale debt instruments may be reclassified in other categories as follows:
a) Held-to-maturity in the event of a change in the management intention or capacity, and provided that they satisfy the eligibility conditions for this category;
b) Loans and receivables if there is the intention and capacity to hold the financial asset for the foreseeable future or until maturity and provided that they satisfy the eligibility conditions for this category.

In the event of a transfer, the fair value of the financial asset on its reclassification date becomes its new cost or amortized cost. Gains or losses recognized prior to the transfer date cannot be reversed.

In the event of a transfer from the "Available-for-sale" category into either the "Held-to-maturity" or "Loans and receivables" category of debt instruments with a fixed maturity date, unrealized gains and losses previously deferred into equity are amortized over the asset's residual life.

Hedge accounting

IAS 39 permits three types of hedging relationship. The hedging relationship is selected on the basis of the type of risk being hedged. A fair value hedge is a hedge of the exposure to changes in fair value of a financial asset or liability and is mainly used to hedge the interest rate risk on fixed-rate assets and liabilities and on demand deposits, as permitted by the European Union. A cash flow hedge is a hedge of the exposure to variability in cash flows relating to a financial asset or liability, firm commitment or future transaction. Cash flow hedges are used in particular to hedge interest rate risk on variable-rate assets and liabilities, including rollovers, and for foreign exchange risk on highly probable foreign currency revenues. At the inception of the hedge, the group documents the hedging relationship, i.e. that between the item being hedged and the hedging instrument. This documentation describes the management objectives of the hedging relationship, as well as the underlying strategy, type of risk covered, the hedged item and hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

Hedge effectiveness is assessed at the inception of the hedge and subsequently at least at the end of each reporting period.

The ineffective portion of the hedge is recognized in the income statement under "Net gain/(loss) on financial instruments at fair value through profit or loss".

The only risk for which fair value hedging is used is interest rate risk.

Fair value hedges

In a fair value hedge, changes in the fair value of the derivative instrument are taken to income under "Interest income/expense – derivatives used for hedging purposes" symmetrically with the change in interest income/expense of the hedged item.

In a fair value hedging relationship, the derivative instrument is measured at fair value through profit or loss under "Net gain/(loss) on financial instruments at fair value through profit or loss" symmetrically with the remeasurement of the hedged item in the income statement. This rule also applies when the hedged item is recognized at amortized cost or is a financial asset classified as available-for-sale. If the hedging relationship is fully effective, any changes in the fair value of the hedging instrument will offset changes in the fair value of the item hedged. Hedges must be deemed to be highly effective to qualify for hedge accounting. The change in the fair value or cash flows of the hedging instrument must offset the change in the fair value or cash flows of the item hedged within a range of 80% to 125%.

If the hedging relationship is broken or no longer fulfills the hedge effectiveness criteria, hedge accounting is discontinued on a prospective basis. The related derivatives are transferred to the trading book and accounted for using the treatment applied to this asset category. The carrying amount of the hedged item in the statement of financial position is no longer adjusted to reflect changes in fair value and the cumulative adjustment recorded in respect of the hedging transactions is amortized over the remaining life of the item hedged. If the hedged item no longer appears in the statement of financial position, in particular due to early repayments, the cumulative adjustment is taken immediately to income.

Fair value hedge accounting for a portfolio hedge of interest-rate risk

In October 2004, the European Union amended IAS 39 to allow demand deposits to be included in portfolios of liabilities contracted at fixed rates. This method is applied by the group. It concerns the vast majority of the interest rate hedges implemented in connection with the group's asset-liability management strategy.

At the end of each reporting period, CIC verifies that the hedging contracted for each portfolio of assets and liabilities is not excessive. The maturity of the liability portfolio is modeled by asset-liability management.

Changes in the fair value of a portfolio hedge of interest-rate risk are recognized on a specific line of the statement of financial position, under "Remeasurement adjustment on interest-rate risk hedged portfolios", with the offsetting entry in income.

Cash flow hedges

In the case of cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity under "Unrealized or deferred gains and losses on cash flow hedges", while the ineffective portion is included in income in "Net gain/(loss) on financial instruments at fair value through profit or loss".

The amounts recognized in equity are reclassified into profit and loss under "Interest income/expense" in the same period or periods during which the cash flows attributable to the hedged item affect profit or loss. The hedged items continue to be accounted for using the treatment applicable to the asset category to which they belong. If the hedging relationship is broken or no longer fulfills the hedge effectiveness criteria, hedge accounting is discontinued. The cumulative amounts recognized in equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts income, or until the transaction is no longer expected to occur, at which point said amounts are transferred to the income statement.

Regulated savings

Home savings accounts (comptes d'épargne logement – "CEL") and home savings plans (plans d'épargne logement – "PEL") are government-regulated retail products sold in France. Account holders receive interest on amounts paid into these accounts over a certain period (initial savings phase), at the end of which they are entitled to a mortgage loan (secondary borrowing phase). They generate two types of obligation for the distributing establishment:

- a commitment to pay interest in the future on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest payable on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as a variable rate);
- a commitment to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data. A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable to the bank, i.e. where the bank offers different interest rates to retail customers than those on similar non-regulated products. This approach is managed based on generations of regulated PEL savings products with similar characteristics. The impact on income is included in interest paid to customers.

Debt securities

Debt securities are initially recognized at fair value (including transactions costs), which is generally the net amount received, and they are subsequently measured at amortized cost using the effective interest method.

Certain "structured" debt instruments may contain embedded derivatives, which are isolated from the host contract when they meet the criteria for separate recognition.

The host contract is subsequently measured at amortized cost. Fair value is based on quoted market prices or valuation models.

Property and equipment and intangible assets

Property and equipment and intangible assets shown in the statement of financial position comprise assets used in operations and investment property. Assets used in operations are those used in the provision of services or for administrative purposes. They include assets other than property assets leased under operating leases. Investment property comprises real property held to earn rentals or for capital appreciation, or both. Investment property is accounted for at cost, in the same way as assets used in operations.

Property and equipment and intangible assets are recognized at acquisition cost plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent to initial recognition, property and equipment and intangible assets are measured at amortized historical cost, which represents cost less accumulated depreciation, amortization and any accumulated impairment losses.

The depreciable amount is cost less residual value, net of costs to sell. Property and equipment and intangible assets are presumed not to have a residual value as their useful lives are generally the same as their economic lives.

Depreciation and amortization is calculated on a straight-line basis over the estimated useful life of the assets, based on the manner in which the economic benefits embodied in the assets are expected to be consumed by the entity.

Intangible assets that have an indefinite useful life are not amortized.

Depreciation and amortization on property and equipment and intangible assets are recognized in "Depreciation, amortization and impairment" in the income statement.

Where an asset consists of a number of components that may require replacement at regular intervals, or that have different uses or different patterns of consumption of economic benefits, each component is recognized separately and depreciated using a depreciation method appropriate to that component. CIC has adopted the component approach for property used in operations and investment property. These items are depreciated over the following useful lives:

- 40-80 years for the shell,
- 15-30 years for structural components,
- 10-25 years for equipment,
- 10 years for fixtures and fittings.

Leasehold rights paid are not amortized but are tested for impairment. New occupancy fees paid to the owner are amortized over the life of the lease as additional rent. Other intangible items (e.g. acquired customer contract portfolios) are amortized over a period of nine or ten years.
Depreciable and amortizable assets are tested for impairment when evidence exists at the end of the reporting period that the items may be impaired. Non-depreciable and non-amortizable non-current assets are tested for impairment at least annually. If there is an indication of impairment, the recoverable amount of the asset is compared with its carrying amount. If the asset is found to be impaired, an impairment loss is recognized in income, and the depreciable amount is adjusted prospectively. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment is recognized under "Depreciation, amortization and impairment" in the income statement.
Gains and losses on disposals of non-current assets used in operations are shown in the income statement under "Net gains on disposals of non-current assets".
Gains and losses on disposals of investment property are shown in the income statement under "Income from other activities" or "Expense on other activities".

Corporate income tax

Corporate income tax includes all current or deferred income taxes.
Current income tax is calculated based on the applicable tax regulations.

Deferred taxes

In accordance with IAS 12, deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax basis, except for goodwill and fair value adjustments on intangible assets that cannot be sold separately from the acquired business.
Deferred taxes are calculated using the liability method, based on the latest enacted tax rate applicable to future periods.
Net deferred tax assets are recognized only in cases where their recovery is considered highly probable.
Current and deferred taxes are recognized as tax income or expense, except deferred taxes relating to unrealized or deferred gains and losses, which are taken directly to equity.
Non-recoverable taxes payable on probable or certain dividend payments by consolidated companies are taken into account.

Provisions

A provision is recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of the amount of the obligation. The amount of the obligation is discounted in order to determine the amount of the provision.

Movements in provisions are classified by nature under the corresponding income/expense caption. The cumulative provision is recognized as a liability in the statement of financial position.

Employee benefits

Where appropriate, a provision is set aside for such employee benefit obligations, recognized within "Provisions". Any movements in the provision are taken to income within "Payroll costs", with the exception of the portion resulting from actuarial differences, which is recognized in unrealized or deferred gains and losses recognized in equity.

Post-employment benefits covered by defined benefit plans
These relate to retirement, early retirement and supplementary retirement plans for which the group has a legal or constructive obligation to provide certain benefits to its employees.

These obligations are calculated using the projected unit credit method, which consists in assigning benefit rights to periods of service in line with the plan's contractual benefit formula, before discounting them based on demographic and financial assumptions. The group uses the following assumptions to calculate its retirement and equivalent obligations:

- the discount rate determined by reference to the market yield on long-term corporate bonds consistent with the term of the obligations;
- the salary increase rate, measured based on age bands and regional characteristics;
- estimated inflation rates;
- employee turnover, calculated for each age band;
- retirement age: the estimate is calculated separately for each individual based on the actual or estimated date on which employment first commenced and on assumptions related to the law on pension reform, with a maximum age of 67 at retirement;
- the INSEE TH/TF 00-02 life expectancy table.

The effect of changes in these assumptions and experience adjustments (the effects of differences between the previous assumptions and actual outcomes) gives rise to actuarial gains and losses.
Plan assets are measured at fair value and the amount recognized in the income statement is their implicit return (corresponding to the fair value of the plan assets multiplied by the discount rate used to determine the scheme liabilities). The difference between the implicit return on plan assets and the actual return gives rise to an actuarial gain or loss.
Actuarial differences are recognized in equity, within unrealized or deferred gains and losses. Gains or losses on the curtailment or settlement of a defined benefit plan are recognized in the income statement when they occur. At least 60% of the obligations of the group's French banks relating to retirement bonuses are covered by insurance taken out with ACM Vie, a Crédit Mutuel group insurance company which is consolidated by CIC under the equity method.

Supplementary pensions covered by pension funds
Under the terms of the AFB transitional agreement dated September 13, 1993, the banking industry pension schemes were discontinued and bank employees joined the government-sponsored Arrco and Agirc schemes effective from January 1, 1994. The four pension funds to which CIC group banks contributed were merged. They pay the various benefits covered by the transitional agreement. In the event that fund assets are not sufficient to cover these benefit obligations, the banks are required to make additional contributions. The average contribution rate for the next ten years is capped at 4% of the payroll.

The pension fund resulting from mergers was converted into an IGRS, a French supplementary pension management institution, in 2009. It does not have an asset shortfall.

Defined contribution post-employment benefits

Group entities pay into a number of retirement schemes managed by third parties. Under these schemes, group entities have no legal or constructive obligation to pay further contributions, in particular where plan assets are inadequate to fund future obligations. As these schemes do not represent an obligation for the group, no provision is recorded and the related expenses are recognized in the income statement in the period in which the contribution is due.

Other long-term benefits

Other long-term benefits are employee benefits (other than post-employment benefits and termination benefits) which are expected to be paid more than 12 months after the end of the period in which the employees render the related services, such as long-service awards.

The group's obligation in respect of other long-term benefits is measured using the projected unit credit method. However, actuarial losses are taken to the income statement as and when they arise.

Employees are granted long-service awards after 20, 30, 35 and 40 years of service. A provision is set aside for these awards.

Termination benefits

These benefits are granted by the group following the decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for such benefits. The related provisions are discounted when payment falls due more than twelve months after the end of the reporting period.

Short-term employment benefits

Short-term employment benefits are employee benefits (other than termination benefits) which are expected to be settled wholly within twelve months of the end of the reporting period, such as wages and salaries, social security contributions and certain bonuses.

An expense is recognized in respect of these benefits in the period in which the services giving rise to the benefits were provided to the entity.

Debt-equity distinction

Financial instruments issued by the group are classified as debt instruments when the group has a contractual obligation to deliver cash to holders of the instruments and when the remuneration of these instruments is not discretionary. This is the case with subordinated notes issued by the group.

Translation of assets and liabilities denominated in a foreign currency

Assets and liabilities denominated in a currency other than the local currency are translated at the year-end exchange rate.

Monetary financial assets and liabilities: foreign currency gains and losses on the translation of such items are recognized in the income statement under "Net gain/(loss) on financial instruments at fair value through profit or loss".

Non-monetary financial assets and liabilities: foreign currency gains and losses on the translation of such items are recognized in the income statement if the items are classified at fair value through profit or loss under "Net gain/(loss) on financial instruments at fair value through profit or loss", or under " Unrealized or deferred gains and losses" in other comprehensive income if they are classified as available-for-sale.

When consolidated investments denominated in a foreign currency are financed by a loan taken out in the same currency, the loan concerned is covered by a cash flow hedge.

Differences arising from the retranslation at the year-end rate of the opening capital stock, reserves and retained earnings are recorded as a separate component of equity, under "Cumulative translation adjustment". The income statements of foreign subsidiaries are translated into euros at the average exchange rate for the year, and the resulting translation differences are recorded under "Cumulative translation adjustments". On liquidation or disposal of some or all of the interests held in a foreign entity, the corresponding portion of this cumulative translation adjustment is recognized through the income statement.

Insurance company contracts

The accounting policies and measurement methods specific to assets and liabilities arising on insurance contracts have been drawn up in accordance with IFRS 4. They apply also to reinsurance contracts issued or subscribed, and to financial contracts with a discretionary profit-participation feature. Other assets held and liabilities issued by insurance companies are accounted for in accordance with the rules applicable to the group's other assets and liabilities.

Assets

Financial assets, investment property and property and equipment and intangible assets comply with the accounting methods described elsewhere. However, financial assets representing technical provisions related to unit-linked business are shown in "Financial assets at fair value through profit or loss".

Liabilities

Insurance liabilities, which represent commitments to subscribers and beneficiaries, are included under the heading "Technical provisions in respect of life insurance contracts". They continue to be measured, recorded and consolidated in accordance with French GAAP.

The technical provisions in respect of life insurance contracts consist mainly of mathematical provisions corresponding generally to the contracts' surrender values. The risks covered are mainly death, disability and incapacity for work (for credit insurance). The technical provisions related to unit-linked business are measured, at the end of the reporting period, on the basis of the realizable value of the assets underlying these contracts.

The provisions related to non-life insurance contracts correspond to unearned premiums (portion of the premiums issued relating to subsequent periods) and to outstanding claims.

Those insurance contracts with a discretionary profit-participation feature are subject to "shadow accounting". The resulting provision represents the policyholders' share of the capital gains and losses arising on the assets. These deferred profit-participation reserves are recognized on the liabilities or assets side of the

statement of financial position, by legal entity, and there is no offsetting between group entities. On the assets side, they are presented under a specific heading.
At the end of the reporting period, an adequacy test is performed on the liabilities recognized on these contracts (net of related other assets and liabilities such as deferred acquisition costs and acquired portfolios). This test ensures that the recognized insurance liabilities are adequate to cover estimated future cash flows under insurance contracts. If the test reveals that the technical provisions are inadequate, the deficiency is recognized in the income statement. It may subsequently be reversed, where appropriate.

Income statement
The income and expenses recognized in respect of the insurance contracts issued by the group are included within "Income from other activities" and "Expenses on other activities". The income and expenses in respect of the insurance entities' proprietary activities are recognized under the headings relating to them.

Non-current assets held for sale and discontinued operations

A non-current asset (or group of assets) is classified in this category if it is held for sale and it is highly probable that the sale will occur within twelve months of the end of the reporting period.
The related assets and liabilities are shown separately in the statement of financial position, on the lines "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". Items in this category are measured at the lower of their carrying amount and fair value less costs to sell, and are no longer depreciated/ amortized.
When assets held for sale or the associated liabilities become impaired, an impairment loss is recognized in the income statement. Discontinued operations include operations that are held for sale or which have been shut down, and subsidiaries acquired exclusively with a view to resale. All gains and losses related to discontinued operations are shown separately in the income statement, on the line "Post-tax gain/(loss) on discontinued operations and assets held for sale".

Consolidation methods and scope

Fair value adjustments
At the date of acquisition of a controlling interest in a new entity, the related assets, liabilities and contingent liabilities related to operations are measured at fair value. Fair value adjustments, corresponding to the difference between the carrying amount and fair value, are recognized in the consolidated financial statements.

Goodwill
In accordance with IFRS 3R, when CIC acquires a controlling interest in a new entity, said entity's identifiable assets, liabilities and contingent liabilities that meet the criteria for recognition under IFRS are measured at fair value at the acquisition date, with the exception of non-current assets classified as assets held for sale, which are recognized at the lower of fair value net of selling costs and their carrying amount. IFRS 3R permits the recognition of full goodwill or partial goodwill and the choice of method is made separately for each business combination.
In the case of full goodwill, non-controlling interests are measured at fair value, whereas in the case of partial goodwill, they are measured based on their share of the values attributed to the assets and liabilities of the acquired entity. If goodwill is positive, it is recognized as an asset and, if negative, it is recognized immediately in the income statement under "Changes in value of goodwill".
If the group's stake in an entity it already controls, and which it continues to control, increases/decreases, the difference between the acquisition cost/selling price of the stock and the portion of consolidated equity that said stock represents on the acquisition/sale date is recognized within equity.
Goodwill is presented on a separate line of the statement of financial position when it relates to fully-consolidated companies and under the heading "Investments in associates" when it relates to equity-accounted companies.
Goodwill does not include direct expenses associated with acquisitions, which are expensed.
Goodwill is tested for impairment regularly and at least once a year. The tests are designed to identify whether goodwill has suffered a prolonged decline in value. If the recoverable amount of the cash-generating unit (CGU) to which goodwill has been allocated is less than its carrying amount, an impairment loss is recognized for the amount of the difference. These losses – which are recognized through the income statement – cannot be reversed. In practice, cash-generating units are defined on the basis of the group's business lines.

Intercompany transactions and balances
Intercompany transactions and balances as well as gains or losses on intercompany sales that have a material impact on the consolidated financial statements are eliminated.

Foreign currency translation
The statements of financial position of foreign subsidiaries are translated into euros at the official year-end exchange rate. Differences arising from the retranslation at the year-end rate of the opening capital stock, reserves and retained earnings are recorded as a separate component of equity, under "Translation adjustment". The income statements of foreign subsidiaries are translated into euros at the average exchange rate for the year, and the resulting translation differences are recorded under "Cumulative translation adjustments". On liquidation or disposal of some or all of the interests held in a foreign entity, these amounts are recognized through the income statement.
As allowed by IFRS 1, the balance of cumulative translation adjustments was reset to zero in the opening statement of financial position as of January 1, 2004.

Non-controlling interests
Non-controlling interests correspond to interests that do not confer control as defined by IFRS 10 and include partnership interests that entitle their holders to a share in the net assets in the event of liquidation and other equity instruments issued by subsidiaries that are not held by the group.

Full consolidation method
This method involves replacing the value of the shares held in the subsidiary concerned with each of the assets and liabilities of said subsidiary and showing separately the interests of non-controlling shareholders in the equity and net income. It is the method used for all entities under exclusive control, including those with a different account structure, regardless of whether its business is an extension of that of the consolidating entity.

Equity consolidation method
This method involves replacing the value of the shares held with the group's share of the equity and net income of the entities concerned. It is the method used for all entities under joint control, including joint ventures and any other entities over which the group has significant influence.

Principles for inclusion in the consolidation scope

The general principles governing whether an entity is included in the consolidation scope are defined by IFRS 10, IFRS 11 and IAS 28R.
The consolidation scope comprises:

- entities over which the group has exclusive control: exclusive control is deemed to exist when the group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the returns it obtains. The financial statements of exclusively-controlled entities are fully consolidated.
- Entities under joint control: joint control is the contractually agreed sharing of control over an entity, which exists only when decisions about key activities require the unanimous consent of the parties sharing control. A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture:
  - a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement: a joint operator accounts for the assets, liabilities, revenues and expenses relating to its involvement in the joint operation,
  - a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement: a joint venture is accounted for using the equity method. All entities under the group's joint control are joint ventures as defined by IFRS 11.
- entities over which the group has significant influence: these are entities that are not controlled by the consolidating entity but in whose financial and operating policy decisions it has the right to participate. Shareholdings in entities over which the group has significant influence are accounted for using the equity method (associates). Companies that are 20%-50% owned by the group's private equity businesses and over which the group has joint control or exercises significant influence are excluded from the scope of consolidation and accounted for under the fair value option.

Entities controlled exclusively by the group are included in the consolidation scope when their full consolidation individually affects at least 1% of the main consolidated statement of financial position and income statement items. Subsidiaries that are not consolidated must represent on aggregate less than 5% of the main consolidated statement of financial position and income statement items. However, smaller entities may be included in the consolidated group if (i) CIC considers they represent a strategic investment; (ii) one of their core businesses is the same as that of the group; or (iii) they hold stock in consolidated companies.

Note 2a: Consolidation scope

Changes of name:
- CM-CIC Capital Finance changed its name to CM-CIC Investissement
- CM-CIC Investissement changed its name to CM-CIC Investissement SCR
- CM-CIC Capital Innovation changed its name to CM-CIC Innovation

Newly-consolidated companies:
- Serficom Brasil Gestao de Recursos Ltda
- SerficomFamily Office Brasil Gestao de Recursos Ltda
- Serficom Family Office SA
- Trinity SAM

Merger:
- Absorption of Pasche Finance SA by Banque Pasche
- Liquidation / absorption of Divhold by Banque de Luxembourg

Company removed from the consolidation scope:
- CM-CIC Bail Espagne

Company	Country	Currency	2015 Voting rights	2015 Percentage interest	2015 Method *	2014 Voting rights	2014 Percentage interest	2014 Method *
Consolidating company: Crédit Industriel et Commercial - CIC								
CIC Londres (branch)	United Kingdom	GBP	100	100	FC	100	100	FC
CIC New York (branch)	United States	USD	100	100	FC	100	100	FC
CIC Singapour (branch)	Singapore	USD	100	100	FC	100	100	FC
A. Banking network								
Banques régionales								
CIC Est (i)	France		100	100	FC	100	100	FC
CIC Lyonnaise de Banque (i)	France		100	100	FC	100	100	FC
CIC Nord Ouest (i)	France		100	100	FC	100	100	FC
CIC Ouest (i)	France		100	100	FC	100	100	FC
CIC Sud Ouest (i)	France		100	100	FC	100	100	FC
B. Banking network subsidiaries								
CM-CIC Asset Management	France		24	24	EM	24	24	EM
CM-CIC Bail (i)	France		99	99	FC	99	99	FC
CM-CIC Bail Espagne (branch)	Spain		100	99	FC			
CM-CIC Épargne salariale (i)	France		100	100	FC	100	100	FC
CM-CIC Factor (i)	France		96	95	FC	96	96	FC
CM-CIC Lease	France		54	54	FC	54	54	FC
CM-CIC Leasing Benelux	Belgium		100	99	FC	100	99	FC
CM-CIC Leasing GMBH	Germany		100	99	FC	100	99	FC
C. Financing and capital markets								
Cigogne Management	Luxembourg		60	60	FC	60	60	FC
CM-CIC Securities (i)	France		100	100	FC	100	100	FC
Diversified Debt Securities SICAV - SIF	Luxembourg		100	100	FC	100	100	FC
Divhold	Luxembourg				MER	100	100	FC

Company	Country	Currency	2015 Voting rights	2015 Percentage interest	2015 Method *	2014 Voting rights	2014 Percentage interest	2014 Method *
D. Private banking								
Banque CIC (Suisse)	Switzerland	CHF	100	100	FC	100	100	FC
Banque de Luxembourg	Luxembourg		100	100	FC	100	100	FC
Banque Transatlantique (i)	France		100	100	FC	100	100	FC
Banque Transatlantique Londres (branch)	United Kingdom	GBP	100	100	FC	100	100	FC
Banque Transatlantique Belgium	Belgium		100	100	FC	100	100	FC
Banque Transatlantique Luxembourg	Luxembourg		100	100	FC	100	100	FC
Banque Transatlantique Singapore Private Ltd	Singapore	SGD	100	100	FC	100	100	FC
Dubly-Douilhet Gestion (i)	France		100	100	FC	100	100	FC
Transatlantique Gestion (i)	France		100	100	FC	100	100	FC
Groupe Banque Pasche								
Banque Pasche	Switzerland	CHF	100	100	FC	100	100	FC
Pasche Finance SA	Switzerland	CHF			MER	100	100	FC
Serficom Brasil Gestao de Recursos Ltda	Brazil	BRL			NC	97	97	FC
Serficom Family Office Brasil Gestao de Recursos Ltda	Brazil	BRL			NC	100	100	FC
Serficom Family Office SA	Switzerland	CHF			NC	100	100	FC
Trinity SAM	Monaco				NC	100	100	FC
E. Private equity								
CM-CIC Capital et Participations(i)	France		100	100	IG	100	100	FC
CM-CIC Conseil (i)	France		100	100	IG	100	100	FC
CM-CIC Innovation	France		100	100	IG	100	100	FC
CM-CIC Investissement(i)	France		100	100	IG	100	100	FC
CM-CIC Investissement SCR	France		100	100	IG	100	100	FC
CM-CIC Proximité	France		100	100	IG	100	100	FC
Sudinnova	France		66	66	IG	66	66	FC

Company	Country	Currency	2015 Voting rights	2015 Percentage interest	2015 Method *	2014 Voting rights	2014 Percentage interest	2014 Method *
F. HQ, holding company services and logistics								
Adepi (i)	France		100	100	FC	100	100	FC
CIC Participations (i)	France		100	100	FC	100	100	FC
Gesteurop (i	France		100	100	FC	100	100	FC
G. Insurance companies								
Groupe des Assurances du Crédit Mutuel (GACM)**	France		21	21	ME	21	21	EM

* Method: MER = merger; FC = full consolidation; EM = equity method; NC = not consolidated.
** Based on the consolidated financial statements.
(i) = Members of the tax consolidation group set up by CIC.

Information on sites and activities in non-cooperative countries and territories included in the list established by the decree of December 21, 2015: the group has no sites meeting the criteria stipulated by the decree of October 6, 2009.

Information on sites included in the consolidation scope

Article 7 of law 2013-672 dated July 26, 2013 of the French Monetary and Financial Code (*Code monétaire et financier*), amending Article L.511-45, requires credit institutions to publish information on their presence and activities in each state or territory.
The table above providing information on the consolidation scope shows the country in which each site is located.

Country	Net banking income	Income before tax	Corporate income tax	Other taxes	Public subsidies received	Employees
Germany	5	3	(1)	(1)		3
Belgium	17	10	(3)	(1)		34
Spain	0	0	0	0		0
United States of America	136	70	(47)	(5)		84
France	4,123	1,452	(477)	(708)		18,306
Luxembourg	289	117	(25)	(18)		795
United Kingdom	43	30	(6)	(2)		47
Singapore	66	10	(1)	(2)		227
Switzerland	103	10	(2)	(10)		310
TOTAL	**4,782**	**1,702**	**(562)**	**(747)**		**19,806**

Note 2b: Fully-consolidated entities with material non-controlling interests

2015	Interest of non-controlling shareholders in the consolidated financial statements				Financial information about fully-consolidated entities*			
	Percentage interest	Net income	Amount in equity	Dividends paid to non-controlling interests	Total assets	OCI	Net banking income	Net income
CM-CIC Lease	46%	2	33	(2)	4,174	0	24	5
Cigogne Management	40%	5	8	(5)	50	0	19	13
Sudinnova	34%	(1)	7	0	18	0	(3)	(4)
CM-CIC Factor	5%	0	6	0	6,123	(1)	77	2
2014								
CM-CIC Lease	46%	1	33	(2)	4,056	0	16	3
Cigogne Management	40%	6	7	(5)	48	0	20	14
Sudinnova	34%	0	7	0	22	0	1	1
CM-CIC Factor	4%	0	6	0	4,664	(1)	73	5

* Amounts before elimination of intra-group accounts and transactions.

Note 2c: Investments in unconsolidated structured entities

	2015			2014		
	Securitization vehicle (SPV)	Asset management (UCITS/SCPI)	Other structured entities*	Securitization vehicle (SPV)	Asset management (UCITS/SCPI)	Other structured entities*
Total assets	0	50	1,890	0	0	1,831
Carrying amounts of financial assets	0	41	671	0	0	702
Carrying amounts of financial liabilities	0	14	0	0	0	0
Maximum exposure to risk of loss	0	47	0	0	0	0

* Other structured entities correspond to asset financing entities.

Asset Backed Commercial Paper (ABCP) securitization conduit: the group owns a conduit, named General Funding Ltd, whose function is to carry out the refinancing by commercial paper of securitization transactions carried out by its clients.

Asset finance: the group grants loans to structured entities whose sole purpose is to hold assets to be leased; the rents received enable the structured entity to repay its borrowings. These entities are dissolved following the financing operation. The group is generally the sole shareholder.

For these two categories, the maximum exposure to losses in respect of the structured entities corresponds to the carrying amount of the structured entity's financed asset.

Collective investment undertakings or funds: the group acts as manager and custodian. It offers its clients funds in which it does not intend to invest. The group markets these funds, whether dedicated or public funds, manages them and receives fees for its management services. For certain funds offering guarantees to unitholders, the group may be a counterparty to the swaps put in place. In exceptional circumstances where the group would be both manager and investor, with the result that it would be required to act firstly for its own account, such entity would then be included in the consolidation scope.

The main risk to which the group is exposed is an operational risk, i.e. the risk of default in respect of its mandate to act as manager or custodian and, where relevant, it is also exposed to a risk equal to the amounts invested.

Note 2d: Non-current assets held for sale and discontinued operations

Pursuant to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, Banque Pasche's business is classified within Non-current assets held for sale, Liabilities associated with non-current assets held for sale and Post-tax gain/(loss) on discontinued operations and assets held for sale.

	2015	2014
Total assets	116	304
Net banking income	0	6
Equity	78	137
Net income	(23)	(16)

Note 3: Analysis of income statement by business segment and geographic area

Business segment analysis principles

- Retail banking covers:
  a) the banking network comprised of the regional banks and CIC's network in the Greater Paris region (Ile-de-France);
  b) the specialist business lines whose products are distributed via the banking network. These include equipment leasing, real estate leasing, factoring, third party fund management, employee savings plans and real estate. The insurance business – which is accounted for using the equity method – is included in this business segment.
- Financing and capital markets comprises:
  a) credit facilities for large corporates and institutional customers, specialized financing and international operations;
  b) capital markets operations, which comprise investments in activities involving fixed-income instruments, equities and loans ("ITAC") as well as brokerage services.
- Private banking comprises all companies for which the main activity is private banking, both within and outside France.
- Private equity conducts proprietary transactions and includes financial engineering services via dedicated entities. The entire portfolio is accounted for under the fair value option.
- Holding company services encompass all unallocated activities.

Each consolidated company is included in only one business segment, corresponding to its core business in terms of contribution to the group's results, with the exception of CIC, whose individual accounts are allocated on a cost accounting basis.

Analysis of assets by business segment

2015	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Cash and amounts due from central banks	350	3,333	2,173		1,707	7,563
Financial assets at fair value through profit or loss	1	12,856	146	2,087		15,090
Derivatives used for hedging purposes	4	922	3			929
Available-for-sale financial assets	179	9,571	2,398	5	307	12,460
Loans and receivables due from credit institutions [1]	4,677	8,634	5,651	2	25,775	44,739
Loans and receivables due from customers	123,916	21,171	11,992		87	157,166
Held-to-maturity financial assets	60					60
Investments in associates	1,681					1,681

(1) Of which €9,343 million due from BFCM.

2014	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Cash and amounts due from central banks	369	2,855	678		15,324	19,226
Financial assets at fair value through profit or loss	3	14,773	176	2,003		16,955
Derivatives used for hedging purposes	2	865	2			869
Available-for-sale financial assets	202	8,177	2,310	8	320	11,017
Loans and receivables due from credit institutions [1]	4,373	12,560	5,719	6	11,880	34,538
Loans and receivables due from customers	118,021	18,113	10,432		173	146,739
Held-to-maturity financial assets	57					57
Investments in associates	1,611					1,611

(1) Of which €16,143 million due from BFCM.

Analysis of liabilities by business segment

2015	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Due to central banks						0
Financial liabilities at fair value through profit or loss	1	6,726	144			6,871
Derivatives used for hedging purposes	4	3,351	186		36	3,577
Due to credit institutions [1]	30,706	24,185	2,076		16,813	73,780
Due to customers	99,693	10,967	18,605		693	129,958
Debt securities	1,223	16,824	14		199	18,260

(1) Of which €50,424 million due to BFCM.

2014	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Due to central banks			59			59
Financial liabilities at fair value through profit or loss		11,017	173			11,190
Derivatives used for hedging purposes	2	3,948	205		37	4,192
Due to credit institutions [1]	30,731	19,458	1,234		18,310	69,733
Due to customers	92,157	12,818	16,513	1	400	121,889
Debt securities	1,593	16,108	20		549	18,270

(1) Of which €50,229 million due to BFCM.

Analysis of income statement items by business segment

2015	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Net banking income/(expense)	3,514	708	509	172	(121)	4,782
General operating expenses	(2,254)	(266)	(371)	(41)	(73)	(3,005)
Operating income before provisions	1,260	442	138	131	(194)	1,777
Net additions to/reversals from provisions for loan losses	(194)	(21)	9		(1)	(207)
Net gains on disposals of other assets [1]	136		(4)			132
Income before tax	1,202	421	143	131	(195)	1,702
Corporate income tax	(410)	(165)	(41)	(5)	59	(562)
Post-tax gain/(loss) on discontinued operations			(23)			(23)
Net income	792	256	79	126	(136)	1,117

2014	Retail banking	Financing and capital markets	Private banking	Private equity	Holding company services	Total
Net banking income	3,327	632	458	149	(156)	4,410
General operating expenses	(2,194)	(264)	(338)	(38)	(77)	(2,911)
Operating income before provisions	1,133	368	120	111	(233)	1,499
Net additions to/reversals from provisions for loan losses	(234)	30	(2)			(206)
Net gains on disposals of other assets [1]	121		1		67	189
Income before tax	1,020	398	119	111	(166)	1,482
Corporate income tax	(330)	(102)	(32)		106	(358)
Net income	690	296	87	111	(60)	1,124

(1) Including net income from associates (companies accounted for using the equity method) and impairment losses on goodwill.

Répartition de l'actif par zone géographique

	2015 France	2015 Europe excluding France	2015 Other countries[1]	2015 Total	2014 France	2014 Europe excluding France	2014 Other countries[1]	2014 Total
Cash and amounts due from central banks	2,057	2,172	3,334	7,563	15,693	678	2,855	19,226
Financial assets at fair value through profit or loss	14,289	130	671	15,090	15,945	181	829	16,955
Derivatives used for hedging purposes	923	4	2	929	866	3	0	869
Available-for-sale financial assets	6,871	3,175	2,414	12,460	7,109	2,931	977	11,017
Loans and receivables due from credit institutions	38,366	5,134	1,239	44,739	27,720	5,246	1,572	34,538
Loans and receivables due from customers	140,475	10,889	5,802	157,166	132,790	9,314	4,635	146,739
Held-to-maturity financial assets	60	0	0	60	57	0	0	57
Investments in associates	1,681	0	0	1,681	1,611	0	0	1,611

Breakdown of liabilities by geographic area

	2015 France	2015 Europe excluding France	2015 Other countries[1]	2015 Total	2014 France	2014 Europe excluding France	2014 Other countries[1]	2014 Total
Due to central banks	0	0	0	0	0	5	0	59
Financial liabilities at fair value through profit or loss	6,369	386	116	6,871	10,541	479	170	11,190
Derivatives used for hedging purposes	3,380	187	10	3,577	3,968	206	18	4,192
Due to credit institutions	67,710	353	5,717	73,780	64,544	0	5,189	69,733
Due to customers	112,945	16,195	818	129,958	106,562	14,725	602	121,889
Debt securities	10,312	1,862	6,086	18,260	11,560	2,352	4,358	18,270

Breakdown of income statement items by geographic area

	2015 France	2015 Europe excluding France	2015 Other countries[1]	2015 Total	2014 France	2014 Europe excluding France	2014 Other countries[1]	2014 Total
Net banking income/(expense)	**4,123**	**457**	**202**	**4,782**	**3,813**	**407**	**190**	**4,410**
General operating expenses	(2,613)	(291)	(101)	(3,005)	(2,559)	(270)	(82)	(2,911)
Operating income before provisions	**1,510**	**166**	**101**	**1,777**	**1,254**	**137**	**108**	**1,499**
Net additions to/reversals from provisions for loan losses	(194)	8	(21)	(207)	(282)	1	75	(206)
Net gains on disposals of other assets[2]	136	(4)	0	132	195	(6)	0	189
Income before tax	**1,452**	**170**	**80**	**1,702**	**1,167**	**132**	**183**	**1,482**
Corporate income tax	(477)	(37)	(48)	(562)	(292)	(27)	(39)	(358)
Post-tax gain/(loss) on discontinued operations	0	(23)	0	(23)				
Net income	**975**	**110**	**32**	**1,117**	**875**	**105**	**144**	**1,124**

(1) USA and Singapore.
(2) Including net income from associates (companies accounted for using the equity method) and impairment losses on goodwill.

