



JULY 29, 2021 / PRESS RELEASE

**2021 First half results -CIC**  
**In the first half of 2021,**  
**CIC posted strong revenues (€3 billion)**  
**and a net profit of €1 billion**

Results at June 30, 2021

	First half 2021 <sup>1</sup>		
		2021 / 2020	2021 / 2019
<b>Net banking income up sharply in all activities</b>	<b>€3.031bn</b>	<b>+27.8%</b>	<b>+13.5%</b>
Of which retail banking	€1.914bn	+8.1%	+2.8%
Of which specialised business lines	€1.062bn	+77.9%	+29.2%
<b>General expenses contained</b>	<b>€1.765bn</b>	<b>+4.6%</b>	<b>+4.6%</b>
<b>Cost of risk including net write-backs</b>	<b>€(33)M</b>	<b>n.s.</b>	<b>n.s.</b>
<b>Strong growth in net income</b>	<b>€1,058M</b>	<b>x 4.6</b>	<b>+43.9%</b>

**GROWTH IN FUNDING TO SUPPORT THE RECOVERY**

Home loans <b>€94.6bn +10.0%</b>	Investment loans <b>€62.8bn +1.5%</b>	Consumer credit <b>€6.2 bn +2.2%</b>
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**ACCELERATION OF TRANSFORMATION**

<b>48,000 x3</b> Videoconference	<b>331,000</b> Contracts generated via AI & big data	<b>2,816,000 +84%</b> Digital signature
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**SOLID FINANCIAL POSITION <sup>2</sup>**

Common Equity Tier 1 ratio <sup>3</sup> <b>12.7% +20 bp</b>	Leverage ratio <sup>3</sup> <b>4.4% +4 bp</b>	Shareholders equity <b>€15.9 bn +€0.6 bn</b>
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<sup>1</sup> Non audited financial statements, the limited review is currently being carried out by the Statutory auditors.

<sup>2</sup> Change calculated in relation to December 31 2020. <sup>3</sup> Without transitional measures – at March 31, 2021.



With solid earnings in the first half of 2021, CIC reaffirmed its model as a local customer-focused bank that serves regional economies. CIC's consolidated net profit was €1.058 billion.

The group's performance outpaced pre-Covid levels, with a 13.5% increase in net banking income and a 44% rise in net profit compared with the first half of 2019.

## Consolidated earnings in the first half of 2021

(in € millions )	1 <sup>st</sup> half 2021	1 <sup>st</sup> half 2020	Change	1 <sup>st</sup> half 2019
<b>Net banking income</b>	<b>3,031</b>	<b>2,372</b>	<b>+27.8%</b>	<b>2,671</b>
General operating expenses	(1,765)	(1,687)	+4.6%	(1,688)
<i>of which contribution to the Single Resolution Fund     and supervision costs</i>	(150)	(137)	+9.8%	(110)
<b>Gross operating income</b>	<b>1,267</b>	<b>685</b>	<b>+85.0%</b>	<b>983</b>
Net additions to/reversals from provisions for loan losses	33	(370)	n.s.	(131)
<i>cost of proven risk</i>	(64)	(138)	-53.8%	(126)
<i>coût du risque non avéré</i>	97	(232)	n.s.	(5)
<b>Operating profit/(loss)</b>	<b>1,300</b>	<b>315</b>	<b>x 4.1</b>	<b>852</b>
Net gains/(losses) on other assets and ECC <sup>1</sup>	82	29	x 2.8	91
<b>Profit/(loss) before tax</b>	<b>1,382</b>	<b>344</b>	<b>x 4</b>	<b>943</b>
Income tax	(323)	(114)	x 2.8	(208)
<b>Net profit/(loss)</b>	<b>1,058</b>	<b>230</b>	<b>x 4.6</b>	<b>735</b>
Non-controlling interests	9	(4)	n.s.	4
<b>Net profit/(loss) attributable to the group</b>	<b>1,049</b>	<b>235</b>	<b>x 4.5</b>	<b>731</b>

<sup>1</sup> ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies. Unaudited financial statements – limited review currently being conducted by the statutory auditors.

In the first half of 2021, **net banking income**, up 27.8% year on year to €3.031 billion, confirms the rebound in the second half of 2020. It even exceeded the level reached in the first half of 2019 (€2.671 billion) by €360 million.

