

## Executive Board's management report

### A YEAR OF TRANSITION

The year 2014 revealed divergent paths out of the financial crisis depending on the country, following the economic improvement that drove the confidence of private sector operators in major developed countries in 2013. In the second half, however, the sharp drop in oil prices changed the game. By lowering the inflation outlook, the fall in energy costs encouraged the US and British central banks to gradually change their tone and eventually take a more cautious approach, postponing the anticipated initial increase in key interest rates in both countries. In the euro zone, growth was disappointing, adding to expectations of further monetary easing by the European Central Bank (ECB). These developments caused the sovereign borrowing rates of risk-free countries to decline throughout the year. As for emerging countries, some managed to end the cycle of rising interest rates, bringing a bit of breathing room to their economy.

#### Europe: a disappointing recovery

In the euro zone, the year was marked by successive disappointments in terms of growth, combined with a sharp drop in inflation rates (-0.2% in December). The ECB took bold steps in response to this situation, with a series of decisions including the reduction of its key interest rates, the launch of asset purchase programs - asset-backed securities and covered bonds - and long-term refinancing - Targeted Long-Term Refinancing Operations. It also conducted a detailed review of bank assets, which has given banks some leeway to step up the pace of lending. For now, however, these decisions have not had a notable impact on the real economy. This observation, along with the impact of oil prices on inflation, has increased the likelihood of further major announcements at the beginning of 2015, particularly as political stability remains fragile in some countries, such as in Greece following the failure of the election of a new President. At the same time, the European Commission has been more accommodating with regard to budgetary policy issues. It has emphasized the possibility of easing deficit objectives in return for efforts made in public investments and structural reforms.

This change in attitude is of great importance in France. In parallel to this, the French government has agreed to lower taxes for companies as part of the "responsibility pact" and has promised the equivalent of €50 billion in budgetary savings between 2015 and 2017.

#### United States, United Kingdom: the gap widens

In the United States, particularly harsh weather conditions took a toll on business early in the year. However, favorable statistics later in the year, particularly in terms of job market improvement, provided reassurance of sound growth. The resilience of the economy enabled the US central bank (the Fed) to end its monthly asset purchase program. However, the risks to recovery, combined with the dramatic fall in oil prices, encouraged the Fed to remain very accommodating. While the drop in prices will give households more purchasing power, it will also give the Fed more time and allow it to postpone the date for raising its key interest rates. In the UK, as in the US, the economic situation remained very favorable. However, signs of fragility became more apparent, with an over-dependence on real estate. As a result, the English central bank (BoE) postponed any action, also gaining some leeway with the effect on prices of the drop in the price per barrel of oil.

#### Japan: the battle is not won

In Japan, the negative impact of the VAT increase in April 2014 (from 5% to 8%) triggered a technical recession. To prevent this backdrop, the Bank of Japan (BoJ) launched a new large-scale quantitative easing program in October, dragging the Japanese currency down to new record lows. At the same time, Prime Minister Shinzo Abe chose to postpone the second tax increase, previously scheduled for October 2015, and to hold early legislative elections on December 14, in which he came out the winner. But his structural reforms are still not convincing and are not enough to avoid new actions by the central bank in the coming months.

#### Emerging countries: relief for reformers

The Fed's cautious approach benefited emerging countries by slowing down the repatriation of funds to developed countries. Some countries - India and China in particular - took advantage of this to implement structural reforms. However, there are still significant vulnerabilities, especially for oil producers, which were heavily impacted by the fall in prices. Russia is a somewhat special case because it also endured sanctions imposed by the West and strong mistrust which led to significant outflows of capital and a drop in the ruble (of nearly half its value over the year).

### BANQUE EUROPÉENNE DU CRÉDIT MUTUEL

BECM is a network bank that complements and works in tandem with the Crédit Mutuel and CIC regional bank networks.

It conducts its business in four main markets:

- large and medium-sized companies;
- financing real estate development and real estate investors, mainly in the housing sector;
- real estate companies that manage mainly commercial and business rental properties;
- payments processing for major players in the retail, transportation and services sectors.

BECM is involved in the corporate market and in the financing of professional real estate clients, in a subsidiary capacity relative to the Crédit Mutuel regional banking network, and with thresholds for intervention adapted to each region.

#### A year marked by economic, financial and regulatory constraints

Despite some signs of hope at the beginning of 2014, the economic environment remained lackluster in France and, by and large, in Europe.