Notes to the statement of financial position – Assets

Note 4: Cash, amounts due from central banks and loans and receivables due from credit institutions

	2015	2014
Cash and amounts due from central banks		
Central banks	7,194	18,831
Of which, mandatory reserves	*914*	*978*
Cash	369	395
TOTAL	**7,563**	**19,226**
Loans and receivables due from credit institutions		
Current accounts	9,662	6,556
Loans	26,559	17,133
Other receivables	722	539
Securities not quoted on an active market	913	1,420
Repurchase agreements	6,832	8,833
Individually-impaired receivables	0	3
Accrued interest	51	57
Impairment provisions	0	(3)
TOTAL	**44,739**	**34,538**
Including non-voting loan stock	*164*	*164*

Note 5: Financial assets at fair value through profit or loss

	2015	2014
Financial assets at fair value through profit or loss by option	2,211	2,166
Financial assets held for trading	12,879	14,789
TOTAL	**15,090**	**16,955**

Note 5a: Financial assets accounted for under the fair value option

	2015	2014
Securities		
Government securities	0	0
Bonds and other fixed-income securities		
- Listed	81	83
- Unlisted	294	260
Equities and other variable-income securities [1]		
- Listed	221	180
- Unlisted	1,615	1,622
- Derivatives held for trading	0	0
Other financial assets		
- Resale agreements	0	21
- Other loans and term deposits	0	0
TOTAL	**2,211**	**2,166**

(1) Securities relating to the private equity business are measured at fair value through profit or loss and represent almost all of this item.

Note 5b: Financial assets held for trading

	2015	2014
Securities		
Government securities	1,638	2,668
Bonds and other fixed-income securities		
- Listed	6,797	6,676
- Unlisted	0	0
Equities and other variable-income securities		
- Listed	986	734
- Unlisted	0	0
Derivatives held for trading	3,458	4,711
TOTAL	**12,879**	**14,789**

Financial assets held for trading relate to financial assets held in connection with capital markets activities.

Note 5c: Analysis of derivative instruments

	2015			2014		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
- Swaps	97,540	2,492	2,713	123,427	3,297	3,667
- Futures and forward contracts	15,173	6	2	23,434	8	6
- Options	21,038	39	30	18,954	48	40
Foreign exchange instruments						
- Swaps	61,339	60	61	67,178	58	49
- Futures and forward contracts	117	287	265	190	361	320
- Options	23,372	176	165	20,679	96	97
Other derivatives						
- Swaps	13,872	120	187	14,029	106	157
- Futures and forward contracts	1,876	0	26	2,190	0	0
- Options	8,705	278	254	17,102	737	739
Sub-total	**243,032**	**3,458**	**3,703**	**287,183**	**4,711**	**5,075**
Derivatives used for hedging purposes						
Derivatives designated as fair value hedges						
- Swaps	61,941	928	3,577	51,594	869	4,192
- Futures and forward contracts	0	0	0	0	0	0
- Options	1	1		1	0	
Derivatives designated as cash flow hedges						
- Swaps	0	0	0	0	0	0
- Futures and forward contracts	0			0		
- Options	0	0		0	0	
Sub-total	**61,942**	**929**	**3,577**	**51,595**	**869**	**4,192**
TOTAL	**304,974**	**4,387**	**7,280**	**338,778**	**5,580**	**9,267**

IFRS 13 on fair value measurement came into force on January 1, 2013. As regards over-the-counter derivatives, it amends the procedures for measuring the counterparty risk included in their fair value by taking into account the "credit value adjustment" (CVA) and the "debt value adjustment" (DVA) – which involves using the own credit risk – as well as the "funding value adjustment" (FVA) – which corresponds to the costs or benefits associated with financing certain derivatives not included in a netting agreement. As of December 31, 2015, the CVA and FVA were expenses totaling €38 million and €22 million respectively compared with expenses of €34 million and €19 million as of December 31, 2014.
The DVA totaled €3 million as of December 31, 2015 and as of December 31, 2014.

Note 5d: Fair value hierarchy

2015	Level 1	Level 2	Level 3	Total
Financial assets				
Available for sale (AFS)				
- Government securities and similar instruments	5,153	34	0	5,187
- Bonds and other fixed-income securities	4,066	1,068	1,515	6,649
- Equities, portfolio activity securities and other variable-income securities	31	2	145	178
- Investments and other long-term securities	29	4	204	237
- Investments in non-consolidated equity interests	0	6	203	209
Trading / Fair value by option				
- Government securities and similar instruments – Trading	1,289	349	0	1,638
- Government securities and similar instruments - Fair value by option	0	0	0	0
- Bonds and other fixed-income securities - Trading	4,873	1,431	493	6,797
- Bonds and other fixed-income securities - Fair value by option	57	0	318	375
- Equities and other variable-income securities – Trading	985	0	1	986
- Equities and other variable-income securities – Fair value by option	220	0	1,616	1,836
- Loans and receivables due from credit institutions – Fair value by option	0	0	0	0
- Loans and receivables due from customers – Fair value by option	0	0	0	0
- Derivatives and other financial assets – Trading	11	3,033	414	3,458
Derivatives used for hedging purposes	0	900	29	929
TOTAL	**16,714**	**6,827**	**4,938**	**28,479**

Financial liabilities				
Trading / Fair value by option				
- Due to credit institutions - Fair value by option	0	133	0	133
- Due to customers - Fair value by option	0	0	0	0
- Debt securities - Fair value by option	0	109	0	109
- Subordinated notes - Fair value by option	0	0	0	0
- Derivatives and other financial liabilities – Trading	2,887	3,255	487	6,629
Derivatives used for hedging purposes	0	3,526	51	3,577
TOTAL	**2,887**	**7,023**	**538**	**10,448**

The instruments in the trading portfolio classified within level 2 or 3 comprise mainly securities judged to be illiquid and derivatives. There are uncertainties surrounding the measurement of all these instruments, which result in value adjustments reflecting the risk premium that a market participant would incorporate when establishing the price.

Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, of liquidity risks associated with the instrument or parameter concerned, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions and the counterparty risk present in the fair value of over-the-counter derivatives. The methods used may change. The latter include the own counterparty risk present in the fair value of over-the-counter derivatives.

When value adjustments are calculated, each risk factor is considered individually and no diversification effect between risks, parameters or models of a different nature is taken into account. A portfolio approach is most often adopted for a given risk factor.

Breakdown of level 3 – Equities and other variable-income securities – Fair value by option

2015	Jan. 1, 2015	Purchases	Sales	Gains and losses recorded in profit and loss	Other movements	Dec. 31, 2015
Equities and other variable-income securities – Fair value by option	1,527	232	(339)	103	92	**1,616**

2014	Level 1	Level 2	Level 3	Total
Financial assets				
Available for sale (AFS)				
- Government securities and similar instruments	5,318	66	131	5,515
- Bonds and other fixed-income securities	3,092	1,001	750	4,843
- Equities, portfolio activity securities and other variable-income securities	61	2	127	190
- Investments and other long-term securities	58	6	182	246
- Investments in non-consolidated equity interests	0	16	207	223
Trading / Fair value by option				
- Government securities and similar instruments – Trading	2,342	326	0	2,668
- Government securities and similar instruments - Fair value by option	0	0	0	0
- Bonds and other fixed-income securities - Trading	5,109	1,354	213	6,676
- Bonds and other fixed-income securities - Fair value by option	46	0	297	343
- Equities and other variable-income securities – Trading	728	0	6	734
- Equities and other variable-income securities – Fair value by option	275	0	1,527	1,802
- Loans and receivables due from credit institutions – Fair value by option	0	0	0	0
- Loans and receivables due from customers – Fair value by option	0	21	0	21
- Derivatives and other financial assets – Trading	85	4,240	386	4,711
Derivatives used for hedging purposes	0	789	80	869
TOTAL	**17,114**	**7,821**	**3,906**	**28,841**
Financial liabilities				
Trading / Fair value by option				
- Due to credit institutions - Fair value by option	0	2,424	0	2,424
- Due to customers - Fair value by option	0	101	0	101
- Debt securities - Fair value by option	0	0	0	0
- Subordinated notes - Fair value by option	0	0	0	0
- Derivatives and other financial liabilities – Trading	3,463	4,747	455	8,665
Derivatives used for hedging purposes	0	4,095	97	4,192
TOTAL	**3,463**	**11,367**	**552**	**15,382**

Note 6: Derivatives used for hedging purposes

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated as cash flow hedges	0	0	0	0
- Of which, changes in value recognized in equity	*0*	*0*	*0*	*0*
- Of which, changes in value recognized in income				
Derivatives designated as fair value hedges	929	3,577	869	4,192
TOTAL	**929**	**3,577**	**869**	**4,192**

A fair value hedge is a hedge of the exposure to changes in the fair value of a financial instrument attributable to a specific risk. Changes in the fair value of the hedging instrument and the hedged item, for the portion attributable to the risk being hedged, are taken to income.

Note 7: Available-for-sale financial assets

	2015	2014
Government securities	5,129	5,445
Bonds and other fixed-income securities		
- Quoted	6,439	4,633
- Not quoted	193	195
Equities and other variable-income securities		
- Quoted	100	80
- Not quoted	78	109
Long-term investments		
- Investments in non-consolidated companies		
Quoted	2	2
Not quoted	64	64
- Other long-term investments		
Quoted	26	52
Not quoted	145	127
- Investments in non-consolidated equity interests		
Quoted	0	0
Not quoted	209	223
- Translation adjustment	0	0
- Securities loaned	0	1
Accrued interest	75	86
TOTAL	**12,460**	**11,017**
Of which, unrealized gains and losses (net of tax) on bonds and other fixed-income securities and on government securities	*(141)*	*(142)*
Of which, unrealized gains and losses (net of tax) on equities and other variable-income securities and on long-term investments	*59*	*95*
Of which, impairment of bonds and other fixed-income securities	*(21)*	*(48)*
Of which, impairment of equities and other variable-income securities and of long-term investments	*(56)*	*(47)*

Impairment of equities

Equity holdings were reviewed in order to identify any impairment losses. Impairment provisions are raised for quoted equities in the event of a significant (a decrease of at least 50% in its value compared with its acquisition cost) or prolonged (36-month) decline of the stock price to below its cost.

As regards impairment losses and the reversal of impairment losses recognized in the income statement, in 2015 there was a net reversal of €89 million compared with a net reversal of €35 million in respect of 2014.

At December 31, 2015, the cost of impaired equities came to €164 million and the corresponding impairment amounted to €56 million. They had a market value of €108 million.

Note 7a: List of main investments in non-consolidated companies

		% held	Equity	Total assets	Net banking income or sales	Net income
Foncière des Régions	Quoted	< 5%	7,300	17,566	799	120
Crédit Logement	Not quoted	< 5%	1,513	9,367	216	70

The figures above relate to fiscal year 2014 (except those for the percentage interest held).

Note 7b: Exposures to sovereign risk

Sovereign exposures

Net outstandings as per the financial statements at December 31, 2015*/**	Portugal	Ireland	Spain	Italy
Financial assets at fair value through profit or loss	42		98	63
Available-for-sale financial assets	60	85	92	610
TOTAL	**102**	**85**	**190**	**673**
Residual contractual term				
Less than 1 year			96	38
1 to 3 years	62		45	373
3 to 5 years	12	85		203
5 to 10 years	18		32	58
More than 10 years	10		17	1
TOTAL	**102**	**85**	**190**	**673**

Net outstandings as per the financial statements at December 31, 2014*/**	Portugal	Ireland	Spain	Italy
Financial assets at fair value through profit or loss	39		139	73
Available-for-sale financial assets	67	85	157	1,028
TOTAL	**106**	**85**	**296**	**1,101**
Residual contractual term				
Less than 1 year	7		38	351
1 to 3 years	2		167	192
3 to 5 years	50	85	17	389
5 to 10 years	39		34	50
More than 10 years	8		40	119
TOTAL	**106**	**85**	**296**	**1,101**

* At market value for capital markets activities; at nominal value for other business lines.
** Outstandings net of CDS used to purchase protection.

Note 8: Loans and receivables due from customers

	2015	2014
Performing loans		
- Commercial loans	5,686	4,485
Of which, factoring accounts	*4,770*	*3,454*
- Other loans and receivables		
- Home loans	69,073	65,139
- Other loans and miscellaneous receivables	62,259	57,192
- Resale agreements	7,218	6,991
Accrued interest	249	261
Securities not quoted on an active market	426	578
Individually-impaired receivables	4,926	5,242
Individual impairment	(2,378)	(2,456)
Collective impairment	(185)	(183)
Sub-total	**147,274**	**137,249**
Finance leases (net investment)		
- Equipment	5,767	5,570
- Real estate	3,914	3,720
Individually-impaired receivables	350	327
Individual impairment	(139)	(127)
Sub-total	9,892	9,490
TOTAL	**157,166**	**146,739**
Including non-voting loan stock	*10*	*12*
Including subordinated loans	*16*	*27*

Finance lease transactions

	Jan. 1, 2015	Acquisitions	Disposals	Other	Dec. 31, 2015
Gross	9,617	1,247	(846)	13	10,031
Impairment of non-recoverable lease payments	(128)	(27)	26	(10)	(139)
Net	**9,489**	**1,220**	**(820)**	**3**	**9,892**

Maturity analysis of minimum future lease payments receivable under finance leases

	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total
Minimum future lease payments receivable	2,801	5,250	2,250	10,301
Present value of future lease payments	2,265	3,590	253	6,108
Unearned finance income	**536**	**1,660**	**1,997**	**4,193**

Note 9: Remeasurement adjustment on interest-rate risk hedged portfolios

	2015		2014			
	Assets	Liabilities	Assets	Liabilities	Change in fair value	
Fair value of portfolio interest rate risk	562	(742)	659	(1,007)	(97)	265

Note 10: Held-to-maturity financial assets

	2015	2014
Government securities	0	0
Bonds and other fixed-income securities	71	72
Accrued interest	0	0
TOTAL GROSS	**71**	**72**
Provisions for impairment	(11)	(15)
TOTAL NET	**60**	**57**

Note 10a: Movements in provisions for impairment

	Jan. 1, 2015	Acquisitions	Disposals	Other	Dec. 31, 2015
Loans and receivables due from credit institutions	(3)	0	3	0	0
Loans and receivables due from customers	(2,766)	(548)	639	(27)	(2,702)
Available-for-sale securities	(95)	(23)	39	2	(77)
Held-to-maturity securities	(15)	0	4	0	(11)
TOTAL	**(2,879)**	**(571)**	**685**	**(25)**	**(2,790)**

Note 10b: Financial instruments – Reclassifications

In the rare situation of a market that was in total disarray, on July 1, 2008, CIC transferred €18.8 billion of assets from the trading portfolio into the available-for-sale portfolio (€16.1 billion) and into the loans and receivables portfolio (€2.7 billion), and €5.5 billion from the available-for-sale portfolio into the loans and receivables portfolio.

	2015	2014
Carrying amount of assets reclassified	**3,543**	**4,276**
Loans and receivables portfolio	*1,124*	1,595
AFS portfolio	2,418	2,681
Fair value of assets reclassified	**3,517**	**4,336**
Loans and receivables portfolio	1,123	1,680
AFS portfolio	2,393	2,656

	2015	2014
Gains/(losses) that would have been recognized in the income statement at fair value if the assets had not been reclassified	(115)	122
Unrealized gains/(losses) that would have been recognized in equity if the assets had not been reclassified	64	(432)
Gains/(losses) recognized in income (net banking income and net additions to/reversals from provisions for loan losses) relating to reclassified assets	49	343

Note 10c : Note sur les encours de titrisation

As requested by the banking supervisor and the markets regulator, an analysis is provided below of sensitive exposures based on the FSB's recommendations.
The trading and AFS portfolios were valued at market price based on external data sourced from organized markets, leading brokers or, when no price was available, based on comparable securities quoted in the market.

Summary	2015	2014
RMBS	3,198	2,012
CMBS	412	605
CLO	1,666	1,246
Other ABS	1,564	1,242
RMBS hedged by CDS	0	62
CLO hedged by CDS	38	142
Other ABS hedged by CDS	0	
ABCP program liquidity lines	223	199
TOTAL	**7,101**	**5,508**

Unless otherwise indicated, securities are not hedged by CDS..

Exposures: Residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralized loan obligations (CLO) and other asset-backed securities (ABS).

2015	RMBS	CMBS	CLO	Other ABS	Total
Trading	1,078	70	135	52	1,335
AFS	1,482	342	1,267	1,337	4,428
Loans	638		264	175	1,077
TOTAL	**3,198**	**412**	**1,666**	**1,564**	**6,840**
France	9		22	379	410
Spain	85			51	136
United Kingdom	374	19	50	189	632
Europe excluding France, Spain and the United Kingdom	740	60	553	928	2,281
USA	1,983	333	769	17	3,102
Other	7		272		279
TOTAL	**3,198**	**412**	**1,666**	**1,564**	**6,840**
US agencies	1,514				1,514
AAA	800	359	1,625	998	3,782
AA	266			327	593
A	92		16	161	269
BBB	40	53	4	61	158
BB	31		2		33
B or below	455		2	17	474
Not rated			17		17
TOTAL	**3,198**	**412**	**1,666**	**1,564**	**6,840**
Origination 2005 and earlier	363	53			416
Origination 2006-2008	812	333	195	50	1,390
Origination 2009-2011	248			37	285
Origination 2012-2015	1,775	26	1,471	1,477	4,749
TOTAL	**3,198**	**412**	**1,666**	**1,564**	**6,840**

2014	RMBS	CMBS	CLO	Other ABS	Total
Trading	413	386	152	151	1,102
AFS	887	219	726	942	2,774
Loans	712		368	149	1,229
TOTAL	**2,012**	**605**	**1,246**	**1,242**	**5,105**
France	16			367	383
Spain	72		13	38	123
United Kingdom	211			144	355
Europe excluding France, Spain and the United Kingdom	837	59	692	678	2,266
USA	849	546	331	15	1,741
Other	27		210		237
TOTAL	**2,012**	**605**	**1,246**	**1,242**	**5,105**
US agencies	346				346
AAA	779	532	1,125	874	3,310
AA	72		29	188	289
A	216	14	72	109	411
BBB	60	59	9	55	183
BB	30		3		33
B or below	509			16	525
Not rated			8		8
TOTAL	**2,012**	**605**	**1,246**	**1,242**	**5,105**
Origination 2005 and earlier	239	354	8	5	606
Origination 2006 - 2008	950	251	394	61	1,656
Origination 2009 - 2011	315			54	369
Origination 2012 - 2014	508		844	1,122	2,474
TOTAL	**2,012**	**605**	**1,246**	**1,242**	**5,105**

Note 11: Current or payable taxes

	2015	2014
Assets	370	431
Liabilities	217	214

Current income tax expense is calculated based on the tax rules and tax rates applicable in each country where the group has operations for the period in which the related revenue was earned.

Note 12 : Impôts différés

	2015	2014
Deferred tax assets dealt with through the income statement [1]	311	358
Deferred tax assets dealt with through equity	69	93
Deferred tax liabilities dealt with through the income statement	254	266
Deferred tax liabilities dealt with through equity	8	9

(1) Of which €31 million related to CIC New York as of December 31, 2015 compared with €63 million as of December 31, 2014.4.

Analysis of deferred taxes (income statement) by major category

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Temporary differences on:				
Provisions	213		269	
Finance leasing reserves		(223)		(245)
Income from flow-through entities	1		2	
Remeasurement of financial instruments	541	(516)	747	(724)
Accrued expenses and accrued income	86		64	
Tax losses[1]			25	
Other temporary differences		(46)		(46)
Netting	(531)	531	**(749)**	**749**
TOTAL	**310**	**(254)**	**358**	**(266)**

(1) The deferred tax rate for the French companies is 34.43%.

Note 13: Accruals and other assets

	2015	2014
Accruals		
Collection accounts	15	309
Currency adjustment accounts	1	7
Accrued income	317	319
Other accruals	2,346	1,746
Sub-total	**2,679**	**2,381**
Other assets		
Securities settlement accounts	63	53
Security deposits paid	5,358	6,394
Miscellaneous receivables	3,109	2,567
Inventories and similar	7	7
Other	12	7
Sub-total	**8,549**	**9,028**
TOTAL	**11,228**	**11,409**

Accruals and miscellaneous receivables consist mainly of suspense accounts relating to interbank payment systems.
Accrued expenses and accrued income consist of payroll costs and general operating expenses, but do not include accrued interest not yet due on loans and borrowings, which is recognized as related accrued interest..

Note 14: Investments in associates

Share of net assets and net income (loss) of equity-accounted entities

	2015				2014			
	Share of capital held	Value under equity consolidation method	Share of net income/ (loss)	Dividends received	Share of capital held	Value under equity consolidation method	Share of net income/ (loss)	Dividends received
Groupe ACM[1]	20.52%	1,667	137	50	20.52%	1,597	127	50
Banca Popolare di Milano							61	0
CM-CIC Asset Management	23.53%	14	1	1	23.53%	14	1	0
TOTAL		**1,681**	**138**	**51**		**1,611**	**189**	**50**

(1) Comprises goodwill of €54 million.

Financial data published by the group's main associates

2015	Total assets	Net banking income	Operating income before provisions	Net income	OCI	Equity
Groupe ACM	92,214	1,501	1,052	694	1,036	8,024
CM-CIC Asset Management	80	57	6	4	2	60

2014	Total assets	Net banking income	Operating income before provisions	Net income	OCI	Equity
Groupe ACM	87,201	1,545	1,137	645	1,123	7,685
CM-CIC Asset Management	80	54	7	4	1	59

Reconciliation between the summarized information and the value under the equity consolidation method

2015	Group equity	Consolidation adjustments	Restated equity	Impact of percentage interest	Goodwill	Impairment	Value under equity consolidation method
Groupe ACM	7,781	79	7,860	(6,247)	54		1,667
CM-CIC Asset Management	60	0	60	(46)			14
TOTAL	**7,841**	**78**	**7,919**	**(6,293)**	**54**	**0**	**1,681**

2014	Group equity	Consolidation adjustments	Restated equity	Impact of percentage interest	Goodwill	Impairment	Value under equity consolidation method
Groupe ACM	7,418	105	7,523	(5,980)	54		1,597
CM-CIC Asset Management	59	0	59	(45)			14
TOTAL	**7,477**	**105**	**7,582**	**(6,025)**	**54**	**0**	**1,611**

Note 15: Investment property

	Jan. 1, 2015	Increases	Decreases	Other movements	Dec. 31, 2015
Historical cost	**59**	**2**	**(3)**	**0**	**58**
Depreciation and impairment	(22)	(2)	1	0	(23)
Net amount	**37**	**0**	**(2)**	**0**	**35**

The fair value of investment property carried at cost is comparable to its carrying amount.

Note 16: Property and equipment

	Jan. 1, 2015	Increases	Decreases	Other movements	Dec. 31, 2015
Historical cost					
Land used in operations	337	0	0	(10)	327
Buildings used in operations	2,543	67	(31)	(14)	2,565
Other property and equipment	579	46	(42)	(4)	579
TOTAL	**3,459**	**113**	**(73)**	**(28)**	**3,471**
Depreciation and impairment					
Land used in operations	0	0	0	0	0
Buildings used in operations	(1,576)	(104)	26	11	(1,643)
Other property and equipment	(471)	(21)	28	3	(461)
TOTAL	**(2,047)**	**(125)**	**54**	**14**	**(2,104)**
Net amount	**1,412**	**(12)**	**(19)**	**(14)**	**1,367**

Note 17: Intangible assets

	Jan. 1, 2015	Increases	Decreases	Other movements	Dec. 31, 2015
Historical cost					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	394	23	(42)	(38)	337
- Software	*107*	*7*	*(36)*	*3*	*81*
- Other	*287*	*16*	*(6)*	*(41)*	*256*
TOTAL	**394**	**23**	**(42)**	**(38)**	**337**
Amortization and impairment					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	(159)	(69)	33	55	(140)
- Software	*(76)*	*(15)*	*30*	*(2)*	*(63)*
- Other	*(83)*	*(54)*	*3*	*57*	*(77)*
TOTAL	**(159)**	**(69)**	**33**	**55**	**(140)**
Net amount	**235**	**(46)**	**(9)**	**17**	**197**

Note 18: Goodwill

	Jan. 1, 2015	Increases	Decreases	Other movements	Dec. 31, 2015
Gross value	71	0	0	(35)	36
Impairment	(38)	0	0	35	(3)
Carrying amount	**33**	**0**	**0**	**0**	**33**

Goodwill is tested for impairment on an annual basis.

	Jan. 1, 2015	Increases	Decreases	Other movements	Dec. 31, 2015
Banque Transatlantique	6				6
Transatlantique Gestion	6				6
CM-CIC Investissement SCR	21				21
TOTAL	**33**	**0**	**0**	**0**	**33**

Notes to the statement of financial position - Liabilities

Note 19: Due to central banks – Due to credit institutions

	2015	2014
Central banks	0	59
Due to credit institutions		
Current accounts	1,396	2,475
Other borrowings [1]	58,134	55,225
Repurchase agreements	14,134	11,910
Accrued interest	116	123
TOTAL	**73,780**	**69,733**

(1) Including €50,067 million due to BFCM as of December 31, 2015 and €48,730 million as of December 31, 2014.

Note 20: Financial liabilities at fair value through profit or loss

	2015	2014
Financial liabilities held for trading	6,628	8,665
Financial liabilities accounted for under the fair value option	243	2,525
TOTAL	**6,871**	**11,190**

Note 20a: Financial liabilities held for trading

	2015	2014
Short sales of securities		
- Government securities	0	2
- Bonds and other fixed-income securities	1,577	2,440
- Equities and other variable-income securities	1,233	959
Debts in respect of securities sold under repurchase agreements		
Derivatives held for trading	3,703	5,075
Other financial liabilities held for trading	115	189
- Of which, debts in respect of borrowed securities	*115*	*189*
TOTAL	**6,628**	**8,665**

Note 20b: Financial liabilities accounted for under the fair value option

	2015			2014		
	Carrying amount	Amount due on maturity	Difference	Carrying amount	Amount due on maturity	Amount due on maturity
Securities issued	110	110	0	0	0	0
Subordinated debt	0	0	0	0	0	0
Interbank borrowings[1]	133	133	0	2,424	2,424	0
Amounts due to customers[1]	0	0	0	101	101	0
TOTAL	**243**	**243**	**0**	**2,525**	**2,525**	**0**

(1) The carrying amount of debt representing securities sold under repurchase agreements was nil at December 31, 2015 compared with €2,219 million at December 31, 2014. The assessment of the specific credit risk was not material.

Note 21: Due to customers

	2015	2014
Regulated savings accounts		
- Demand	25,695	25,416
- Term	10,124	8,779
Accrued interest	3	1
Sub-total	**35,822**	**34,196**
Current accounts	57,412	49,794
Term deposits and borrowings	33,797	33,668
Repurchase agreements	2,539	3,825
Accrued interest	388	406
Sub-total	**94,136**	**87,693**
TOTAL	**129,958**	**121,889**

Note 22: Debt securities

	2015	2014
Retail certificates of deposit	188	207
Interbank instruments and money market securities	15,267	15,374
Bonds	2,725	2,617
Accrued interest	80	72
TOTAL	**18,260**	**18,270**

Note 23: Accruals and other liabilities

	2015	2014
Accruals		
Accounts unavailable due to recovery procedures	225	95
Currency adjustment accounts	40	4
Accrued expenses	636	573
Deferred income	390	421
Other accruals	4,770	4,182
Sub-total	**6,061**	**5,275**
Other liabilities		
Securities settlement accounts	36	47
Outstanding amounts payable on securities	51	77
Miscellaneous creditors	1,099	1,216
Sub-total	**1,186**	**1,340**
TOTAL	**7,247**	**6,615**

Further details of accruals and other liabilities are provided in Note 13.

Note 24: Provisions

	Jan. 1, 2015	Additions	Reversals (utilized provisions)	Reversals (surplus provisions)	Other movements	Dec. 31, 2015
Provisions for counterparty risks						
On signature commitments	99	32	(2)	(41)	0	88
Provision for risk on miscellaneous receivables	8	2	0	(1)	0	9
On financing and guarantee commitments	0	2	0	0	0	2
Other provisions for counterparty risks[1]	96	1	0	(88)	0	9
Other provisions						
Provisions for retirement costs	230	7	(10)	(26)	(13)	188
Provisions for claims and litigations	18	16	(1)	(16)	(2)	15
Provision for home savings accounts and plans	29	16	0	0	0	45
Provision for taxes	38	10	(17)	(10)	18	39
Provisions for miscellaneous contingencies	292	13	(20)	(51)	41	275
Other provisions[2]	329	47	0	(11)	(29)	336
TOTAL	**1,139**	**146**	**(50)**	**(244)**	**15**	**1,006**

(1) The €88 million provision reversal relates to the entities that held BPM shares and which were, during 2015, the subject of arrangements under which all their assets and liabilities were transferred to other entities (see note 31).
(2) Other provisions comprise mainly provisions set aside in respect of economic interest groupings (EIG) totaling €299 million.

Note 24a: Retirement and other employee benefits

	Jan. 1, 2015	Additions	Reversals	Other movements[1]	Dec. 31, 2015
Defined benefit plans not covered by retirement funds					
Retirement bonuses	119	1	(21)	0	99
Top-up payments	42	3	(7)	0	38
Obligations for long-service awards (other long-term benefits)	37	1	(3)	0	36
Sub-total	**198**	**5**	**(31)**	**0**	**173**
Supplementary defined benefit pensions covered by pension funds					
Provision for pension fund shortfalls[2]	32	2	(5)	(13)	15
Sub-total	**32**	**2**	**(5)**	**(13)**	**15**
TOTAL	**230**	**7**	**(36)**	**(13)**	**188**

(1) The other movements resulted from the change in the IBOXX discount rate to 2% as of December 31, 2015 compared with 1.7% as of December 31, 2014.
(2) The provisions for pension fund shortfalls relate to the group's foreign entities.

Assumptions used	2015	2014
Discount rate[1]	2.0%	1.7%
Annual salary increase rate[2]	Minimum 0.8%	Minimum 1.2%

(1) The discount rate used is the yield on long-term bonds issued by top-tier companies, estimated based on the IBOXX index.
(2) The annual increase in salaries is the estimated cumulative future salary inflation rate. It is also based on the age of employees.

Movement in the CIC banks' provision for retirement bonuses

Retirement bonuses	Jan. 1, 2015	Impact of discounting	Financial income	Cost of services rendered	Other including past service cost	Change in actuarial differences [1]	Payment to beneficiaries	Insurance contributions	Dec. 31, 2015
Commitments	236	4		10	2	(23)	(19)		210
Insurance policy	129		2		1	1	(11)	1	123
Excess assets/commitments	0					1			1
Sub-total: banks insured by ACM	**107**	**4**	**(2)**	**10**	**1**	**(23)**	**(8)**	**(1)**	**88**
Other French entities	2								0
Foreign entities	10								11
TOTAL	**119**								**99**

(1) Including €5 million concerning demographic assumptions and €16 million concerning financial assumptions.

Additional information for the French entities insured by ACM
- The term of the commitments is 17 years.
- In respect of the fiscal year ending December 31, 2016, the group expects costs of services rendered of €11 million and financial costs of €4 million.

Analysis of the sensitivity of the commitments to the discount rate

Discount rate	1.50%	2%	2.50%
Commitments	222	210	200

Analysis by maturity of retirement bonuses	1 to 5 years	6 to 10 years	11 to 15 years	15 to 20 years	21 to 25 years	26 to 30 years	Over30 years	Total	Total discounted
Retirement bonuses: expected flows	82	81	55	53	76	96	124	567	213

Breakdown of the ACM insurance policy assets	2015				2014			
	Debt securities	Equity instruments	Real estate	Other	Debt securities	Equity instruments	Real estate	Other
Assets quoted on an active market	135	16	2	5	80	46	1	3
Assets not quoted on an active market			5			1	2	
TOTAL	**135**	**16**	**7**	**5**	**80**	**47**	**3**	**3**

The assets are valued at fair value.

Defined contribution retirement benefits

Provisions for top-up payments

The group's French banks have in the past implemented additional supplementary defined benefit retirement plans, which are now closed. The banks' commitments under these plans totaled €27 million at December 31, 2015, compared with €30 million at December 31, 2014. The amount paid in respect of benefits was a negative €3 million and the amount in respect of the change in assumptions was a negative €1 million.

Individual retirement savings plan entered into with ACM

A supplementary defined benefit retirement agreement has been implemented with ACM for the French entities that have adopted the group-wide benefits platform. These entities paid €30 million during the year under the terms of this contract.

Note 24b: Provisions for risks arising from commitments on home savings accounts and plans

	2015	2014
Home savings plans		
Contracted between 0 and 4 years ago	3,811	2,394
Contracted between 4 and 10 years ago	1,946	1,955
Contracted more than 10 years ago	2,625	2,821
TOTAL	**8,382**	**7,170**
Amounts outstanding under home savings accounts	586	593
TOTAL	**8,968**	**7,763**

Home savings loans	2015	2014
Balance of home savings loans giving rise to provisions for risks reported in assets	78	113

Home savings provisions	Jan. 1, 2015	Net additions	Other movements	Dec. 31, 2015
On home savings accounts	10	(5)		5
On home savings plans	16	23		39
On home savings loans	3	(1)		2
TOTAL	**29**	**17**	**0**	**46**
Maturity analysis				
Contracted between 0 and 4 years ago	0			11
Contracted between 4 and 10 years ago	4			12
Contracted more than 10 years ago	12			16
TOTAL	**16**			**39**

Home savings accounts ("CEL") and home savings plans ("PEL") are government-regulated retail products sold in France. Account holders receive interest on amounts paid into these accounts over a certain period (initial savings phase), at the end of which they are entitled to a mortgage loan (secondary borrowing phase). Home savings products generate two types of obligation for the bank:

- an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as a variable rate);
- an obligation to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data.

A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable to the bank, i.e. where the bank offers different interest rates than those on similar non-regulated products. This approach is managed based on generations of regulated PEL savings products with similar characteristics.

The impact on income is included in interest paid to customers.

The rise in the provision was related to the sharp fall in market rates and an increase in outstandings in respect of PEL products. The fall in outstandings in respect of CEL products and loans enabled the increase in the provision to be limited.

Note 25: Subordinated debt

	2015	2014
Subordinated debt	14	97
Non-voting loan stock	153	153
Perpetual subordinated loan stock	107	107
Other debt	0	478
Accrued interest	3	9
TOTAL	**277**	**844**

Subordinated debt representing more than 10% of total subordinated debt at December 31, 2015:

Main subordinated debt issues	Issue date	Issue amount	Currency	Rate	Maturity	Early redemption feature	Early redemption conditions
Non-voting loan stock	05.28.85	€137m	EUR	a	b		

(a) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.
(b) Non-amortizable but repayable at borrower's discretion as from May 28, 1997 at 130% of the face value incremented at the rate of 1.5% for each subsequent year.

Note 26a: Unrealized or deferred gains and losses

	2015	2014
Unrealized or deferred gains and losses* relating to:		
Translation adjustments	161	82
Available-for-sale assets:		
- Equities	58	95
- Bonds	(141)	(142)
Actuarial differences on defined benefit plans	(44)	(68)
Derivatives designated as cash flow hedges	0	(1)
Real estate assets (IAS 16)		
Share of unrealized gains and losses of associates	213	231
TOTAL	**247**	**197**
Unrealized or deferred gains and losses		
Attributable to owners of the company	247	197
Non-controlling interests	0	0
TOTAL	**247**	**197**

* Amounts net of tax.

Note 26b: Additional information on movements in unrealized or deferred gains and losses

Movement in gains and losses recognized directly in equity

	2015	2014
Translation adjustments		
Reclassification in income		
Other movements	79	60
Sub-total	**79**	**60**
Remeasurement of available-for-sale financial assets		
Reclassification in income	7	38
Other movements	(43)	20
Sub-total	**(36)**	**58**
Remeasurement of hedging derivatives		
Reclassification in income	0	0
Other movements	1	9
Sub-total	**1**	**9**
Remeasurement of non-current assets	0	0
Actuarial differences on defined benefit plans	24	(24)
Share of unrealized or deferred gains and losses of associates	(18)	106
TOTAL	**50**	**209**

Movement in gains and losses recognized directly in equit

	2015			2014		
	Gross	Tax	Net	Gross	Tax	Net
Translation adjustments	79		79	60		60
Remeasurement of available-for-sale financial assets	(28)	(8)	(36)	91	(33)	58
Remeasurement of hedging derivatives	1	0	1	12	(3)	9
Remeasurement of non-current assets			0			0
Actuarial differences on defined benefit plans	38	(14)	24	(38)	14	(24)
Share of unrealized or deferred gains and losses of associates	(18)		(18)	106		
TOTAL MOVEMENTS IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**72**	**(22)**	**50**	**231**	**(22)**	**209**

Note 27: Commitments given and received

Commitments given	2015	2014
Financing commitments		
To credit institutions	315	506
To customers	29,699	26,457
Guarantees		
To credit institutions	1,151	1,688
To customers	12,825	12,683

Commitments received	2015	2014
Financing commitments		
From credit institutions	6,101	6,148
Guarantees		
From credit institutions	34,873	30,837

Note 27a: Transfers of financial assets

Assets given as collateral for liabilities

For the purposes of its refinancing activities, the group enters into repurchase agreements in respect of debt securities and/or equity securities. These agreements result in the transfer of the ownership of securities that the transferee may in turn lend. Coupons and dividends are the property of the borrower. These transactions are subject to margin calls and the group is exposed to the non-recovery of the securities.

The fair value of assets sold under repurchase agreements was €15,855 million at December 31, 2015 compared with €18,557 million at December 31, 2014.

	2015	2014
Securities loaned	0	1
Security deposits on market transactions	5,357	6,394
Securities sold under repurchase agreements	16,508	17,794
TOTAL	**21,865**	**24,189**

Note 27b : Note 27b: Financial assets/liabilities that are offset or subject to an enforceable master netting agreement or similar agreement

2015	Gross amount of financial assets/ liabilities recognized	Gross amount of financial assets/ liabilities recognized and netted in the statement of financial position	Net amount of assets/liabilities financiers presented in the statement of financial position	Financials instruments Impacts of masters agreements	Financial instruments received or given as collateral	Cash received reçue (cash collateral)	Net amount
Financial assets							
Derivatives	4,388	0	4,388	(2,078)	0	(2,216)	94
Repurchase agreements	14,172	0	14,172	0	(13,518)	(65)	589
TOTAL	**18,560**	**0**	**18,560**	**(2,078)**	**(13,518)**	**(2,281)**	**683**
Financial liabilities							
Derivatives	7,226	0	7,226	(2,098)	0	(4,779)	349
Repurchase agreements	16,508	0	16,508	0	(16,381)	(94)	33
TOTAL	**23,734**	**0**	**23,734**	**(2,098)**	**(16,381)**	**(4,873)**	**382**

Note 27b (contd)

2014	Gross amount of financial assets/ liabilities recognized	Gross amount of financial assets/ liabilities recognized and netted in the statement of financial position	Net amount of assets/liabilities financiers presented in the statement of financial position	Financials instruments Impacts of masters agreements	Financial instruments received or given as collateral	Cash received reçue (cash collateral)	Net amount
Financial assets							
Derivatives	5,580	0	5,580	(2,901)	0	(540)	2,139
Repurchase agreements	16,038	0	16,038	0	(14,858)	(365)	815
TOTAL	**21,618**	**0**	**21,618**	**(2,901)**	**(14,858)**	**(905)**	**2,954**
Financial liabilities							
Derivatives	9,267	0	9,267	(2,859)	0	(6,066)	342
Repurchase agreements	17,793	0	17,793	0	(17,478)	(315)	0
TOTAL	**27,060**	**0**	**27,060**	**(2,859)**	**(17,478)**	**(6,381)**	**342**

The aim of this information, which is required by an amendment to IFRS 7 (applicable as from January 1, 2013), is to facilitate comparability with the treatment applicable under the accounting principles generally accepted in the United States (US GAAP), which are less restrictive than the IFRS.
The group does not practice accounting offsetting, in accordance with IAS 32, which explains why there is no amount in the second column.
The column headed "Impact of master netting agreements" corresponds to outstanding transactions under enforceable contracts but not subject to accounting offsetting.
The column headed "Financial instruments received or given as collateral" comprises the collateral exchanged in the form of securities at their market value.
The column headed "Cash received/paid (cash collateral)" includes the guarantee deposits received or given as consideration for the positive or negative market values of the financial instruments. They are recognized in the statement of financial position in the other asset and liability accounts.