Net banking income (in € millions )	1 <sup>st</sup> half 2021	1 <sup>st</sup> half 2020	Change
<b>Retail banking</b>	<b>1,914</b>	<b>1,771</b>	<b>+8.1%</b>
of which regional banking network	1,790	1,665	+7.5%
<b>Specialized business lines</b>	<b>1,062</b>	<b>597</b>	<b>+78.0%</b>
Private banking	319	311	+2.7%
Corporate banking	194	177	+9.2%
Capital markets	293	38	x 7.7
Private equity	257	71	x 3.6

The increase in net banking income was driven mainly by growth in the banking network (net banking income up 7.5%), thanks to an improvement in the interest margin and higher commission income. It also benefited from the increase in revenues generated by the corporate banking (+9.2%) and private banking (+2.7%) businesses.

In line with the second half of 2020, capital markets performed well and private equity's NBI reflected the robustness and performance of the investment portfolio.

**General operating expenses** amounted to €1.765 billion, up 4.6% compared with the first half of 2020.

They were mainly impacted by: the ongoing increase in contributions to the Single Resolution Fund and supervision costs, which totaled €150 million in the first half of 2021, €13 million more than in the first half of 2020.

The cost/income ratio was 58.2% at June 30, 2021 compared with 71.1% at June 30, 2020 and 63.2% at June 30, 2019.

**Gross operating income** increased by 85% to €1.267 billion.

**Net reversals from provisions for loan losses** totaled €33 million in the first half of 2021 compared with net additions of €370 million in the same period last year and €131 million in the first half of 2019. In relation to outstanding loans the cost of risk stood at -3 basis points (vs. 36 in the first half of 2020 and 14 in the first half of 2019).

The fall in the cost of risk concerns firstly the non-proven risk. This was clearly reversed in the first half of 2021 against a significant charge in the first half of 2020 and over the whole of 2020. The assumptions of the IFRS9 scenarios did not change in the first half of the year. However, Stage 2 outstandings decreased compared to December 31, 2020 enabling in particular the reversals of sectoral provisions. The non-proven cost of risk thus shows a net reversal of €97 million.

The cost of proven risk, which improved significantly over 12 months (-53.8%), was €64 million compared with €138 million at end-June 2020.

The non-performing loan ratio has fallen steadily since December 2019, and was 2.5% at end-June 2021 vs. 2.6% at end-June 2020. Provisions for non-performing loans (€5.419 billion) were comparable to the June 2020 level (€5.444 billion). The coverage ratio was 43.5% at June 30, 2021.

Outstanding balances in € millions	6/30/2021	6/30/2020
Customer loans (net balance sheet outstandings)	212,297	202,370
Gross loans	215,801	205,616
Gross non-performing loans	5,419	5,444
Provisions for loan losses	3,504	3,246
<i>including provisions for losses on non-performing loans (Status 3)</i>	2,355	2,442
<i>including provisions for losses on non-performing loans (Statuses 1 &amp; 2)</i>	1,149	804
Non-performing loans as a % of gross loans	2.5%	2.6%

**Profit before tax** was €1.382 billion in the first half of 2021 vs. €344 million during the same period in 2020.

Profit before tax includes the share of income of equity consolidated companies at €82 million compared with €29 million in the first half of 2020.

**Net profit** in the first half of 2021 came to €1.058 billion vs. €230 million in the first half of 2020. It was 44% higher than the pre-Covid level (€735 million in the first half of 2019).

## Capital

At June 30, 2021, CIC's shareholders' equity totaled €15.9 billion compared with €15.3 billion at the end of 2020.

At end-March 2021, CIC had a Common Equity Tier 1 (CET1) ratio of 12.7%\*.

The target leverage ratio at March 31, 2021 was 4.4%, similar to that at December 31, 2020.

## Results of CIC's operational business lines

### Regional banking network

(in € millions )	1 <sup>st</sup> half 2021	1 <sup>st</sup> half 2020	Change
<b>Net banking income</b>	<b>1,790</b>	<b>1,665</b>	<b>+7.5%</b>
General operating expenses	(1,159)	(1,122)	+3.4%
<b>Gross operating income</b>	<b>630</b>	<b>544</b>	<b>+15.9%</b>
Net additions to/reversals from provisions for loan losses	4	(224)	n.s.
<i>cost of proven risk</i>	(38)	(89)	-57.4%
<i>cost of non-proven risk</i>	42	(135)	n.s.
<b>Operating profit/(loss)</b>	<b>635</b>	<b>320</b>	<b>+98.6%</b>
Net gains/(losses) on other assets and ECC <sup>1</sup>	(2)	(3)	-54.2%
<b>Profit/(loss) before tax</b>	<b>633</b>	<b>316</b>	<b>x 2</b>
Income tax	(196)	(128)	+53.4%
<b>Net profit/(loss)</b>	<b>437</b>	<b>188</b>	<b>x 2.3</b>

<sup>1</sup> ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

The net banking income of the **regional banking network** rose by 7.5% thanks to an improvement in the interest margin and higher commission income. The cost of proven risk fell sharply; for non-proven risk, there was a net reversal of €42 million in the first half of 2021 compared with a net addition of €135 million in the first half of 2020. Net profit was 2.3 times higher.