Against this backdrop, the wait-and-see stance, lack of visibility and cautious investment approach negatively impacted demand for credit.

The ECB's accommodating key interest rates policy and the injection of liquidity through the bank refinancing operation (TLTRO program) in the form of bond purchases triggered an exceptional drop in interest rates and a strong depreciation of the euro.

The aim of this new phase of the monetary policy was to stimulate lending and prevent the risk of deflation resulting from the decrease in the cost of raw materials, particularly oil. During the year, this environment placed new constraints on interest margins with market indexes close to zero and interest rates dipping into negative territory. It also helped support the liquidity of economic players, creating new opportunities for deposit-taking.

Companies sought to take advantage of the available supply of credit, fierce competition among banks arising from weak demand for financing, low interest rates and a relatively flat long-term interest rate curve.

This resulted in a trend of "amend and extend", in which companies seek to renegotiate the terms of outstanding loans by extending their term and amending their financial ratio covenants. In addition to this practice, seen primarily in large and medium-sized companies, disintermediation of bank financing continued to increase, in favor of bond issues underpinned by the investment needs of institutional investors in search of more lucrative assets than government bonds.

Faced with these unprofitable, destabilizing environments for operating conditions, BECM also had to take on two major regulatory projects in 2014:

- an audit by the ECB of its counterparty risks (Asset Quality Review) as part of the implementation of the European Banking Union. This operation, which concerned the entire Group, was carried out over the first half of the year and covered 52% of loan outstandings. It required the active involvement of the teams in the branches and the credit risk departments and

ultimately had no impact on the provisions for the year, thereby confirming the quality of the customer portfolio;

- finalization of the migration of means of payment as part of SEPA (direct debits and transfers). Given the significance of BECM in the Group's payment activities, particularly in terms of large issuers in transport, retail and services, this project was a strategic priority. As of August 1st 2014, switchover date, all customers were able to comply with the new European regulations. All in all, this migration covered nearly 5,000 customers for a total of 135 million transactions by the specified deadline.

#### Commercial policy guidelines

To support its development, adapt its activities to the year's challenges and constraints, continue to improve its profitability, move forward in achieving the objectives set out in its 2014-2016 medium-term plan and provide its customers with high-quality service in line with their projects, BECM focused its efforts on the following key orientations of its commercial policy.

**Take advantage of its sales network** of 47 nationwide and European branches to continue to increase its customer portfolio through active prospecting in France and Germany by mining the potential of its 2,000 active contacts earmarked for forming new customer relationships. As part of this organic growth strategy, the German network was expanded in September 2014 with the opening of a branch in Hamburg which has a potential of 845 prospects generating more than €100 million in revenues.

**Strengthen the deposits/loans balance** through an active, well-managed and diversified deposit-taking policy based on a steady contribution by the corporate market in Germany.

**Stimulate new business** in investment loans based on an updated supply of credit adapted to market interest rate conditions.

**Pursue efforts to serve** customers in the area of social engineering by acknowledging the opportunity provided by the widening implementation of group health insurance.

**Develop specialized financing operations** to support the restructuring of syndicated loans in the real estate companies market, be a driving force in the mergers/acquisitions movement which is likely to expand and, more generally, strengthen value-added lending activities that generate arrangement and participation fees.

**Support customers** that have an active presence internationally through appropriate financing and products and services designed for French and foreign parent companies and subsidiaries organized based on the Group's establishments abroad and its partnerships and equity interests. This approach is tied to changes in exchange rate parities and their impact on the competitiveness of the bank's customers.

**Orientate financing**, in a still uncertain risk context, mainly towards loans backed by ownership of the assets being financed (equipment leasing, real estate leasing, factoring).

**Promote** the recommendation of wealth management activities through the operational partnership built with Banque Transatlantique, and of the activities of the real estate business subsidiaries through financing for developers.

These orientations, integrated into the commercial action plan, directly drove the training plan and helped make 2014 a year of significant growth in business volumes and income, thanks to the competence and active involvement of all employees. This growth also confirmed the appropriateness of the options chosen.

#### Growth in activities and further improvement in profitability

##### Loans (average monthly balances)

Despite weak demand, total commitments (balance sheet + off-balance sheet) grew by 5.3% to €19.88 billion (compared with a 1.7% increase in 2013) with undrawn confirmed balances under approved lines totaling €5.4 billion.