Notes to the income statement

Note 28: Interest income and expense

	2015		2014	
	Income	Expense	Income	Expense
Credit institutions and central banks*	398	(593)	508	(671)
Customers	6,722	(3,613)	6,879	(3,685)
- Of which, finance leases	*2,753*	*(2,482)*	*2,679*	*(2,388)*
Financial assets/liabilities accounted for under the fair value option	0		0	
Derivatives used for hedging purposes	370	(1,206)	2,589	(3,477)
Available-for-sale financial assets	198		214	
Held-to-maturity financial assets	2		2	
Debt securities		(223)		(196)
Subordinated debt		(3)		(15)
TOTAL	**7,690**	**(5,638)**	**10,192**	**(8,044)**

*In the event of negative interest rates, interest income and expenses continue to be included under their original headings..

Note 29: Commission income and expense

	2015		2014	
	Income	Expense	Income	Expense
Credit institutions	3	(26)	4	(4)
Customers	920	(10)	809	(10)
Securities transactions	513	(28)	477	(26)
Derivatives	3	(7)	2	(4)
Currency transactions	23	(1)	18	(1)
Financing and guarantee commitments	6	(14)	6	(12)
Services provided	950	(428)	906	(419)
TOTAL	**2,418**	**(514)**	**2,222**	**(476)**

	2015	2014
Commissions on financial assets and liabilities not carried at fair value through profit or loss (including current accounts)	910	857
Commissions for management services provided to third parties	470	432

Note 30: Net gain/(loss) on financial instruments at fair value through profit or loss

	2015	2014
Trading instruments	381	286
Instruments accounted for under the fair value option [1]	172	154
Ineffective portion of hedges	9	(30)
Foreign exchange gains	31	31
TOTAL CHANGES IN FAIR VALUE	**593**	**441**

(1) Including €166 million in respect of the private equity business in the year ended December 31, 2015 compared with €142 million in the year ended December 31, 2014.

Note 30a: Ineffective portion of hedges

	2015	2014
Change in fair value of hedged items	(502)	514
Change in fair value of hedging instruments	511	(544)
TOTAL INEFFECTIVE PORTION OF HEDGES	**9**	**(30)**

Note 31: Net gain/(loss) on available-for-sale financial assets

	2015				2014			
	Dividends	Realized gains and losses	Impairment	Total	Dividends	Realized gains and losses	Impairment	Total
Government securities, bonds and other fixed-income securities		179	0	179		53	0	53
Equities and other variable-income securities	42	(26)	0	16	1	(16)	0	(15)
Long-term investments[1]	30	(84)	89	35	26	(25)	35	36
Other	0	(1)	0	(1)	0	0	0	0
TOTAL	**72**	**68**	**89**	**229**	**27**	**12**	**35**	**74**

(1) The transfers of the assets and liabilities of the entities that held BPM shares generated, in 2015, a merger loss of €98 million and reversals of provisions for contingencies and charges of €89 million (see note 24).

Note 32: Income/expenses on other activities

	2015	2014
Income from other activities		
Investment property	1	3
Rebilled expenses	75	69
Other income	103	85
Sub-total	179	157
Expenses on other activities		
Investment property	(2)	(2)
Other expenses	(173)	(154)
Sub-total	(175)	(156)
TOTAL	**4**	**1**

Note 33: General operating expenses

	2015	2014
Payroll costs	(1,698)	(1,662)
Other expenses	(1,141)	(1,090)
TOTAL	**(2,839)**	**(2,752)**

Note 33a: Payroll costs

	2015	2014
Wages and salaries	(1,025)	(990)
Social security charges [1]	(414)	(444)
Employee profit-sharing and incentive bonuses	(111)	(88)
Payroll-based taxes	(149)	(138)
Other	1	(2)
TOTAL	**(1,698)**	**(1,662)**

(1) Including income of €23 million in respect of the Tax Credit for Competitiveness and Employment (Crédit d'impôt pour la compétitivité et l'emploi – CICE). This amount corresponds to 6% of the salaries eligible for this measure as of December 31, 2015.

The CICE has enabled the group to maintain, and even to increase, its financing of employee training at a level well in excess of the regulatory requirements and to improve the group's overall competitiveness by the following initiatives, in particular:

- investment, particularly in new technologies such as digital tools (tablet computers) and videoconferencing systems on laptop computers enabling customers to both have regular contact with their relationship manager and make energy savings;
- IT developments concerning new telephone payment methods and related services;
- IT developments concerning the redesigning of the website providing customers with better overall information about the accounts and services offered;
- development of new services for the group's retailer customers;
- search for new domestic and international markets.

Note 33b: Average number of employees (as full-time equivalent)

	2015	2014
Banking staff	10,753	10,927
Managerial staff	9,053	8,966
TOTAL	**19,806**	**19,893**
Analysis by country		
France	18,306	18,378
Outside France	1,500	1,515
TOTAL	**19,806**	**19,893**

Note 33c: Other general operating expenses

	2015	2014
Other taxes and duties	(151)	(139)
External services	(1,011)	(970)
Rebilled expenses	22	21
Other miscellaneous expenses	(1)	(2)
TOTAL	**(1,141)**	**(1,090)**

"Other taxes and duties" mainly comprises a €23 million charge in respect of the contribution to the Single Resolution Fund.

Note 33d: Statutory auditors' fees

	PriceWaterhouseCoopers Audit				Ernst & Young et Autres			
Amounts excluding VAT	2015		2014		2015		2014	
Audit								
Statutory audit and contractual audits								
- CIC	0.66	20%	0.56	20%	0.66	24%	0.59	23%
- Fully consolidated subsidiaries	2.61	79%	2.15	73%	1.79	64%	1.79	69%
Other assignments and services directly related to the statutory audit [1]								
- CIC								
- Fully consolidated subsidiaries	0.02	1%	0.21	7%	0.14	5%	0.13	5%
Sub-total	3.29	100%	2.92	100%	2.59	93%	2.51	97%
Other services performed by the networks for fully consolidated subsidiaries								
- Legal, tax and corporate advisory services					0.02	1%	0.02	1%
- Other	00.0	0%	0.01	0%	0.17	6%	0.06	2%
Sub-total	00.0	0%	0.01	0%	0.19	7%	0.08	3%
TOTAL	**3.29**	**100%**	**2.93**	**100%**	**2.78**	**100%**	**2.59**	**100%**

(1) Other assignments directly related to the statutory audit comprise mainly assignments carried out at the request of the supervisory authorities, the aim of which was to ensure that the group's organization and procedures comply with regulatory requirements.

The above amounts correspond to the amounts recognized as charges during the fiscal year.

Note 34: Movements in depreciation, amortization and provisions for impairment of property and equipment and intangible assets

	2015	2014
Depreciation and amortization		
Property and equipment	(125)	(133)
Intangible assets	(29)	(24)
Impairment		
Property and equipment	1	(1)
Intangible assets	(13)	(1)
TOTAL	**(166)**	**(159)**

Note 35: Net additions to/reversals from provisions for loan losses

	Additions	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	Total	2014
Credit institutions	0	29	(2)	0	0	27	104
Customers							
- Finance leases	(7)	3	(2)	(2)	1	(7)	(3)
- Other customer items	(509)	601	(273)	(42)	11	(212)	(246)
Sub-total	**(516)**	**633**	**(277)**	**(44)**	**12**	**(192)**	**(145)**
Held-to-maturity financial assets	0	4	0	0	0	4	2
Available-for-sale financial assets	0	28	(32)	(23)	1	(26)	(56)
Other, including financing and guarantee commitments	(36)	45	(2)	0	0	7	(7)
TOTAL	**(552)**	**710**	**(311)**	**(67)**	**13**	**(207)**	**(206)**

Note 36: Net gain/(loss) on disposals of other assets

	2015	2014
Property and equipment and intangible assets		
Losses on disposals	(12)	(3)
Gains on disposals	6	3
Gains/(losses) on disposals of shares in consolidated entities	0	0
TOTAL	**(6)**	**0**

Note 37: Corporate income tax

	2015	2014
Current taxes	(517)	(338)
Deferred tax income and expense	(44)	(25)
Adjustments in respect of prior years	(1)	5
TOTAL	**(562)**	**(358)**

Including a charge of €477 million in respect of companies located in France and a charge of €85 million for companies located elsewhere.

Reconciliation between the corporate income tax charge recorded in the accounts and the theoretical tax charge

	2015	2014
Theoretical tax rate	**38.0%**	**38.0%**
Impact of permanent differences	0.9%	(3.9%)
Impact of preferential "SCR" and "SICOMI" rates	(2.8%)	(3.0%)
Impact of reduced rate on long-term capital gains	(0.4%)	(2.0%)
Impact of tax consolidation	(0.4%)	(1.2%)
Impact of tax reassessments	0.8%	0.9%
Impact of different tax rates paid by foreign subsidiaries	(0.8%)	(0.9%)
Impact of tax provisions	(0.6%)	0.7%
Impact of tax credits and tax deductions	(0.2%)	(0.1%)
Other	1.4%	(0.8%)
Effective tax rate	**35.9%**	**27.7%**
Taxable income[1]	1,564	1,294
TAX CHARGE	**(562)**	**(358)**

(1) Sum of pre-tax income of fully-consolidated companies.

CIC has set up a tax group with its main subsidiaries (more than 95%-owned) and the regional banks.
The entities it includes are shown with an (i) after their name in the list of consolidated companies (see note 2a).

Note 38: Earnings per share

	2015	2014
Net income attributable to owners of the company	1,111	1,116
Number of shares at beginning of year	37,797,752	37,797,752
Number of shares at end of year	37,797,752	37,797,752
Weighted average number of shares	37,797,752	37,797,752
Basic earnings per share (in €)	**29.39**	**29.54**
Additional weighted average number of shares assuming full dilution	0	0
Diluted earnings per share (in €)	**29.39**	**29.54**

CIC's capital stock amounts to €608,439,888, made up of 38,027,493 shares with a par value of €16 each, including 229,741 treasury shares.

Note 39: Fair value of financial instruments carried at amortized cost

The estimated fair values presented are calculated based on observable parameters at December 31, 2015 and are obtained by computing estimated discounted future cash flows using a risk-free yield curve. For asset items, the yield curve factors in a credit spread calculated for the CM11 group as a whole, which is revised on a yearly basis.
The financial instruments discussed in this note relate to loans and borrowings. They do not include non-monetary items (e.g. equities), trade accounts payable, other asset accounts, or other liability and accrual accounts.
Non-financial instruments are not discussed in this section.
The fair value of financial instruments repayable on demand and regulated customer savings deposits equals the amount that may be requested by the customer, i.e. the carrying amount.
Certain group entities may also apply assumptions whereby fair value is deemed to equal the carrying amount for those contracts indexed to a floating rate, or whose residual life is one year or less.
The reader's attention is drawn to the fact that, excluding held-to-maturity financial assets, financial instruments carried at amortized cost are not sellable or in practice are not sold prior to maturity. Accordingly, capital gains and losses are not recognized.
However, if financial instruments carried at amortized cost were to be sold, their sale price could differ significantly from the fair value calculated at December 31, 2015.

Note 39 (contd)

2015	Market value	Carrying amount	Unrealized gains or losses	Hierarchy level 1	Hierarchy level 2	Hierarchy level 3
Assets						
Loans and receivables due from credit institutions	44,386	44,739	(353)	300	34,380	9,706
Of which, debt securities – credit institutions	*912*	*912*	*0*	*300*	*585*	*27*
Of which, loans and advances – credit institutions	*43,474*	*43,827*	*(353)*	*0*	*33,795*	*9,679*
Loans and receivables due from customers	163,379	157,166	6,213	146	18,492	144,741
Of which, debt securities - customers	*421*	*425*	*(4)*	*146*	*43*	*232*
Of which, loans and advances - customers	*162,958*	*156,741*	*6,217*	*0*	*18,449*	*144,509*
Held-to-maturity financial assets	66	60	6	58	0	8
Liabilities						
Due to credit institutions	74,632	73,780	852	0	72,712	1,920
Due to customers	130,135	129,958	177	0	63,489	66,646
Debt securities	18,397	18,260	137	0	18,397	0
Subordinated debt	261	277	(16)	0	261	0

2014						
Assets						
Loans and receivables due from credit institutions	34,352	34,538	(186)	518	33,668	166
Of which, debt securities – credit institutions	*1,430*	*1,420*	*10*	*518*	*746*	*166*
Of which, loans and advances – credit institutions	*32,922*	*33,118*	*(196)*	*0*	*32,922*	*0*
Loans and receivables due from customers	154,183	146,739	7,444	19	13,440	140,724
Of which, debt securities - customers	*577*	*578*	*0*	*19*	*0*	*558*
Of which, loans and advances - customers	*153,606*	*146,161*	*7,445*	*0*	*13,440*	*140,166*
Held-to-maturity financial assets	68	57	10	60	0	8
Liabilities						
Due to credit institutions	70,552	69,733	819	0	70,552	0
Due to customers	122,205	121,889	316	0	52,429	69,776
Debt securities	18,453	18,270	183	659	17,794	0
Subordinated debt	824	844	(19)	0	824	0

Note 40: Related party transactions

	2015 Associates (companies accounted for using the equity method)	2015 Parent company	2014 Associates (companies accounted for using the equity method)	2014 Parent company
Assets				
Loans, advances and securities				
- Loans and receivables due from credit institutions	0	9,471	0	16,222
- Loans and receivables due from customers	330	28	119	23
- Securities transactions	0	51	0	0
Other assets	2	280	6	45
TOTAL	**332**	**9,830**	**125**	**16,290**
Liabilities				
Deposits				
- Due to credit institutions	0	50,449	0	50,251
- Due to customers	277	120	271	74
Debt securities	738	59	529	0
Subordinated debt	0	162	0	645
Other liabilities	3	646	0	19
TOTAL	**1,018**	**51,436**	**800**	**50,989**
Financing and guarantee commitments				
Financing commitments given	0	0	0	5
Guarantee commitments given	0	30	0	38
Financing commitments received	0	5,858	0	5,950
Guarantee commitments received	0	2,957	0	2,632

Income statement items related to transactions with related parties	2015 Associates (companies accounted for using the equity method)	2015 Parent company	2014 Associates (companies accounted for using the equity method)	2014 Parent company
Interest income	0	354	0	357
Interest expense	(9)	(479)	(8)	(555)
Commission income	418	12	391	24
Commission expense	0	(132)	0	(128)
Other income and expenses	52	4	50	37
General operating expenses	(61)	(366)	(65)	(342)
TOTAL	**400**	**(607)**	**368**	**(607)**

The parent company is BFCM, the majority shareholder of CIC, and Caisse Fédérale de Crédit Mutuel (CFCM), the entity controlling BFCM, and all their subsidiaries. Transactions carried out with the parent company mainly cover loans and borrowings taken out for the purposes of treasury management, as BFCM is the group's refinancing vehicle, as well as IT services billed with the Euro Information entities. Companies accounted for using the equity method comprise CM-CIC Asset Management and the Assurances du Crédit Mutuel group.

Relations with the group's key executives (see "Corporate governance" on page 52 et seq.).

Total compensation paid to the group's key executives	Fixed salary	Variable salary	Benefits in kind	Sundry adjustments	Total 2015	Total 2014
Key executives	0.3	0.0	0.0	0.0	0,3	0,6

The group's key executives benefit from the arrangements for group personal insurance and from the group supplementary pension scheme. They did not receive any other specific benefits The group's key executives may also hold assets with, or take out loans with, the group's banks on the same terms as those offered to employees in general. As at December 31, 2015 they had no loans of this kind.

STATUTORY AUDITORS' REPORT

on the consolidated financial statements

Year ended December 31, 2015

To the shareholders,

In fulfillment of the assignment entrusted to us by your shareholders' meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of CIC;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis or using other sampling methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, the significant estimates made in the preparation of the financial statements and the overall presentation of the financial statements. We believe that the information we have gathered is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements for the year ended December 31, 2015 give a true and fair view of the assets, liabilities, financial position of the group formed by the entities included in the consolidation scope and of the results of its operations in accordance with IFRS as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- The group uses internal models and methodologies to measure financial instruments that are not traded on active markets, as well as to recognize certain provisions, as described in notes 1 and 5d to the consolidated financial statements. We examined the control systems relating to these models and methodologies, the parameters used and the identification of the financial instruments to which they apply;
- The group carried out impairment tests on goodwill and on equity interests which resulted, where relevant, in the recognition of impairment provisions for this year (notes 1 and 18 to the consolidated financial statements). We have reviewed the methods used to implement these tests, the main assumptions and parameters used and the estimates which resulted, where relevant, in the recognition of provisions to cover said impairment losses;
- The group recognizes impairment provisions to cover the credit and counterparty risks inherent in its business (notes 1, 8, 10a, 24 and 35 to the consolidated financial statements). We examined the control systems applicable to the monitoring of credit and counterparty risk, the impairment methodologies and the coverage of impairment losses by individual and collective provisions,
- The group recognizes provisions for employee benefit obligations (notes 1 and 24a to the consolidated financial statements). We examined the methodology used to assess these obligations, as well as the main assumptions and calculation methods used.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our opinion expressed in the first section of this report.

III - Specific verification

As provided by law and in accordance with French professional standards, we also specifically verified the information given in the group's board of directors' report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Signed in Neuilly-sur-Seine and Paris-La Défense,
April 20, 2016

The statutory auditors

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Agnès Hussherr Jacques Lévi	Olivier Durand

COMPANY FINANCIAL STATEMENTS

The statutory auditors have audited the company financial statements.

BOARD OF DIRECTORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS

The company financial statements are prepared in accordance with regulation 2014-07 of November 26, 2014 issued by the Autorité des normes comptables (French accounting standards authority).

Highlights of the fiscal year

None.

CIC Greater Paris region network

The Greater Paris region network was made up of 302 branches at December 31, 2015.
At that date, the number of customers totaled 742,808, including 608,355 personal banking customers. Outstanding loans came to €16.2 billion, including home loans of €11.3 billion.
Deposits rose by 11% to €20.8 billion and savings totaled €10.9 billion.

Financing and capital markets

Outstanding loans in financing were 18% higher than in 2014 and totaled €21.1 billion. Deposits fell by 20% to €10.6 billion. Customer funds invested in savings products increased by 5% compared with 2014.

2015 results

Net banking income rose from €1,126 million in 2014 to €1,686 million in 2015.
Dividends received from subsidiaries and equity interests came to €508.7 million, compared with €433.1 million in 2014, the majority being derived from the regional banks and CM-CIC group subsidiaries.
Net commission income came to €309 million.
General operating expenses remained stable at €708 million compared with €700 million in 2014.
The average number of full-time equivalent employees in 2015 was 3,421.
Operating income before provisions came to €978 million compared with €426 million in 2014.
Net additions to/reversals from provisions for loan losses represented a net charge of 50 million (€13 million in 2014).
The net gain on disposals of non-current assets amounted to €21 million compared with €419 million in 2014 due to the net disposals of held-to-maturity securities (€28 million in 2015 compared with €376 million in 2014).
CIC's total tax charge includes corporate income tax payable on CIC's net income and the net benefit from tax consolidation.
The company's net income came to €831 million, as in 2014.
Equity amounted to €7,901 million at December 31, 2015.
Articles L.441-6-1 and D.441-4 of the French commercial code require the disclosure of specific information on the due dates of amounts due to suppliers: the relevant amounts in respect of CIC are not material.
Details of executive compensation are provided on page 80 of the board of directors' report on the consolidated financial statements.
Information relating to CIC's stock ownership structure as at December 31, 2015 as well as changes during the year and dividends paid is provided on pages 33 to 37 of the section entitled "Presentation of CIC - capital and market for the company's stock".
The operations of CIC's subsidiaries are described on pages 210 to 217.

* With the exception of Banque Pasche, which is in the process of being sold.

FINANCIAL STATEMENTS

Balance sheet

Assets

(in € millions)	Notes	2015	2014
Cash and amounts due from central banks		5,103	18,260
Government securities	2	4,200	5,505
Interbank loans and advances	3	36,112	28,246
Customer transactions	4	39,181	35,198
Bonds and other fixed-income securities	5	12,963	11,307
Equities and other variable-income securities	6	2,102	895
Investments in subsidiaries and other long-term investments	7	86	84
Investments in associates	8	5,371	5,339
Lease financing			
Intangible assets	9	95	96
Property and equipment	10	479	490
Unpaid capital			
Treasury stock	11	9	9
Other assets	12	7,969	8,627
Accruals and other assets	13	6,265	7,380
TOTAL ASSETS		**119,935**	**121,436**

Off-balance sheet

(in € millions)	Notes	2015	2014
Commitments and guarantees received			
Financing commitments			
From credit institutions		2,251	2,198
Guarantees received			
Guarantees received from credit institutions		7,676	7,771
Securities commitments received			
Optional repurchase agreements			
Other commitments and guarantees received		499	65

Liabilities and equity

(in € millions)	Notes	2015	2014
Due to central banks			
Due to credit institutions	14	45,158	47,208
Customer transactions	15	32,787	32,501
Debt securities	16	17,204	16,726
Other liabilities	12	5,742	5,392
Accruals and other liabilities	13	9,326	9,828
Provisions	17	1,178	1,269
Subordinated debt	18	260	763
General banking risks reserve	19	379	379
Equity	19	7,901	7,370
- Capital stock		*608*	*608*
- Share premiums		*1,088*	*1,088*
- Reserves		*668*	*667*
- Revaluation reserve		*44*	*44*
- Untaxed provisions		*46*	*44*
- Retained earnings		*4,616*	*4,088*
- Net income for the year		*831*	*831*
TOTAL LIABILITIES AND EQUITY		**119,935**	**121,436**

Off-balance sheet

(in € millions)	Notes	2015	2014
Commitments and guarantees given			
Financing commitments			
To credit institutions		302	664
Commitments given to customers		15,683	13,690
Guarantees given	**22**		
Guarantees given on behalf of credit institutions		3,852	5,264
Guarantees given on behalf of customers		8,222	7,986
Securities commitments given			
Optional resale agreements			
Other commitments and guarantees given		571	114

Income statement

(in € millions)	Notes	2015	2014
+ Interest income	27	1,617	3,765
+ Interest expense	27	(1,255)	(3,606)
+ Income from variable-income securities	28	509	433
+ Commission income	29	444	420
+ Commission expense	29	(135)	(109)
+/- Net gains on trading account securities	30	355	266
+/- Net gains/(losses) on available-for-sale and similar securities	31	158	18
+ Other banking income	32	24	20
+ Other banking expense	32	(30)	(81)
+/- Net income from other activities	32	(1)	0
= Net banking income		**1,686**	**1,126**
+ Payroll costs	33	(382)	(390)
+ Other general operating expenses		(296)	(276)
+ Depreciation, amortization and impairment		(30)	(34)
= General operating expenses		**(708)**	**(700)**
= Operating income before provisions		**978**	**426**
+ Net additions to/reversals from provisions for loan losses	34	(50)	(13)
= Operating income after provisions		**928**	**413**
+/- Net gains/(losses) on disposals of non-current assets	35	21	419
= Income/(loss) before non-recurring items		**949**	**832**
+/- Net non-recurring items	36	0	0
+ Corporate income tax	37	(115)	(5)
+/- Net allocations to general banking risks reserve		0	0
+/- Net allocations to untaxed provisions		(3)	4
NET INCOME/(LOSS)		**831**	**831**

Five-year financial summary

Caption	2011	2012	2013	2014	2015
1. At December 31					
Capital stock (in €)	608,439,888	608,439,888	608,439,888	608,439,888	608,439,888
Number of stock units in issue	38,027,493	38,027,493	38,027,493	38,027,493	38,027,493
"A" series common shares	38,027,493	38,027,493	38,027,493	38,027,493	38,027,493
"D" series preferred shares	-	-	-	-	-
Preferred investment certificates	-	-	-	-	-
Ordinary investment certificates	-	-	-	-	-
2. Results of operations (in € thousands)					
Banking income	3,781,357	5,258,845	3,856,684	4,921,949	3,107,237
Net income before tax, depreciation and amortization	739,597	856,601	1,577,900	703,611	768,156
Provisions and non-recurring items	-	-	-	-	-
Corporate income tax	(84,789)	(73,461)	88,473	4,845	(115,266)
Net income/(loss)	275,129	708,010	1,303,166	830,721	831,162
Dividends	247,179	285,206	266,192	266,192	323,234
3. Earnings per share (in €)					
Income after tax but before depreciation, amortization and provisions	21.5	24.21	39.03	18.11	17.27
Net income/(loss)	7.28	18.73	34.48	21.98	21.99
Dividend per "A" series share	6.5	7.50	7	8	8.50
Dividend per "D" series share and investment certificates					
4. Employee information (excluding foreign branches) (in €)					
Number of employees (average full-time equivalents)	3,533	3,525	3,433	3,760	3,760
Total payroll	176,031,659	181,790,351	179,256,183	184,922,801	184,922,801
Total benefits (social security, company, etc.)	87,488,486	97,508,373	88,460,236	96,332,506	96,332,506

Notes to the consolidated financial statements

Note 1 - Accounting policies, valuation and presentation methods

The company financial statements are prepared in accordance with general accounting principles and regulation 2014-07 issued by the *Autorité des normes comptables* (French accounting standards authority) and regulation ANC 2014-03 concerning the general chart of accounts.
Crédit Industriel et Commercial – CIC - is fully consolidated into the consolidated financial statements of the CIC group, the CM11 group and the Crédit Mutuel group.

Use of estimates in the preparation of the financial statements

Preparation of the financial statements may require the use of assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires managers to draw upon their judgment and experience and make use of the information available at the date of preparation of the financial statements when making the necessary estimates. This applies in particular to:

- the impairment of debt and equity instruments;
- impairment tests performed on intangible assets;
- the measurement of provisions, including retirement obligations and other employee benefits;
- the valuation of financial instruments not quoted on an organized market.

Reclassification of financial assets

Transfers from trading securities to held-to-maturity securities and from available-for-sale securities are permitted in two instances:

a) when exceptional market conditions require a change of strategy;
b) when, subsequent to their acquisition, fixed income securities are no longer negotiable in an active market and if the bank has the intention and ability to hold these securities over the foreseeable future or until their maturity.

Changes in accounting methods

Changes in accounting methods are applied retrospectively, that is to say as if the new methods had always been applied. The impact resulting from the first-time application of a change in accounting method is recognized directly to equity at January 1, resulting in the restatement of the opening balance sheet.

Loans

Loans are stated at their nominal value in the balance sheet.
Commissions received on the granting of a loan and those paid to referral agents are recognized in the income statement over time in accordance with a method which involves treating them as if they were interest. This actuarial amortization is recognized

in the income statement within net interest income/(expense). In the balance sheet, commissions received and the incremental transaction costs which are amortized are included within the balance of the loan concerned.

Accrued interest receivable and payable are included within the balance sheet asset or liability heading to which they relate.
With regard to credit risk, a distinction is drawn between performing loans, non-performing loans and impaired non-performing loans for accounting purposes.

Reclassification of loans as non-performing

Loans are classified as non-performing when exposed to a proven risk, namely if one or more installments are more than three months past due (six months in the case of real estate loans and nine months for local authority loans), if it is probable the borrower will be unable to repay the full amount due, when an event of default has occurred, or where the borrower is subject to court-ordered liquidation.
In addition to the regulatory definition, loans may be reclassified as non-performing loans when there is a risk of loss highlighted notably by financial, economic and/or legal analyses of the customer's situation or by any other information indicating the customer is exposed to a risk of insolvency.
When a loan meets the criteria for reclassification as non-performing, all amounts due by the customer (or by the group to which the customer belongs) as well as amounts due by other joint account holders or by co-borrowers are considered in the same light, by all the entities of the Crédit Mutuel group to which the credit institution belongs.

Loans are reclassified as impaired non-performing loans if the prospects of collecting these loans have deteriorated sharply or if the write off of the loan must be envisaged. Impaired non-performing loans are classified as a distinct component of non-performing loans. Past due interest ceases to be recognized in respect of impaired non-performing loans. If the recovery procedure is carried out but the non-performing loan is not recovered, it is written off. This is also the case when the non-performing loan has been restructured, but with a 12-month probationary period.

Recognition of impairment losses

Impairment is recognized when there is objective evidence of impairment as a result of an event occurring after inception of a loan or group of loans, which may lead to a loss. Loans are tested for impairment on an individual basis at each balance sheet date. The amount of impairment is equal to the difference between the carrying amount and the present value of the estimated future cash flows associated with the loan, discounted at the original effective interest rate. For variable-rate loans, the last known contractual interest rate is used.

Impairment losses in respect of the principal are recognized by way of a provision, additions and reversals being reported as a component of provisions for loan losses except for the effect of changes in the time value linked to the discounting mechanism, which is treated as interest income, and therefore as a component of net banking income. Impairment losses in respect of the interest on non-performing loans are recognized under interest received.

The impairment provision is deducted from the asset concerned when it relates to loans and reported under liabilities as a component of provisions for contingencies when it concerns financing and guarantee commitments.

Restructured loans

When non-performing loans are restructured at off-market conditions and reclassified as performing loans, a discount is recognized immediately as an expense and reversed over the term of the loan as a component of the interest margin.

Loan segmentation

In the notes to the financial statements, loans have been segmented by geographical area based on the location of the permanent CIC establishment.

Securities portfolio

Government securities, bonds and other fixed-income securities (interbank securities, negotiable debt instruments and marketable securities) are classified as trading securities, available-for-sale securities or held-to-maturity securities. Equities and other variable-income securities are classified as trading securities, available-for-sale securities, portfolio activity securities, investments in subsidiaries, investments in associates or other long-term investments. Acquisition and disposal costs are recognized as expenses of the period in which the acquisition or disposal occurs.

Trading securities

Trading securities are securities purchased or sold for the purpose of being sold or repurchased in the near term or which are held by the bank because of its market-making activity. They are recognized at acquisition cost, excluding related costs but including any accrued interest. At each balance sheet date, trading securities are measured at their most recent mark-to-market value. Net unrealized gains or losses arising from fluctuations in market value are recognized in the income statement.

Available-for-sale securities

Available-for-sale securities are securities that have not been classified as trading securities, as held-to-maturity securities, as portfolio activity securities, as investments in subsidiaries, investments in associates or other long-term investments. They are recognized at acquisition cost, excluding related costs. Any discounts or premiums are spread over their residual life. At each balance sheet date, each holding is valued separately. Bonds are grouped together by homogeneous group. When the carrying amount exceeds the estimated realizable value, an impairment loss is recognized representing the unrealized loss. This is determined for each relevant holding or homogenous group. Unrealized gains are not recorded and unrealized gains and unrealized losses are not offset. For equities quoted in Paris, the net realizable value corresponds to the average stock price during the month preceding the valuation date. For equities quoted on a foreign market and for bonds, realizable value corresponds to the most recent market value preceding the valuation date.

Held-to-maturity securities

Held-to-maturity securities are securities which the bank has the positive intent to hold to maturity. They are recognized at acquisition cost, excluding related costs. The difference between cost and redemption value is spread over the remaining life of the security. These securities are hedged with regard to the principal or interest rate exposure.

An impairment loss is recognized if a deterioration in the financial situation of the issuer means that the securities might not be redeemed at maturity.

Portfolio activity securities

Portfolio activity securities represent investments made on a regular basis with the sole objective of generating a gain over the medium term without intervening for any length of time in the business or participating actively in its day-to-day management. These investments are made via special purpose vehicles, on a significant and permanent basis, the return on investment being generated mainly from the gains on disposal.

These securities are recognized at their cost of acquisition. At the balance sheet date, the value of each holding is determined separately. When the carrying amount exceeds the value in use, an impairment loss is recognized for the amount of the unrealized loss. Unrealized gains are not recognized. The value in use takes into account the issuer's general prospects and the expected period of ownership. For quoted securities, the average stock price over a sufficiently long period may be used.

Other long-term investments, investments in subsidiaries and investments in associates

Other long-term investments are made with the intention of promoting lasting business relationships with the issuer, without however influencing the issuer's management. Investments in subsidiaries are those which management judges to be useful

to the group's activities over the long term, in that they enable the group to exercise influence over or to control the issuer.
They are recognized at acquisition, merger or similar cost, and may be revalued within the legal framework defined in 1976. Each investment is reassessed at the year end. When the carrying amount exceeds the value in use, an impairment loss is recognized for the amount of the unrealized loss. Unrealized gains are not recognized. The value in use represents the amount the company would be willing to pay to obtain the securities in question given the objectives of the investment, and may be estimated using various criteria such as adjusted net assets, actual and prospective profitability, and recent stock market prices.

Securities sold under delivered repurchase agreements
On the balance sheet, securities sold under delivered repurchase agreements are not de-recognized as an asset whereas the liability to the transferee is recognized as such. The principles for their measurement and the recognition of income from these securities remain those of the asset category in which they are classified.

Reclassification criteria and rules
If the holding intention or ability to hold securities changes, they may be reclassified provided they satisfy the eligibility conditions and transfer rules. In the event of transfer, the securities are remeasured based on their original classification on the transfer date.

Transactions in interest-rate and currency option, futures and forward contracts

The group trades on its own account in interest-rate and currency option, futures and forward contracts on various organized and over the counter markets as part of its risk management strategy covering interest-rate and currency positions resulting from its assets and liabilities.

Transactions on organized and similar markets
Option, futures and forward contracts on organized and similar markets are measured in accordance with the rules determined by the French banking regulatory committee. Contracts are remeasured at the year end based on listed prices on the applicable markets. Any resulting gain or loss is recognized through the income statement.

Transactions on over-the-counter markets
These transactions comprise in particular interest-rate and/or currency swaps, forward rate agreements, and options such as caps and floors.
Transactions are allocated on origination to the portfolios concerned (open positions, micro-hedges, overall balance sheet and off-balance sheet management, specialized management).
Transactions allocated to open-position portfolios are measured at the lower of acquisition cost or market value.
Income and expenses in respect of transactions allocated to micro-hedge portfolios are recognized in the income statement symmetrically to the income and expenses in respect of the hedged item.
Income and expenses in respect of transactions allocated to overall interest-rate risk management portfolios are recognized in the income statement pro rata temporis.
Transactions allocated to specialized management portfolios are measured at market value. Changes in value are recognized in net banking income after adjustments to reflect counterparty risk and future management expenses.
Balances remaining after netting hedging derivatives are amortized over the residual term of the hedged items.

Structured products
Structured products are financial products created by bundling basic instruments – generally options – to exactly meet customers' needs. CIC offers various categories of structured products based on plain vanilla options, binary options, barrier options, Asian options, lookback options, options on several assets and index swaps.
There are three main methods of valuing these products: methods consisting of solving a partial differential equation, discrete time tree methods and Monte Carlo methods. CIC uses the first and third methods. The analytical methods used are those applied by the market to model the underlyings.
Structured products are recognized at market value. The valuation parameters applied correspond to observed values or values determined using a standard observed values model at the balance sheet date. If the instruments are not traded on an organized market, the valuation parameters are determined by reference to the values quoted by the most active dealers in the corresponding products and/or by extrapolating quoted values. All the parameters used are based on historical data.
If complex models are used to determine the value of certain instruments, the market parameters used for measurement purposes are adjusted in application of the prudence concept to take into account the degree of liquidity of the markets concerned and their relevance as regards long maturities.

Measurement of unlisted forward financial instruments
The parameters applied to measure the value of these instruments are determined using a system that provides a snapshot of market prices. Every day, at a fixed time, the bid and ask prices quoted by several market players, as displayed on the market screens, are recorded in the system. A single price is fixed for each relevant market parameter.

Property and equipment and intangible assets

Property and equipment and intangible assets are recognized at acquisition cost plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and may be revalued in accordance with the French Finance Acts of 1977 and 1978.
Subsequent to initial recognition, property and equipment and intangible assets are measured at amortized historical cost, which represents cost less accumulated depreciation, amortization and any accumulated impairment losses.
The depreciable amount of an asset is determined after deduction of its residual value net of costs to sell. Property and equipment and intangible assets are presumed not to have a residual value as their useful lives are generally the same as their economic lives.
Depreciation and amortization is calculated on a straight-line basis over the estimated useful life of the assets, based on the manner in which the economic benefits embodied in the assets are expected to be consumed by the entity. Assets that have an indefinite useful life are not amortized. Depreciation and amortization on property and equipment and intangible assets is recognized in "Depreciation, amortization and impairment" in the income statement. Where an asset consists of a number of components that may require replacement at regular intervals, or that have different uses or different patterns of consumption of economic benefits, each component is recognized separately and depreciated using a method appropriate to that component. CIC has adopted the component approach for property used in operations and investment property.
These items are depreciated over the following useful lives:
• 40-80 years for the shell;
• 15-30 years for structural components;
• 10-25 years for equipment;
• 10 years for fixtures and fittings.
Leasehold rights paid are not amortized but are tested for impairment. New occupancy fees paid to the owner are amortized over the life of the lease as additional rent. Other intangible items (e.g., acquired customer contract portfolios) are amortized over a period of ten years.
Depreciable and amortizable assets are tested for impairment when evidence exists at the end of the reporting period that the items may be impaired. Non-depreciable and non-amortizable non-current assets are tested for impairment at least annually. If there is an indication of impairment, the recoverable amount of the asset is compared with its carrying amount. If the asset is found to be impaired, an impairment loss is recognized in income, and the depreciable amount is adjusted prospectively. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment is recognized in the income statement under "Depreciation, amortization and impairment". Gains and losses on disposals of non-current assets used in operations are shown in the income statement under "Net gains on disposals of non-current assets".
Gains and losses on disposals of investment property are shown in the income statement under "Income from other activities" or "Expense on other activities".

