



Press Release

August 6, 2015

2015 HALF-YEAR RESULTS

Highly dynamic client-driven business and sound financial performance

Consolidated net banking income	: EUR 982.8m, up 4.9% (+ EUR 46.9m) ⁽¹⁾
Operating expenses	: EUR 604.8m, under control and down 0.2% (-EUR 1.4m) ⁽¹⁾
Cost of risk	: EUR 83.3m, falling sharply by 18.7% (-EUR 19.2m)
Net income (Group share)	: EUR 197.4m, up 22.5% (+EUR 39.7m) ⁽¹⁾
ROE: 14.9%	

Crédit du Nord's Board of Directors met on July 29, 2015 to approve the Group's financial statements for the first half of 2015.

Consolidated net banking income amounted to **EUR 982.8 million**, up **4.9%**⁽¹⁾.

The first half of the year was marked by an increase in the interest margin (+6.2%⁽¹⁾) due to the impact of dynamic deposit-taking (up EUR 2.2 billion in the first half of 2015) as well as record levels of real estate loan origination, a recovery in capital expenditure loans and a substantial increase in early repayment charges.

Net fee income was up 3.0%, driven by higher service charges (+2.3%) linked to a growing customer base and higher financial fees (+4.3%) attributable to dynamic savings growth (in particular life insurance).

Operating expenses are under control at **EUR 604.8 million**, down **0.2%**⁽¹⁾. As a result, the adjusted **cost-to-income ratio** came out to **59.8%**⁽¹⁾ (down 3.1 percentage points).

The **cost of risk** totalled **EUR 83.3 million**, i.e. a substantial reduction of **- 18.7%**, due mostly to the lower cost of risk on the Business market. As a result, Crédit du Nord Group ended the first half of 2015 with **consolidated net income (Group share) after taxes** of **EUR 197.4 million**, up **22.5%**⁽¹⁾.

(1) Change restated for the impact of IFRIC Interpretation 21, the application of IFRS pertaining to future commitments related to home loan savings products (-EUR 1.2 million in 2014, -EUR 18.6 million in 2015 before tax), the fair value measurement of financial liabilities (-EUR 7.2 million in 2014, +EUR 6.4 million in 2015 before tax) and the application of *IFRS 2 – Share-based Payment* (-EUR 0.4 million in 2014), *IFRS 13 – Fair Value Measurement* - related to the valuation of derivative products, notably credit value adjustments (CVA) and debit value adjustments (DVA) (+EUR 3.5 million in 2014, -EUR 15.7 million in 2015 before tax).

In this era of service sector transformation under the influence of the digital age, Crédit du Nord Group's banks are continuing the process of change by tailoring their offerings and organisations to the new challenges of retail banking.

The Group, for which the high quality of its customer relationships and services remains a priority, is committed to multiplying its modes of interaction with its clients: a customer relationship in which the account advisor remains the key player, able to put both expertise and technologies to work in order to satisfy the needs of his or her clients.

Equipped with a tablet computer and calling on Professional, Business or Institutional clients, account advisors can not only demonstrate available digital banking services but present the bank and its offering to their listeners, directly enrol clients in a range of products and services and scan the documents needed for the customer file. Thanks to the tablet computer, account advisors have their appointments and personal e-mail at their fingertips and, as such, can remain connected to their clients.

For appointments at the branch, account advisors can organise videoconferences with a remote specialist directly from their desktop computers using WebEx Meetings: electronic financial transactions, employee savings plans, wealth management and much more. In this way, clients are able to get advice from an expert and even share documents in real-time.

And because today's clients also demand more autonomy in performing routine transactions, Crédit du Nord Group's banks offer smartphone and tablet solutions (the latest app is designed for businesses serving senior executives and their deputies) and a website for everyday account consultation and management. Moreover, our Etoile Direct multimedia advisors maintain extended hours for carrying out a range of transactions, running simulations or answering questions.

Supporting their clients whatever their preferred channel, Crédit du Nord Group's banks are there to help them make their plans a reality: purchasing a property, setting up as an entrepreneur, expanding their business, etc. In the first half of 2015, Crédit du Nord Group granted EUR 2.6 billion in housing loans (origination was up more than 50% relative to the first half of 2014). Likewise, the Group continued to actively contribute to financing the economy over the first half of 2015 with close to EUR 1.6 billion disbursed in the form of capital expenditure loans or finance leases (up 19% compared to the first six months of 2014).

The customer base is steadily increasing across all markets¹, with the bank's consistent high ranking in customer satisfaction surveys² and with one out of every two new accounts being opened based on a recommendation. Crédit du Nord Group's banks work hard at cultivating their difference and retain the loyalty of their customers by honouring their commitments: simplicity, proximity, transparency, responsiveness and mobility.

¹ The active customer base has grown at an annual rate of 3.4% in the Individual market, 3.6% in the Professional market and 1.2% in the Business market.

² In terms of overall satisfaction, the bank was rated first in the Individual market seven times and finished in the winners' circle 10 times; in the Professional market, it was rated first four times and finished among the top contending banks nine times while in the Business market it was rated first five times and stood on the podium nine times. Competitive barometers to measure customer satisfaction conducted by the CSA Institute among a representative sample of over 10,500 Individual, Professional and Business customers of the leading banks in France surveyed in the first quarter of 2015.

KEY FINANCIAL DATA (GROUP CONSOLIDATED DATA)

In EUR m	30/06/2015	30/06/2014 ⁽¹⁾	Change 2015/2014 Consolidated	Change 2015/2014 Restated ⁽²⁾
NBI	982.8	959.0	+2.5%	+4.9%
Operating expenses	604.8	606.6	-0.3%	-0.2%
GOI	378.0	352.4	+7.3%	+13.5%
Cost of risk	83.3	102.5	-18.7%	-18.7%
Operating income	294.7	249.9	+17.9%	-26.5%
Net income (Group share)	197.4	172.5	+14.4%	+22.5%

In EUR m	30/06/2015	30/06/2014	Change 2015/2014
Customer loans	37,062	35,908	+3.2%
Customer deposits	35,040	32,033	+9.4%
Managed customer savings	26,855	26,012	+3.2%

⁽¹⁾ Restated 2014 amounts after application of IFRIC Interpretation 21.

⁽²⁾ Restated for the impact of IFRIC Interpretation 21, the application of IFRS pertaining to future commitments related to home loan savings products, the fair value measurement of financial liabilities and the application of IFRS 2 – Share-based Payment and IFRS 13 – Fair Value Measurement related to the valuation of derivative products, notably credit value adjustments (CVA) and debit value adjustments (DVA).

A limited audit of the half-year consolidated financial statements by the Statutory Auditors is currently in progress.

About Crédit du Nord Group:

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

The Group's 9,000 employees and network of 903 branches serve nearly two million Individual customers, 254,000 Professional and Association customers, and 53,000 Business and Institutional customers.

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

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

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

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

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

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