Customers' credit lines were increased in order to benefit, at the appropriate time, from the upturn in investments.

After falling by 2.3% in 2013, utilized credit facilities were again on an upward trend, increasing by 5.0% to €11.04 billion, in line with the €11 billion target set for the year.

##### Deposits (average monthly balances)

In a context of abundant liquidity for customers, deposit inflows, which rose by 18.3% in 2013, continued at very high levels, increasing by 32.9% to €8.6 billion. This growth in deposit-taking was accompanied by a policy aimed at controlling and reducing the cost of customer deposits by decreasing the average term, passing on the decrease in liquidity spreads and increasing the deposits from the German market.

The sharp increase in current account credit balances, up 41.5% to €2.7 billion mainly as a result of an increase in the volume of funds entrusted by customers, also contributed to the decrease in the cost of funds.

These business developments allowed a further reduction of €1.6 billion in the commercial liquidity gap over the year, reducing the loan to deposit ratio from 163% to 129%.

##### Results

Thanks to the decrease in the cost of funds, to the renewed growth in loan outstandings and the strong commercial performance, NBI rose by 10.1% to €226 million, following an increase of 7.5% in 2013. This represents the highest level achieved in the bank's history.

Net provision allocations/reversals for loan losses represented 0.18% of average annual loan outstandings, down slightly from 2013, bringing net income to €82.7 million, up 13.3% following growth of 14.8% in 2013.

Thanks to an improvement in profitability, the bank's fundamentals were strengthened during the year:

- total shareholders' equity and reserves (including the fund for general banking risks and income for 2014), totaled €939 million;
- the solvency ratio was 10.3% according to Basel III rules;
- the cost/income ratio fell from 36% in 2013 to 34%, the level initially targeted for 2016 under the medium-term plan.

In parallel to the progress made in terms of growth, efficiency and profitability to ensure the financing of its development, in 2014 BECM also moved forward in achieving the qualitative objectives of its medium-term plan, particularly in the following areas:

- the powers delegated to the branches were broadened to allow them to respond to customers more quickly and independently,
- the corporate brand requirements were updated to take full advantage of the group's corporate communication,
- the technological services that support proximity were enhanced to make the bank even more accessible (secure messaging, file validation by mobile phone, etc.),
- the branches' sales activities were restructured to ensure consistency between the markets and to allow a matrix organization that combines geographic regions and areas of activity.

#### Corporate market

To meet the challenge posed by ever easing growth, BECM redoubled its efforts in the corporate market to ensure the development of its business.

In terms of customer acquisition, the prospecting targets are adjusted to ensure complementarity with the Crédit Mutuel retail banking network based on the regional federations affiliated with the Caisse Fédérale de Crédit Mutuel.

Throughout the country, however, priority for development is given to companies with revenues of more than €10 million, with a core target of over €50 million. Based on this target, new customer relationships concerned 240 companies. In total, the corporate customer portfolio, all segments combined, includes 11,450 clients, up 1.8%.

New medium-to-long term repayment loans rose significantly thanks to actions taken by the network and measures aimed at adapting the loan range, including the launch of a bullet loan designed to strengthen the equity of the portfolio's core customers, called Crédit Premium, introduction of the Privilège loan as part of the ECB's TLTRO mechanism, and launch of a variable-rate loan product with a fixed-rate option. New lending totaled €1.7 billion compared with €1.3 billion in 2013, up 30.8%. In terms of utilized loans of all types, outstandings rose by 4.2%, including 3.3% in France and 8.9% in Germany, after stagnating in 2013.

Of the €1.36 billion in deposits collected, 62.5% came from the German market. The diversification and service activities, which are built on the skills and product and service offering of the Group's business centers and specialized subsidiaries, also performed well and grew as follows compared with 2013:

- Merchant electronic payments +2%
- Equipment leasing +11%
- Real estate leasing +15%
- Employee savings plans +6%
- Volume of factoring in entrusted funds +2%

As a result, net fee and commission income rose by 4.2% to €121 million.

#### Financing of real estate professionals

BECM is responsible for the business division that finances real estate professionals for the CM11 Group.

As such, it handles relations with real estate companies and major investors that manage residential, commercial and business rental properties.

It also manages relations with national and multi-regional real estate developers and has leading property dealers, land developers and professional real estate investors as clients. Locally, it works alongside the Crédit Mutuel regional banks to finance their professional or ad hoc real estate business customers.