Accrual accounts

For loans originated prior to December 31, 1999, issuance expenses were amortized in the year of issuance. In the case of issues subsequent to that date, issuance expenses are amortized over the term of the loan.
Bond redemption premiums are amortized on a straight-line basis over the term of loan.

Provisions

Additions to and reversals from provisions are recognized by type in the corresponding expense accounts.
Provisions correspond to the best estimate of the outflow of resources required to extinguish the most probable amount of the corresponding obligation..

Provisions for country risk

Provisions are established to cover sovereign and emerging country risk, based on the economic position of the borrowing country. The allocated portion of such provisions is deducted from the corresponding asset.

General provisions for credit risk

Since fiscal year 2000, general provisions for credit risk have been constituted to cover risks arising but not yet recognized on performing loans and commitments given to customers. They are determined:
• for credit activities other than specialized financing, using an average provision for loan losses that may be experienced over the long term, i.e. 0.5% of performing customer outstandings;
• for specialized financing and for foreign branches, using a provision for loan losses obtained on the basis of the rating of receivables combined with an average loss given default. This method enables the lower level of risk dispersion and the relatively high materiality of individual loans – and hence the greater volatility of such loans – to be taken into account.
General provisions for credit risks are reversed if the events they are intended to cover materialize.
A general provision for major risks to which the group is exposed has been included in this category since 2003.

Regulated savings

Home savings accounts (*comptes d'épargne logement* - "CEL") and home savings plans (*plans d'épargne logement* – "PEL") are government-regulated retail products sold in France. Account holders receive interest on amounts paid into these accounts over a certain period (initial savings phase), at the end of which they are entitled to a mortgage loan (secondary borrowing phase).
Home savings products generate two types of obligation for the bank:
• an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as a variable rate);

- an obligation to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

When these obligations are potentially unfavorable to the bank, they are subject to provisions. These provisions cover contractual obligations existing on the provision calculation date; future home savings plan and account openings are not taken into account.

Future outstandings on home savings products are estimated on the basis of customer behavior statistics in a given interest-rate environment. PEL that are subscribed in the context of an overall offering of related products and do not meet the above-mentioned behavioral laws are excluded from the projections.

Provisions are constituted for at-risk outstandings as follows:

- for PEL deposits, based on the difference between probable savings balances and the minimum expected savings. The latter are determined using a 99.5% confidence interval for several thousand different interest rate scenarios;
- for loans granted in connection with home savings products, future volumes depend on the likely exercise of vested rights and on the level of current outstandings.

Future losses are assessed in relation to non-regulated rates for term savings deposits and for standard home purchase loans. This approach is managed based on generations of regulated PEL and CEL savings products with similar characteristics, with no set-off between generations. Future losses are discounted using rates derived from the average of the last 12 months' data for the zero coupon swap against 3-month Euribor rate curve.

Future loss provisions are based on the average loss observed in several thousand interest-rate scenarios generated using a stochastic modeling technique. The impact on income is included in interest paid to customers.

Assets and liabilities denominated in a foreign currency

Assets and liabilities denominated in a currency other than the local currency are translated at the official year-end exchange rate. The resulting unrealized foreign currency gains and losses are recognized in the income statement along with realized exchange gains or losses on transactions during the year. As an exception, translation differences on held-to-maturity securities, available-for-sale securities and investments in non-consolidated companies and subsidiaries denominated in a foreign currency and financed in euros are not recognized in the income statement. However, if the securities are to be sold or redeemed, a provision is recognized for the amount of any unrealized foreign currency loss.

General banking risks reserve

A general banking risks reserve has been set up for prudential reasons to cover the general and indeterminate risks inherent in any banking activity. Additions to and reversals from this reserve are determined by senior management and are recognized in the income statement.

Interest, fees and commissions

Interest is recognized pro rata temporis in the income statement. Fees and commissions are recognized when received, other than those on financial transactions which are recognized on closure of the issue concerned or when billed.

Interest is not recognized as income on impaired non-performing loans.

Fees and commissions comprise income from banking operations remunerating services provided to third parties, other than income in the nature of interest, i.e. calculated as a function of the term and amount of the credit or commitment given.

Retirement and similar obligations

Retirement and similar obligations are provisioned and changes in the obligations are recognized in the income statement for the year. The assumptions used in calculating retirement and similar obligations include a discount rate determined by reference to long-term market rates applicable to highly-rated corporate bond issues at the balance sheet date. The rate of increase in salaries is assessed on the basis of an estimate of long-term inflation and of increases in actual salaries.

Supplementary pensions covered by pension funds

Obligations are calculated using the projected unit credit method and a range of assumptions to determine the discounted amount of the obligation and the cost of service for the fiscal year. The effect of changes in these assumptions and experience adjustments (differences between the previous actuarial assumptions and actual outcomes) give rise to actuarial gains and losses.

Plan assets are measured at fair value and the expected return on these assets is recognized in the income statement. The difference between the expected return on plan assets and the actual return gives rise to an actuarial gain or loss.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized in the income statement when they occur.

Supplementary pensions covered by pension funds

Under the terms of the AFB transitional agreement dated September 13, 1993, the banking industry pension schemes were discontinued and bank employees joined the government-sponsored Arrco and Agirc schemes effective from January 1, 1994. The three CIC group pension funds that paid the various benefits provided for by the transitional agreement were merged on January 1, 2008 in order to pool their reserves. Subsequent to the merger, the merged entity's reserves covered all the obligations, which had been fully reassessed during the year. To bring the merged entity into compliance with the Fillon Act of August 23, 2003 and the Social Security Financing Act 2008-1330 of December 17, 2008, in 2009 it was converted into a French supplementary pension management institution (Institution de Gestion de Retraite Supplémentaire) and its reserves and obligations were transferred to an insurance company.

Other post-employment benefits covered by defined benefit plans

Obligations in respect of future retirement bonuses and supplementary pensions (including special retirement regimes) are either covered by insurance policies or are provisioned for the portion not covered by such policies.

Premiums for future retirement bonuses paid annually take into account rights vested at December 31 of each year, weighted by coefficients for staff turnover and life expectancy.

The commitments are calculated using the projected unit credit method in accordance with IFRS. This method specifically takes into account life expectancy, staff turnover rates, wage increases, the rate of social security charges in stipulated cases and the discount rate.

Retirement bonuses falling due and paid to employees during the year are reimbursed by the insurer to the extent of the portion covered by the policy.
Retirement bonuses are determined based on the contractual provisions relating to normal retirement at the employee's initiative, when he has reached the age of 62.

Defined contribution post-employment benefits
A collective agreement was concluded in 1994 to create a supplementary collective capitalization retirement plan for group employees, particularly those from the former CIC Paris. This plan was extended to employees of the former Union Européenne CIC when the two institutions were merged in 1999.

Other long-term benefits
Employees receive a long-service award after 20, 30, 35 and 40 years of service. This obligation is fully provisioned in the company's accounts and is measured using the principles applied to the measurement of retirement bonuses.

Other taxes and duties
Taxes and duties are recognized as expenses of the period in which the liability arises.
The Tax Credit for Competitiveness and Employment (Crédit d'impôt pour la compétitivité et l'emploi – CICE), which is non-taxable, is credited to a sub-account within payroll costs.

Presence in countries or territories that do not cooperate in efforts to combat fraud and tax evasion

The bank has no direct or indirect presence in any country or territory covered by article L.511-45 of the French monetary and financial code and included in the list drawn up in the decree of February 12, 2010.

Information concerning amounts in the balance sheet, off-balance sheet and in the income statement

The notes are presented in millions of euros (€ millions).

Note 2: Government securities

	2015				2014			
	Trading	Available-for-sale	Held-to-maturity	Total	Trading	Available-for-sale	Held-to-maturity	Total
Securities held	1,638	985	1,540	4,163	2,668	1,194	1,600	5,462
Securities loaned								
Cumulative translation adjustments								
Accrued interest		9	28	37		14	29	43
Securities for which impairment provision recognized								
Gross amount	**1,638**	**994**	**1,568**	**4,200**	**2,668**	**1,206**	**1,629**	**5,505**
Impairment provisions								
Net amount	**1,638**	**994**	**1,568**	**4,200**	**2,668**	**1,206**	**1,629**	**5,505**
Unrealized capital gains		124		124		244		244

The positive or (negative) differences between the redemption price and the purchase price for available-for-sale and held-to-maturity securities are respectively €28 million and €(140) million.

Note 3: Interbank loans and advances

	2015		2014	
	On demand	At maturity	On demand	At maturity
Current accounts	4,282		2,537	
Loans, amounts received under repurchase agreements	20,811	4,588	10,347	5,316
Securities received under repurchase agreements		6,408		10,022
Accrued interest	4	19		24
Non-performing loans and advances		0		2
Impairment provisions		0		(2)
TOTAL	**25,097**	**11,015**	**12,884**	**15,362**
TOTAL INTERBANK LOANS AND ADVANCES		**36,112**		**28,246**
Including non-voting loan stock		*40*		*40*
Including subordinated loans		*268*		*278*

Non-performing loans and advances do not include impaired non-performing assets.
Performing loans do not include restructured loans.

Note 3b: Interbank loans and advances by geographic area

	France	U.S.A.	United Kingdom	Singapore	Total
Total gross outstandings at Dec. 31, 2015[*]	35,395	3	76	615	36,089
Including non-performing loans and advances					
Including impaired non-performing loans					
Impairment provisions					
At Dec. 31, 2014	(2)				(2)
Additions					
Reversals	2				2
Cumulative translation adjustment					
At Dec. 31, 2015					

(*) Excludes accrued interest.

Note 4: Customer loans and receivables

	2015	2014
Commercial loans	145	170
Accrued interest	0	0
Other loans and receivables		
- Loans and advances	30,315	26,418
- Securities received under resale agreements	7,218	7,012
- Accrued interest	80	79
Current accounts in debit	1,019	1,103
Accrued interest		
Non-performing loans and loans in litigation	745	774
Impairment provisions	(341)	(358)
TOTAL	**39,181**	**35,198**
Including receivables eligible with the European Central Bank	4,547	2,835
Including subordinated loans	11	22

Non-performing loans include €434 million of impaired loans, for which an impairment provision of €260 million has been recognized.

Note 4b: Customer loans and receivables by geographic area

	France	U.S.A.	United Kingdom	Singapore	Total
Total gross outstandings at Dec. 31, 2015[*]	31,958	2,380	1,652	3,453	39,443
Including non-performing loans	*254*	*51*	*6*		*311*
Including impaired non-performing loans	*425*		*9*		*434*
Impairment provisions					
At Dec. 31, 2014	(340)	(8)	(10)	0	(358)
Additions	(85)	(11)	(2)		(98)
Reversals	111	4	1		116
Cumulative translation adjustment	(1)				(1)
At Dec. 31, 2015	(315)	(15)	(11)	0	(341)

(*) Excludes accrued interest.

Note 4c: Impairment provisions on non-performing loans and receivables

	2014	Additions	Reversals	Other movements	2015
Assets					
On interbank loans and advances	2		(2)		0
On customer loans and receivables	358	98	(116)	1	341
On finance leases and operating leases					
On bonds and other fixed-income securities	133		(56)	12	89
On other assets	1				1
TOTAL	**494**	**98**	**(174)**	**13**	**431**

Non-performing customer loans and receivables totaled €745 million compared with €774 million at December 31, 2014. They are covered by asset impairment provisions totaling €341 million, representing a coverage ratio of 45.7% compared with 46% one year earlier.
Impairment and other provisions for credit risk represent 1.79% of gross customer outstandings, compared with 1.09% in 2014.
Non-performing loans and receivables are covered by these impairment provisions, which exclude country risk provisions and general provisions for credit risk, which are based on performing loans and receivables.

Note 5: Bonds and other fixed-income securiti

	2015				2014			
	Transaction	Placement	Investissement	Total	Transaction	Placement	Investissement	Total
Securities held - quoted	6,798	5,007	363	12,168	6,672	3,217	490	10,379
Securities held – not quoted		223	32	255		339	42	381
Securities loaned								
Accrued interest	4	10	3	17	4	9	3	16
Non-performing loans[1]		156	490	646		167	522	689
Gross amount	**6,802**	**5,396**	**888**	**13,086**	**6,676**	**3,732**	**1,057**	**11,465**
Impairment provisions		(34)		(34)		(26)		(26)
Other provisions		(5)	(84)	(89)		(32)	(100)	(132)
Net amount	**6,802**	**5,357**	**804**	**12,963**	**6,676**	**3,674**	**957**	**11,307**
Unrealized capital gains		*1*		*1*		*10*		*10*
Including subordinated bonds						*42*		*42*
Including securities issued by public institutions				*1,052*				*451*

(1) Non-performing loans comprise €150 million of impaired non-performing loans against which a provision of €4 million has been raised.

The positive or (negative) differences between the redemption price and the purchase price for available-for-sale and held-to-maturity securities are respectively €(40) million and €(4) million.
The reduction in held-to-maturity securities between 2014 and 2015 corresponds to redemptions made in 2015 as well as sales of securities generating net income of €28 million.
Trading and available-for-sale securities have been marked to market based on external data obtained from organized markets or, for over-the-counter markets, using key broker prices. If prices are not available, they have been measured based on comparable securities quoted on the market.

Note 5b: Bonds and other fixed-income securities – Monitoring of transfers made between categories in 2008 pursuant to CRC regulation 2008-17 amending CRB regulation 90-01

Due to the exceptional situation brought on by the deterioration in global financial markets, CIC transferred securities from the trading and available-for-sale categories. These reclassifications were carried out on the basis of valuations dated July 1, 2008.

Reclassified assets:	Carrying amount on the day of the transfer	Carrying amount in the closing balance sheet	Value at closing date if transfers had not occurred	Unrealized capital gain/ (loss)
From trading securities to held-to-maturity securities	18,443	2,004	2,756	752
From trading securities to available-for-sale securities	349	4	4	
From available-for-sale securities to held-to-maturity securities	421	103	106	3
TOTAL	**19,213**	**2,111**	**2,866**	**755**

Note 6: Equities and other variable-income securities

	2015				2014			
	Trading	Available-for-sale	Portfolio activity	Total	Trading	Available-for-sale	Portfolio activity	Total
Securities held - quoted	985	997		1,982	732	21		753
Securities held – not quoted		124		124		148		148
Securities loaned								
Accrued interest								
Gross amount	**985**	**1,121**		**2,106**	**732**	**169**		**901**
Impairment provisions		(4)		(4)		(6)		(6)
TOTAL	**985**	**1,117**		**2,102**	**732**	**163**		**895**
Unrealized capital gains						50		50

There were no transfers between portfolios during 2015.

Note 7: Investments in subsidiaries and other long-term investments

	2014	Acquisitions Additions	Disposals Reversals	Transferts	Other movements	2015
Other long-term investments						
- Quoted						
- Not quoted	84	3	(1)			86
Investments in subsidiaries						
- Quoted	0					0
- Not quoted	2					2
Sub-total	**86**	**3**	**(1)**			**88**
Translation adjustments						
Securities loaned						
Accrued interest						
Calls for funds and current account advances to non-trading real estate companies (SCI)						
Gross amount	**86**	**3**	**(1)**			**88**
Impairment provisions						
- Quoted securities	0					0
- Non-quoted securities	(2)					(2)
Sub-total	**(2)**					**(2)**
Net amount	**84**	**3**	**(1)**			**86**

Note 8: Investments in associates

	2014	Acquisitions Additions	Disposals Reversals	Transferts	Other movements	2015
Gross amount	5,388	23	(11)		31	5,431
Translation adjustments					(3)	(3)
Securities loaned						
Accrued interest						
Calls for funds and current account advances to non-trading real estate companies (SCI)						
Impairment provisions	(49)	(41)	33		0	(57)
Net amount	5,339	(18)	22		28	5,371
Gross carrying amount for investments in non-quoted credit institutions	3,051					3,082
Gross carrying amount for investments in quoted associates						
Gross carrying amount for investments in non-quoted associates	5,388					5,431

Transactions with associates

	2015		2014	
	Total	Of which, subordinated	Total	Of which, subordinated
Assets				
Interbank loans and advances	6,597	268	16,477	277
Customer loans and receivables	528		246	
Other miscellaneous receivables	300		34	
Bonds and other fixed-income securities				
Swaps	2,122		2,715	
Liabilities				
Due to credit institutions	23,343		27,448	639
Due to customers	945		1,345	
Other liabilities	2,193		73	
Swaps	179		346	
Debt securities	1,114	161	538	
Off-balance sheet				
Commitments given				
Credit institutions[1]	3,108		4,135	
Customers	1,490		1,487	
Commitments received				
Credit institutions	3,238		3,331	

(1) Commitments given to associates concern, in particular, guarantees given to the regional banks on their certificates of deposit and medium term note issues.

Transactions with other related entities are not significant.

Related party transactions
All related party transactions were carried out on normal market terms, i.e. those that are normally used for transactions with third parties, such that the beneficiary of the agreement does not enjoy more advantageous terms than those granted to a third party of the company, given the terms normally adopted by companies in the same sector.

Note 9: Intangible assets

	2014	Acquisitions Additions	Disposals Reversals	Other movements	2015
Gross amount					
Goodwill	94	3	(2)		95
Set up costs	1				1
Research and development					
Other intangible assets	67		(2)	3	68
Gross amount	**162**	**3**	**4**	**3**	**164**
Amortization					
Goodwill	(54)			(1)	(55)
Set up costs	(1)				(1)
Research and development					
Other intangible assets	(10)	(2)	1	(2)	(13)
Total amortization	**(66)**	**62**	**1**	**63**	**(69)**
Net amount	**96**	**1**	**63**	**0**	**95**

Note 10: Property and equipment

	2014	Acquisitions Additions	Disposals Reversals	Other movements	2015
Gross amount					
Land used in operations	196				196
Land not used in operations	0				0
Buildings used in operations	719	15	(3)	1	732
Buildings not used in operations	2				2
Other property and equipment	130	10	(8)	2	134
Total gross amount	**1,048**	**25**	**(11)**	**3**	**1,064**
Depreciation					
Land used in operations					
Land not used in operations					
Buildings used in operations	(445)	(25)	2	0	(468)
Buildings not used in operations	0	0		0	0
Other property and equipment	(112)	(4)	1	(2)	(117)
Total depreciation	**(557)**	**(29)**	**3**	**(2)**	**(585)**
Net amount	490				479

Note 11: Treasury stock

	2015	2014
Number of stock units held	229,741	229,741
Proportion of capital stock	0.60%	0.60%
Carrying amount	9	9
Market value	41	36

CIC's treasury share holding is derived from the CIC Banque CIAL asset contribution carried out in 2006.

Note 12: Other assets and liabilities

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Option premiums	442	412	802	783
Securities settlement accounts	5		5	
Debts in respect of borrowed securities		2,924		3,588
Deferred taxes	0		1	
Miscellaneous debtors and creditors	7,521	2,405	7,817	1,021
Non-performing receivables	1		1	
Accrued interest	1	1	2	0
Impairment provisions	(1)		(1)	
TOTAL	**7,969**	**5,742**	**8,627**	**5,392**

Note 13: Accruals

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Collection accounts	0	50	1	50
Currency adjustment accounts and off-balance sheet	5,227	5,470	6,440	6,720
Other accruals	1,038	3,806	939	3,068
TOTAL	**6,265**	**9,326**	**7,380**	**9,828**

In 2010, CIC was ordered to pay a €21 million fine for an illegal agreement on commission income related to check processing. This decision was overturned on appeal in 2012.
In 2015, the Cour de Cassation rendered a judgment reversing this decision for reason of form without calling into question the analysis of the substance. Pending a new judgment of the same Appeals court, the fine was paid and CIC did not record a provision.

Note 14: Due to credit institutions

	2015		2014	
	On demand	At maturity	On demand	At maturity
Current accounts	13,775		15,957	
Term deposits		16,887		15,946
Amounts received under resale agreements				
Securities sold under delivered repurchase agreements		14,461		15,272
Accrued interest		35		33
TOTAL	**13,775**	**31,383**	**15,957**	**31,251**
TOTAL DUE TO CREDIT INSTITUTIONS		**45,158**		**47,208**

Note 15: Due to customers

	2015		2014	
	On demand	At maturity	On demand	At maturity
Regulated savings accounts	6,061	1,558	5,930	1,333
Accrued interest				
TOTAL – REGULATED SAVINGS ACCOUNTS	**6,061**	**1,558**	**5,930**	**1,333**
Other liabilities	14,437	7,961	13,054	7,879
Securities sold under delivered repurchase agreements	9	2,689		4,230
Accrued interest		72		75
TOTAL – OTHER LIABILITIES	**14,446**	**10,722**	**13,054**	**12,184**
TOTAL DUE TO CUSTOMERS ON DEMAND AND AT MATURITY		**32,787**		**32,501**

Note 16: Debt securities

	2015	2014
Retail certificates of deposit	65	64
Interbank instruments and money market securities	13,729	14,003
Bonds	2,729	2,620
Other debt securities	630	
Accrued interest	51	39
TOTAL	**17,204**	**16,726**

Note 17: Provisions

	2014	Additions	Reversals	Other movements	2015
Provisions for counterparty risks					
- on signature commitments	26	3	(8)		21
- on off-balance sheet commitments		2			2
- on country risks					
- general provisions for credit risks	313	16	(7)	19	341
- other provisions for counterparty risks					
Provisions for losses on forward financial instruments	**33**	**3**	**(11)**	**2**	**27**
Provisions on subsidiaries and equity interests	**94**	**1**	**(88)**		**7**
Other provisions for contingencies and charges (excluding counterparty risks)					
- provisions for retirement costs	48		(5)		43
- provisions for home savings accounts and plans	5	3	0	(1)	7
- other provisions[1]	750	64	(98)	14	730
TOTAL	**1,269**	**92**	**(217)**	**34**	**1,178**

(1) At December 31, 2015, included €436 million of provisions linked to tax consolidation temporary differences.

Regulation 2013-02 issued by the Autorité des normes comptables (French accounting standards authority) enables retirement commitments to be valued in accordance with IAS 19R.

Note 17b: Provisions for risks on commitments in respect of home savings

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Home savings plans	1,350	6	1,140	3
Home savings accounts	72	1	72	1
Home savings loans	5		8	

Note 17c: Provision for retirement bonuses

Retirement bonuses	Jan. 1, 2015	Impact of discounting	Financial income	Cost of services rendered	Change of accounting method	Change in actuarial differences	Payment to beneficiaries	Insurance contributions	Dec. 31, 2015
Commitments	53	1		2		(4)	(4)		48
Insurance policy	29						(2)		27
Spreading									
Provision	**24**	**1**		**2**		**(4)**	**(2)**		**21**

Note 18: Subordinated debt

	2014	Additions	Reversals	Other movements	2015
Subordinated debt	515		(525)	24	14
Non-voting loan stock					
Perpetual subordinated loan stock	244				244
Accrued interest	4			(3)	2
TOTAL	**763**		**(525)**	**21**	**260**

Other movements relating to subordinated debt are due to exchange rate movements on a USD 350 million liability that matured on September 30, 2015.

Main subordinated debt issues

	Issue date	Issue amount	Amount at year end	Rate	Maturity
Non-voting loan stock	28.05.85	€137m	€137m	a	b

a) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.
b) Non-amortizable and repayable at borrower's discretion as from May 28, 1997 at 130% of the face value incremented at the rate of 1.5% for each subsequent year.

Note 19: Equity and general banking risks reserve

	Capital	Additional paid-in capital	Reserves (1)	Revaluation reserve	Untaxed provisions	Retained earnings	Net income for the year	Total	General banking risks reserve
Equity at Jan. 1, 2014	**608**	**1,088**	**668**	**44**	**47**	**3,049**	**1,303**	**6,807**	**379**
Net income for the year							831	831	
Appropriation of prior year earnings						1,303	(1,303)		
Dividends paid						(265)		(265)	
Other movements			(1)		(3)	1		(3)	
Equity at Dec. 31, 2014	**608**	**1,088**	**667**	**44**	**44**	**4,088**	**831**	**7,370**	**379**
Equity at Jan. 1, 2015	**608**	**1,088**	**667**	**44**	**44**	**4,088**	**831**	**7,370**	**379**
Net income for the year							831	831	
Appropriation of prior year earnings						831	(831)		
Dividends paid						(304)		(304)	
Other movements			1		2	1		4	
Equity at Dec. 31, 2015	**608**	**1,088**	**668**	**44**	**46**	**4,616**	**831**	**7,901**	**379**

(1) At December 31, 2015, reserves comprised the legal reserve for €60 million, the special long-term capital gains reserve for €287 million, retained earnings for €196 million, statutory reserves for €124 million and the special reserve pursuant to Article 238bis AB of the French Tax Code for €1 million.

At December 31, 2015 CIC's capital stock comprised 38,027,493 shares with a par value of €16 each.
CIC generated net income of €831,162,443.70.
The shareholders' general meeting is asked to appropriate the amount of €5,447.6 million, comprising the net income of €831.2 million and retained earnings of €4,616.5 million, as follows:

Dividends relating to the 2015 fiscal year	323.2
Appropriation to the legal reserve	5,000.0
Addition to retained earnings	124.4
TOTAL DISTRIBUTABLE AMOUNT	**5,447.6**

Note 20: Breakdown of certain assets/liabilities by residual term

	Within 3 months and on demand	3 months or more, within 1 year	1 year or more, within 5 years	More than 5 years	Perpetual	Accrued interest	Total
Assets							
Interbank loans and advances[1]	32,399	1,242	1,218	1,230		23	36,112
Customer loans and receivables[2]	11,230	3,503	11,517	12,525		80	38,855
Bonds and other fixed-income securities[3]	224	685	2,197	2,519		13	5,638
Liabilities							
Due to credit institutions[4]	34,190	4,343	4,223	2,333		35	45,124
Due to customers	26,138	3,085	3,068	424		72	32,787
Debt securities							
- Retail certificates of deposit	0	1	64			1	66
- Interbank instruments and money market securities	7,822	5,692	215			14	13,743
- Bonds	80	292	862	1,495		30	2,759
- Other		22	170	438		6	636

(1) Excluding non-performing loans and receivables and impairment provisions.
(2) Excluding amounts not allocated, non-performing loans and receivables and provisions for impairment.
(3) Concerns exclusively available-for-sale and held-to-maturity securities (excluding non-performing assets).
(4) Excluding other amounts due.

Note 21: Equivalent value in millions of euros of foreign currency assets and liabilities

The equivalent value of foreign currency assets and liabilities at December 31, 2015 was, respectively, €26,937 million and €27,468 million.

CIC does not hold any material operational positions in foreign currency.

Note 22: Guarantee commitments given

In connection with the CM11 group's refinancing operations (mortgages and covered securities), certain customer loans granted by CIC form part of the assets given as guarantee for these refinancing operations carried by non-group entities. At December 31, 2015, they amounted to €4,445 million.
The bank obtains refinancing from Caisse de refinancement de l'habitat by issuing promissory notes that securitize receivables covered by Article L.313-42 of the French Monetary and Financial Code, which totaled €195 million at December 31, 2015.
On the same date, home loans guaranteeing these promissory notes amounted to €496 million.

Note 23: Commitments on forward financial instruments

Transactions in forward financial instruments (based on the concepts of micro/macro-hedging and the management of open positions/specialist management of forward commitments and options)

	2015			2014		
	Hedging	Position management	Total	Hedging	Position management	Total
Forward commitments						
Organized markets						
- Interest rate contracts	317	11,251	11,568		19,726	19,726
- Foreign exchange contracts						
- Other commitments		48	48		63	63
Over-the-counter markets						
- Forward rate agreements		3,599	3,599		3,705	3,705
- Interest rate swaps	11,031	170,849	181,880	10,152	188,830	198,982
- Financial swaps	724	18,477	19,201	724	21,456	22,180
- Other commitments		117	117		201	201
- Swaps – other		13,871	13,871		14,028	14,028
Options						
Organized markets						
- Interest rate options						
• Purchased		107	107		335	335
• Sold		732	732		549	549
- Foreign exchange options						
• Purchased						
• Sold						
- Equities and other options						
• Purchased		118	118		188	188
• Sold		81	81		177	177
Over-the-counter markets						
- Interest rate caps and floors						
• Purchased		10,327	10,327		8,803	8,803
• Sold		10,482	10,482		9,285	9,285
- Interest rate, foreign exchange, equity and other options						
• Purchased		15,767	15,767		18,358	**18,358**
• Sold		15,667	15,667		18,295	18,295
TOTAL	**12,072**	**271,493**	**283,565**	**10,876**	**303,999**	**314,875**

Breakdown of over-the-counter interest rate instruments by portfolio type

2015	Isolated open position	Micro-hedging	Global interest rate risk	Specialist management	Total
Forward commitments					
Purchases				1,702	1,702
Sales				2,014	2,014
Swaps	6,213	10,279	1,476	196,984	214,952
Options					
Purchases	4,592			21,502	26,094
Sales	4,539			21,610	26,149
2014					
Forward commitments					
Purchases				2,017	2,017
Sales				1,888	1,888
Swaps	8,181	9,273	1,603	216,136	235,193
Options					
Purchases	8,398			18,763	27,161
Sales	8,377			19,203	27,580

During 2015, no transfers were made from the hedging swaps portfolio to the trading swaps portfolio.

Note 24: Breakdown of forward instruments by residual term

	Less than 1 year	1 year or more, within 5 years	More than 5 years	Total
Interest rate instruments				
Organized markets				
- Purchases	1,493	3,197	872	5,562
- Sales	1,845	4,125	874	6,844
Over-the-counter markets				
- Purchases	5,301	5,302	1,367	11,970
- Sales	5,791	5,294	1,352	12,437
- Interest rate swaps	52,409	94,624	34,847	181,880
Foreign exchange instruments				
Organized markets				
- Purchases				
- Sales				
Over-the-counter markets				
- Purchases	8,546	3,055	114	11,715
- Sales	8,539	3,021	139	11,699
- Financial swaps	4,732	11,154	3,315	19,201
Other forward financial instruments				
Organized markets				
- Purchases	123	5		128
- Sales	115	5		120
Over-the-counter markets				
- Purchases	3,191	921		4,112
- Sales	3,122	904		4,026
- Swaps	3,487	9,906	478	13,871
TOTAL	**98,694**	**141,513**	**43,358**	**283,565**

Note 25: Forward financial instruments – Counterparty risk

The counterparty risk related to forward financial instruments is estimated based on the method used for the calculation of prudential ratios.

Credit risks on forward financial instruments	2015	2014
Gross exposure		
Risks on credit institutions	1,005	1,970
Risks on companies	2,166	2,093
TOTAL	**3,171**	**4,063**

Juste valeur des instruments financiers à terme	2015 Assets	2015 Liabilities	2014 Assets	2014 Liabilities
Juste valeur des instruments financiers à terme	5,867	7,152	5,867	9,092

Note 26: Other off-balance sheet commitments

	2015	2014
Foreign exchange commitments		
Amounts receivable	1,807	1,895
Amounts payable	1,868	1,946
Commitments on forward financial instruments		
Commitments made on organized and similar markets		
Forward foreign exchange commitments		
- Hedging	28,842	38,104
- Other	73,027	77,171
- Financial foreign exchange swaps		
- Isolated open position	73	404
- Micro-hedging	724	724
- Global interest rate risk		
- Specialist management	18,405	21,052
Finance leasing commitments		
Remaining lease payments on property finance leases		
Remaining lease payments on equipment finance leases		

Note 27: Interest income and expense

	2015		2014	
	Income	Expense	Income	Expense
CREDIT INSTITUTIONS	359	(620)	2,407	(2,931)
Customers	938	(261)	970	(297)
Finance leases and operating leases				
Bonds and other fixed-income securities	178	(173)	194	(142)
Other	142	(201)	194	(236)
TOTAL	**1,617**	**(1,255)**	**3,765**	**(3,606)**
Including expenses relating to subordinated debt		*(4)*		*(18)*

Note 28: Income from variable-income securities

	2015	2014
Available-for-sale securities		
Portfolio activity securities		
Equity interests and other long-term investments	6	9
Investments in associates	503	424
Income from investments in non-trading real estate companies		
TOTAL	**509**	**433**

Note 29: Commission income and expense

	2015		2014	
	Income	Expense	Income	Expense
Treasury and interbank transactions	1	(26)	1	(4)
Customer transactions	198	(2)	188	(3)
Securities transactions		(8)		(9)
Foreign exchange transactions	1	(1)	1	(1)
Off-balance sheet transactions				
- Commitments on securities				
- Forward financial commitments		(6)		(4)
- Financing and guarantee commitments	3		3	
Financial services	228	(9)	113	(8)
Means of payment		(70)	107	(70)
Other commission (including income retroceded)	13	(13)	7	(10)
TOTAL	**444**	**(135)**	**420**	**(109)**

Note 30: Net gains on trading account securities

	2015	2014
On securities held for trading	204	276
On foreign exchange trading	13	19
On forward financial instruments		
- Interest rates	61	(2,550)
- Foreign exchange	77	2,537
- On other financial instruments, including equity instruments	(8)	(28)
Sub-total	**347**	**254**
Additions to impairment provisions on financial instruments	(3)	(1)
Reversals from impairment provisions on financial instruments	11	13
TOTAL	**355**	**266**

Note 31: Net gains/(losses) on available-for-sale and similar securities

	2015	2014
Available-for-sale securities		
Gains on disposals	179	48
Losses on disposals	(15)	(10)
Additions to impairment provisions	(11)	(23)
Reversals from impairment provisions	5	3
Portfolio activity securities		
Gains on disposals		
Losses on disposals		
Additions to impairment provisions		
Reversals from impairment provisions		
TOTAL	**158**	**18**

Note 32: Other banking income and expense

	2015		2014	
	Income	Expense	Income	Expense
Incidental income	1		1	
Transfer of expenses				
Net additions to provisions	19	(4)	17	
Other income and expense relating to banking activities	4	(26)	2	(81)
Net income (expense) from other activities		(1)		
TOTAL	**24**	**(31)**	**20**	**(81)**

Note 33: Payroll costs

	2015	2014
Wages and salaries	(238)	(230)
Payroll taxes	(104)	(102)
Retirement benefit expense	1	(3)
Employee profit-sharing and incentive bonuses	(23)	(18)
Payroll-based taxes	(38)	(34)
Net addition to provisions for retirement benefits	5	(4)
Other net additions to provisions	15	1
TOTAL	**(382)**	**(390)**

The Tax Credit for Competitiveness and Employment (Crédit d'impôt pour la compétitivité et l'emploi – CICE), which amounted to €3.8 million in respect of the fiscal year 2015, was credited to payroll costs.
The CICE has enabled the group to maintain, and even to increase, its financing of employee training at a level well in excess of the regulatory requirements and to improve the group's overall competitiveness by the following initiatives, in particular:

- investment, particularly in new technologies such as digital tools (tablet computers) and videoconferencing systems on laptop computers enabling customers to both have regular contact with their relationship manager and make energy savings;
- IT developments concerning new telephone payment methods and related services;
- IT developments concerning the redesigning of the website providing customers with better overall information about the accounts and services offered;
- development of new services for the group's retailer customers;
- search for new domestic and international markets.

Note 34: Net additions to/reversals from provisions for loan losses

	2015	2014
Additions to non-performing loan impairment provisions	(97)	(166)
Reversals from non-performing loan impairment provisions	174	293
Loan losses covered by impairment provisions	(94)	(99)
Loan losses not covered by impairment provisions	(27)	(26)
Recovery of loans written off in prior years	1	7
Balance of loans	**(43)**	**9**
Additions to impairment provisions	(21)	(38)
Reversals from impairment provisions	14	16
Balance of risks	**(7)**	**(22)**
TOTAL	**(50)**	**(13)**

Note 35: Net gains/(losses) on disposals of non-current assets

	2015					2014
	Government securities and similar instruments	Bonds and other fixed-income securities	Equity interests and other long-term investments	Investments in associates	Total	
On non-current financial assets						
Gains on disposals		28	1	1	30	378
Losses on disposals				(99)	(99)	(12)
Additions to impairment provisions			(1)	(41)	(42)	(3)
Reversals from impairment provisions			102	33	135	56
Sub-total		**28**	**102**	**(106)**	**24**	**419**
On property and equipment and intangible assets						
Gains on disposals						
Losses on disposals					(3)	
Sub-total					**(3)**	
TOTAL					**21**	**419**

Note 36: Net non-recurring items

	2015	2014
Merger deficit		
Provision		
TOTAL		

Note 37: Corporate income tax

	2015	2014
Current taxes - excluding effect of tax consolidation	21	(27)
Current taxes – accruals relating to prior years	(1)	2
Current taxes – effect of tax consolidation	(135)	20
TOTAL	**(115)**	**(5)**
Relating to operating activities	(115)	(5)
Relating to non-recurring items		
TOTAL	**(115)**	**(5)**

Note 38: Breakdown of income statement items by geographic area

	France	U.S.A.	United Kingdom	Singapore	Total
Net banking income	1,440	138	43	65	1,686
General operating expenses	(596)	(46)	(11)	(55)	(708)
Operating income before provisions	844	92	32	10	978
Net additions to/reversals from provisions for loan losses	(32)	(20)	7	(5)	(50)
Operating income after provisions	812	72	39	5	928
Net gains/(losses) on disposals of non-current assets	21				21
Income/(loss) before non-recurring items	833	72	72	5	949
Non-recurring items					0
Corporate income tax	(99)	(8)	(7)	(1)	(115)
Additions to/reversals from untaxed provisions	(3)				(3)
Net income	**731**	**64**	**32**	**4**	**831**

Note 38b: Breakdown of income statement items by business segment

	Network	Private banking	Financing	headquarters and holding company services	Total
Net banking income	602	25	623	436	1,686
General operating expenses	(396)	(32)	(216)	(64)	(708)
Operating income before provisions	206	(7)	407	372	978
Net additions to/reversals from provisions for loan losses	(27)		(25)	2	(50)
Operating income after provisions	179	(7)	382	374	928
Net gains/(losses) on disposals of non-current assets			18	3	21
Income/(loss) before non-recurring items	179	(7)	400	377	949
Non-recurring items					0
Corporate income tax	(68)		(122)	75	(115)
Additions to/reversals from untaxed provisions				(3)	(3)
Net income	**111**	**(7)**	**278**	**449**	**831**

Note 39: Average number of employees

	2015	2014
Banking staff	1,826	1,848
Managerial staff	1,951	1,912
TOTAL	**3,777**	**3,760**

Note 40: Total compensation paid to the group's key executives

	Fixed salary	Variable salary	Benefits-in-kind	Sundry adjustments	Total 2015	Total 2014
Key executives	0.3				0.3	0.6

Members of the board of directors did not receive any compensation.
No advances or loans were granted to any members of the board of directors during the fiscal year.