The number of banking network customers was 5.4 million at the end of June 2021, an increase of 2%, 1.3% of which was in the retail market.

Savings balances reached €229.7 billion at end-June 2021, a 10.4% increase year on year.

Loans and financing totaled €169.5 billion, up 6.2% year on year. Total disbursements were down as a result of cash flow loans, which include government-backed loans. Nevertheless, activity remained buoyant with a 25.1% increase in home loans and an 18.2% increase in consumer loans.

Cross-selling of products and services to customers increased in insurance with 4.5% growth in the number of in-force contracts (more than 6 million) and in services:

- +7.4% in remote banking with 3.3 million contracts;
- +3.6% in Homiris theft protection (more than 112,000 contracts);
- +8.3% in mobile phone services and broadband (more than 566,000 subscriptions).

\* Without transitional arrangements.

## Business subsidiaries

After repayments to the network, the support businesses generated net banking income of €124 million and a net profit of €104 million after taking into account the share of profit of Groupe des Assurances du Crédit Mutuel (€81 million).

### Private banking

(in € millions )	1 <sup>st</sup> half 2021	1 <sup>st</sup> half 2020	Change
<b>Net banking income</b>	<b>319</b>	<b>311</b>	<b>+2.7%</b>
General operating expenses	(225)	(208)	+8.1%
<b>Gross operating income</b>	<b>94</b>	<b>103</b>	<b>-8.3%</b>
Net additions to/reversals from provisions for loan losses	(5)	(4)	+44.8%
<b>Profit/(loss) before tax</b>	<b>89</b>	<b>99</b>	<b>-10.2%</b>
Income tax	(23)	(22)	+7.0%
<b>Net profit/(loss)</b>	<b>66</b>	<b>77</b>	<b>-15.0%</b>

The companies that make up this business line operate in France and internationally through Banque Transatlantique and its branches and subsidiaries (Banque Transatlantique Luxembourg, Banque Transatlantique Belgium, Banque Transatlantique London), the Banque de Luxembourg group and CIC Suisse.

In **private banking**, sales activity remained strong in terms of attracting capital: savings increased by 13.1% year on year to €144.3 billion. Outstanding loans rose by 6.3% to €15.9 billion.

The private banking business's income continued to rise (+2.7%), while net profit was down due to an increase in general operating expenses, which includes exceptional items in the first half of 2021.

### Corporate banking

(in € millions )	1 <sup>st</sup> half 2021	1 <sup>st</sup> half 2020	Change
<b>Net banking income</b>	<b>194</b>	<b>177</b>	<b>+9.2%</b>
General operating expenses	(67)	(68)	-2.3%
<b>Gross operating income</b>	<b>127</b>	<b>109</b>	<b>+16.4%</b>
Net additions to/reversals from provisions for loan losses	31	(109)	n.s.
<i>cost of proven risk</i>	(11)	(38)	-70.3%
<i>cost of non-proven risk</i>	42	(71)	n.s.
<b>Profit/(loss) before tax</b>	<b>158</b>	<b>0</b>	<b>n.s.</b>
Income tax	(39)	(4)	n.s.
<b>Net profit/(loss)</b>	<b>119</b>	<b>(4)</b>	<b>n.s.</b>

The corporate banking business line provides services to large corporate and institutional customers, based on a comprehensive approach to their requirements, both in France and at CIC's foreign subsidiaries (London, Brussels, New York, Singapore and Hong Kong). It also supports the work of the "corporate" networks with their major customers and contributes to the development of international business and the implementation of specialized financing (acquisitions, assets and projects).

Outstanding loans to **corporate banking** customers fell to €20.8 billion following repayment of the one-time loans granted at the start of the health crisis. Savings increased by 3.5% to €35.8 billion.

Net banking income rose by 9.2%. General operating expenses were down 2.3%. Net profit (€119 million) benefited from a partial reversal of the provisions for non-proven risk set up in 2020, and net reversals from provisions for loan losses totaled €31 million.

## Capital markets

(in € millions )	1 <sup>st</sup> half 2021	1 <sup>st</sup> half 2020
<b>Net banking income</b>	<b>293</b>	<b>38</b>
General operating expenses	(135)	(130)
<b>Gross operating income</b>	<b>157</b>	<b>(92)</b>
Net additions to/reversals from provisions for loan losses	0	(1)
<b>Profit/(loss) before tax</b>	<b>157</b>	<b>(92)</b>
Income tax	(42)	26
<b>Net profit/(loss)</b>	<b>115</b>	<b>(66)</b>

CIC Marchés activities include the investment business, whose strategies are offered to third parties through the alternative management company Cigogne Management and the commercial business (CIC Market Solutions) in France and in branches in New York and Singapore.