With branches located throughout the country, BECM is involved in financing real estate development projects geared mainly towards housing, together with the Group's banking networks and real estate subsidiaries.

Thanks to its knowledge of the markets and operators, it plays a key role in the real estate value chain, notably helping CM-CIC Agence Immobilière to obtain real estate listing contracts, contributing to the development of EPS remote surveillance by bundling it into financed programs and supporting the financing of home loans through the Group's retail networks.

Lastly, in the area of real estate, BECM organizes and oversees, on behalf of the CM-CIC Group, training, procedures and guidelines, legal watch and management and development of the "business" IT tools for which it is responsible.

In the area of new residential properties, the market in 2014 was very low in terms of sales, new listings and new housing starts after professionals reduced their production. As a result, 2014 was the worst year since 1997 for the construction sector, with fewer than 300,000 new housing starts.

Despite this situation, which BECM had anticipated, sales activity grew by 7% compared with 2013, thanks in particular to its diversification policy aimed at property investors.

Visibility remains limited on the real estate development market given the economic environment; however, professionals expect a modest recovery in 2015 as a result of recent support measures for new housing and the currently very low interest rates.

Financing offered by BECM to real estate developers is governed by strict prudential rules that are adapted to the particular characteristics of each deal. The average utilization rate of granted credit facilities, now slightly more than 50%, and the loans to be extended, reflect the slowdown in sales.

Yet even though the situation is currently more difficult, because of its strict operator and transaction selection policy, BECM stands out on account of a risk level that is at an all-time low.

BECM's decentralized organization close to the markets in which it operates, its highly specialized teams, its dedicated analysis and management tool and the financing guidelines framework enable the bank to manage its risks rigorously.

In light of current real estate conditions, BECM anticipates similar levels of new lending in 2015, while continuing to make every effort to secure its commitments.

In the real estate companies and major investors segment, the year was marked by the very strong performance of the French corporate real estate investment market, which grew by more than 40% compared with 2013, representing the highest level of investment since the 2007 reference year.

The market was driven by a large number of exceptionally large transactions (> €500 million), very strong interest on the part of investors, including foreign investors, the influx of liquidity and historically low, interest rates boosting investment.

In this context, BECM carried out new customer relationships that ensures new business in line with its targets and took the initiative to rework the existing credit lines of a number of real estate companies to obtain longer maturities, thereby generating an increase in arrangement fees.

This new business led to a stabilization of outstandings, despite a bond market still largely driven by listed real estate companies, which accounted for nearly 10% of the issues of French companies in 2014. BECM also facilitated the involvement of CM-CIC Securities in more than 40% of real estate bond issues.

Overall, 2014 was the best year for BECM in the real estate market, with an extremely low risk level that contributed significantly to the income for the year.

#### Human resources

BECM's workforce averaged 393 in 2014.

Employees devoted their efforts to achieving the "Ambition 2014-2016" medium-term plan, with the aim of meeting the economic, social, technological, competitive and regulatory challenges facing the Group. The employees' availability and the quality and technical sophistication of the products and services are the result of the proactive training policy that continued in 2014.

The training courses, which are updated each year as needed, were geared towards methods, products and sales tools, as well as the needs identified through job management planning. They also took technological and regulatory changes into account.

The training plan is one of the means implemented to support all of BECM's objectives, including continued development, deepened customer relations, higher profitability through expansion of activities and effective risk management.

#### Composition of the governing bodies

The General Meeting of May 7, 2014 renewed the terms of office as members of the Supervisory Board of Messrs. Jean-Daniel Azais, Jean-Louis Boisson, François Duret, Michel Paoli, Alain Têtedoie and Michel Vieux and confirmed the co-option, approved by the Supervisory Board on May 7, 2013, of Mr. Hervé Brochard for the remainder of the term of office of Mr. Eckart Thomä. In application of Article L.225-102-1 of the French Commercial Code, the list of offices held and functions exercised by each corporate officer during the year is provided in the appendices.

#### Equity interests

At December 31, 2014, shareholdings in subsidiaries and other equity interests stood at €10,889,346.82, of which €9,999,900 related to the Monaco subsidiary. For 2014, Banque Européenne du Crédit Mutuel Monaco posted net income of €413,074.38 after amortization of start-up costs.