Note 41: Earnings per share

At December 31, 2015, CIC's capital stock amounted to €608,439,888, made up of 38,027,493 shares with a par value of €16 each, including 229,791 treasury shares which are not taken into account in the calculation of earnings per share;
Thus, earnings per share in respect of 2015 totaled €21.99 compared with €21.98 in respect of 2014.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES AT DECEMBER 31, 2015

Company and address	Capital stock	Equity less capital, excluding 2015 income
Detailed information about investments in French and foreign companies with a gross value representing more than 1% of CIC's capital stock		
A/SUBSIDIARIES (more than 50% of the capital stock owned by CIC)		
A.1 CREDIT INSTITUTIONS		
French subsidiaries		
CIC Ouest - 2 avenue Jean-Claude Bonduelle, 44000 Nantes - Siren 855 801 072	83,780	453,427
CIC Nord Ouest - 33 avenue Le Corbusier, 59800 Lille - Siren 455 502 096	230,000	359,570
CIC Est - 31 rue Jean Wenger-Valentin, 67000 Strasbourg - Siren 754 800 712	225,000	421,584
Banque Transatlantique - 26 avenue Franklin D. Roosevelt, 75008 Paris - Siren 302 695 937	29,372	81,066
CIC Sud Ouest - 20 quai des Chartrons, 33000 Bordeaux - Siren 456 204 809	155,300	105,420
CIC Lyonnaise de Banque - 8 rue de la République, 69001 Lyon - Siren 954 507 976	260,840	446,937
CM-CIC Securities - 6 avenue de Provence, 75009 Paris - Siren 467 501 359	6,568	7,822
CM-CIC Épargne Salariale - 12 rue Gaillon, 75002 Paris - Siren 692 020 878	13,524	10,652
CM-CIC Bail - 12 rue Gaillon, 75002 Paris - Siren 642 017 834	26,188	(4,499)
CM-CIC Lease - 48 rue des Petits Champs, 75002 Paris - Siren 332 778 224	64,399	28,032
Foreign subsidiaries		
Banque de Luxembourg - 14 boulevard Royal L-2449 Luxembourg	104,784	783,278
Banque CIC Suisse - 11-13 Marktplatz CH4001 Suisse	CHF 125,000	CHF 197,399
A.2 OTHERS		
CM-CIC Investissement - 28 avenue de l'Opéra, 75002 Paris - Siren 562 118 299	1,212,647	270,184
Adepi - 6 rue Gaillon, 75002 Paris - Siren 331 618 074	244,193	444,453
CIC Participations - 4 rue Gaillon, 75002 Paris - Siren 349 744 193	8,375	15,474
CIC Associés - 4 rue Gaillon, 75002 Paris - Siren 331 719 708	15,576	1,849
B/ASSOCIATES (10% to 50% of the capital stock owned by CIC)		
French subsidiaries	0	0
Foreign companies	0	0
C/GENERAL INFORMATION ON OTHER SUBSIDIARIES AND ASSOCIATES		
SUBSIDIARIES		
French subsidiaries		
Foreign subsidiaries		
ASSOCIATES		
French companies		
Foreign companies		

The table is in currency thousands

*Net banking income in the case of banks.

**27.88% directly by CIC and 26.20% indirectly by CIC.

Share of capital held (%)	Carrying amount of securities held Gross	Net	Advances granted by CIC	Guarantees and securities given by CIC	Revenue excluding taxes* for last fiscal year	Net income for last fiscal year	Dividends received in 2015 by CIC
100	366,583	366,583	0		459,217	63,561	60,845
100	313,939	313,939	0		508,402	94,491	78,487
100	231,131	231,131	0		629,293	123,816	99,562
100	119,665	119,665	0		100,774	35,368	30,448
100	220,670	220,670	100,000		299,183	35,593	36,301
100	341,811	341,811	0		727,643	112,970	62,517
100	38,690	20,878	0		52,097	6,649	0
99.94	31,958	31,958	0		24,077	2,687	3,379
99.22	250,288	250,288	0		2,310,093	(3,164)	0
**54.08	22,310	21,272	0		552,168	5,494	1,077
100	902,298	902,298	0		333,152	68,784	51,021
100	CHF 338,951	CHF 338,951	0	CHF 1,417,949	CHF 113,828	CHF 9,187	0
100	1,662,738	1,662,738	0		6,098	7,588	5,717
100	474,937	474,937	0		0	49,487	70,968
100	40,268	27,352	0		0	15	0
100	19,788	17,425	0		0	(7)	0
0	0	0	0		0	0	0
0	0	0	0		0	0	0
	30,953	7,707					1,536
	35	35					0
	10,210	9,602					884
	1,322	1,322					5,100

BUSINESSES AND RESULTS OF SUBSIDIARIES AND ASSOCIATES

Regional banks[1]

CIC Nord Ouest

(Financial data in € millions)	2015 Company - French GAAP	2014 Company - French GAAP
Number of employees at December 31	2,587	2,598
Total assets	19,950	19,792
Equity attributable to owners of the company including general banking risks reserve	684	668
Customer deposits	14,614	13,765
Customer loans	16,755	16,158
Net income	**94**	**116**

CIC Est

(Financial data in € millions)	2015 Company - French GAAP	2014 Company - French GAAP
Number of employees at December 31	3,294	3,244
Total assets	26,402	25,429
Equity attributable to owners of the company including general banking risks reserve	770	747
Customer deposits	18,497	17,524
Customer loans	21,328	21,085
Net income	**124**	**103**

CIC Lyonnaise de Banque

(Financial data in € millions)	2015 Company - French GAAP	2014 Company - French GAAP
Number of employees at December 31	3,694	3,673
Total assets	31,069	30,404
Equity attributable to owners of the company including general banking risks reserve	821	770
Customer deposits	21,004	19,639
Customer loans	24,943	23,846
Net income	**113**	**70**

Banque CIC Sud Ouest

(Financial data in € millions)	2015 Company - French GAAP	2014 Company - French GAAP
Number of employees at December 31	1,713	1,705
Total assets	12,461	11,591
Equity attributable to owners of the company including general banking risks reserve	296	296
Customer deposits	7,916	7,286
Customer loans	10,701	9,757
Net income	**36**	**38**

Banque CIC Ouest

(Financial data in € millions)	2015 Company - French GAAP	2014 Company - French GAAP
Number of employees at December 31	2,561	2,572
Total assets	20,894	20,135
Equity attributable to owners of the company including general banking risks reserve	601	598
Customer deposits	14,586	13,422
Customer loans	17,653	17,003
Net income	**64**	**64**

(1) Customer deposits do not include certificates of deposit or repurchase agreements.
Customer loans do not include resale agreements but include lease financing transactions.

Specialist subsidiaries – Retail banking

CM-CIC Épargne Salariale

(Financial data in € millions)	2015 Company - French GAAP	2014 Company - French GAAP
Number of employees at December 31	123	122
Total assets	65	73
Equity	24	24
Assets under management (excluding current bank accounts)	7,575	6,979
Net income	**2.7**	**3.5**

CM-CIC Bail

(Financial data in € millions)	2015 Company - French GAAP*	2014 Company - French GAAP*
Number of employees at December 31	220	210
Total assets**	7,270	7,542
Equity**	441	413
Assets under management (excluding current bank accounts)**	7,044	6,656
Net income**	**30.4**	**36.4**

* CM-CIC Bail, CM-CIC Leasing Benelux and CM-CIC Leasing GMBH
** Financial information.

CM-CIC Lease

(Financial data in € millions)	2015 Company - French GAAP	2014 Company - French GAAP
Number of employees at December 31	51	49
Total assets	4,174	4,056
Equity	76	75
Assets under management (excluding current bank accounts)	3,922	3,753
Net income	**5.6**	**4.1**

CM-CIC Factor

(Financial data in € millions)	2015 Company - French GAAP*	2014 Company - French GAAP*
Number of employees at December 31	360	355
Total assets	6,123	4,664
Equity	143	141
Factored receivables	28,991	26,258
Assets under management (excluding current bank accounts)	5,225	4,249
Net income	**2.5**	**5.0**

Specialist subsidiaries – Financing and capital markets

CM-CIC Securities

(Financial data in € millions)	2015 Social CNC	2014 Social CNC
Specialist subsidiaries – Financing and capital markets	226	235
Total du bilan	1,143	957
Actifs conservés (clientèle)	25,063	22,525
Résultat net	**6.6**	**3.0**

Specialist subsidiaries – Private banking

CIC Banque Transatlantique[1]

(Financial data in € millions)	2015 Consolidated IFRS	2014 Consolidated IFRS
Number of employees at December 31	377	364
Total assets	3,520	3,088
Equity attributable to owners of the company including general banking risks reserve	185	176
Customer funds invested in group savings products	25,121	22,376
Customer deposits	2,685	2,339
Customer loans	2,346	1,834
Net income (consolidated/attributable to owners of the company)	**39.3**	**39.0**

(1) Customer deposits do not include certificates of deposit or repurchase agreements.
Customer loans do not include resale agreements but include lease financing transactions.

CIC Suisse

Key figures prepared using local accounting standards (Financial data in € millions)	2015 Company	2014 Company
Number of employees at December 31	343	331
Total assets	6,603	6,170
Equity	332	322
Assets in custody	3,623	3,764
Net income	**9.2**	**6.3**

Banque de Luxembourg

Key figures prepared using local accounting standards (Financial data in € millions)	2015 Company	2014 Company
Number of employees at December 31	803	796
Total assets	12,920	13,693
Equity including general banking risks reserve *	957	842
Assets in custody and deposits	68,459	63,085
Net income	**68.8**	**63.2**

* Equity includes untaxed provisions.

Specialist subsidiaries – Private equity

CM-CIC Capital et Participations

(Financial data in € millions)	2015 Company - French GAAP	2014 Company - French GAAP
Number of employees at December 31	9	7
Total assets	137	81
Equity	33	29
Portfolio valuation	132	75
Net income	**3.5**	**0.1**

CM-CIC Conseil

(Financial data in € millions)	2015 Social CNC	2014 Social CNC
Number of employees at December 31	17	15
Total assets	19	21
Equity	11	19
Net income	**(2,2)**	**(2,1)**

CM-CIC Investissement

(Financial data in € millions)	2015 Company - French GAAP	2014 Company - French GAAP
Number of employees at December 31	21	21
Total assets	1,521	1,518
Equity	1,490	1,489
Portfolio valuation	1,479	1,499
Net income	**7.6**	**11.1**

CM-CIC Investissement SCR

(Financial data in € millions)	2015 Consolidated*	2014 Consolidated*
Number of employees at December 31	48	46
Total assets	1,806	1,717
Equity	1,754	1,650
Portfolio valuation	1,860	1,839
Net income	**93.4**	**56.0**

*CM-CIC Investissement + CM-CIC Innovation + Sudinnova + CM-CIC Proximité.

STATUTORY AUDITORS' REPORT

on the company financial statements

Year ended December 31, 2015

To the shareholders,

In fulfillment of the assignment entrusted to us by your shareholders' meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying annual financial statements of CIC;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement. An audit includes examining, on a test basis or using other sampling methods, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used, the significant estimates made in the preparation of the financial statements and the overall presentation of the financial statements. We believe that the information we have gathered is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements for the year ended December 31, 2015 give a true and fair view of CIC's assets, liabilities, financial position and of the results of its operations in accordance with French accounting rules and principles.

II - Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- The company uses internal models and methodologies to measure financial instruments that are not traded on active markets, as well as to recognize certain provisions, as described in note 1 to the financial statements. We examined the control systems relating to these models and methodologies, the parameters used and the identification of the financial instruments to which they apply;
- As stated in notes 1, 4b and 17, the company recognizes impairment losses and provisions to cover the credit risks inherent in its business. We examined the control systems applicable to the monitoring of credit risk, the assessment of the risk of non-recovery and the coverage of said risks, as regards assets by specific impairment losses and as regards liabilities by general provisions to cover credit risks;
- The company makes other estimates in the usual context of preparing its financial statements, in particular as regards the valuation of equity interests and other long-term investments and the assessment of recognized retirement benefit obligations and provisions for legal and tax risks. We examined the assumptions made and verified that these accounting estimates are based on documented methods in accordance with the principles described in note 1 to the financial statements.

These assessments were made in the context of our audit of the annual financial statements taken as a whole and therefore contributed to the formation of our opinion expressed in the first section of this report.

III - Specific verifications and information

We also carried out the specific verifications provided for by law, in accordance with French professional standards.

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the board of directors' report and in the documents sent to shareholders on the financial position and the company financial statements.

As regards the information provided pursuant to Article L.225-102-1 of the French commercial code on compensation and benefits paid to corporate officers and commitments made in their favor, we verified the consistency of this information with the financial statements or with the data used to draw up the financial statements and, if applicable, with the information received by the company from companies that control it or are controlled by it. On the basis of this work, we certify that this information is accurate and fair.

Pursuant to the law, we satisfied ourselves that the information relating to acquisitions of equity and controlling interests and to the identity of the holders of the capital or voting rights was provided to you in the board of directors' report.

Neuilly-sur-Seine and Paris-La Défense,
April 20, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit
Agnès Hussherr Jacques Lévi

Ernst & Young et Autres
Olivier Durand


CIC
Construisons dans un monde qui bouge.

Social and environmental responsibility

4


STATEMENT FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Consideration of the CIC group's economic, employment and social impacts is an approach that predates the requirements of corporate social responsibility (CSR) regulations. It is part of a policy within the Crédit Mutuel group, its parent company, in which the values of responsibility and solidarity underpin the group's activities from the outset, along with a concern for regional economic development.

As a major player in banking, insurance, telephony and technology services, CIC is a leading employer in France. It pursues a policy of skill enhancement while maintaining equal opportunities, spending more than 5% of its payroll on training and developing tools to apply best practices and get the best out of its employees. Employees who make a commitment to training and to being responsive and adaptable to customer requirements can quickly take on significant responsibilities.

At the societal level, CIC actively contributes to regional development and to financing the real economy. It supports all types of entrepreneurial initiatives, is involved in the development of SMEs and ISEs and promotes professional microcredit. As a group that promotes socially responsible investment, CIC encourages solidarity savings and green driving.

CIC is dedicated to providing the best customer service possible and regularly assesses customer satisfaction through independent surveys. In the same spirit, it has developed products and services for customers experiencing financial difficulties.

In terms of risk management, CIC monitors the environmental and social impact of its activities and establishes clear criteria for financing and investment decisions. In this context, it has developed and continues to implement sector policies (coal-fired power stations, defense, nuclear energy, mining, etc.) and will contribute to the Crédit Mutuel group's new cooperative assessment.

CIC supports young people and associations and works for the benefit of the community through sponsorships and partnerships in a large number of projects related to culture, heritage, music and solidarity.

It is fully compliant with current corporate governance regulations. Through its commitments to the economy, society and the environment and underpinned by its corporate governance policy, the CIC group operates as a fully socially responsible bank with a commitment to sustainable development.

Nicolas Théry
Chairman of the board of directors

Alain Fradin
Chief executive officer

PREAMBLE

Presented in this section are the employment and environmental impacts of the business as well as the company's social commitments in favor of sustainable development, in accordance with the requirements of Article 225 of the Grenelle II Act of July 12, 2010 and its implementing decree of April 24, 2012.

The actions of the Crédit Mutuel group in the area of social and environmental responsibility are described in a CSR report published by the Crédit Mutuel National Confederation, and those of the CM11(1) group are published in this organization's registration document.

NB: unless otherwise indicated by an *, the comments below apply to the quantitative data provided in the indicator tables below.

In addition, certain subsection titles include a code, such as SOCXX, SOTXX or ENVXX, to make it easier to locate the relevant material in the cross-reference table for information required by Article 225 of the Grenelle II Act at the end of this section.

CIC AND SUSTAINABLE DEVELOPMENT

Community, responsibility and solidarity are the values that the Crédit Mutuel group has promoted since its creation.

CIC's approach to sustainable development is in line with this policy. This year, the Crédit Mutuel joined Comité 21, a network of players involved in the operational implementation of sustainable development, and in September 2015 it was named "Best ESG (Environmental, Social, and Governance) Risk Manager Team France 2015" by the UK magazine Capital Finance International.

CIC's mission is to continue its commitment to the sustainable development of the regions in which it operates, through, among other things, responsible management, the services it offers, and support for initiatives with a positive social and environmental impact.

CIC is involved in the climate change initiative undertaken by members of Paris' financial community, on which a statement was made at the "Climate Finance Day" on May 22, 2015.

(1) CM11 group - groups that belong to the Caisse Fédérale de Crédit Mutuel: Caisses de Crédit Mutuel Centre Est Europe, Sud-Est, Ile de France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique et Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranée et Anjou, Caisse Fédérale de Crédit Mutuel (CF de CM), Banque Fédérative du Crédit Mutuel, and its main subsidiaries: ACM, BECM, informatique, including CIC, Targobank Germany, Cofidis, and CIC Iberbanco.

GENERAL INFORMATION

I – RESPONSIBLE HUMAN RESOURCES MANAGEMENT

The need to ask questions and make progress in addressing economic, social, technological, competitive and regulatory challenges is a pillar of CIC's development plan. Streamlining management of its employees' skills and career development remained the key priorities of CIC's employment policy in 2015, which is based on a single status for the majority of the group's entities.

The dissemination of employment information and contact with HR have also been improved: employees now have a dedicated human resources area called "l'univers du salarié" ("employees' world") where all HR tools and documentation are brought together.

1 - Staffing levels

1.1 A leading employer

As of December 31, 2015, the CIC group had 20,521 employees on the payroll[1], which breaks down as follows:

- banks: 17,341;
- French subsidiaries: 1,401;
- branches/offices and subsidiaries abroad: 1,779.

The total number of employees rose by 123 (+0.6%), as compared to 2014 (20,398).
The banks' workforce rose slightly by 54 employees (+0.3%).
The French subsidiaries added 16 employees, and staffing levels at foreign establishments rose by 53 employees.
The breakdown of the workforce by age and gender is provided on page 245 for the consolidated reporting scope as described in the methodological note on page 243.

1.2 Stable jobs

The scope used for the indicators below (mainland France) includes 18,829 employees (individuals), of whom 96.4% were on permanent contracts. CIC's turnover rate was 3.1%. Data on new hires and dismissals are provided in the employment indicators table on page 246.

1.3 Compensation

Quantitative data on compensation is presented on page 247 (SOC 73, SOC 107 to 109 and SOC 80 indicators). Gross payroll for these employees is €794.9 million, down 0.7% compared with 2014.

1.4 Individual Social Report

In 2015, an Individual Employment Benefit Report (*Bilan Social Individuel* - BSI) as at December 31, 2014 was emailed to each employee. It is also available on the intranet.
This document presents a summary of all elements of direct and indirect compensation received by each employee during the year: fixed compensation, one-off additional elements (long-service awards, review bonus, monetization of working time accounts, and one-off bonuses, etc.) benefits received (allowance for school children, childcare allowance, employer contribution to luncheon and/or travel vouchers, etc.) and employee savings (incentive bonuses, profit-sharing and employer contributions). It includes details of employee contributions deducted from salaries and employer contributions paid, broken down by type. It also contains information to show employees how their fixed compensation has evolved over the past five years.

The BSI also provides information on working time, additional healthcare, insurance and supplementary pension coverage in place in the company, including intranet links to the various documents. There is also a paragraph on the employee's other benefits. The ISR provides employees with a full overview of their compensation and all of its constituent elements.

1.5 Working time and absenteeism

Working time and absenteeism and its causes are presented on page 246 (SOC 29 to 32 indicators for organization of working time; SOC 38 to 40 and SOC 43 for absenteeism). The proportion of employees working part-time is 6.1%. Absenteeism has decreased 1.5%, with 214,612 working days of absence during the fiscal year.

1.6 Integration

Employees who have been recently hired to work in the branch network take part in a job training program that combines theoretical instruction, days of work experience and practical application in branches, and self-training. In addition, CIC continues to develop close ties with numerous higher education institutions, in particular through job fairs, recruitment days, seminars on jobs, finance, etc. In the subsidiaries, specific training or tutoring is also implemented for new recruits.

2 - A company that cares about its employees' working conditions (SOC45)

Preventive and monitoring actions in the field of employee health and safety are conducted in the CIC's various entities.

For all the companies that apply the CIC single status, there is:

- an action plan for stress prevention at work: the proposed actions to prevent, reduce and eliminate stress at work take into account the conclusions of the working group and of the employee survey conducted by an outside company. Preventive actions involve the arrangement and equipping of workstations, adapting the intranet, the use of the message service, the role and training of managers, and training and support offered to employees.
- appended to the internal rules of each company:
  - a charter on preventing and combating harassment and violence (an information leaflet on prevention of harassment and violence at work is distributed to employees);

(1) HR data.

- a safety charter that sets out the rules applicable to all group employees and authorized persons who have access to sites, IT resources and information provided or used by the group. A safety booklet describes the safety procedures and instructions to apply in the various situations that might arise. This guide covers several topics and in particular the safety of premises and people. It is available to employees on the company intranet.

The comprehensive occupational risks assessment document and work hardship analysis scale are updated annually, for the applicable companies. To prevent certain risks specific to the business (armed robbery, physical aggression, rude behavior), safety procedures are updated and communicated regularly.

Concerning rude behavior from customers, employees have a computer application for registering rude acts, which includes recommendations for the measures to be taken with regard to these employees. Training on how to handle offensive behavior is mainly provided for reception staff in the branches. These employees must first complete a self-training module on this subject.
Ergonomic furniture and taking into account positioning with regard to equipment and light improve the workplace and workstation environment.

A group management charter was defined in 2014. It aims to support quality of life at work by promoting the group's managerial values. Management fact sheets were made available to managers. Each of these fact sheets summarizes a specific management situation, presents the recommended practices and suggests possible actions. All of these documents are available on the intranet and accessible to all.

Self-training modules are also offered on the topics of "Fire and safety prevention" and "Safety awareness – protection of people and property." In addition, fire drills and other risk prevention exercises, such as mounting anti-flood barriers in Paris are carried out regularly and preventative actions related to health issues are conducted (information on sleep, and how to deal with hot weather and heat waves, visual health day and basic emergency training, etc.).

CIC declared 111 workplace accidents in 2015 resulting in lost time.

In addition, CIC actively contributes to employees' healthcare, insurance and pension coverage. All of the arrangements are posted in the "l'univers du salarié" menu on the intranet.

3 - Training facilitates employee orientation and development (SOC 50)

The 2015-2017 training plan seeks to support the implementation of the group's medium and long term plan and incorporates needs arising from the forward-looking management of jobs and careers. With training activities that are reviewed each year so as to meet the needs of the group and its employees as closely as possible, the training plan is an effective support for skills development. It is structured around three areas:

- vital strategic actions rolled out in 2015 related to the acquisition of new skills (new offerings, regulations and technologies, etc.) or over a multi-year period related to skills enhancement (techniques, methodologies and behavioral skills);
- the early stages of a career and career development;
- individual skill enhancement measures.

The approach is a practical one and includes interactive training, an assessment of individual needs, the opportunity to participate in distance training over carefully defined periods, implementation and follow-up support tailored to the needs of each employee for lasting skills acquisition. New developments have focused on educational methods including the arrival in 2015 of "networked classes," which are an interactive complement to other training methods.

In 2015, the training budget equaled 5% of total payroll and 15,240 employees (81% of employees) received a total of 571,000 hours of training.

Quantitative data on training is presented on page 247 (SOC 46 to SOC 50 indicators).

Information for employees has also been posted on the intranet on the replacement of individual rights to training by the individual training account. There is also information on individual training leave, recognition of prior learning and career development advice.

4 - Skills development and management

4.1 Evaluating skills and managing careers

The "TalentSoft" application on employee workstations manages the personal data of each employee and generates a mini-CV, as well as later stage career interviews and professional interviews. This tool, which is available to all employees, is used to evaluate skill levels, define improvement pathways in the position and facilitate future promotion based on progress made and successes achieved. The professional interview has replaced the evaluation and skills development review (EADC) which was changed in response to the French act of March 5, 2014 on vocational training, employment and social democracy. A specific form available on "TalentSoft" has also been created to guide discussion in the interview held when an employee returns to work following an absence.

4.2 Promoting mobility

The group's employees have access to the "JOBS" application, whose objectives are to enable an easy search of job offers published anywhere in France, and to create alerts informing users of new opportunities that meet their criteria. A guide to facilitate employee procedures and define the associated practical rules for group mobility is available on the intranet.

4.3 Facilitating referrals and mobility between the different entities
The group has adopted a unique job nomenclature which has simplified the use of skills and career management tools. An archive of the group job/skills descriptions was also made available on the employee intranet in late August 2014. The descriptions are divided into 11 families and present for each job: the mission, the primary activities, the skills required to exercise these activities and the main related jobs (those from which an employee can transfer to take this position, and those that the employee may move on to after successfully occupying this position). Both a summary and a comprehensive description are available for each position, the latter including the levels of skills required, the list of professional skills, and definitions of the general skills.

5 - Equal opportunity

Combating all forms of discrimination (SOC69) and respect for gender equality at work (SOC56) are among the commitments of the group's managers. They are presented in the intranet publication titled: "Managing: best practices."

5.1 Gender equality policy (SOC56)
The relevant agreements and commitments have been signed by the banks and certain subsidiaries. They relate to equality in employment in terms of recruitment and equal treatment with regard to experience, classification, compensation and work-life balance and they are monitored.

Two-day seminars under the heading "Female leadership" are offered at Banque de Luxembourg as part of the "Impact f" initiative which focuses on two areas:
- the personal development of women through these tailored seminars which involve two groups of 10 women on average per year. The objective is to create awareness and support through established female role models (Mentorat f), and a peer network;
- the creation of an environment free of all stereotyping whether deliberate or unintentional by bringing together men and women (mixed workshop) and through ad hoc focus groups. A more strategic one and a half day seminar entitled "Dare to be a change agent" was set up in late 2015.

Female managers numbered 3,647, a 3.7% increase compared with 2014. In 2015, women accounted for 36% of management promotions.

The REV REM application (for REView of REMuneration) provides detailed information on the history and level of compensation of each employee, and enables managers to enter proposals in the framework of the annual budget allocation. REV REM generates reports that can be used to check that proposals maintain or improve gender equality.

5.2 Employment of seniors (SOC69). In application of the law to promote the employment of young people and seniors (contrat génération), the group's management undertook to continue to employ the same percentage of seniors as a percentage of its workforce as on December 31, 2012 over the three years in which the plan will be implemented.
A later stage career interview offered to all employees during the year of their 45th birthday has been replaced by the professional interview in accordance with the French vocational training act of March 5, 2014.
Banque de Luxembourg employees due to retire and their managers are supported in a program that promotes the transfer of knowledge for a successful transition and prepares the way for new life goals.

5.3 Actions in favor of diversity (SOC69). Certain companies pursue their own initiatives, such as Banque de Luxembourg, which is a signatory to the Lëtzebuerg diversity charter. Banque de Luxembourg took part in the first diversity day by offering its employees information about diversity issues and current and future initiatives. CIC Lyonnaise de Banque was involved in an initiative with the association IMS in favor of equal opportunity and combating stereotyping of any kind.

5.4 Employment and integration of the people with disabilities (SOC70).
Programs to support the integration of people with disabilities primarily consist of measures to assist workers with disabilities, such as those adopted at CIC Lyonnaise de Banque or CIC Nord Ouest. The measures involve contributing to the purchase of disability-related equipment, providing support with and granting time off for administrative formalities, paying for and modifying workstations, adjusting working hours if required because of the disability and adapting the physical conditions of professional training to workers' disabilities.
Certain work is also subcontracted to centers that employ workers with disabilities (ESAT).

5.5 Promotion of and compliance with the provisions of the International Labor Organization's fundamental conventions
- Respect for freedom of association and the right to collective bargaining (SOC67): the group's entities (except where exempted by size) regularly meet with employee representative bodies (works council, health, safety and working conditions committee, employee representatives). No corporate officers or directors of the entities within the scope of the indicators have been convicted of the crime of obstructing the functioning of employee representative institutions.
- Elimination of employment and professional discrimination (SOC64): in accordance with the law, CIC's employment policy focuses on highlighting and eliminating discrimination, particularly through the actions described in paragraphs 5.1 to 5.4.
- Elimination of forced or involuntary labor (SOC65) and effective abolition of child labor (SOC66): CIC does not use forced or involuntary labor or child labor in its branches and subsidiaries abroad.

6. Labor dialogue*

6.1 Employees have the opportunity to share in CIC's overall performance

Results generated in 2014 enabled the group to pay, in 2015, both incentive bonuses and profit sharing. Thus, in the case of CIC entities covered by the single status, 19,784 employees received a total of €89.9 million in profit sharing and incentive bonuses, i.e., 11.6041% of the 2014 payroll, which breaks down as 9.5497% in incentive bonuses and 2.0544% in profit sharing. Employees who made at least one deposit into their group savings plan received a total of €14.0 million in employer contributions.

New incentive bonus and profit sharing agreements were signed in 2015. They will apply to the 2015, 2016 and 2017 financial years and show improvements compared with previous agreements increasing the role of profit sharing and incentive bonuses in employees' overall compensation.

No stock subscription or purchase option plans have been established for CIC executives.

6.2 Schemes to optimize employee pensions

In addition to the mandatory basic social security and supplementary Arrco and Agirc schemes, employees of the CIC group benefit from a supplementary capitalization retirement plan called "CIC Retraite", funded entirely by the employer. They have the opportunity to make voluntary contributions and to allocate entitlements from the working time account to the scheme. Each year, a statement of entitlements is sent to employees, who may also view their accounts online and carry out simulations of entitlements based on their leaving date.

In a second scheme employees are able to build up extra retirement saving following an agreement establishing a group pension savings plan. This plan may be funded through incentive bonuses, profit sharing, voluntary contributions or the transfer of entitlements arising from the working time account.

*6.3 Labor relations and collective bargaining agreements**

Agreements signed in 2015 (SOC83)

Several agreements relating to the CM11 scope were signed between employees and management. The following agreements concern CIC entities:

- January 16, 2015: wage agreement (0.8% increase with a floor of €300);
- January 28, 2015: agreement on the gifting of days off to a parent of a seriously ill child);
- April 21, 2015: amendment 16 to the CM-CIC group savings plan agreement (employer's contribution for the financial year of €825 in return for a voluntary payment of €275);
- June 19, 2015: agreement on employee incentive bonuses;
- June 19, 2015: profit-sharing agreement;
- October 2, 2015: agreement on the terms of office of elected staff representatives and on the organization of elections;
- October 8, 2015: amendment no. 4 to the CIC group single status agreement.

Specific agreements have also been signed by some CIC entities.

Finally, in accordance with the requirements of the employment safeguarding act, an economic and employment database has been available on the intranet to the employee representatives of the group's French entities employing at least 300 people since June 14, 2014. This shared database of information about the major economic and employment orientations of the companies impacted will be deployed in the other entities of the CIC group employing more than 50 people, in accordance with the calendar defined by law.

Agreements signed in the area of occupational health and safety (SOC84)

A health, safety and working conditions committee is convened in all group establishments with at least 50 employees to contribute to protecting employee health and safety and improving working conditions.

In the area of health, in 2015, the agreement on the gifting of days off within the CM11 and CIC group provides for the establishment of a joint fund to pool donations made by employees of the CM11 group and CIC and not only, as the law stipulates, the donation of days off solely between employees of the same company. Accordingly, employees who need a donation have the same opportunities regardless of the size of the company they work in. In addition, the possibility of recourse to gifted days off has been extended to cases of especially serious sickness, disability, or accident affecting a spouse or civil partner.

Preventive actions are regularly implemented in the area of health, such as offers of emergency preparedness training, sleep information and preventive measures for hot weather and heat waves, etc.

In the area of safety, no agreements were signed in 2015. Various documents are available on the intranet: the safety booklet, the group safety guidelines and network safety guide, "Acting Together Against Rude Behavior (in customer relations)," Preventing All Acts of Harassment and Violence at Work," etc.
All employees receive training in fire safety (e-learning and classroom training), and evacuation training led by the site evacuation officers and workplace first responder training is offered.

6.4 Employee satisfaction (SOC87)

The satisfaction surveys conducted in 2015 address the training provided by CM-CIC Training in terms of content, organization and instruction (use of the forMetris tool for new training, training conducted externally, etc.), and the quality of services provided by the branch network support providers (business line subsidiaries, telephone platform, etc.).

6.5 Raising employee awareness of CSR factors

In 2015, employees were made aware of CSR issues at the level of the entities' internal functioning (eco tips, paperless pay slips, etc.) and in two areas of activity: SRI and responsible investment.

- **ISR :** as part of SRI Week and in preparation for COP21, CIC worked with CM-CIC Asset Management to create an animation explaining the significance of SRI. This animation was posted on the employee intranet site.

Employees have access to an SRI employee savings plan approved by the Inter-Union Employee Savings Plan Committee (CIES) and a solidarity employee savings plan. The SRI features are mainly explained to employees when they receive their account statements.

In addition, CM-CIC AM produced a video on SRI as part of the "*minutes pédagogiques OPCVM*" clips on investment funds. This video is available to employees on the intranet and describes the selection methods used by CMCIC AM, the reasons to invest in SRI, how to choose an SRI fund and CM-CIC AM's SRI funds.

- **Responsible investment in private equity:** the quarterly newsletter of CM-CIC Investissement aimed at its professional environment and posted on the intranet included a supplement in June on the topic of "CSR: practicing it and raising awareness." Employees are also made aware of these subjects through information on ESG issues in their business line.

The Crédit Mutuel group's CSR newsletter also includes a general informational and competitive watch and highlights best practice in the various group entities. It is published weekly and is available on the intranet of CIC, the regional banks and some subsidiaries.

Certain aspects of CSR are also very much present in CIC's business lines, particularly in terms of compliance and risk management.

II - A RESPONSIBLE ECONOMIC PLAYER

1 - Geographical, economic and social impacts of CIC's business (SOT09)

CIC contributes directly and indirectly to the economic development of the regions, particularly through its regional presence, with a network of 2,015 points of sale spread right across France, through sustainable support to business development and by supporting employment in the regions.

1.1 A solid bank that actively contributes to financing the economy

CIC's full Common Equity Tier 1 capital ratio was 11.7% as of December 31, 2015, and that of the CM11 group was 15.1%, one of the highest among French banks, which facilitates refinancing of the group.
In 2015, in a low-growth economic environment, outstanding[2] installment loans from the banking network rose by 4.6%, including increases of 5.1% for housing loans, 4.3% for consumer or revolving credit and 3.6% for investment loans. As part of the revival of lending to SMEs, the Prêt Privilège Entreprise loan has been available to companies, self-employed professionals and farmers since October 2014. A special refinancing rate has been obtained from the ECB.
Similarly, CIC has partnered with the European Investment Bank to finance SME projects.
CIC is also involved in companies' international development. It assists them with their strategy (country information days, advisory services and support finding partners and an online bi-monthly newsletter Latitude International) and offers them tailored financing and secure and efficient international payments.

(2) Amounts outstanding at the end of the month.

1.2 Financing solutions and initiatives to develop entrepreneurship

1.2.1 CIC supports start-ups, sole proprietors and business acquisitions. A number of systems for business start-ups and acquisitions have been in place at CIC for some years. These include the CréaCIC offer of specific solutions for financing, partnerships with BpiFrance (renewed in 2015 for financing microenterprises and extended to SMEs), the Initiative France and France Active networks and Siagi, etc.
In late 2015, the partnership between CIC Sud-Ouest and Adie was also extended to CIC and the other regional banks.
CIC has made a commitment to innovative entrepreneurs by offering the Prêt Entreprise Innovante loan with deferred payment for up to two years to allow the project time to succeed. In addition to these financing solutions, CIC offers social welfare coverage, daily banking, technological products and constant support through a network of customer relationship managers trained in business start-ups and acquisitions.
Partnerships were signed with a number of networks that support start-ups such as the Agence pour la Création des Entreprises (national start-up agency), the UAE (union of sole proprietors), the *Institut du Créateur Repreneur du BTP* (construction industry entrepreneur institute), and *Mon Entreprise Auto* (national council of automobile professions framework to support the sale, creation and purchase of automobile companies), or to provide interest-free loans (Initiative France, etc.).

The cic.fr start-up space outlines this system and provides practical information (a business start-up guide, Memo for Future Franchisees and the Start-Up Charter, etc.) and a tool box including a model financing plan and a monthly cash budget.
Sole proprietors also have a dedicated space on cic-fr.
Assistance to business incubators and support structures for new business start-ups are also provided. For example, CM-CIC Innovation supports the University of Lyon Foundation's Big Booster project, which is designed to support the international development of innovative start-ups in the areas of healthcare, digital technology, the environment and sustainable development.

1.2.2 CIC is encouraging entrepreneurial initiatives through the launch in September 2014 of "Entreprenons.fr," a space for finding and sharing information. CIC promotes discussion on the web including solutions for concrete everyday issues encountered by entrepreneurs.
As the bank of more than 40% of intermediate-sized enterprises (ISEs), CIC is also a partner to the first cycle of the "Long-term business encounters" launched in late 2014 and organized by the Express-Roularta group and other partners such as Asmep-Eti (association of medium-sized family companies and ISEs) and FBN France (Family Business Network France). These meetings continued in 2015. A total of five meetings took place, organized jointly with the executive management of each of the regional banks. They were an opportunity for family SME and ISE directors to share best practices, tools and experiences. In 2015, CIC continued its contribution to La lettre de l'entreprise familiale (family company newsletter).

1.2.3 A bank that supports the development of SMEs over the long term
In 2015, a new loan product - Premium - was launched especially for the purpose of providing customers without access to the bond markets with ultimately the same type of financing through quasi-equity.
CM-CIC Investissement and its subsidiaries are present throughout France with six local offices (Paris, Lyon, Nantes, Lille, Strasbourg and Bordeaux). It supports the companies in its network at every stage of their development: minority investment in technology venture capital, leveraged buy-outs (LBO), private equity and M&A advisory services. It operates in particular via the management of FIP local investment funds and FCPI innovation mutual investment funds. In addition to the group funds, two external funds (an FCPI invested in unlisted innovative companies and an FIP specifically for unlisted regional SMEs operating in the Aquitaine, Midi-Pyrénées, Languedoc-Roussillon and Poitou-Charentes regions) were offered to customers in 2015. As of December 31, 2015, the consolidated entities for this business managed €2.4 billion in capital (unchanged from the previous year), including €2.1 billion in equity and almost 435 equity investments. And this year, CIC began offering the "CM-CIC Transactions PME" solution which supports manager shareholders wishing to transfer their small cap company.