The 2020 crisis generated high volatility in market conditions, a source of opportunities but also downgraded assessments of certain strategies. The return to less volatile market conditions, has enabled, since the 2<sup>nd</sup> quarter of 2020, a very strong rebound in net banking income (+€255 million year on year) and net profit (€115 million compared to €43 million in the first half of 2019). Commissions paid by CIC Marchés, not included in this income, amounted to €45 million, up slightly.

## Private equity

(in € millions )	1 <sup>st</sup> half 2021	1 <sup>st</sup> half 2020
<b>Net banking income</b>	<b>257</b>	<b>71</b>
General operating expenses	(36)	(25)
<b>Gross operating income</b>	<b>221</b>	<b>47</b>
Net additions to/reversals from provisions for loan losses	(7)	2
<b>Profit/(loss) before tax</b>	<b>214</b>	<b>49</b>
Income tax	0	2
<b>Net profit/(loss)</b>	<b>213</b>	<b>50</b>

Private equity and merger and acquisitions is carried out by Crédit Mutuel Equity, which is headquartered in Paris and has offices in Lyon, Nantes, Lille, Bordeaux and Strasbourg, thereby ensuring close ties to customers while gradually entering a phase of international development (Switzerland, Germany, North America).

Private equity's activity and results were marked by a large number of disposals in the first half of 2021 and a high valuation of portfolio investments whilst maintaining a very cautious assessment of holdings in sectors affected by the crisis. At €213 million, net profit was €163 million higher than in the first half of 2020 and €60 million higher than in the first half of 2019.

The portfolio of invested assets amounted to €2.9 billion at June 30, 2021. In the first half of the year, 13 new investments were made for €278.5 million.

An infrastructure projects fund, offered to third party investors, has been launched.

## Key figures

(in € millions)	6/30/2021	6/30/2020
<b>Financial structure and business activity</b>		
Balance sheet total	363,418	350,684
Shareholders' equity (incl. profit for the period before distribution)	15,860	14,718
Customer loans (including leasing)	212,297	202,370
Total savings	460,087	412,759
- of which customer deposits	213,051	195,154
- of which insurance savings	36,096	34,977
- of which financial savings (managed and held in custody)	210,940	182,628
<b>Key figures</b>		
Average workforce (full-time equivalent)	19,526	19,854
Number of branches (pro forma banking network)	1,815	1,891
Number of customers (pro forma banking network)	5,418,616	5,312,029
Retail customers	4,308,687	4,253,590
Business and corporate customers	1,109,929	1,058,439
<b>Key ratios</b>		
Cost/income ratio	58.2%	71.1%
Total net additions to/reversals from provisions for loan losses as a percentage of outstanding loans	-3 bp	36 bp
Loan-to-deposit ratio	99.6%	103.7%
Leverage ratio - delegated act - without transitional arrangements ( <b>March 31 for 2021</b> )	4.4%	3.8%
CET1 ratio - without transitional arrangements ( <b>March 31 for 2021</b> )	12.7%	12.6%

(in € millions)	1 <sup>er</sup> half 2021	1 <sup>er</sup> half 2020
<b>Results</b>		
<b>Net banking income</b>	<b>3,031</b>	<b>2,372</b>
General operating expenses	(1,765)	(1,687)
<b>Gross operating income</b>	<b>1,267</b>	<b>685</b>
Net additions to/reversals from provisions for loan losses	33	(370)
<b>Operating profit/(loss)</b>	<b>1,300</b>	<b>315</b>
Net gains/(losses) on other assets and ECC	82	29
<b>Profit/(loss) before tax</b>	<b>1,382</b>	<b>344</b>
Corporate income tax	(323)	(114)
<b>Net profit/(loss)</b>	<b>1,058</b>	<b>230</b>
Non-controlling interests	9	(4)
<b>Net profit/(loss) attributable to the group</b>	<b>1,049</b>	<b>235</b>

The limited review of the financial statements for the period ended 6/30/2021 is being conducted by the statutory auditors.

The Board of Directors met on July 28, 2021 to approve the financial statements.

All financial communications are available at: [www.cic.fr/fr/banques/institutionnel/actionnaires-et-investisseurs/index.html](http://www.cic.fr/fr/banques/institutionnel/actionnaires-et-investisseurs/index.html) under the heading "regulated information" and are published by CIC in accordance with the provisions of Article L. 451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the General Regulation of the French Financial Markets Authority (Autorité des marchés financiers - AMF). Director of information: Paul Gibert: 01 53 48 79 57 - paul.gibert@cic.fr