Subsidiary company SNC Foncière du Crédit Mutuel acts as a property dealer in handling security relating to cases in dispute or litigation. The company posted a profit of €984.49 for the year.

#### Recent developments and outlook

The upturn in new business and loan outstandings in 2014 and the factors conducive to growth observed in the fourth quarter (liquidity injected into the banking system by the ECB through the purchase of private sector assets and government bonds, the drop in the euro/US dollar exchange rate, falling oil prices, lower interest rates) suggest a less pessimistic outlook.

A positive impact on the economic situation is expected and further growth likely to restore confidence should therefore benefit our activities.

To take full advantage of this positive spiral, the bank's objectives include continuing to increase its customer portfolio, strengthening relations with insufficiently active customers, maintaining balanced growth in assets under management and enhancing the "value added" aspect of its activities in the three areas of international banking, capital structuring and private management.

In addition, new activities will be rolled out in collaboration with the Group's subsidiaries, including mobile phone services for SMEs with El Telecom and vendor credit with COFIDIS.

In terms of the Group's organization, BECM will boost its support for and involvement in the development of the corporate market together with the Crédit Mutuel federations, based on the local contexts, pursue its strategy of pooling resources with the CM and CIC networks (technical-sales functions, payment processing platforms) and endeavor to implement the necessary operating processes to optimize operational efficiency and credit risk management quality.

## FINANCIAL REPORT

### Management of financial risks

The ALM technical committee of the CM11 Group manages all the interest rate, exchange rate and liquidity risks of the group, including those of BECM. As part of overall asset and liability management, the duration and type of refinancing is decided according to asset/liability management rules, particularly in terms of transformation and interest rate risk and regulatory ratios.

As cash centralizer, BECM ensures that group entities have sufficient liquidity; accordingly, BECM does not bear any liquidity risk on its own account.

### Balance sheet

Total assets at December 31, 2014 amounted to €14.1 billion, compared with €12.4 billion at year-end 2013, an increase of 13.6 %.

#### Liabilities

Interbank transactions amounted to €3.9 billion and consisted almost exclusively of refinancing activities with BFCM.

Customer deposits, up by 25.8% at €8.5 billion (including accrued interest) consist mainly of term deposits (€4.8 billion), customer checking account credit balances (€2.5 billion) and savings account balances (€1.2 billion).

The fund for general banking risks amounted to €160 million.

Total shareholders' equity and reserves (including the fund for general banking risks and income), totaled €939 million compared with €879 million in 2013, following the appropriation of profit for 2013.

Subordinated debt totaled €415 million (excluding accrued interest), including €50 million in the form of super-subordinated securities subscribed by BFCM to enable BECM to bolster its long-term funding resources and meet requirements in terms of prudential ratios.

Articles L.441-6-1 and D.441-4 of the French Commercial Code provide for specific disclosures relating to the due dates of trade payables; the amounts involved are not material for BECM.

#### Assets

Interbank transactions mostly reflect cash surpluses placed with BFCM.

At the end of the reporting period, loans to customers (including accrued interest) were up by 6%, at €10.9 billion, from €10.2 billion in 2013.

Cash facilities (€2.0 billion), capital equipment loans (€5.2 billion), loans to developers (€0.9 billion) and customer current account overdrafts (€0.9 billion) accounted for the major part of facilities granted.

Non-performing loans to customers (gross outstandings of €220 million) were 48% covered by provisions. BECM pursues a prudent loan reclassification and provisioning policy.

#### Income statement

At December 31, 2014, interest and similar income totaled €290 million, consisting mainly of interest received on lending transactions with customers (€232 million).

Interest and similar expenses (€129 million) essentially consist of interest paid to BFCM in respect of refinancing, and interest paid on customers' term deposits.

Net banking income amounted to €226 million, compared with €205 million in 2013.

Total general operating expenses came to €81.4 million, of which €4.6 million was incurred on behalf of other CM11 entities and was subsequently recovered. Net general operating expenses for BECM thus totaled €76.8 million.

Net provision allocations/reversals for loan losses came to €19.7 million.

An amount of €29,797 corresponding to non tax-deductible rental and depreciation of company cars was added back to taxable income.

After an income tax charge of €47.3 million, net income for the year came to €82.7 million, compared with €73.0 million in 2013.