1.2.4 CIC promotes long-term investment by its customers in SMEs and ISEs. Since 2014, CIC has offered two investment funds with special SME savings plan status under French law (Union PME ETI Action and Union PME ETI Diversifié) to supplement the mid- and small-cap range: Union Mid

From left to right:
Daniel Baal, deputy chief operating officer of CIC,
Catherine Barbaroux, Chairman of Adie, Alain Fradin, chief executive officer of CIC, and Nicolas Théry, chairman of CIC
Signing of the CIC-Adie agreement on December 7, 2015.
Photo credit: Nicola Gleichauf.

Cap and Union Entrepreneurs. Banque Transatlantique also offers a fund eligible for SME savings plan status (*Brongniart PME diversifié*).

1.3 Helping young people find their way in working life

For every important phase in a young person's life (apprenticeship, higher education in France or abroad, driver's license, first home, first job, business creation, etc.), CIC proposes tailored solutions: loans with preferential conditions, financing and insurance for a first move, including an insurance policy for joint tenancies, assistance for seeking a first job, money management advice and tools once that job is found, and support in creating a business.

CIC provides practical measures to help young people embarking on working life including the "Objective: First Employment" (Objectif Premier Emploi) package which offers free banking for one year, deferment of repayment on a loan to finance a driver's license, an attractive interest rate on the young people's loan (prêt jeune) and a specific set of telephone banking services.

CIC also maintains a Facebook blog titled Jeunes Expat' ("young expats"), which is the CIC webpage for young people who have traveled or want to travel abroad for their studies, an internship or a job.

1.4 A bank that supports associations (SOT40)

The banking network's number of non-profit customers grew to 92,045, an increase of 15.1% in 2015 compared to 2014.

CIC in particular proposes donation management services for associations (Dynaflux Global'Collect), enabling delegation of all or part of the entire donation chain, from donation requests to envelope intake, depositing checks and issuing receipts, as well as entering donations into the files.

It also offers an Associations Package with which local associations can let their members pay by bank card even without a website. Financing and investment products adapted to their needs are also available including lease financing.

Some associations benefit in addition from the interest-paid-to-charity savings accounts and cards offered by CIC to its customers (see section 3.3).

CIC's commitment is also reflected in partnerships with associations in various fields (see "Involvement in cultural and social life" section).

2 - A responsible product and service offer

2.1 Socially Responsible Investment (SRI) (SOT28)

is promoted through meetings with customers of the regional banks hosted by the group's business lines. At the Institutional Management Forum in March this year, CM-CIC Asset Management took part in a workshop entitled "Does a CSR approach reduce long-term risk and how?" For SRI week, CM-CIC Asset Management organized a web conference on the theme of "SRI: investing differently" for institutional clients and branch network retail customer relationship managers. The goal of the conference was to introduce SRI and present the various SRI approaches and the characteristics of SRI compared with "traditional" investments. The film produced to promote SRI week mentioned in section 6.4 of the employment aspects section was made available to customers on the CIC banks' websites.

CM-CIC Asset Management also took part in the SRI and Performance meetings launched by Option Finance et Funds magazine on the subject of "Products: What requirements? What level of returns?" CM-CIC AM also introduced its first green fund CM-CIC Objectif Environnement at a conference at Les Invalides in Paris.

CM-CIC AM's active and rigorous approach to the selection of sovereign issuers and companies is based on:

- excluding companies involved in manufacturing or selling antipersonnel mines and cluster bombs (Ottawa Convention and Oslo Treaty) as well as states that do not comply with international standards and agreements;
- selecting companies whose business contributes to sustainable development, by the nature of the company or its products and/or services;
- shareholder activism (monitoring controversies, liaising with companies to improve their social responsibility policy, systematically voting at shareholder meetings);
- the best in class approach: CM-CIC AM's SRI approach rests above all on extra-financial analysis of companies based on environmental, social and governance (ESG) criteria, together with consideration of the company's social policy and commitment to a responsible approach. Specific features related to business sector are taken into account, and regular meetings are held with the companies' directors. Factors considered with regard to states are: legal framework, respect for fundamental freedoms, education and health, protection of the environment and living circumstances, and economic well-being. This analysis is then compared to those of agencies specialized in socially responsible investment. A selection is made that retains only 50% of the initial securities, and then the fund portfolio is formed by selecting the securities presenting the best stock market performance potential.

CM-CIC AM is:

- a member of the French SIF (Social Investment Forum) since 2004, and of EuroSIF (European Association of SIFs);
- a member of the CDP water program (former Carbon Disclosure Project) since 2010, and involved in its carbon program since 2011 and its forest program since 2013;
- and a member of the ICGN (International Corporate Governance Network) since 2011;
- a participant in the AFG-FIR transparency code since its creation;
- a member of the Green Bonds Principles initiative from 2015;
- a signatory of the PRI (Principles for Responsible Investment) since 2012,
- and a signatory of the Paris Pledge for Action on climate since December 2015 within the framework of the COP21.

The CM-CIC AM offer includes two SRI ranges:

- the best-in-class SRI funds certified by Novethic: CM-CIC Objectif Environnement, CM-CIC Obli ISR, and CM-CIC Moné ISR for individual and institutional investors;

• the range of inter-company "Social Active" SRI funds, created by CM-CIC AM and CM-CIC Épargne Salariale, approved by the Inter-Union Employee Savings Plan Committee (CIES).
• dedicated SRI funds are also offered.

SRI assets under management by CM-CIC with Novethic certification totaled €147 million at December 31, 2015 and SRI assets under management with CIES certification totaled almost €466 million.

SRI is included in the weekly Economy and Markets newsletter distributed to CM-CIC Asset Management customers via the SRI blog.

Another fund, BL Equities Horizon (Ethibel EXCELLENCE certified), is offered by Banque de Luxembourg in partnership with Vigeo and Ethibel.

2.2 Responsible investment: a commitment by the capital division

In 2015, CM-CIC Investissement and its subsidiaries signed the charter for commitments of investors in growth. Companies that sign this charter are committed, beyond the rules already established in the industry's code of conduct, to the AMF's regulatory framework in terms of economic, social and human, environmental and good governance issues. Additionally, CM-CIC Investissement SCR is a shareholder in the agency Lucie which awards its CSR certification to organizations based on the ISO 26000 standard.

2.3 Support for solidarity savings

The interest-paid-to-charity savings account (livret d'epargne pour les autres) received solidarity certification from Finansol for the fifth consecutive year. Either 50, 75 or 100% of annual interest is paid in the form of a donation to one to four partner associations working in the fields of humanitarian emergencies (Action contre la Faim, Secours Catholique [Caritas France], and Médecins du Monde), children's aid (Petits Princes Association and since late 2015 the Unicef Initiative), social housing (Abbé Pierre Foundation, Habitat et Humanisme), or medical research (Curie Institute).
In addition, use of the Carte pour les Autres entitles these same partners to a donation whenever purchases are made with this card. Thanks to the donations collected throughout 2014 with these two solidarity products, and despite lower interest rates on the savings accounts, the amount paid by CIC to the partner associations increased by a further 6% compared to 2014.
CIC also offers a solidarity fund in support of employment, CM-CIC France Emploi (Finansol certified), for which half of earnings are donated to the association France Active. France Active supports and funds solidarity companies that create or consolidate jobs as well as people in employment difficulty who create their own company. Within the "Sociale Active" SRI range dedicated to employee savings, approved by the Inter-Union Employee Savings Plan Committee (CIES), four FCPE funds are solidarity funds (obli solidaire, équilibre solidaire, tempéré solidaire and dynamique solidaire).

In addition, Banque de Luxembourg has launched three microfinance funds since 2010. A fourth fund "Capital Gestion - Impact Investing" was launched in 2014. In April 2015, it hosted a conference entitled "Microfinance and climate change" as part of the Midi de la Microfinance conference.

2.4 Insurance: Promoting green driving

In the area of automobile insurance, CIC offers attractive deals to people who adopt environmentally friendly behaviors: a reduced rate if the vehicle covers less than 6,000 km per year, if the policyholder agrees for the car to be repaired using secondhand body parts, if a driver under the age of 28 completes a driving course, and extension of physical injury cover if the driver uses land-based means of transport other than his or her car. In the case of an electric vehicle, the battery and charging cable are also covered under the policy.
Careful driving is also rewarded with young drivers receiving preferential terms if they obtain their license through accompanied driving or take part in a "Prevention Day" training course to develop good driving reflexes.

2.5 Support for persons experiencing difficulties (SOT39)

CIC has implemented regulatory measures arising from the French Banking Act of July 25, 2013 and the Charter for Banking Inclusion and Prevention of Insolvency which came into force on November 13, 2015. These measures are designed to identify and support individuals, not acting in a business capacity, in situations of financial distress:
• providing since October 2014 an offer designed to limit missed payment fees (under the trade name "Welcome Service") to customers identified as being in financial distress; at the end of the first quarter of 2016, this process will be incorporated into the COMPLY compliance application and be fully automated as a result;
• by capping bank fees for customers in financial difficulty and customers who hold Basic Banking Services (right of access to banking services);
• by including the Welcome Service offer in the tariff agreement for the retail market;
• furthermore, COMPLY will set up and manage an annual meeting for customers provided with Basis Banking Services and customers in financial difficulty in the strict sense,
• by rolling out during 2016 an Athéna self-training module for employees about persons in financial difficulty.

Regarding insurance, since July 1, 2015, persons entitled to assistance for supplementary medical insurance (Aide pour une complémentaire santé - ACS) have had to choose their healthcare policy from among ten selected by government authorities for their price and the level of coverage provided. The "Complémentaire Santé ACS" healthcare policy offered by CIC is one of the policies selected. Finally, CIC complies with the "Aeras" agreement, designed to facilitate access to insurance and credit for people with an increased health risk. It was revised on September 2, 2015 and establishes a "right to be forgotten" under which former cancer patients are to be exempted, under certain conditions, from having to declare their previous condition when applying for loan insurance, which will not be substandard or include an exemption. Long-term care insurance is also available.

2.6 Budget management assistance

The "CIC Alerts" application can help with better budget management via email or text alerts concerning accounts (balance, transactions, etc.), payment transactions, and payment instruments (payment card balances, etc.), where the customer can configure frequency, thresholds and types of alerts. CIC also makes it possible, upon examination, to group together several existing loans into a single loan to facilitate tracking with a single monthly payment and a single point of contact. In 2015, a Budget function offering customers a graphic overview of spending and income was also added to the new version of the Remote Banking apps for smartphones.

3 - Financing of projects of an environmental nature

3.1 Specific products (SOT59)

With regards to real estate, in addition to the zero-interest eco-loans for certain specific energy performance improvements in older residential buildings, long-term and short-term sustainable development loans are available for improvements to buildings that are more than two years old eligible for the tax credit (total envelope of €5 million and €10.8 million, respectively).
In addition to these three existing products is the Eco Energy Loan in the Alsace region, based on a partnership signed in the second half of 2014. Moreover, CIC proposes housing insurance that covers renewable energy installations (heat pumps, geothermal and aero-thermal equipment, photovoltaic solar panels, etc.) and the properties where they are installed. It also offers electricity generation civil liability coverage for the sale of electricity from declared photovoltaic panels.

Regarding vehicles, CM-CIC Bail offers solutions for electric vehicle and public transport financing (the number of finance leases for the purchase of electric vehicles at December 31, 2015 was 9% higher than at December 2014 and for public transport it was 4.1% higher). A file on clean vehicles is available on the CM-CIC Bail website. It highlights alternatives to gasoline and diesel vehicles in light of environmental issues and changes in legislation.

3.2 Financing of programs and "major projects" (SOT60)

The projects financed in the regions in 2015 were primarily photovoltaic farms, renewable energy equipment and other energy savings work. Accordingly, CIC Est contributed to setting up 33 biogas plants generating almost 120,000 MWh per annum. The CIC group also took part in larger projects in France and abroad in various fields (see section 6).

3.3 Investment

CM-CIC Investissement and its subsidiaries that also invest in companies that produce environmentally friendly products such as biomass, are also involved in project development.

4 - Financing of projects of a social nature (SOT72)

CIC can also contribute to putting together financing for the construction of social housing. It offers a solution to social housing management companies for processing collections on payment notices for rents and fees with CIC Dynaflux Immobilier CIC and the Euro TVS subsidiary.

5 - Risk management (SOT88)

CIC is aware of the social and environmental impacts of the activities of the companies to which it grants loans.

5.1 Project financing

To enhance controls of social and environmental risks, a program was initiated at the financial banking level. Beginning in 2014, all new financing granted to projects was analyzed more formally by the relevant management, with preparation of an annual report.

In 2015, the CIC project financing department financed 23 projects, including nine in renewable energies (two solar farms in the USA and two in France, one wind farm in France, one in Australia and three in Canada), three telecom infrastructure projects in Belgium, the Netherlands and the United Kingdom, several other infrastructure projects, including a highway tunnel running east to west through the city of Melbourne, a highway network in France, a heat network in the Levallois-Perret district, a proposed extension to a desalination plant in Oman, and the refinancing of a group specialized in hydrocarbon storage in transport in northern France. Finally, in the area of natural resources, two LNG terminal projects in the USA.

CIC applies an internal evaluation methodology that utilizes the "Equator Principles" classification scale.

- Category A projects – Projects with potential significant adverse social or environmental impacts which are diverse, irreversible or unprecedented.
- Category B projects – Projects with limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.
- Category C projects – Projects with minimal or no adverse social or environmental impacts.

The 23 projects are categorized as follows: 18 in category B and 5 in category C.

Projects are selected on the basis of a set of criteria that incorporate in particular social, environmental and ethical factors in selected business sectors and countries.

Particular attention is paid to social utility factors (for example, how strategic a project is for a country, the alignment of the interests of the various stakeholders and the overall economic rationality of the project are analyzed), local acceptance (known opposition of environmental defense groups or the local population, noise pollution, landscape impacts, etc.), and environmental criteria (compliance with current and foreseeable standards). In all cases, portfolio projects at the least comply with local laws and, in general, with the World Bank's minimum requirements. For anti-corruption efforts, conditioning disbursement of the funds on satisfactory completion of KYC procedures and on obtaining a certificate issued by a trusted third party (Independent Technical Expert) is a powerful mechanism for controlling the reality of expenditures.

The department's internal strategy is to focus on sectors it knows well and whose collective utility arises from meeting basic needs (supply or production of energy, means of communication, telecommunications, leisure activities, conversion industries and public service concessions).

Ordinarily, the department finances projects in countries where political and solvency risk is limited (i.e., "designated countries" within the meaning of the Equator Principles). When it does business in more fragile countries, both politically and with respect to environmental standards, it partners with banks that have signed these principles or with multilateral agencies.

For all of these projects, social and environmental impacts are not only taken into account when the operation is chosen, but also monitored throughout the life of the project (for example, obligation to have an independent engineer monitor the construction stage and its environmental impact if justified by the size of the project; contractual obligation imposed on the borrower to comply with standards and future amendments thereto).

5.2 Sector policies

At December 31, 2015, sector policies have been developed applicable to all CM11 group entities and covering defense, civil nuclear energy, the mining sector and coal-fired power plants, and the private banking business. Awareness sessions for employees organized by the financing bank's internal control department were held in 2015. These policies are already being used for new project financing and are taken into account when project financing is reviewed by the credit committee and in the international financing of the International Activities department. This procedure is currently being rolled out for large accounts.

5.3 Incorporating CSR criteria into the investment policy

In 2015, CM-CIC Investissement developed a questionnaire to evaluate the corporate social responsibility policies of the companies in its portfolio (with revenues above €30 million and where more than 10% of the capital is held).

6 - A relationship grounded in respect for customers

6.1 Focus on providing quality service (SOT73)

Building a lasting relationship of trust between CIC and its customers is at the heart of the group's strategy. This relationship is based on the quality of products and services and on excellent advice and support. The adviser is central to the customer relationship.

Initiatives are undertaken at various levels to continuously build on this high standard of service:

6.1.1 Welcoming, listening, accurate identification of needs and the recommendation of appropriate products thanks to the training program.
In addition, customer relationship managers are not paid commission on the sales of products they offer, which helps them be more objective.

6.1.2 New products such as CIC Auto (comprehensive offer that includes the car purchase, financing, insurance and maintenance, enabling customers to make the most of their car budget) and the further development of new electronic banking services: Fivory (a "connected shopping" solution) enables payment via smartphone on the internet, as well as with retailers, and access to loyalty programs and personalized offers; Fid et Moi provides customers of small retailers with dedicated offers in real time via recognition of their payment card by the store's payment terminal, and Monetico Mobile can accept mobile payments in complete security using a new type of bank card reader, together with the retailer's smartphone or tablet, etc.

6.1.3 Tools that support an efficient approach such as the new asset assessment, and save time by simplifying the customer relationship managers' intermediate tasks.

6.1.4 Physical and technological proximity to customers. CIC is a retail bank serving the real economy with its banking network of 2,015 branches, including 1,713 in the regions. It adapts to new, increasingly connected lifestyles: face-to-face meetings with customer relationship managers and various contact channels (phone, web and messaging) have become complementary. The practice of communicating via secure messaging (offering an optimal level of confidentiality) and allowing customers, at their initiative, to make appointments directly, are efficient and appreciated features. The availability of remote banking applications that can be accessed on the different smartphone and tablet platforms, as well as at ATMs, makes these functions widely available.
Expansion of electronic document management (EDM), through the Filbanque online service, provides customers with round-the-clock online access to their various contracts, account statements, etc. (which are stored for ten years). This makes it easier to review these documents while at the same time contributing to CIC's efforts to reduce paper consumption. An electronic safe stores these documents with complete confidentiality and security. CIC also offers individual customers its e-Withdrawal service, with which holders of a remote banking contract can withdraw cash if they forget their card or it is malfunctioning. A single-use virtual card enables them to complete a withdrawal anywhere in France at CIC and Crédit Mutuel ATMs managed by Euro Information.
New applications are also being rolled out in insurance. Customers can now report a claim directly on their smartphones. Local presence results in a quick response following disasters. Following the severe weather conditions in Montauban and the Alpes-Maritimes region, ACM staff were quickly on hand to make an initial assessment and make advance payments to the victims. Exceptional arrangements were also made to support and assist victims of the November 13 attacks and their families.

6.1.5 Measuring quality. External surveys are conducted regularly to measure customer satisfaction (barometers). In 2015, as part of the quality initiative, there was widespread use of satisfaction surveys for new retail and self-employed professional customers. In terms of companies, CM-CIC Aidexport, the CIC subsidiary that supports companies with their international development, again ran its quality survey of customers as well as international sales representatives. A satisfaction survey was also conducted via mobile phone. CIC also participated in a satisfaction survey of companies launched by several banks jointly and conducted by TNS Sofres. CIC ranks second (up one place) in the Posternak-Ifop barometer image ranking of French banks. CIC is also one of the best banks for quality of service in retail banking according to a study conducted by the bank comparison site Choisir-ma-banque.com. Furthermore, some services provided by subsidiaries or business centers are ISO 9001 certified. This is the case for CM-CIC Épargne Salariale, whose certification was renewed in 2015.

6.2 Ombudsman (SOT74 to SOT78)

Customers may request that the CIC ombudsman examine any disputes that come within the scope of his or her authority and issue a binding opinion. Work was undertaken in late 2015 to prepare for the implementation of the European directive on the out-of-court settlement of consumer disputes applicable from January 1, 2016.

In 2015, 1,517(3) requests (+8% compared to 2014) were submitted to the ombudsman, 69% of which were within his or her jurisdiction. 73% of responses were made within a period of less than one month, and 59% were partly or wholly in customers' favor.

6.3 Fair operating practices (SOT79)

CIC is a subsidiary of Crédit Mutuel, whose development model is based on the values of solidarity, community and social responsibility.

6.3.1 Actions undertaken to prevent corruption

CIC applies the provisions of the code of ethics common to the CM11 group. This code, which incorporates the good conduct rules that employees must observe, particularly vis-à-vis customers, is based on compliance with the following general principles:

- serving the best interests of customers;
- strictly observing confidentiality rules;
- carrying out their duties with rigor and professionalism;
- acting with integrity at all times.

Employees who perform "sensitive functions", in particular within capital markets activities, financing and investment, portfolio management and financial analysis, and who are exposed to conflicts of interest or who are in possession of confidential information, are subject to strict rules governing and, in particular, restricting their personal transactions.

Management is required to ensure compliance with these principles, and application thereof is regularly verified by the control departments.

This code has been supplemented with anti-corruption provisions and two specific documents on information system security and combating violence and harassment in the workplace.

CIC has implemented anti-money laundering and terrorist financing measures that comply with regulatory requirements and are tailored to the risks generated by its various activities, both in France and abroad. These measures comprise a set of procedures and tools that are applied by staff who are specially trained and employed in the detection of suspicious transactions. These measures are themselves subject to internal controls and regular assessment by the supervisory authorities.

In this context, CIC's objective is to comply with regulatory requirements, which consist of:

- having the highest level of knowledge of its customers and their transactions and assessing money-laundering risks with the aim of avoiding entering into a business relationship with any customer whose identity or activities are ill-defined;
- carrying out monitoring proportional to said risks, based on the type of customer, location, products and distribution channels, of the origin of the funds deposited and/or the transactions executed on behalf of each customer, in order to detect unusual or atypical transactions;
- involving all staff in money laundering prevention by means of regular training and awareness initiatives.

CIC does not operate in so-called "non-cooperative" countries or territories, the list of which is published on a regular basis by the French government. Transactions that customers may carry out involving countries that the Financial Action Task Force (FATF) identifies as having inadequate provisions in this respect are also subject to reinforced monitoring measures.

In connection with its marketing of products and services, CIC implements the recommendations of the commercial practices division of the French Prudential and Resolution Supervisory Authority (ACPR), in particular with respect to handling complaints, the procedure for which is described on CIC's website. The group regularly raises employee awareness of customer protection topics, in particular for customers with financial difficulties.

6.3.2 Measures taken to increase customer health and security (SOT80)

- **In the area of health**, via its insurance business, CIC offers individual health, death and disability and long-term care insurance policies for individuals and non-salaried workers, and group policies for companies. The mandatory introduction of a supplementary health insurance product for all private sector employees from January 1, 2016, subject to possible exemptions from the requirement to join such a scheme, resulted in the provision of two supplementary products known as "Intégral'santé," in addition to a flexible solution

(3) Banks and Banque Transatlantique and CM-CIC Épargne Salariale scope.

for companies. This supplementary offer is intended to ensure continuity of services for policyholders, since the coverage provided under the new system often proves inadequate for employees and their families. These products come with dedicated services. The Avance Santé card can be used by policyholders to pay for medical costs without needing to advance the funds. CIC also proposes a remote assistance service, Senior Assistance CIC, to help isolated or medically fragile people remain independent and in their homes.

- **In terms of security**, in addition to the Theft Protection offer (protection of people and property), considerable resources have been deployed to combat fraud and increase security, particularly on the internet and on mobile phones. Information summarizing best practices and recommended actions is available to customers on the CIC website homepages. Online banking security systems (Safetrans, K-sign certificate personal code card, confirmation code sent by SMS or interactive voice service, and mobile confirmation) are offered for customer authentication for CIC's remote banking services and the performance of sensitive transactions. A new application "Progeo" was rolled out in 2015 to protect cardholder customers travelling outside Europe from having their card counterfeited. Euro Information, the CM11 group's IT subsidiary, constantly monitors delinquent practices in remote banking services. Security of customer personal data and processing compliance are subject to the rules of the French National Commission on Information and Freedoms (CNIL). Employees are also made aware of the most common types of fraud through training and notes on the intranet, and of the ethical rules that apply, particularly regarding the use of computer applications and messaging.

7 - Subcontracting and suppliers (SOT81)

A significant share of purchases is made through business centers that supply the CM11 group, such as Euro Information, Sofedis and CM-CIC Services.
For example, the incorporation of CSR criteria in CM-CIC Services General Supplies' dealings with its suppliers translates into the following:

- inclusion of due diligence requirements and the company's CSR policy in the drafting of tender specifications;
- the inclusion of analysis grids in tender responses that determine the weight given in the overall quote to companies' responses on environmental and social considerations according to the type of activity, such as cleaning, recycling or front desk;
- the inclusion of employment considerations in monitoring and control reviews in accordance with the French Employment Code (particularly in connection with combating illegal labor);
- the inclusion of specific paragraphs on CSR considerations in standard contracts;
- an annual requirement for all General Services managers with decision-making powers regarding suppliers to declare any gifts from the first euro.

Concerning Euro Information, the supplier purchase circuit is a process monitored in the framework of the quality management system. This global quality system has been assessed and deemed compliant with the requirements of ISO 9001: 2008. Purchasing complies with group rules on contract signature, in particular the group ethics charter and the mandatory contract clauses. Certain key and sensitive suppliers are monitored more closely. The purchasing department requests suppliers' CSR reports in order to know their CSR policy.

Finally, in accordance with the order of November 3, 2014 on internal control of banking sector, payment service and investment service companies subject to ACPR supervision, outsourced activities are subject to a system of control that is reinforced in the case of the performance of services or other critical or important operational functions.

III – INVOLVEMENT IN CULTURAL AND SOCIAL LIFE

8 - Sponsorships and partnerships (SOT57)

8.1 Long-term support for cultural and heritage conservation projects (SOT55)

CIC has been a major partner of the Hôtel National des Invalides (Musée de l'Armée) for the past 12 years. In 2015, it sponsored two temporary exhibitions:

- "Churchill - De Gaulle" to mark the seventieth anniversary of the end of World War II and the fiftieth anniversary of the death of Churchill. The changing relationship and intertwined careers of these two great figures is examined through objects, talks, and never-before displayed archive material.
- "Knights and Bombards. From Azincourt to Marignan, 1415-1515" to mark the 500th anniversary of the famous battle of Marignan. Through these two battles, the exhibition describes the changing face of warfare, military equipment and institutions, with the end of the feudal army and the beginning of a modern army. CIC actively supports heritage initiatives (restoration work) and cultural activities (concerts and musical events) and recently committed itself to supporting all temporary exhibitions until the end of 2018.

CIC is also a founding partner of the Aix-en-Provence Easter Festival, which has become internationally renowned and has a strong economic impact locally. Further evidence of CIC's desire to support artists and culture is shown in its investment in promoting French culture and France's influence abroad via initiatives of Banque Transatlantique, sponsor and founding member of the Alliance Française Foundation.

8.2 Support for young artists

CIC supports "Victoires de la Musique Classique" and helps the young winners to build a reputation by giving them an opportunity to perform at the Hôtel National des Invalides and on various stages in France. CIC not only helps new talent perform at concerts and festivals but also to find their musical voice through high quality instruments. In 2005, it purchased a cello made by Francesco Goffriller in 1737 that it made available to Ophélie Gaillard, and at the conclusion of the Aix-en-Provence Easter Festival CIC donates an instrument specially designed by the string-instrument maker Pierre Barthel (one cello in 2015). Similarly, CIC Sud Ouest supports the Mezzanine Sud prize promoting contemporary works in the Greater Southwest region and aimed at artists aged under 35. The winners participate in the annual "Mezzanine Sud" exhibition at the Toulouse museum of contemporary art (Mezzanine Sud space, Les Abbatoirs). They receive technical support from Les Abattoirs to produce the exhibition and a production budget. In 2015, CIC Nord Ouest continued its sponsorship with the Royaumont Foundation, which prepares and supports young emerging artists by offering additional specialized training and promoting their employability by putting on concerts at Royaumont and outside the foundation. The bank provided backing to the "Winter Journey" concert by Schubert.

8.3 sponsorship presence throughout France

Principal regional cultural projects financed in 2015	Beneficiaries	Sponsors/Partners
Fine arts		
"Siena and the origins of the Renaissance"	Rouen Fine Arts Museum	CIC Nord Ouest
Marc Chagall: Sources of Music	Roubaix La Piscine – André Diligent Art and Industry Museum	CIC Nord Ouest
"Italian reveries, Antoine Watteau and the 18th century French landscape artists"	Valenciennes Fine Arts Museum	CIC Nord Ouest
Scientific and cultural museum projects	Pont-Aven Museum	CIC Ouest
"École de Nancy and the political and social issues of its era"	Musée de l'École de Nancy / Musée des Beaux Arts	CIC Est
Lyon Fine Arts Museum	Saint-Pierre Museum Club	CIC Lyonnaise de Banque
Music		
Musical projects	Lille Arpège and National Orchestra	CIC Nord Ouest
Idomeneo -Mozart, Madame Butterfly - Puccini	Lille Opera	CIC Nord Ouest
Musical projects	Rhine-Strasbourg National Opera	CIC Est
Besançon Franche-Comté Music Festival	Music festival	CIC Est
Colmar International Festival	Colmar Tourism Office - City of Colmar	CIC Est
Support for Lyon Opera initiatives for the general public	Lyon Opera	CIC Lyonnaise de Banque
Aix-en-Provence International Festival of Lyric Arts	Association pour le Festival d'Aix-en-Provence	CIC Lyonnaise de Banque
Classical concerts for social, cultural and educational purposes	La Folle Journée de Nantes	CIC Ouest
Breton music concerts	Bagdad Kemper	CIC Ouest
Funding for certain projects of the Bordeaux National Opera	Arpeggio Association for the promotion of the Bordeaux National Opera	CIC Sud Ouest
Maguelone music festival	Friends of the Maguelone Festival	CIC Sud Ouest
Basel Off Beat Jazz Festival	Off Beat Jazz Festival	CIC Suisse
Initiatives to provide access to music to socially disadvantaged, ill, disabled, elderly and other persons	Écouter pour mieux s'entendre Foundation	Banque de Luxembourg
Theater		
Compiègne Imperial Theater	Centre d'animation culturelle de Compiègne et du Valois	CIC Nord Ouest
History		
"Rendez-vous with history" Festival in Blois "L'Économie aux Rendez-Vous de l'Histoire" program of discussions	European Center for the Promotion of History	CIC Ouest
Publication of the book Des fibres et des hommes, promenade au cœur des collections textiles	PROSCITEC Patrimoines et Mémoires des Métiers association	CIC Nord Ouest
Cultural events on the topics of architecture, engineering, town planning and architectural history and heritage as well as other disciplines involved in construction process	Luxembourg Center for Architecture	Banque de Luxembourg
Safeguarding, restoration and development of the Île du Nohic caretaker's house (Plouhinec municipality)	Fondation du Patrimoine Bretagne	CIC Ouest
Conservation, restoration and promotion of French architectural and cultural heritage	French Heritage Society	Banque Transatlantique
Cinema		
"Film, Sport and Literature" festival	Institut Lumière	CIC Lyonnaise de Banque
Sport		
Cycle race	Les 4 jours CIC Bretagne de Plouay	CIC Ouest

8.4 responsible commitment (SOT53)

8.4.1 CIC operates through partnerships nationaly:
- In the solidarity field (SO48):

  CIC continues to work to support Crédit Mutuel Foundation's "Together, let's rebuild Haiti" program.

  Following the delivery of 38 housing units in 2014, 48 new units were started in July 2015. Unlike most temporary buildings constructed after the 2010 earthquake, all of the work is done using local labor, with priority given to high quality materials and construction techniques that meet earthquake- and hurricane-resistant standards.

  In 2015, CIC also supported the inaugural golf trophy against hunger organized by Action against Hunger and NGF golf, which took place in the Greater Paris region, Brittany, Picardy and Pays de Loire.
- In projects aimed at developing entrepreneurship among young people:
  - With MoovJee (movement for young people and student entrepreneurs), which in particular organizes a contest and rewards student who create businesses or have start-up projects with grants and an individual mentoring program.
  - The exclusive partnership with COFOM (WorldSkills France) continued in 2015. The goal of WorldSkills France is to promote apprenticeship, professional training, professions and young people who commit to participate in the WorldSkills International competition, thereby ensuring France's presence by organizing the participation of French youth in this international competition.
  - CIC is also partner to the WPROJECT association, whose purpose is to share experiences and advice on international living and business creation via reports and portraits of French entrepreneurs abroad. These reports are prepared by two teams of students selected competitively, who travel to see how entrepreneurship works in foreign countries, and are posted on the Wproject.fr website.

8.4.2 CIC also creates regional partnerships.

Examples of partnerships:
- In the field of *health*: CIC Ouest is a founding member of the Pays de Loire Gene Therapy corporate foundation and is involved with Santé Dige foundation in Nantes to support advances in the treatment of hepatic and digestive illnesses. CIC Est has been a partner of the Vignoble d'Alsace Marathon since it was first established. This year, CIC Est supported the involvement of the "Together against melanoma" group in the race by making a group donation on behalf of anyone wearing the "Together against melanoma" T-shirt. CIC Lyonnaise de Banque supported the Association for Research on ALS and other motor neuron diseases with the aim of assisting sufferers and defeating Charcot disease. The Singapore branch supports the Cerebral Palsy Alliance Singapore. Banque Transatlantique is a founding member of the Medical Academy Foundation.
- In the *social* arena: CIC Nord Ouest partners with the Ludopital association which works to improve the experience of hospitalized children. The bank was also involved with the Lille Pasteur Institute in financing its 2015 Theater program. CIC Lyonnaise de Banque provides its support to the Neurodis Foundation's "CIC - Brain and Mental Health" chair, which aims to promote the link between the brain and psychiatry and create synergy between the neurosciences and mental health and society. CIC Suisse supports the Kinderkrebshilfe Schweiz association which supports and encourages families who have a child in cancer treatment. In 2015, CIC Suisse also supported the production of a talking wristwatch for the visually impaired.
- For projects in *education*: CIC Lyonnaise de Banque is a partner of the Coup de Pouce association, which works to prevent academic failure and to promote literacy. Banque de Luxembourg supports the "La Pépinière's "4 Seasons Academy" designed to help young people between the ages of 15 and 19 spread their wings and discover where their talents lie.

- In addition, CIC has signed partnership agreements with numerous *higher education institutions*.

SOT44 List of principal partnerships:
- Fondation Centrale Initiatives (engineering schools in Lille, Nantes and Marseille);
- Catholic Universities of Lille and Lyon;
- Dijon Business School;
- University of Lyon 3;
- EDHEC;
- contribution to the Nancy Commercial Institute (ICN) endowment fund;
- Audencia Nantes ("Family Businesses and Companies, between Continuity and Change" chair);
- University of Luxembourg (Master's in Wealth Management);
- ICHEC Brussels Business School ("Family Companies" chair);
- Partnership with ONISEP Strasbourg, etc.

- *Integration SOT45*.

Aside from the outsourcing of some work to ESAT centers for employment assistance to disabled workers, CIC has maintained its partnerships with associations that promote integration, including:
- CIC Nord Ouest's partnership with the Lille Foundation "Scholarships of Hope" (*Bourses de l'Espoir*) (scholarships to support the career paths and commitments of individuals in the field of education and vocational training as part of an equal opportunity initiative),
- the "Sauvegarde du Nord" endowment fund (funding of initiatives supporting vocational integration, social integration, integration via housing and the protection of children),
- Areli Émergence (contributes to the professional and social advancement of deserving students);
- École de la deuxième chance Greater Lille (educational program for young people between the ages of 18 and 25 with no degree or qualifications, that teaches skills and behavior for long-term employment and social integration);
- the Agir Nord-Pas-de-Calais Foundation that works to promote the employment, citizenship and social connection of motivated young people in the region;
- Maison de l'Emploi et de la Formation to provide support for people who are cut off from employment, in conjunction with CIC Lyonnaise de Banque.

- *Emerging projects*
  - In 2015, CIC Est participated once again in the Trajectoires contest, the business creator talent competition organized by the Alexis-Lorraine entrepreneurial endowment fund, which aims to highlight the efforts of business creators;

- CIC Lyonnaise de Banque launched a new competition in 2015 to help companies grow and develop internationally. The competition is called "Innovating in a changing world" and is aimed at start ups and innovative businesses. This year, the bank also signed a partnership with the Cuisine du Web association, which aims to encourage web-based and digital entrepreneurship in Lyon. Together with CM-CIC Investissement, the bank is a founding member of the Émergences de Lyon Foundation, which helps business projects emerge and structure themselves to achieve economic autonomy;
- CIC Ouest partnered with Audencia in setting up a training course for future directors of family businesses aimed at facilitating the transfer of such companies. The first session began in early 2015. CIC Ouest was also one of the financing partners of Pmepaysdelaloire.fr., a new regional platform for information on assistance and financing for microenterprises and SMEs;
- CIC Nord Ouest sponsors the "Entreprendre pour Apprendre" association, whose activities include organizing competitions for mini-companies with the objective of developing entrepreneurial spirit among secondary school and university students, and partners with LMI Innovation, which supports and funds creators of innovative businesses in the Nord-Pas-de-Calais region. The bank is also a partner of Réseau Entreprendre Nord which assists with business creation and acquisition;
- Banque Luxembourg also provides financial support to the "1, 2, 3 Go Social" program which supports business projects with a social or solidarity purpose and supports philanthropic measures more generally In 2015, it organized the second "La philanthropie, ça marche!" day in partnership with the Luxembourg Foundation and the Œuvre Nationale de Secours Grande-Duchesse Charlotte. The event showcased 12 confirmed or innovative projects out of the 142 submitted. It illustrates the vitality of this sector and informs the public on the various ways of getting involved in good causes by giving time, money or skills.

- *Environmental protection SOT46*
  - In 2015, Banque Transatlantique became a sponsor of the Océanides project, a scientific, educational and humanistic project in the area of environmental protection (SOT46). The aim of this project is provide scientific evidence that the oceans are at the heart of political, economic and social challenges, to enrich overall maritime policy and to train future generations.

The group companies' participation in these associations sometimes goes beyond partnering with a desire to get employees involved in events organized by the associations. This is the case at CIC Nord Ouest where a team of employees take part in the Foulées de Bondues race organized by the Ludopital association. Similarly, members of CIC Est's staff run the Vignoble d'Alsace marathon as part of the "Together against melanoma" initiative with the Gustave Roussy Institute.

8.5 Skills contributions (SOT58)

Some entities donate skills. CIC Lyonnaise de Banque, for instance, signed a partnership with the "Our Neighborhoods Have Talent" association. Young people are mentored by company executives to help them enter the world of work. Similarly, CIC Nord Ouest employees participate in a hiring dynamics group with the Alliance network. Banque de Luxembourg employees are involved in solidarity and education projects and can apply to the bank's Hëllef Hëllefen committee for a subsidy. Banque de Luxembourg also assists the "Écouter pour mieux s'entendre" foundation. This foundation organizes concerts and interactive workshops at the Luxembourg Philharmonic Hall for people who are socially isolated or have special needs. This skills contribution also extends to the NGO "Friendship Luxembourg," which aims to help the most disadvantaged people in Bangladesh and Pakistan.