### Appropriation of prior year earnings and net income proposed to the General Meeting

The appropriation of net income and prior year earnings submitted to the General Meeting is as follows:

Net income for 2014	€82,747,612.68
Retained earnings (previous credit balance)	€489,454.96
Total available for appropriation	€83,237,067.64

The Executive Board proposes to:

- distribute to each of the 5,440,086 shares entitled to the full year's dividend a dividend of €4.53, i.e. a total of €24,643,589.58;
- allocate an amount of €58,000,000.00 to the revenue reserve;
- carry the remaining balance of €593,478.06 forward as retained earnings.

This dividend is eligible for the tax allowance provided for in Article 158 of the French Tax Code.

In accordance with currently applicable legal provisions, the Executive Board reminds you that the following dividends per share were distributed in respect of the previous three financial years:

Year	2011	2012	2013
Amounts in euros	4.78	3.64 <sup>(1)</sup>	4.04 <sup>(1)</sup>
		1.91 <sup>(2)</sup>	2.12 <sup>(3)</sup>
Dividend eligible for the tax allowance provided for in Article 158 of the French Tax Code	yes	yes	yes

(1) For shares entitled to the full year's dividend.  
(2) For new shares entitled from June 23, 2012.  
(3) For new shares entitled from June 23, 2013.

Strasbourg, February 27, 2015  
The Executive Board

## Balance sheet of Banque Européenne du Crédit Mutuel

(All amounts are expressed in thousands of euros)

Assets	2014	2013
Cash and due from banks	2 630 730	1 596 826
Investment securities	6 880	8 421
Investment in unconsolidated affiliates	10 000	10 000
Loans and advances to customers	10 866 134	10 251 423
Customer liabilities under acceptances	—	—
Bank premises and equipment	877	996
Goodwill and other intangible assets	1 030	1 051
Deferred tax assets	—	—
Other assets	556 680	517 405
<b>Total assets</b>	<b>14 072 331</b>	<b>12 386 122</b>
<b>Liabilities and stockholder's equity</b>		
<b>Liabilities</b>		
Financial liabilities held for trading	—	—
Customer deposits	8 503 840	6 963 706
Due to other banks	3 898 528	3 655 962
Acceptances outstanding	—	—
Profit tax payable	2 306	2 802
Deferred tax liabilities	—	—
Provisions	19 859	23 672
Subordinated debentures	415 189	415 213
Other liabilities	293 375	445 793
Funds borrowed	—	—
Funds for general banking risks	160 000	160 000
<b>Stockholders' equity</b>	<b>696 486</b>	<b>645 944</b>
Issued capital	108 802	108 802
Share premium	163 198	163 198
General reserves	—	—
Other reserves	423 998	373 252
Retained earnings	488	692
<b>Net result</b>	<b>82 748</b>	<b>73 030</b>
<b>Total liabilities and stockholders' equity</b>	<b>14 072 331</b>	<b>12 386 122</b>

## Income statement of Banque Européenne du Crédit Mutuel

(All amounts are expressed in thousands of euros)

	2014	2013
Interest income	289 757	268 130
Interest expense	(129 402)	(133 146)
<b>Net interest income</b>	<b>160 355</b>	<b>134 984</b>
Fee and commission income	253 186	250 384
Fee and commission expense	(188 145)	(183 354)
<b>Net fee and commission income</b>	<b>65 041</b>	<b>67 030</b>
Dividend income	4	7
Net trading income	948	897
Gains less losses from investments securities	99	400
Other operating income	(171)	5 457
<b>Operating income</b>	<b>226 276</b>	<b>208 775</b>
Salaries and other employee expenses	(40 198)	(38 859)
Occupancy expenses	(36 619)	(35 026)
Net impairment losses on loan and advances	(19 738)	(19 531)
Other operating expenses	(231)	(259)
<b>Operating expenses</b>	<b>(96 786)</b>	<b>(93 675)</b>
<b>Net result from operations</b>	<b>129 490</b>	<b>115 100</b>
Income from associates	—	—
Allocation to the funds for general banking risks	541	20
<b>Net result before tax</b>	<b>130 031</b>	<b>115 120</b>
Profit tax expense	(47 283)	(42 090)
<b>Net result after tax</b>	<b>82 748</b>	<b>73 030</b>

## Explanatory notes to the summary financial statements

### A. - Accounting policies

#### Basis of preparation

French and European regulations do not require BECM to prepare and publish consolidated financial statements. It should be noted that BECM has no significant subsidiaries which would justify consolidated financial statements.

The summary financial statements are derived from the audited statutory financial statements of BECM and have been prepared according to French accounting principles (French Gaap) applied to credit institutions. The summary financial statement of financial position, the summary income statement and the summary explanatory notes are presented using the format defined in Appendices 1 through 3 of the Provisions for the Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions issued by the Centrale Bank van Curaçao en Sint Maarten.

#### Investment securities

Securities recognized as assets are recorded in portfolios as laid down by regulations (trading, available for sale, held to maturity, portfolio, other long-term securities) according to management intention on acquisition. They are valued according to their classification. All portfolios are recognized at historical or amortized cost, with the exception of the 'trading portfolio' valued at the market value. Impairment charges are immediately recognized in the income statement, excepted for the unrealized temporarily losses on held to maturity portfolio.

#### Loans and advances to customers

Loans and advances to customers are initially measured at historical cost and subsequently at amortized cost and may be subject to impairment, if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of loans.

### B. - Specification of accounts of Banque Européenne du Crédit Mutuel

(All amounts are expressed in thousands of euros)

Assets	2014	2013
<b>Investment securities</b>		
Available for sale	16 882	18 522
Held to maturity	0	0
Trading portfolio	0	0
<b>Total investments</b>	<b>16 882</b>	<b>18 522</b>
Less allowance for losses	(2)	(101)
<b>Net investments</b>	<b>16 880</b>	<b>18 421</b>
<b>Loans and advances to customers</b>		
Retail customers	22 843	21 202
Corporate customers	10 894 242	10 292 557
Public sector	34 192	19 834
Other	21 516	25 659
<b>Total loans and advances to customers</b>	<b>10 972 793</b>	<b>10 359 252</b>
Less allowance for loan losses	(106 659)	(107 829)
<b>Net loans and advances</b>	<b>10 866 134</b>	<b>10 251 423</b>
<b>Liabilities</b>		
<b>Customer deposits</b>		
Retail customers	20 209	15 838
Corporate customers	8 483 631	6 947 868
Other	—	—
<b>Total customer deposits</b>	<b>8 503 840</b>	<b>6 963 706</b>

## Statutory auditors' report on the Summary Financial Statements

To the Board of Directors of Banque Européenne du Crédit Mutuel,  
The accompanying Summary Financial Statements, which comprise the summary statement of financial position as at December 31, 2014, the summary income statement for the year then ended, and related notes, are derived from the audited financial statements of Banque Européenne du Crédit Mutuel ("the Company") for the year ended December 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated April 17, 2015. The Summary Financial Statements do not contain all the disclosures required by French accounting principles applied to credit institutions in France. Reading the Summary Financial Statements, therefore, is not a substitute for reading the audited financial statements of Banque Européenne du Crédit Mutuel.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited Financial Statements on the basis described in Note A.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Summary Financial Statements based on our procedures, which were conducted in accordance with International Standards on Auditing 810, "Engagements to Report on Summary Financial Statements".

### Opinion

In our opinion, the Summary Financial Statements derived from the audited financial statements of Banque Européenne du Crédit Mutuel for the year ended December 31, 2014 are consistent, in all material respects, with those financial statements, on the basis of preparation described in Note A.

This report is governed by French law. The courts of France shall have exclusive jurisdiction over any claim, dispute or difference resulting from the engagement letter or the present report or any related matters. Each party irrevocably waives its right to oppose any action being brought before French courts, to claim that the action is being brought before an illegitimate court or that the courts have no jurisdiction.

Paris-La Défense, April 17, 2015

### The statutory auditors

**KPMG Audit**  
Département de KPMG S.A.  
Arnaud Bourdeille

**ERNST & YOUNG et Autres**  
Olivier Durand

For the BECM, deviations between French Gaap and IFRS Gaap are:

	EQUITY (EXCLUDING NET INCOME)	NET INCOME
<b>French Gaap</b>	<b>696 488</b>	<b>82 748</b>
General provisions under French Gaap (funds for general banking risks)	160 000	-
IFRS Collective Impairment provisions	(12 565)	(5 945)
Deferred taxes under IFRS Gaap	13 733	939
Other differences between IFRS/French Gaap	(4 457)	(61)
<b>IFRS Gaap</b>	<b>853 199</b>	<b>77 681</b>

All figures of the present report are expressed in thousands of euros.

### BECM BANK

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