8.6 Sponsorships also bring benefits to employees

Since June 2015, all CIC group employees have had free access to the Hôtel National des Invalides (permanent collections of the Musée de l'Armée, temporary exhibitions, the Dome Church, Napoleon I's tomb, etc.). CIC Nord Ouest employees were also able to visit the temporary exhibition "Marc Chagall, the sources of music" at the La Piscine Museum in Roubaix free of charge. Sponsorships sometimes provide the opportunity for employees to receive discounts on shows, as is the case for CIC Lyonnaise de Banque staff under the partnership with Lyon Opera. This also applies to the Easter Festival where a special rate (10% discount) is available for CIC group employees.

9- Promoting accessibility

Efforts to promote accessibility focus on (a) banking products and services and support for people in financial difficulty (already mentioned in the section on responsible products) and (b) the upgrading of branches that are not yet accessible for people with disabilities, adapting the ATM fleet for users with visual impairments, with 88% of terminals now accessible to the visually impaired, offering account statements in braille, and designing bank and subsidiary websites that can be used by everyone. (CIC is involved in the AccessiWeb working group.)

In another area, CIC adheres to the common designation applied to the main bank charges and services set out in the Decree of March 27, 2014, which aims to simplify consumer access to price information.

10 - Human rights (SOT82)

CIC is committed to maintaining human rights, in particular the rights covered by the main ILO conventions (see 5.5 of section I "Responsible human resources management" and 6.3.2 on the protection of customers' personal information in Section II "A responsible economic player"). Numerous initiatives to raise awareness among young people are also carried out in this area. Thus, in 2015, CIC Est supported the "Explain Human Rights to Me" contest as part of its partnership with the "Regards d'enfants" association whose purpose is to provide children with information, training and education in citizenship and human rights. Young people were invited to express their vision of human rights. Other actions in the area of solidarity, health, social issues and education were undertaken by CIC in 2015 (see 8.4 "Responsible commitment" of the "Involvement in cultural and social life" section).

IV – AN ENVIRONMENTALLY FRIENDLY APPROACH

ENV01 - The corporate social responsibility project is supervised by Confédération Nationale du Crédit Mutuel (CNCM). The tool for collecting quantitative data made available in 2014 continued to be improved in 2015. Wherever possible, data is automatically entered into this tool from group applications for data collectors for the majority of entities.

In addition to processing and collecting data at the national level, employee awareness of the group's environmental approach is widely promoted by the working groups formed in the CIC entities. Information on this subject is relayed by intranet or in internal newsletters.

However, due to the highly decentralized organization of the group, at this time, the calculation of human resources devoted to CSR can be approximate only.

ENV02 - Relations with stakeholders are handled at various levels: at the federation level in the case of non-financial rating agencies and NGOs, and partly at the level of the group's business line centers in the case of relations with certain suppliers (logistics, IT), and at the group level or at the level of each entity in the case of other suppliers, customers and employees.

1 - Reducing the environmental footprint

The CM11 group, which includes CIC, is a signatory to the Paris Pledge for Action on climate. Accordingly, it is committed to a secure and stable environment in which the temperature rise is limited to two degrees Celsius or less.

CO2 emissions are monitored annually in a greenhouse gas emissions audit, which was carried out for the first time in 2011 by each bank in the banking network. In accordance with the regulations, a further greenhouse gas emissions audit was conducted in 2014 and published in December 2015. It can be viewed at following address: https://www.cic.fr/cic/fr/banques/le-cic/institutionnel/publications/responsabilite-societale-de-l-entreprise.html.

Greenhouse gas reduction targets were revised to 5% for the next three years in view of the measures already taken.

To reduce the direct impact of its activities, CIC is committed to:

1.1 Measuring and reducing or optimizing energy consumption in buildings (ENV03)

In 2015, CM-CIC Services continued the work on improving the accuracy of electricity meters in preparation for national tenders. This will improve tracking of consumption.

ENV40 – The use of renewable or green energy is developed mainly through the use of municipal heating and cooling systems, including the commissioning in 2015 of a second urban heating substation in CIC's Gaillon building in Paris. On another Paris site containing three buildings, a substation connected to the municipal heating network and another connected to the cooling network were also installed in 2015.

CIC Est carried out a program of work to link its head office up to the "Eco2Wacken" heating network built in late 2015. Connections to these networks already exist, particularly in the Paris area and northern France (Lille and Roubaix). At Banque de Luxembourg, all of the energy used by the three buildings comes from renewable sources (hydroelectric and wind power), and at the CIC Lyonnaise de Banque head office the geothermal equipment is serviced regularly to improve its efficiency (ENV38).

Work is continuing on increasing the energy efficiency of buildings such as the full replacement of the curtain wall in the Cergy-Pointoise building that began in 2015.

Whenever retail branches or central buildings are created, transferred or undergo major renovations, the laws, regulations and standards in force are applied and the energy systems are reviewed.

In addition, CM-CIC Training's Les Gâtines training center in the Greater Paris region, where group employees receive training, holds the EU Ecolabel for tourist accommodation services issued by AFNOR Certification.

Additional systems have been implemented to reduce energy consumption: lighting presence detectors, replacement of floor lamps, ceiling or emergency exit sign lighting with LED-based systems, etc.

At Bank of Luxembourg, studies are being carried out at the Howald site for an energy saving system (based on optimizing the electricity flow) and at the Royal site to introduce around fifteen electronic meters for various electrical circuits, to monitor and optimize energy consumption.

A tool for the centralized technical management of buildings developed by CM-CIC Services and Euro Information is currently being tested. In 2015, a study was launched at CIC group level to examine introducing this equipment at a second building. This tool will then be rolled out across all central sites. This will make it possible to centralize information on energy consumption and thus focus improvement efforts on the parts of the infrastructure that need it most.

In terms of IT equipment, the automatic shutdown of branch workstations at night was introduced during the first half of 2015, with plans to adopt this for the head office workstations too. Around 20% of the hardware fleet is upgraded each year. The new hardware installed by Euro Information Services is both more efficient and consumes fewer resources. Since 2013 the hardware selected and approved by Euro Information has been monitored and compared on energy performance.

Furthermore, in accordance with French Act no. 2013-619 of July 16, 2013, introducing an obligation for large companies to carry out the first energy audit no later than December 5, 2015, CM-CIC Services Immobilier arranged for energy audits to be performed in 2015 on 111 branches and 27 central buildings of the CIC banks and Banque Transatlantique (ENV41). Some of the recommended actions are measures that have already been mentioned above: a switch to LED lighting, heating and cooling systems temperature control, timers for air handling units and economic computer management, etc.

1.2 Travel optimization (ENV37

Corporate travel plans have been adopted in several CIC group entities. At CIC Est, a comprehensive section on "Working in Wacken" was created on the intranet 2015, partly devoted to the corporate travel plan (limited to the Wacken head office in Strasbourg) and initiatives to promote cycling, public transport and carpooling. The CIC Nord-Ouest corporate travel plan for greater Lille was revised this year to make it more dynamic, and a new plan was formalized at CIC Ouest for the head office at Nantes (adopted jointly with other CM11 entities). The CIC Lyonnaise corporate travel plan came into force at the beginning of May 2015.

Elsewhere, for travel between work and home, the use of public transportation, bicycles and carpooling is encouraged. A survey was conducted among employees of the Singapore branch on their journeys between home and work. Incentives are in place at Banque de Luxembourg to encourage the use of public transport.

The tax on private vehicles in the CIC and regional banks scope continues to fall (-25%). The CO2 emission rate of the vehicle fleet is decreasing (down 4% in one year) with a CM11 vehicle charter favoring vehicles with eco-bonus and the lowest CO2 emission rate.

On-line conferences and communication tools also help to limit travel. Since 2015, the use of Lync has made it possible for employees to take part in videoconferences directly from their workstations and even to organize them. With respect to training, self-training modules enable employees to receive training at their workstations, without the need to travel.

In terms of mail transport, CM11 group is a major user of La Poste's "green" mailing options (i.e. mailing that does not use air transportation or night work). Currently, 72% of the mail of group entities whose mail is managed by CM-CIC Services is green stamped.

Intersite shuttles between group entities have also been reduced by pooling certain transport.

1.3 Reducing resource consumption (ENV39)

Given its business, CIC's actions are focused on water and paper.

Systems continue to be used to optimize water consumption: presence detectors, restricted water flow, water fountains connected to faucets rather than tanks that have to be transported, fitting diffusers on faucets, introduction of an automated sprinkling system, with moisture sensors to optimize watering across all green spaces, etc. Educating employees to detect abnormal water consumption is another method used.

CIC works to reduce paper and ink consumption: internally through two-sided and black and white default configuration for document printing, electronic document management, switching to individual network printers, and dual screens at certain workstations to work directly on digital documents. Employees are also made aware of the use of recycled paper via intranet. This is highlighted the Sofedis group purchasing platform catalogue.

Furthermore, since 2013, most group employees can opt for an electronic pay slip (ENV 43). More than half of all pay slips are now paperless.

Electronic billing is in force for the majority of intragroup supplier invoices and reflected in an internal group application. It is also being considered with non-group suppliers that are high volume billers.

CIC encourages customers to opt for electronic account statements. Replacing paper copies and statements with digital versions available on the internet led to a 35% reduction in the use of paper as at end-December 2015.

The development of remote banking opens up new possibilities for reducing paper consumption with the electronic signing of contracts on tablets, which is currently being rolled out in the network and is operational in the subsidiaries: CM-CIC Factor, a subsidiary specialized in receivables management and factoring proposes a 100% electronic customer mail option (E-pack) in its microenterprise-SME factoring offer, which enables electronic document transmission, real-time cash management, contract monitoring and analysis and reliable and secure data transfer. CIC also offers companies the Monetico Resto card, which enables staff to pay for their meals using a payment card instead of paper meal vouchers.

1.4 Waste re-use and management (ENV39)

Initiatives are also implemented to encourage the use of recycled, PEFC or FSC certified paper. Since mid-2015, small-format checkbooks have been manufactured using FSC mix paper (representing 142 tons of FSC mix paper in 2015).

Recycling is growing: sorting (paper and cartridges) is gradually being introduced across all central sites and in the CIC and regional bank networks that have assigned administration to CM-CIC Services. Paper recycling was introduced at CIC Sud Ouest's head office and branches in 2015. A CIC Est building in Laxou and the Paris, Lyon and Nantes offices of CM-CIC Investissement and its subsidiaries started a sorting, collection and recycling process for paper and plastic this year. A project on developing paper recycling in the CIC Lyonnaise de Banque network began in 2015. CM-CIC Services began to extend sorting to plastic across its scope of administration. Meanwhile, Banque de Luxembourg's national SuperDreckskëscht waste management certification was renewed (annual audit). This quality label is recognized by the European Commission, which awarded it the "best practice" label in the area of natural resources safeguarding and climate protection.

Concerning recycling of computer equipment, Euro Information Services uses parts from decommissioned equipment to extend the life of older equipment that is still in use. The resale of the various product ranges that are still re-usable is organized on an ad hoc basis via a broker. A recycling solution is offered for telephones sold to customers. Finally, in Singapore, a dedicated collection point has been used to recycle electronic waste since 2014.

The obligation to recycle is also a concern for CM-CIC Service Immobilier, which has incorporated it into a standard maintenance contract for elevating devices. One article in particular requires the service provider to supply the reprocessing slip for Waste from Electrical and Electronic Equipment (W3E) and Special Industrial Waste (new equipment packaging, aerosol cans, adhesives and sealants and paint residues).

2 - Actions vis-à-vis suppliers (ENV42)

Particular attention is paid to the CSR policy of direct suppliers:
- PEFC certification (a forest certification program that promotes sustainable forest management) for printers, some of which are also Imprim'Vert certified, which requires implementing actions to reduce the environmental impacts of their business activities (use of recycled paper);
- development of electronic billing;
- group business centers such as logistics or IT (see paragraph 7 of section II). Suppliers are asked to provide documentation supporting the use of a CSR approach. For example, suppliers' CSR policy is included in the annex to contracts with airline companies.

However, in light of economic and technical constraints, the CSR policy of suppliers cannot in all cases be a decisive factor in the choice of suppliers..

3 - Measures taken to limit environmental impacts: protection of the natural environment, discharges into the air, water and soil, noise pollution, offensive odors and waste (ENV45)

Numerous initiatives have been taken in terms of CIC group's own operations, such as paper and ink cartridge recycling, waste sorting, and the addition of heat and sound insulation when air conditioning is installed.

In 2015, measures were taken on two Paris buildings, first to replace the R22 air conditioning unit with connection to the municipal cooling network and secondly to upgrade another backup AC unit.

Use of the municipal heating and cooling networks is increasing and allows access to local renewable and recovered energy.
In terms of financing, the measures taken relate to risk management (see paragraph 5 of section II). In terms of the investment policy, they require the promotion of SRI and particularly the CM-CIC Objectif Environnement funds, which invest in companies that pay careful attention to the environmental footprint of their production methods and to the environmental value added of their products and services as well as to their corporate governance and labor issues. The measures are also reflected in the choices made by CM-CIC Investissement and its subsidiaries in terms of the responsible practices of the companies they partner with, such as the designer and manufacturer of environmentally friendly furniture that won the 2015 Responsible Enterprises Trophy in the "Environment" category.

4 - General environmental policy – ground use (ENV49)

The group does not carry out any specific actions in this area.

5 - Measures taken to develop and preserve biodiversity (ENV50)

These are taken at the level of the business lines by considering employment and environmental criteria in the financing of large projects (respect for protected zones) and in investments made by CM-CIC Capital Finance and its subsidiaries, which joined the AFIC Charter in 2015 and are therefore committed to, among other things, promoting the establishment of best practices in protecting ecosystems and biodiversity in certain sectors. For example: CM-CIC Capital Innovation's support for a company whose goal is to produce para-petroleum molecules (isobutene) from renewable resources, and in particular from non-food agricultural sources, or CM-CIC Investissement's support for a company that works to collect, sort and recycle clean and dry waste.

In 2015, CM-CIC Investissement also supported the Beauval Nature association for conservation and research. The association's mission is to implement, develop and support in situ conservation measures to protect global biodiversity. This support aims to educate visitors to Beauval Zoo and the general public about the need for these measures and to develop scientific research programs that help improve animal welfare.

The SRI equity fund CM-CIC Objective Environnement described in section 3 is also a response to the preservation of biodiversity.

Measures taken to foster biodiversity are also applied at the level of suppliers via the use of green cleaning products, and at the customer level by collecting old telephones in the branches.

Banque de Luxembourg illustrates the special attention that the group pays to biodiversity. The building at Banque de Luxembourg's Royal site has a green roof that creates a microsystem that fosters biodiversity, and a grass area planted with flowers has been established on the Howald site.

V - GOVERNANCE

Governance aspects are discussed in the "corporate governance" section (page 41).
Various indicators supplement the foregoing approach.

INDICATORS

I - METHODOLOGY

Generating CSR indicators is part of a larger process of obtaining information and communicating about the actions of CIC entities and their contributions to society in general.
CIC uses a measurement and reporting methodology that was prepared and updated by a national social and environmental responsibility working group that includes the various Crédit Mutuel regional federations and principal subsidiaries of the Crédit Mutuel group.
This methodology establishes the rules for collecting, calculating and aggregating indicators, determining their scope and deciding on controls to be carried out.

In particular, the process adopted for the methodology is based on:
- Article 225 of the Grenelle II Act;
- the NRE Act;
- performing greenhouse gas emissions assessments (French Decree 2011-829 of July 11, 2011);
- the ILO,
- the OECD guidelines;
- the Global Compact (member since 2003);
- the Principles for Responsible Investment (PRI);
- the transparency code of the French Financial Management Association – Responsible Investment Forum (AFG-FIR);
- the stamp of approval granted by the Inter-Union Employee Savings Plan Committee (CIES);
- Novethic Socially Responsible Investment (SRI) certification,
- certification for solidarity products (Finansol);
- regular exchanges with stakeholders.

Requirements focus on four major areas:

Employment
- jobs;
- organization of working time;
- labor relations;
- health and safety;
- training;
- diversity and equality of opportunity;
- promoting and complying with the provisions of the ILO's fundamental conventions in employment matters.

Social issues:
- geographical, economic and social impacts of the company's business;
- relationships with persons or organizations affected by business activities;
- subcontracting and suppliers;
- fair operating practices;
- other actions taken to promote human rights.

The environment:
- general policy on environmental matters;
- pollution and waste management;
- sustainable use of resources;
- energy consumption, measures taken to improve energy efficiency;
- climate change;
- preservation of biodiversity.

Governance:

Reference period for data collected

Data correspond to the calendar year.

Scopes and principal management rules

As stated in the preceding environmental section (ENV01), several data collection projects continued in 2015.
However, for certain indicators, the information collected was not deemed sufficiently reliable or no information was available, in which case it was considered preferable to list no data at all.

Employment indicators:

The entities included in the scope are:
- mainland France CIC;
- banks and consolidated French subsidiaries.

This scope covers 92% of the CIC group's employees. Employment data are taken from the group's HR information system.
Most indicators concerning the workforce are expressed in numbers of employees "recorded" on the payroll.
Indicators include employees under all types of employment contracts, including summer worker contracts and contracts of service staff not covered by the AFB collective bargaining agreement.

Social indicators:

The scope includes the banking network and Banque Transatlantique.

Figures are taken from the group's management control information system CGW, except data on microloans (sources: France Active Garantie and France Initiative Network), data monitored by the Savings division of Euro Information Développement (donations made to associations pursuant to interest-paid-to-charity savings accounts (LEA)) and data on the work of the ombudsman taken from the SARA tool.
The patronage and sponsorships budgets have been calculated by inventorying the budgets of the various entities within the scope.

Environmental indicators:

The scope includes:
- mainland France CIC;
- banks and consolidated French subsidiaries.

Data on:
- water and energy use: data are calculated on the basis of invoices recognized in the accounts, direct meter readings,

data provided by utilities, and estimates made on the basis of statistics provided by the National Water Research Institute and the Pégase database of the Ecology, Sustainable Development and Energy Ministry.
- paper consumption for in-house use: this is calculated on the basis of information provided by Sofedis (the CM11 group's purchasing platform), CM-CIC Services for photocopying activities, external suppliers, if applicable, and the department in charge of magazine subscriptions for the CM group.
- paper consumption for external use: aside from Sofedis data, information transmitted by the entities of the group IT division is included. These include Euro Information Production and Euro P3C (mailing checkbooks, credit cards and account statements) and other suppliers, in particular with respect to the preparation of communication documents.
- travel: the number of kilometers traveled by the automobile fleets and the liters of diesel and gasoline consumed by these fleets were estimated using information provided by CM-CIC Services, which manages the fleets, on the basis of data obtained from fuel payment cards and internal monitoring actions by the fuel-consuming entities.

Energy consumption reduction objectives and actions planned to continue reducing energy consumption mainly involve the continuation of the following:

- optimizing energy consumption in the buildings based in particular on the recommendations arising from the energy audits carried out in 2015, and setting up computer shutdown and restart in the head office (after the branches);
- paperless documents and the use of electronic signatures in the branches for the signing of contracts by customers;
- making travel more efficient with a vehicle charter that favors vehicles with environmental incentives and the lowest CO2 emission rates.

The company has already introduced measures such as:
- providing information to employees to develop environmentally friendly every day actions (best practice guide on the use of lighting, heating and air conditioning temperature control, etc.);
- incorporating energy issues into the design of our new branches in compliance with standards in force, as well as when older branches are refurbished;
- use of lighting systems that consume less energy and gradual replacement of standard light bulbs with energy efficient light bulbs;
- for paper: encouraging account statements and other documents to be sent electronically to customers; promoting use of the website and expanding the range of services available on the site; encouraging email exchanges with our customers; expanding use of electronic documents in-house (EDM), and use of printers able to print on both sides of the page.
- regarding the automobile fleet, attention should be given to stocking the fleet with cleaner vehicles at the time of renewal.

Governance indicators (not required by the Grenelle II Act)

Data for CIC is provided in its capacity as the group's holding company.

2015 CORPORATE SOCIAL RESPONSIBILITY REPORT – EMPLOYMENT INFORMATION

Mainland France CIC

Indicators		Mainland France CIC		Comments
		2015	2014	
WORKFORCE				
SOC01_bis	Individuals recorded as members of the workforce	**18,829**	18,813	Individuals
	of which, managerial staff	***8,364***	*8,276*	
SOC05	*of which, non-managerial staff*	***10,465***	*10,537*	*Individuals*
SOC06	*of which, men*	***7,623***	*7,714*	
SOC07	*of which, women*	***11,206***	*11,099*	*Individuals*
SOC08	*of which, permanent*	***18,148***	*18,082*	
SOC08_Non-managerial	*of which, permanent non-managerial*	***9,798***	*9,831*	
SOC12	% of employees on permanent contracts	**96.4%**	96.1%	
	Age pyramid (individuals)	**18,829**	18,813	
SOC88	under 25	**1,252**	1,142	
	of which, men	***468***	*430*	
SOC89	*of which, women*	***784***	*712*	
SOC90	25 to 29	**2,356**	2,359	
	of which, men	***851***	*797*	
SOC91	*of which, women*	***1,505***	*1,562*	
SOC92	30 to 34	**3,021**	3,076	
	of which, men	***1,067***	*1,117*	
SOC93	*of which, women*	***1,954***	*1,959*	
SOC94	35 to 39	**2,827**	2,626	
	of which, men	***1,021***	*970*	
SOC95	*of which, women*	***1,806***	*1,656*	
SOC96	40 to 44	**2,059**	1,948	
	of which, men	***841***	*830*	
SOC97	*of which, women*	***1,218***	*1,118*	
SOC98	45 to 49	**1,576**	1 650	
	of which, men	***713***	*750*	
SOC99	*of which, women*	***863***	*900*	
SOC100	50 to 54	**2,258**	2,428	
	of which, men	***1,001***	*1,066*	
SOC101	*of which, women*	***1,257***	*1,362*	
SOC102	55 to 59	**2,633**	2,793	
	of which, men	***1,218***	*1,317*	
SOC103	*of which, women*	***1,415***	*1,476*	
SOC104	60 and over	**847**	791	
	of which, men	***443***	*437*	
SOC105	*of which, women*	***404***	*354*	
	Data in FTE			
	Total employees	**18,514**	18,488	FTE (full-time equivalent) employees recorded as members of the workforce as of December 31: • Regardless of the type of employment contract (fixed-term / permanent / work-study / summer workers); • Including if the employment contract has been "suspended" without any compensation being paid, excluding interns working under an internship agreement, and excluding temporary workers and external service providers. Persons on disability leave are included.
SOC02	*of which, in France*	***18,514***	*18,466*	
	of which, abroad	***19***	*22*	

Indicators		Mainland France CIC 2015	Mainland France CIC 2014	Comments
WORKFORCE - CHANGES				
	Entries - Recruitment			
SOC13	Total number of individuals hired	**4,302**	3,927	All types of contracts (fixed-term – permanent – work-study – summer workers). Including conversions of fixed-term or temporary contracts into permanent contracts. Excluding interns and temporary workers.
SOC15	*of which, women*	***2,723***	*2,466*	
SOC16	*of which, under permanent contracts*	***1,290***	*996*	
	Dismissals and grounds therefor			
SOC19	Number of employees on permanent contracts who left the organization (individuals)	**1,212**	1,120	The following situations are deemed to end a permanent employment contract: resignation, termination during a probationary period (at the initiative of the employer or employee), termination by mutual agreement, dismissal, mobility within the group, retirement. Including death.
SOC20	*of which, dismissals*	***111***	*110*	Regardless of the grounds: disciplinary (just cause, gross negligence or willful misconduct) / layoffs / personal factors (inability to perform work required). Including settlement agreements preceded by a notice of dismissal. Excluding termination by mutual agreement.
SOC27	*of which, under permanent contracts*	***3.1%***	*2.5%*	Resignations + dismissals + end of probationary periods + termination by mutual agreement/ total workforce under permanent contracts
ORGANIZATION, WORKING HOURS AND ABSENTEEISM				
	Organization of working time			
SOC29	Number of full-time employees (individuals)	**17,685**	17,621	Permanent and fixed-term employees whose working time is equal to the statutory work duration in the country. • 35 hours per week or 151.67 hours per month for non-managerial employees; • full-time (unreduced) work duration defined in days for managerial employees.
SOC30	Number of part-time employees (individuals)	**1,144**	1,192	Permanent and fixed-term employees whose working time is less than the statutory work duration in the country. • less than 35 hours per week or 151.67 hours per month for non-managerial employees; • full-time (unreduced) work duration defined in days for managerial employees.
SOC31	% of full-time employees	**93.9%**	93.7%	
SOC32	% of part-time employees	**6.1%**	6.3%	
	Absenteeism and its causes			
SOC38	Total number of days of absence, in working days	**214,612**	217,895	Applies to days of absence of the entire workforce, regardless of employment contract (permanent / fixed-term / work-study) – Excluding interns and temporary workers. Excluding paid vacation days or days off under collective bargaining agreements (compensatory days pursuant to the reduction in working hours statutes, seniority, etc.). Absenteeism includes sick leave, maternity/paternity leave and absences due to workplace /commuting accidents.
SOC39	*of which, due to sickness*	***147,015***	*146,150*	Excluding occupational illnesses.
SOC40	*of which, due to workplace accidents*	***5,345***	*4,836*	Including commuting accidents and occupational illnesses.
SOC43	Number of occupational illnesses reported	**1**	0	Illnesses recognized as occupational illnesses by the social security office in charge of medical insurance (CPAM)
	Health and safety conditions			
SOC44	Number of lost-time workplace accidents reported	**111**	93	Workplace and commuting accidents reported to CPAM (and considered as such by CPAM) that resulted in lost time, regardless of the number of days. Excluding workplace or commuting accidents that did not result in any lost time.

Indicators		Mainland France CIC 2015	2014	Comments
COMPENSATION AND ITS PROGRESSION				
SOC73	Gross payroll (€)	**794,894,176**	789,177,140	Total gross compensation of the establishment's employees (excluding employer's share of social security contributions). Compensation equals salaries and bonuses paid during the relevant year to all employees.
SOC107	Total gross annual compensation paid to employees on permanent contracts (€)	**780,941,309**	775,375,550	Employees on permanent contracts only – all categories of employees, including executive management.
SOC108	Total gross annual compensation paid to non-managerial employees on permanent contracts (€)	**289,012,274**	292,159,718	
SOC109	Total gross annual compensation paid to managerial employees on permanent contracts (€)	**491,929,035**	483,215,832	
SOC80	Total social security contributions paid (€)	**548,406,469**	543,021,793	Employer's share of social security contributions only
TRAINING				
SOC46	Amount of payroll spent on training (€)	**40,790,776**	39,152,942	
SOC47	% of payroll spent on training	**5.1%**	5.0%	
SOC48	Number of employees who completed at least one training course (individuals)	**15,240**	14,419	
SOC49	% of employees who received training	**80.9%**	76.6%	
SOC50	Total number of hours spent on employee training	**571,378**	557,764	Including e-learning.
EQUALITY OF OPPORTUNITY				
	Gender equality in the workplace			
SOC59	Number of female managerial staff on permanent and fixed-term contracts (individuals)	**3,647**	3,515	
	Number of permanent male managerial staff (individuals)	**4,703**	4,736	
SOC60	% of managerial staff who are female	**44%**	43%	
SOC61	Number of managerial staff promoted to a more senior position during the year (individuals)	**354**	202	
SOC62	Of which, number of women	**127**	54	
SOC63	% of managerial staff promoted who are female	**36%**	27%	
	Employment and integration of people with disabilities			
SOC68	Number of workers with disabilities	**491**	408	Number of persons with disabilities (reported and recognized disabilities) within the entity, as a number of "individuals" and not full-time equivalent employees or "beneficiary units" (concept defined in the Mandatory Declaration of Employment of Disabled Workers (DOETH)).
SOC71	% of the total workforce who are disabled	**2.6%**	2.2%	
TRAINING				
	Promotion of and compliance with the provisions of the International Labor Organization's fundamental conventions			
SOC67	Number of convictions for the crime of obstructing the functioning of employee representative institutions (in France)	**0**	0	Final judgments only (not subject to appeal).
SOC78	Number of meetings with employee representative institutions (works councils, health, safety and working conditions committees, employee representatives, union representatives, etc.)	**Not available**	Not available	Due to their size, certain entities are not required to have employee representative institutions.
SOC79	Number of information procedures conducted with employee representative institutions (works councils, health, safety and working conditions committees, employee representatives, union representatives, etc.)	**Not available**	Not available	

2015 CORPORATE SOCIAL RESPONSIBILITY REPORT – SOCIAL INFORMATION

Banking network and Banque Transatlantique

Indicators		2015	2014	Comments
GEOGRAPHICAL, ECONOMIC AND SOCIAL IMPACTS				
	Geographical impact			
SOT01	Number of banking network retail branches	**2 015**	2,047	
SOT01A	Other retail branches	**1**	1	Banque Transatlantique
	Associations			
SOT40	Number of non-profit customers (associations, labor unions, works councils, etc.)	**92,525**	80,462	2014 figures revised. Refined management rules.
	Patronage and sponsorships			
SOT52	Total patronage and sponsorship budget (€)	**9,180,600**	8,685,606	
	Environmental impact			
SOT63	Number of zero-interest eco-loans granted during the year	**1,148**	1,118	
SOT64	Average amount of zero-interest eco-loans granted (€)	**17,724**	18,421	
SOT65	Total amount of zero-interest eco-loans granted during the year	**20,346,584**	20,594,329	Annual volume (amounts outstanding at the end of the month). Volume of zero-interest eco-loans granted to customers to finance new constructions, under certain conditions, renovations and repairs to original condition, expansion or building-raising work.
SOT69	Number of renewable energy projects financed (self-employed professionals and farmers)	**126**	136	Financing projects for renewable energy equipment or systems actually carried out during the calendar year involving self-employed professionals, farmers and small companies.
MICROLOANS				
	Personal microloans to assist transition into employment (partnerships)			
SOT01	Number of microloans granted during the year	**-**	-	CIC does not make personal microloans.
SOT01A	Amount of microloans financed during the year (€)	**-**	-	
	Business microloans through intermediaries – Adie			
SOT16	Number of applications processed	**217**	222	
SOT17	Amount of credit lines provided	**800,000**	800,000	
	Business microloans through intermediaries – France Active (FAG)			
SOT19A	Number of new microloans financed	**456**	425	
SOT20A	Amounts guaranteed (FAG + FG IF)	**7,884,260**	6,935,453	Total amount of loans in 2015: €14,691,889 versus €13,211,734 in 2014.
	Business microloans through intermediaries – France Active (Nacre)			
SOT19B	Number of Nacre loans disbursed with a complementary loan from the group	**324**	388	
SOT20B	Amounts loaned	**1,429,850**	2,155,400	Amount of complementary loans associated with Nacre loans disbursed: €8,656,517 in 2015 and €11,950,888 in 2014.

Indicators		2015	2014	Comments
	Business microloans through intermediaries – Initiative France (complementary loans)			
SOT22	Number of complementary bank loans granted	**ND**	1,805	
SOT23	Amount of complementary bank loans granted	**ND**	114,900, 000	
	Other supported business microloans			
SOT201	Number of supported business microloans granted during the year (in the framework of a partnership)	**-**	-	
SOT202	Amount of supported business microloans granted during the year (in the framework of a partnership)	**-**	-	
	Community-based microloans			
SOT26	Number of community-based microloans granted locally within the group	**-**	-	
SOT27	Amount of community-based microloans granted locally within the group (€)	**-**	-	
RESPONSIBLE SAVINGS PRODUCTS				
	SRI and ESG			
SOT28	SRI assets under management (€ millions)	**2,264**	2,024	The amount of assets under management is for the entire CIC group, and is managed by CM-CIC Asset Management, CM11's asset management company.
SOT87	Total funds invested using ESG selection criteria (€ millions)	**19,691**	23,918	CIC assets under management, managed by CM-CIC AM, in accordance with French Decree no. 2012-132 ("Decree 224") on information to be provided by asset management companies on social, environmental and quality of governance criteria in their investment policies (Article D.533-16-1).
SOT29	SRI – Voting policy – Resolution approval rate	**80.7%**	Not available	Shareholders' meetings in which CM-CIC AM took part.
SOT30	SRI - Voting policy - Number of shareholders' meetings in which the company took part.	**1,064**	943	Shareholders' meetings in which CM-CIC AM took part.
	Solidarity savings			
SOT33L Finansol	Assets in Finansol-approved savings products	**10, 742,998**	Not available	
SOT33	*Of which, assets in interest-paid-to-charity savings accounts (LEA), excluding capitalized interest (€)*	***10, 473,294***	*6,283,022*	
SOT31	*Of which, CM-CIC France Emploi investment fund – Assets (€)*	***269,704***	*Not available*	
SOT37LCIES	Assets in CIES-approved solidarity employee savings plans (€)	**127, 944,036**	106,010, 022	
SOT35	Amount from solidarity products paid to associations (euros)	**67,221**	63,602	
	of which, LEA donations	***59,484***	*55,953*	
	of which, Cartes pour les autres donations	***7,540***	*7,192*	
	of which, France Emploi investment fund	***196***	*457*	

Indicators		2015	2014	Comments
	Products and services of a social nature			
SOT71	Amount of regulated social loans outstanding (PLS, PSLA)	**Not available**	Not available	CIC banks have no outstanding social home rental loans (PLS) or social home purchase loans (PSLA) because, like for Crédit Mutuel, all such loans are managed at the federal bank level with respect to refinancing matters. Assets under management for CIC banks totaled €99.5 million at December 31, 2015.
	Quality of service			
SOT75	Number of eligible claims submitted to the bank ombudsman	**1,036**	898	Claims received by the customer service department that are to be resolved using the regulatory ombudsman program.
SOT77	Number of decisions in favor of customers and applied systematically	**605**	528	
SOT78	Percentage of decisions in favor of customers, or partially in favor of customers, and applied systematically	**58.4%**	58.8%	Statistics obtained from reviewing claims submitted to the ombudsman whose outcome was favorable to the customer, either systematically or after the ombudsman's decision.
	Economic impact indicators available in management reports			
	Outstanding loans to customers	**106,079**	101,098	Amounts outstanding at the end of the month (€ millions)
SOT83	*of which, to individuals*	***56,212***	*53,411*	
	- Housing loans	***65,232***	*61,879*	
SOT84	*of which, to individuals*	***49,489***	*47,000*	
	- Consumer loans	***5,121***	*4,854*	
SOT85	*of which, to individuals*	***4,067***	*3,841*	
SOT86	*- Equipment loans (microenterprises)*	***29,816***	*28,687*	
	of which, to individuals	***2,576***	*2,506*	
	of which, to farmers	***1,181***	*1,146*	
	of which, to self-employed professionals	***11,310***	*11,027*	
	of which, to businesses	***13,835***	*13,182*	
	of which, not-for-profit organizations	***692***	*585*	

2015 CSR REPORT – ENVIRONMENTAL INFORMATION

CIC Métropole

Indicators		2015	2014	Comments
RESOURCE CONSUMPTION				
ENV04	Water consumption (m^3)	**187,989**	210,141	
ENV05	Total energy consumption (kWh)	**130,407,780**	135,254,666	
ENV06	of which, electricity	**102,788,878**	105,191,061	
ENV07	of which, gas	**17,999,983**	18,559,552	
ENV08	of which, fuel oil	**2,775,989**	3,597,100	
ENV08_2	of which, cold water supplied by municipal utilities (kWh)	**2,815,043**	3,231,364	
ENV08_1	of which, heat generated by steam supplied by municipal utilities	**4,027,887**	4,675,589	
ENV09	Total paper consumption (for in-house and external use) (metric tons)	**3,628**	3,288	This includes all paper-based supplies (white paper, calendars, etc.) and cardboard-based supplies (inserts, file folders, etc.), except cardboard packaging for such supplies (which is counted as waste). Whether paper is for in-house or external use depends on its final use, i.e.: external use refers to paper that will end up outside the CM and CIC group and in-house use refers to paper that remains within the group. 2015: Sofedis framework reviewed. 2014 tonnage not restated.
MEASURES TO REDUCE ENVIRONMENTAL IMPACTS AND GREENHOUSE GAS EMISSIONS				
ENV15R	Consumption of purchased recycled paper for in-house and external use	**176**	29	2015: includes checkbooks
ENV15	Paper recycled after use (metric tons)	**3,144**	2,064	
ENV30	Leaks of refrigeration gases from air conditioning equipment (air and water cooled condensers) in kg of refrigeration gases	**Not available**	Not available	
ENV20	Business travel - Automobile fleets (km)	**46, 276,518**	49,007, 876	
ENV21	Number of liters of gasoline consumed by the in-house fleet	**120,200**	188,868	
ENV22	Number of liters of diesel consumed by the in-house fleet	**1,785,161**	1,952,768	
ENV23	Business travel using personal vehicles	**11, 890,034**	11, 523,253	Banks and Banque Transatlantique group
ENV32	Number of videoconferences	**11,138**	Not available	
ENV44	Human resources assigned to CSR issues (full-time equivalent employees)	**2.2**	1.5	
ENV47	Amount of environmental risk provisions and guarantees	**-**	-	
ENV48	Amount of compensation paid during the fiscal year pursuant to court decisions on environmental issues and actions taken to repair damage caused	**-**	-	

2015 CORPORATE SOCIAL RESPONSIBILITY REPORT – GOVERNANCE

CIC holding company

Indicators		2015	2014	Comments
GOUV01	Number of members of the board of directors or supervisory board	**12**	12	
GOUV02	Number of women members of the board of directors or supervisory board	**3**	3	
	Number of directors in the board of directors or supervisory board by age bracket			
GOUV9-02	< 40 years	**0**	0	
GOUV9-03	40/49 years	**0**	2	
GOUV9-04	50/59 years	**4**	3	
GOUV9-05	> 60 years	**8**	7	
GOUV25	Overall renewal rate of boards during the year (new members elected out of the total number of members)	**25%**	33%	
GOUV26	Attendance rate at board meetings	**85%**	81%	

CROSS-REFERENCE TABLE

for information required by Article 225 of the Grenelle II Act on employment, environmental and social matters

Article R225-105-1 of the French Commercial Code, Decree no. 2012-557 of April 24, 2012

	CIC group indicators included in the CSR report (text and tables)
1° EMPLOYMENT INFORMATION	
a) Employment:	
- total workforce and breakdown of employees by gender, age and geographical area	SOC01_bis, SOC02, SOC05 to SOC08, SOC12 and SOC88 to SOC105
- new hires and dismissals	SOC13, SOC15, SOC16, SOC19, SOC20, SOC27
- compensation and its progression	SOC73, SOC80 and SOC107 to SOC109
b) Working time arrangements:	
- organization of working time	SOC29 to SOC32
- absenteeism	SOC38 to SOC40, SOC43
c) Labor relations:	
- organization of labor dialogue, in particular procedures for informing, consulting and negotiating with employees	SOC78, 79, 87
- review of collective bargaining agreements	SOC83 to SOC84
d) Health and safety:	
- workplace health and safety conditions	SOC45
- review of agreements signed with labor unions or employee representative institutions in the field of workplace health and safety	SOC84
- workplace accidents, in particular the frequency and gravity thereof, as well as occupational illnesses	SOC44
e) Training:	
- training policies adopted	SOC46 to SOC49
- total number of hours of training	SOC50
f) Equality of treatment:	
- measures taken to promote gender equality	SOC56, SOC59 to SOC63
- measures taken to promote employment or transition to employment of persons with disabilities	SOC68, SOC70, SOC71
- anti-discrimination policy	SOC69
g) Promotion of and compliance with the provisions of the fundamental conventions of the International Labor Organization on:	
- respect for the freedom of association and the right to collective bargaining	SOC67, SOC78 and SOC79
- elimination of employment and professional discrimination	SOC64
- elimination of forced or involuntary labor	SOC65
- effective abolition of child labor	SOC66

	CIC group indicators included in the CSR report (text and tables)
2° ENVIRONMENTAL INFORMATION	
a) General environmental policy:	
- organization of the company to take account of environmental issues and, if applicable, environmental evaluation or certification procedures	ENV01 to ENV03, ENV41
- actions taken to train and inform employees on environmental protection	ENV37, ENV43
- resources devoted to preventing environmental risks and pollution	ENV44
- amount of environmental risk provisions and guarantees, provided this information will not seriously prejudice the company in ongoing litigation	ENV47
b) Pollution and waste management:	
- measures taken to prevent, reduce or remedy discharges into the air, water and soil that have serious environmental consequences	ENV32, ENV37
- prevention, recycling and waste elimination measures	ENV39, ENV43
- account taken of noise pollution and other forms of pollution specific to a business activity	ENV45
c) Sustainable use of resources:	
- water consumption and water supply based on local constraints	ENV04, ENV39
- consumption of raw materials and measures taken to improve efficient use thereof	ENV09, ENV15R, ENV39, ENV43
- energy consumption, measures taken to improve energy efficiency and use of renewable energies	ENV05 to ENV08, ENV40
- ground use	ENV49
d) Climate change:	
- greenhouse gas emissions	ENV20 to ENV23, ENV31, ENV37
- adapting to the consequences of climate change	ENV39, ENV38, ENV42
e) Preservation of biodiversity:	
- measures taken to preserve or develop biodiversity	ENV 50

	CIC group indicators included in the CSR report (text and tables)
3° INFORMATION ON SOCIAL COMMITMENTS IN FAVOR OF SUSTAINABLE DEVELOPMENT	
a) Geographical, economic and employment impacts of the company's business:	
- in terms of employment and regional development	SOT01, SOT09, SOT59 to SOT60, SOT63 to SOT65, SOT69
- on neighboring or local populations**	SOT10, SOT13, SOT16, SOT17, SOT20, SOT26 to SOT31, SOT33, SOT37LCIES, SOT39, SOT40, SOT71, SOT73, SOT75, SOT77, SOT78, SOT83 to SOT88
b) Relationships with persons or organizations with an interest in the company's business, in particular associations that assist people with transition into employment, educational institutions, environmental protection associations, consumer associations and neighboring populations:	
- dialogue conditions with such persons or organizations	SOT 44, SOT45
- partnership or sponsorship actions	SOT48, SOT52, SOT53, SOT55, SOT57 to SOT58
c) Subcontracting and suppliers:	
- extent to which social or environmental issues are taken into account in purchasing policies	SOT 81
- extent of subcontracting and extent to which the social and environmental responsibility of suppliers and subcontractors is taken into account in the relationships with them	SOT 81
d) Fair operating practices:	
- actions undertaken to prevent corruption	SOT 79
- measures taken to increase customers' health and security	SOT 80
e) Other actions undertaken under this section 3 to promote human rights	SOT82

Indicators not applicable to the CIC group's banking business.

* The frequency and gravity of workplace accidents are not specifically reported, but the figures required for the calculations are published.
** CIC's geographical impact is discussed in connection with its local establishments. However, its business does not have any impact on neighboring populations.

REPORT OF ONE OF THE STATUTORY AUDITORS, A DESIGNATED INDEPENDENT BODY, ON THE ENVIRONMENTAL INFORMATION PRESENTED

Year ended December 31, 2015

To the Shareholders,

In our capacity as an independent third party accredited by COFRAC1 under number 3-1050 and a member of the network of one of CIC's statutory auditors, we hereby report to you on the consolidated employment, environmental and social information for the year ended December 31, 2015, presented in section 4 of the management report (hereinafter "CSR information), in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

The company's responsibility

The board of directors is responsible for preparing a management report that includes the CSR information required by Article R. 225-105-1 of the French Commercial Code, in accordance with the frame of reference used by the company, which consists of the 2015 version of the environmental, employment, social and governance reporting procedures (hereinafter the "frame of reference"), a summary of which is provided at the end of the "Corporate Social Responsibility" section of the management report and available upon request at the company's head office.

Independence and quality control

Our independence is defined by the regulations, the code of ethics of our profession, and the provisions of Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes documented policies and procedures intended to ensure compliance with ethical rules, professional standards and applicable statutes and regulations.

Responsibility of the independent third party

On the basis of our work, it is our role:

- to certify that the required CSR information is presented in the management report or, if not presented, that an explanation is provided in accordance with Article R. 225105, paragraph 3, of the French Commercial Code (CSR information presentation certification);
- to express a limited assurance conclusion that the CSR information presented, considered as a whole, is accurate in all material aspects, in accordance with the frame of reference (reasoned opinion on the accuracy of CSR information).

Our work was performed by a team of five persons between December 2015 and the signature date of our report, for a total of about ten weeks.

We performed the work described below in accordance with the professional standards of practice applicable in France and the order of May 13, 2013 establishing the manner in which independent third parties are to perform their duties, and concerning the reasoned opinion on accuracy, and with the international ISAE 3000 standard[2].

1 - CSR information presentation certification

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the company's sustainable development strategy with respect to the employment and environmental impact of its activities and its social commitments and, if applicable, any initiatives or programs it has implemented as a result.

We compared the CSR information included in the management report with the list in Article R. 225-105-1 of the French Commercial Code.

If certain consolidated information was not provided, we verified that explanations were provided, in accordance with the provisions of Article R. 225-105, paragraph 3, of the French Commercial Code.

We verified that the CSR information covered the consolidated scope, i.e. the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code, and the companies it controls within the meaning of Article L. 233-3 of the same Code, subject to the limitations described in the methodology note presented in the "Corporate Social Responsibility" section of the management report.

On the basis of our work, and taking into account the limitations mentioned above, we certify that the required CSR information is presented in the management report.

2 - Reasoned opinion on the accuracy of CSR information

Nature and scope of work

We conducted four interviews with the persons responsible for preparing CSR information in the Finance, HR, Marketing and Compliance Departments in charge of data collection processes and, where appropriate, the persons responsible for internal control and risk management procedures, in order to:

- assess whether the frame of reference is appropriate on the basis of its pertinence, completeness, reliability, neutrality and comprehensibility, taking into consideration, where applicable, industry best practices;
- verify that a collection, aggregation, processing and control process has been set up to ensure the completeness and consistency of the CSR information and examine the internal control and risk management procedures relevant to the preparation of the CSR information.

We determined the nature and scope of our tests and quality control processes based on the type and importance of the CSR information with respect to the company's characteristics,

(1) Scope of accreditation available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information

the social and environmental impacts of its business activities, its sustainable development strategy and industry best practices.

For the CSR information that we considered the most important[3] :

- At the parent company level, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.), applied analytical procedures to the quantitative information and, on the basis of samples, verified the calculations and aggregation of data, and verified that this information is coherent and consistent with the other information presented in the management report;
- At the level of a representative sample of entities that we selected[4] on the basis of their business activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures were properly applied and carried out spot tests, on the basis of samples, to verify calculations performed and reconcile the data with supporting documents. The sample thus selected represents on average 38% of the workforce and 39% of energy consumption.

We assessed whether the rest of the consolidated CSR information was consistent with our knowledge of the company.

Lastly, we assessed the adequacy of any justifications that may have been provided to explain the entire or partial exclusion of certain information.

We consider that the sampling methods and the sizes of the samples that we used on the basis of our professional judgment enable us to form a limited assurance conclusion; a higher level of assurance would have required more extensive work. Due to the use of sampling techniques and other inherent limitations in the functioning of any information or internal control system, the risk that a material misstatement in the CSR information was not detected cannot be completely eliminated.

Conclusion

On the basis of our work, we have discovered no material misstatement that would call into question the fact that, considered as a whole, the CSR information presented is accurate in all material aspects, in accordance with the frame of reference.

Paris-La Défense, April 20, 2016

Independent third party
Ernst & Young et Associés
Eric Duvaud
Partner, Sustainable Development
Hassan Baaj
Associé

(3) **Environmental and social information:**

- *Indicators (quantitative information)*: paper consumption, total energy consumption, total patronage and sponsorship budget, SRI assets under management, amount of solidarity employee savings, number of non-profit customers, the eight business indicators of microloans through intermediaries (number of applications processed and amounts: SOT 16, 17, 19a, 20a, 19b, 20b, 22 and 23).
- *Qualitative information*: general environmental policy (organization, training and information actions for employees, resources devoted to preventing risks and pollution), pollution and waste management (measures taken to prevent, reduce or remedy discharges into the air, water and soil, waste prevention, recycling and elimination measures), sustainable use of resources and climate change (energy consumption, measures taken to improve energy efficiency and use of renewable energies, water consumption, consumption of raw materials and measures taken to use them more efficiently), adapting to the consequences of climate change, measures taken to develop biodiversity; geographic, economic and social impact (employment, regional development, impact on local populations), relations with stakeholders (dialogue conditions, partnership or sponsorship actions), the significance of subcontracting and extent to which social and environmental issues are taken into account in purchasing policies and relations with suppliers and subcontractors, fair business practices (actions taken to prevent corruption, measures taken to protect customers' health and safety), actions taken to promote human rights.

Employment information:

- *Indicators (quantitative information)*: total workforce, new hires and number of employees under permanent contracts who left the organization, including dismissals, gross annual compensation of employees under permanent contracts and changes thereto, total number of days of absence, share of payroll spent on training and total number of hours spent on employee training, proportion of female managerial staff;
- *Qualitative information*: employment (total workforce and allocation, new hires and dismissals, compensation and changes thereto), organization of working time, absenteeism, labor relations (organization of social dialogue, report on collective bargaining agreements), workplace health and safety conditions, training policies implemented, total number of training hours, diversity and equal opportunity and treatment (measures taken with respect to gender equality, employment and integration of people with disabilities, anti-discrimination), promotion of and compliance with the provisions of the ILO's fundamental conventions (freedom of association, elimination of discrimination, forced labor and child labor).

(4) CIC Lyonnaise de Banque, CIC IDF (for employment information) and the head office (for environmental information).


CIC
Construisons dans un monde qui bouge.

Legal information

5

SHAREHOLDERS

SHAREHOLDERS' GENERAL MEETINGS

(Summary of Articles 18-24 of the bylaws)

Composition

All shareholders are entitled to attend shareholders' general meetings. There are no double voting rights as these are not provided for in Article 7 of the by-laws, by derogation to the last paragraph of Article L.225-123 of the French Commercial Code (Code de Commerce).

Except as stipulated in the section below on disclosure thresholds, access to shareholders' general meetings is not restricted and shareholders are not required to hold a minimum number of CIC shares to exercise the rights conferred upon them by law.

The combined ordinary and extraordinary general meeting of shareholders and holders of voting rights certificates of June 17, 1998:

- authorized shareholders to hold their shares in either bearer or registered form (Article 7 (1) of the bylaws);
- authorized the company to obtain details of identifiable holders of stocks and securities from Euroclear France (Article 7 (3) of the bylaws);
- added mandatory stockholding disclosure thresholds (Article 9 (6) of the bylaws).

Role

Shareholders' general meetings that are duly and properly held represent all shareholders. They may be ordinary or extraordinary if they meet the appropriate conditions.

Shareholders' ordinary general meetings make all decisions other than those that change the capital stock or amend the bylaws, in particular:

- they discuss, approve or adjust the financial statements, including the consolidated financial statements, and decide on the allocation and appropriation of net income;
- they appoint, replace, remove from office or renew the terms of office of directors other than the directors who are elected by employees;
- they appoint or renew the appointments of principal and alternate statutory auditors.

Generally, they examine all proposals on the agenda other than those that are within the powers of shareholders' extraordinary general meetings.
Every year, before the deadline that applies to credit institutions, a shareholders' ordinary general meeting is held to discuss and vote on the annual financial statements and all other documents required by the French laws and regulations in force that apply to CIC.
This general meeting votes after reviewing the reports of the board of directors and the statutory auditors. Shareholders' extraordinary general meetings examine all proposals made by the party who gives notice of the meeting that involve changing the capital stock or amending the bylaws.

Disclosure thresholds

(summary of Article 9 of the bylaws)

In addition to statutory requirements, the bylaws require disclosure of any changes in ownership that result in stockholdings exceeding or falling below 0.5% of the capital stock or any multiple thereof. If a shareholder fails to comply with this requirement, the shares held in excess of the disclosure threshold may be stripped of voting rights following a request noted in the minutes of a general meeting by one or more shareholders holding shares or voting rights at least equal to the smallest proportion of capital stock or voting rights requiring disclosure. The resulting suspension of voting rights is for a period of two years from the disclosure date.

Convening shareholders' general meetings

Shareholders meet every year at ordinary general meetings held in the forms and within the deadlines set forth in French law and regulations in force.

Requirements for attending shareholders' general meetings

In order to have the right to attend, vote by mail or be represented at general meetings, holders of bearer stock are required to provide evidence of their capacity as shareholders no later than at midnight, Paris time, on the second working day prior to the general meeting by providing a certificate of participation issued by the relevant authorized intermediary.

Holders of registered stock are required to arrange for their shares to be registered on CIC's registers no later than two days before the date of the shareholders' general meeting. Shareholders' general meetings may be attended by shareholders or their proxy or proxies if they provide evidence of their capacity and identity. However, if the board of directors considers it appropriate, it may decide to issue named, personal admission tickets to shareholders beforehand, and to require said tickets to be shown.

Voting at shareholders' general meetings

All shareholders may vote by mail after providing evidence of their capacity at least two days before the general meeting by means of the depository providing a certificate showing that their shares are duly registered. The company must receive forms for voting by mail at least two days before the date of the general meeting.

All shareholders may be represented under the conditions set forth in Article L.225-106 of the French Commercial Code.

Voting by mail means no proxy may be appointed and vice versa; if shareholders vote by mail or appoint a proxy, they may not choose another method of taking part in the shareholders' general meeting. All members of shareholders' ordinary or extraordinary general meetings have a number of votes that is the same as the number of shares they own or represent, subject to the application of the French law and regulations in force and the provisions of Articles 8 and 9 of the bylaws.

Decisions are adopted under the conditions as regards majorities set forth in French law and are binding on all shareholders.

Appropriation of net income

(summary of Article 27 of the bylaws)

The net income for the fiscal year consists of income in the fiscal year, after deducting general operating expenses and the company's other expenses, including any depreciation, amortization and impairment.

From this net income, less, where applicable, previous losses, at least 5% is drawn to form the legal reserve. This ceases to be necessary when the legal reserve amounts to one-tenth of the capital stock.

The balance, after deducting and appropriating the amount of long-term capital gains, increased by retained earnings, constitutes distributable income.

From this distributable income, shareholders' general meetings may deduct any sums they consider appropriate for allocation to any optional reserve funds or to retained earnings. The balance, if any, is divided between all the stockholders in proportion to the number of shares they own.

Dividends are paid on the date set by the shareholders' general meeting or, failing this, on the date set by the board of directors.

Shareholders' general meetings may grant all shareholders the choice between payment of the dividend or interim dividends distributed in cash or payment in shares, in whole or in part.

SHAREHOLDERS' ORDINARY GENERAL MEETING OF MAY 25, 2016

Board of directors' report to the shareholders' ordinary general meeting of May 25, 2016

We have called this shareholders' ordinary general meeting to discuss the matters included on the agenda that are the subject of the resolutions submitted for your approval. A report providing the information required on business developments since the beginning of the current year and prospects for the full year has been made available or provided to you.

1 - Approval of the financial statements for the fiscal year ended December 31, 2015

(first and second resolutions)

The corporate financial statements of CIC, which were approved by the board of directors at its February 25, 2016 meeting, report net income of €831,162,443.70. The Board of directors' report provided with the financial statements gives details of the various elements that make up this income.

CIC's consolidated financial statements show net income of €1,117 million and net income attributable to owners of the company of €1,111 million. The related board of directors' report shows how this income was generated and how the group's various businesses and entities contributed to such income.

You have also been given the opportunity to review the report of the chairman of the board of directors regarding the functioning of the board of directors and internal control and the statutory auditors' reports, enclosed with the board of directors' report. We ask you to approve the corporate and consolidated financial statements as presented to you.

2 - Appropriation of net income

(third resolution)

Net income for the year amounted to €831,162,443.70. After taking into account retained earnings of €4,616,465,330, the amount to be allocated by the shareholders' general meeting therefore totals €5,447,627,773.70. The board of directors proposes that you vote to pay shareholders a dividend of €8.50 per share. The balance would be allocated to reserves and to the retained earnings account.

The board of directors therefore invites you to:

- distribute a dividend of €323,233,690.50 to the 38,027,493 shares in respect of fiscal year 2015:
- allocate an amount of €5,000,000,000 to reserves,
- allocate the available balance, i.e., €124,394,083.20 to the retained earnings account.

The dividend would be paid on June 2, 2016. As provided under the tax regime applicable to distributions, it is specified that the entire dividend distributed is eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code (Code général des impôts).

In accordance with the provisions of French law, the shareholders' meeting is reminded that:

- for 2012, a dividend of €285,206,197.50 was distributed i.e., €7.50 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code;
- for 2013, a dividend of €266,192,451.00 was distributed i.e., €7.00 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.
- for 2014, a dividend of €304,219,944 was distributed i.e., €8.00 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.

3 - Agreements mentioned in Article L.225-38 of the French Commercial Code

(fourth resolution)
In their special report, the statutory auditors list the regulated agreements governed by Article L.225-38 of the French Commercial Code that were entered into or that remained in effect during 2015 with the board of directors' consent.

You are asked to approve said agreements.

4 - Compensation provisions stipulated in Article L.511-73 of the French Monetary and Financial Code

(fifth resolution)
Pursuant to Article L.511-73 of the French Monetary and Financial Code (Code monétaire et financier), shareholders' ordinary general meetings of credit institutions and financial institutions shall be consulted annually on the total compensation of all types paid during the previous fiscal year to the persons mentioned in Article L.511-71, i.e., senior management and categories of staff that include risk takers, persons engaged in control functions, and any employee who, taking into account his total revenue, is in the same compensation bracket, and whose professional activities have a material impact on the risk profile of the company or group.
The shareholders' general meeting is asked to approve the amount of said budget, which is presented in the board of directors' management report.

5 - Authorization granted to the board of directors to buy back the company's stock

(sixth resolution)
We ask you to cancel the authorization previously given to the board of directors to trade in CIC stock on the stock exchange with immediate effect and to give it a new authorization for this purpose. It should be stressed that the legal framework for such transactions is set out in EU regulation no. 2273/2003 of December 22, 2003, Articles L.225-209 et seq. of the French Commercial Code, and in Title IV of Book II and Chapter I of Title III of Book IV of the general regulations of the French securities regulator (Autorité des Marchés Financiers – AMF), and in its implementing instructions. Within this framework, CIC wishes to trade on the stock exchange as follows:

- stock will be traded in accordance with the liquidity agreement entered into by CIC with Rothschild & Cie Banque, in the capacity of investment service provider, which is the trader;
- the provisions of this liquidity agreement comply with the code of ethics drawn up by the AMAFI on March 8, 2011 and approved by the AMF on March 21, 2011;
- stock will be traded freely by the investment service provider with the sole aim of ensuring the liquidity and regular listing of CIC stock on the Paris stock exchange;
- bearing in mind that, according to the regulatory framework, it is only necessary to set a maximum purchase price in order to expressly cap the corresponding commitment, the maximum purchase price being €300;
- the stock held in this context will not be canceled;
- the maximum number of shares that may be purchased in this context remains unchanged at 100,000, i.e. 0.26 % of the capital stock at the beginning of this shareholders' meeting, it being specified that the maximum commitment that may result from the use of this amount in full, taking into account the price limit set, will be €30 million;
- CIC will provide the AMF with the statistics relating to the trading of this stock every month and with a statement every six months.

For information purposes, at December 31, 2015, the liquidity grouping created pursuant to the agreement in force held 7,009 CIC shares after having purchased 27,855 shares and sold 27,644 shares in 2015.

6 - Principal and alternate statutory auditors

(seventh and eighth resolutions)
We propose that you appoint KPMG SA and KPMG FS 1 SAS, members of the French Regional Institute of Chartered Accountants of Versailles, having their registered office at Tour EQHO - 2 Avenue Gambetta, CS 60055 - 92066 Paris La Défense Cedex, as, respectively, the principal and alternate statutory auditors for a term of office of six years, i.e. until the close of the shareholders' general meeting called to vote on the financial statements for the fiscal year ending December 31, 2021.

The ninth resolution concerns powers.

Résolutions

First resolution

Approval of the corporate financial statements for the financial year ended December 31, 2015

After reviewing the board of directors' report to the general meeting, its management report on the corporate financial statements, the appended report of the chairman of the board of directors regarding the functioning of the board of directors and internal control, the statutory auditors' report, and the annual financial statements for the fiscal year ended December 31, 2015, the shareholders' general meeting approves said annual financial statements as presented to it, which show net income of €831,162,443.70. The general meeting also approves the overall amount of expenses that may not be deducted from income subject to corporate income tax totaling €39,438 as well as the tax liability resulting from these expenses totaling €14,986.

Second resolution

Approval of the consolidated financial statements for the financial year ended December 31, 2015

After reviewing the board of directors' report to the general meeting, its management report on the consolidated financial statements, the appended report of the chairman of the board of directors regarding the functioning of the board of directors and internal control, the statutory auditors' report, and the consolidated financial statements for the fiscal year ended December 31, 2015, the shareholders' general meeting approves said financial statements as presented to it, which show net income attributable to owners of the company of €1,111 million.

Third resolution

Appropriation of net income

The shareholders' general meeting notes that:

- the company's net income for the fiscal year amounts to: €831,162,443.70;
- retained earnings amount to: €4,616,465,330
- as a result, distributable income amounts to: €5,447,627,773.70;

and decides to allocate this amount as follows:

- dividend for shares in respect of fiscal year 2015: €323,233,690.50;
- allocation to reserves in an amount of: €5,000,000,000;
- remaining balance to be allocated to retained earnings: €124,394,083.20.

As a result, the shareholders' general meeting sets the dividend to be paid for each of the 38,027,493 shares at €8.50. However, the dividend that would otherwise be allocated to shares that are not eligible for dividends under French law will be appropriated to retained earnings.

The dividend will be paid on June 2, 2016.

The entire dividend distributed is eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code. In accordance with the provisions of French law, the shareholders' meeting is reminded that:

- for 2012, a dividend of €285,206,197.50 was distributed i.e., €7.50 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code;
- for 2013, a dividend of €266,192,451.00 was distributed i.e., €7.00 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.
- for 2014, a dividend of €304,219,944 was distributed i.e., €8.00 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.

Fourth resolution

Agreements mentioned in Article L.225-38 of the French Commercial Code

After reviewing the statutory auditors' special report on the transactions and agreements mentioned in Article L.225-38 of the French Commercial Code, and deliberating on the basis of this report, the shareholders' general meeting approves the transactions and agreements referred to therein.

Fifth resolution

Opinion on the total amount of compensation, as required by Article L.511-73 of the French Monetary and Financial Code

After reviewing the board of directors' report to the general meeting, and the appended management report, the shareholders' general meeting issues a favorable opinion on the total amount of compensation of all types paid during the past fiscal year to the effective managers, within the meaning of Article L.511-13, and categories of staff that include risk takers, persons engaged in control functions, and any employee who, taking into account his total revenue, is in the same compensation bracket, and whose professional activities have a material impact on the risk profile of the company or group.

Sixth resolution

Authorization granted to the board of directors to buy back the company's stock

After reviewing the board of directors' report to the shareholders' general meeting, within the scope of EU regulation no. 2273/2003 of December 22, 2003, the provisions of Articles L.225-209 et seq. of the French Commercial Code, and of Title IV of Book II and Chapter I of Title III of Book IV of the AMF General Regulation and its implementing instructions, the shareholders' general meeting authorizes the board of directors, with immediate effect, to trade in stock in the company on the stock exchange under the following conditions:

- stock must be purchased and sold by means of a liquidity agreement entered into with an investment service provider in accordance with the regulations in force;
- these transactions will be carried out by the service provider with the aim of ensuring the liquidity and regular listing of CIC stock on the Paris stock exchange;
- the maximum purchase price is set at €300 per share;
- the maximum number of shares that may be purchased is set at 100,000, representing a maximum potential commitment of €30 million;
- stock held in connection with the liquidity agreement will not be cancelled.
- This authorization will remain in effect until October 31, 2017 inclusive.

Seventh resolution

Appointment of the principal statutory auditor

As proposed by the board of directors, the shareholders' general meeting decides to appoint KPMG SA, a member of the French Regional Institute of Chartered Accountants of Versailles, having its registered office at Tour EQHO - 2 Avenue Gambetta, CS 60055 - 92066 Paris La Défense Cedex, as principal statutory auditor for a term of office of six years, i.e. until the close of the shareholders' general meeting called to vote on the financial statements for the fiscal year ending December 31, 2021.

Eighth resolution

Appointment of the alternate statutory auditor

As proposed by the board of directors, the shareholders' general meeting decides to appoint KPMG FS 1 SAS, a member of the French Regional Institute of Chartered Accountants of Versailles, having its registered office at Tour EQHO - 2 Avenue Gambetta, CS 60055 - 92066 Paris La Défense Cedex, as alternate statutory auditor for a term of office of six years, i.e. until the close of the shareholders' general meeting called to vote on the financial statements for the fiscal year ending December 31, 2021.

Ninth resolution

Powers

The shareholders' general meeting gives full powers to the bearer of a copy or excerpt of the minutes of this meeting to carry out all legal and administrative formalities and make all filings and publications prescribed by the laws in force.

GENERAL INFORMATION

LEGAL INFORMATION ABOUT CIC

(See also the "Presentation of CIC" and "Corporate governance" sections)

Name and registered office

The company's name is: Crédit Industriel et Commercial
Abbreviated to: **CIC**
This abbreviation can be used on its own. Its registered office is located at: 6 avenue de Provence, 75009 Paris 9
Telephone: +33 (0)1 45 96 96 96.

Applicable legislation and legal form

A bank organized as a French société anonyme (corporation) governed by the statutes and regulations in force and, in particular, by the provisions of the French Commercial Code governing corporations and the provisions of the French Monetary and Financial Code.

A company governed by French law

Incorporation date and expiration date
The company was incorporated on May 7, 1859. Its term will expire on December 31, 2067, unless it is dissolved or its term is extended before that date.

Company purpose

(summary of Article 5 of the bylaws)
The purpose of the company, in France or abroad, is in particular:
- to carry out all banking operations and related operations;
- to provide all investment services and related services;
- insurance broking in all businesses;
- realtor activity;
- all professional training activities relating to the above matters;
- to acquire, hold and manage interests in all banking, financial, real estate, industrial and commercial companies in France or abroad.

Registration number and APE business identifier code

Paris Trade and Companies Register no. 542 016 381
Business identifier code: 6419Z (other financial brokerage activities).

Legal documents relating to the company

The company's bylaws, minutes of shareholders' general meetings and reports are available at the registered office located at 6 avenue de Provence - 75009 Paris (Corporate Secretary's office).

Fiscal Year

January 1 to December 31.

DEPENDENCY

CIC is not dependent on any patents, licenses or industrial, commercial or financial supply agreements for the conduct of its business.

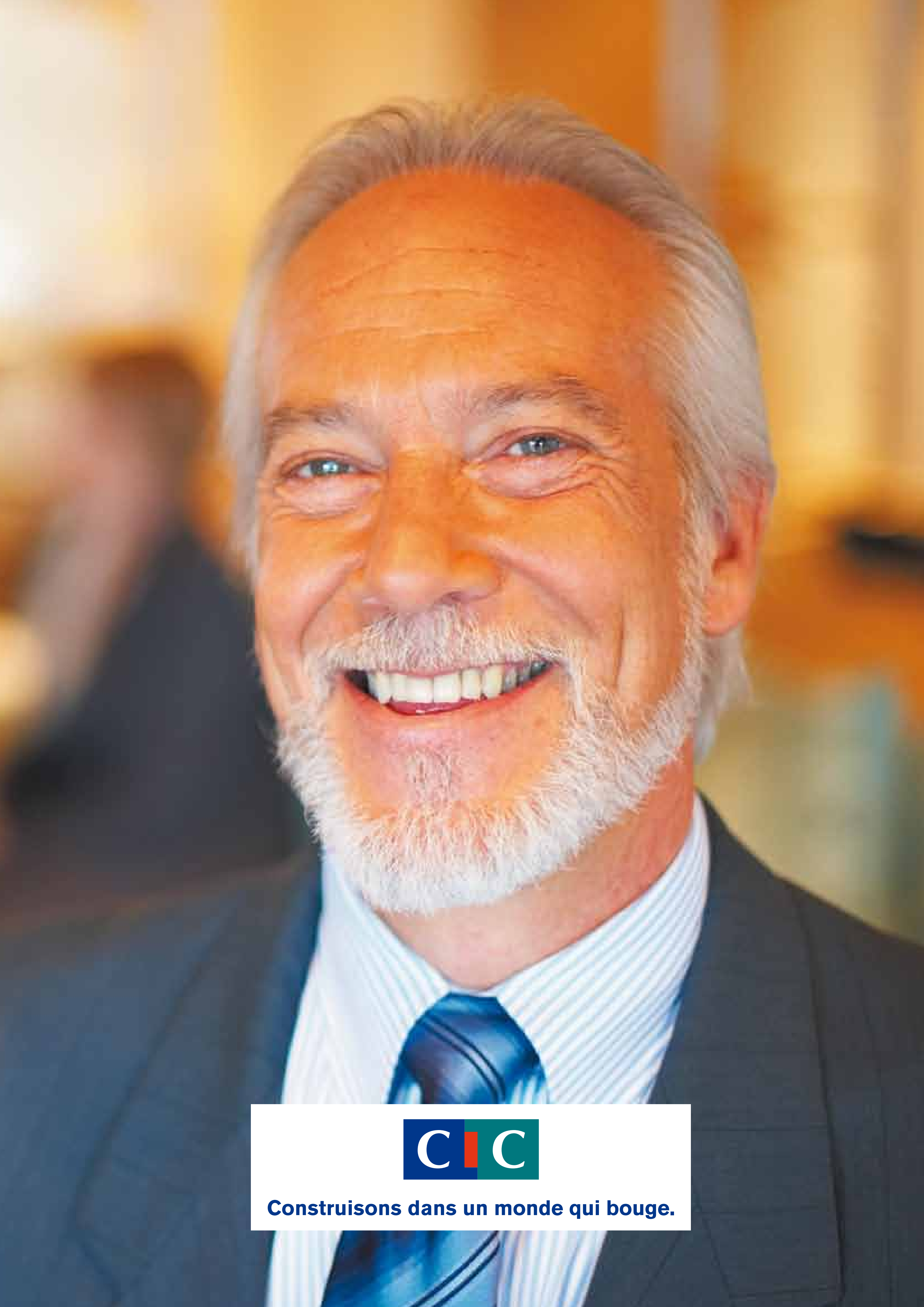
MATERIAL CONTRACTS

As of the date hereof, CIC has not entered into any material contracts, other than those entered into during the normal course of its business, that create an obligation or a commitment that would have negative consequences for the group as a whole.

LEGAL AND ARBITRATION PROCEEDINGS

With regard to the case concerning check image transfer fees, the French antitrust authority had appealed the decision of the Paris Court of Appeal canceling the fines levied against the banks. The ruling by the Cour de Cassation (highest court of appeal) was handed down on April 14, 2015. Without reviewing the legal arguments of the banks, the Cour de Cassation reversed the Court of Appeal's decision on procedural grounds, namely that after having rejected the arguments of the antitrust authority, the Court of Appeal had concluded that there was no reason to examine the arguments put forth by two consumer associations in support of the position of the competition authority. Following this reversal, in September 2015, the case was once again remanded to the Paris Court of Appeal.

There are no other pending or threatened governmental, judicial or arbitration proceedings, including any proceeding of which the company is aware, that may have or has had, during the past 12 months, material impacts on the financial position or profitability of the company and/or group.



Construisons dans un monde qui bouge.

Additional information

6

DOCUMENTS AVAILABLE TO THE PUBLIC

(see also "Legal information about CIC")

This registration document is available on CIC's website (www.cic.fr) and on the website of the AMF (Autorité des Marchés Financiers, the French securities regulator). This is also the case for all PAST reports and financial information (see below, "Financial communication").

Anyone who wishes to obtain further information about CIC may, without making any commitment, request documents:

- by mail: CIC – External relations – 88-90 rue Cardinet, 75017 Paris
- by email: frederic.monot@cic.fr

The documents of incorporation, the bylaws, minutes of general meetings and reports may be consulted at CIC's registered office: 6 avenue de Provence - 75009 Paris (Corporate Secretary's office).

FINANCIAL COMMUNICATION

The board of directors of CIC plans to approve the financial statements for the first half of 2016 on July 28. A press release will be published at this time in the financial press. Approval of the financial statements for 2016 is expected to take place in February 2017. The board of directors organizes annual meetings with the press and specialist banking sector financial analysts to present the group's results and respond to their questions. These results are then reported and commented on in the specialist press and the national daily newspapers. Every six months, CIC publishes a newsletter for its individual shareholders, which has a print run of 20,000 copies and is also available online. Persons wishing to receive this newsletter can request it by calling +33 (0)1 53 48 79 57.

Shareholders are thus regularly informed of the company's results and significant events affecting or involving it.

CIC's website (www.cic.fr) carries all these publications under the headings "institutional" and "shareholders and investors". The latter section contains all the financial information: publications such as the "Letter to shareholders", financial calendar, regulatory information required by the Transparency Directive, issuance programs required by the Prospectus Directive, exposure to sovereign debt, stock prices and volumes, and the group's ratings by rating agencies. The regulatory information and details of the issuance programs are also available online, from the AMF's website (www.amf-france.org) under the heading "Decisions and final disclosures", subheading "Search", then "Prospectus & other information documents".

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Person with overall responsibility for the registration document

Alain Fradin, Chief Executive Officer

Declaration by the person responsible for the registration document

After taking all reasonable measures to this effect, I declare that, to the best of my knowledge, the information contained in this registration document is consistent with the facts and does not contain such omissions as may adversely affect its scope. I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of the entities in the consolidation scope taken as a whole, and that the board of directors' report provided in the "Financial information" (Pages 74-121 for consolidated financial statements and page 179 for Company financial statements) section provides a true and fair view of the development and performance of the business, the results and financial position of the company and of the entities in the consolidation scope taken as a whole as well as a description of the main risks and uncertainties that they face.

I obtained a statement from the statutory auditors at the end of their assignment, in which they state that they had verified the information relating to the financial position and the financial statements set out in this document, and had read the entire document.

The statutory auditors have prepared a report on the annual financial statements for the fiscal year ended December 31, 2013 presented in the registration document filed with the AMF under no. D.14-0397, which appears on page 200 of said document, and which contains an observation.

Paris, April 20, 2016
Alain Fradin,
Chief Executive Officer

STATUTORY AUDITORS

The statutory auditors, PricewaterhouseCoopers Audit and Ernst & Young et Autres, are members of the French Regional Institute of Chartered Accountants of Versailles.

Principal statutory auditors

Name: PricewaterhouseCoopers Audit
Address: 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex
Represented by Agnès Hussherr and Jacques Lévi
First term of office began on: May 25, 1988
Current term of office: six years from May 24, 2012
This term of office expires at the close of the shareholders' general meeting called to approve the financial statements for the year ending December 31, 2017.

Name: Ernst & Young et Autres
Address: Tour First, 1 place des Saisons, 92400 Courbevoie
Represented by Olivier Durand
First term of office began on: Wednesday, May 26, 1999
Current term of office: six years from May 19, 2011
This term of office expires at the close of the shareholders' general meeting called to approve the financial statements for the year ending Saturday, December 31, 2016.

Alternate statutory auditors

Étienne Boris, Picarle & Associés.

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Cross-reference table containing the information required in the annual financial report referred to in Section I of Article L.451-1-2d of the French Monetary and Financial Code and in Article 222-3 of the of the AMF General Regulations

In accordance with Article 28 of European Regulation no. 809-2004 on prospectuses and Article 212-11 of the AMF's General Regulations, the following are incorporated by reference:

- the annual and consolidated financial statements, as well as the group management report for the fiscal year ended December 31, 2014 and the statutory auditors' reports on the annual and consolidated financial statements as of December 31, 2014, which are presented, respectively, on pages 175 to 213 and 72 to 173 and on pages 214 to 215 and 174 of registration document D.15-0384 filed with the AMF on April 21, 2015;
- the annual and consolidated financial statements, as well as the group management report for the fiscal year ended December 31, 2013 and the statutory auditors' reports on the annual and consolidated financial statements as of December 31, 2013, which are presented, respectively, on pages 161 to 199 and 67 to 159 and on pages 200 and 160 of registration document D.14-0397 filed with the AMF on April 23, 2014;

The chapters of registration documents D.15-0384 and D.14-0397 not referred to above are either not relevant for the investor, or are covered elsewhere in this registration document.

Website: **www.cic.fr**

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Published by
Institutional Communications

Designed and produced by
Bela Vista

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