Financial results in 2015 which reinforce shareholder funds

With satisfactory-level performances, the Alsace Vosges Crédit Agricole maintains its growth rate and strengthens its financial soundness: the net result of 70.5 Million Euros rises 3.6% and fortifies the shareholder funds which increase to 1.4 Billion Euros.

The overall Net Banking Income (turnover) is steadily rising. Despite a context of low rates which cripple the banking margins, the NBI is established at 276.1 Million Euros, up 0.3% compared to 2014. As for the NBI customer activity, it records a more marked progress of 1.5%. It’s backed by the development of business assets and the reinforcement of customer equipment.

The operational charges are established at 158.3 Million Euros, up 4%. They are due to staff overhead expenses: the new sales organization carried out during 2014, which went hand-in-hand with numerous recruitments and promotions which unveiled their full effect in 2015.

The net allocations for loan funds of 2 Million Euros (vs. 6.3 Million Euros in 2014), reveal great risk management.

The Basel II solvency ratio (connection between the shareholder fund and the risky assets from the balance and off-balance sheet) remains once again very superior to the regulatory demands as it stands at 22.03% (minimum of 8% according to European legislation).

A financial soundness which helps guide customers and partners in all bank-oriented sectors

In a context of moderate-growth economic activity in 2015, the Regional Bank has done some great business in terms of assets, loans outstanding and services proposed to its customers.

- The overall customer asset amount reached 12.3 Billion Euros showing a increase of +4.1%
- The total loans outstanding amount has progressed favourably reaching 7.6 Billion Euros (+2.6%) and this not including the non-negligible amount of advance repayments.
  - Regarding home loans, the output comes to 1.1 Billion Euros (+69.8%). This historic performance brings the Alsace Vosges Crédit Agricole market share to over 15% (recorded loans).

The Regional Bank pursues its activity diversification to benefit its customers.

Two real-estate subsidiaries offer services meeting customer needs:

- **Immobilier Gestion Privée (IGP)**: a purchase offer of new real-estate properties for renting or as principal residence – 100 sales made during 2015.
- **Gest’home**: offer of property rental management services
Furthermore, the cell-phone offer, via its partnership with Virgin Mobile, was highly successful. At the end of 2015, 4500 customers had signed a Virgin Mobile contract.

**The Regional Bank was present to help farmers find an effective answer during this difficult financial period.**

A 3-step action plan was drawn-up as of July 2015:
- Detecting establishments undergoing difficulties
- Personalised diagnostic of financial situations
- Implementation of suitable assistance measures

Thorough assistance measures for establishments in difficulty were proposed to all the subsidiaries.

**An ambitious strategy for growth and customer satisfaction**

The increase of new customers reveals the efficiency in canvassing.

En 2015, the Regional Bank welcomed 28,000 new customers, including 11,500 under-26 year olds. The total number of customers is now nearly 470,000 and increases to nearly 7500.

The Alsace Vosges Crédit Agricole endeavours also to assert itself as a leading bank adviser and insurance agent. This is confirmed by the considerable increase of insurance product sales: +4.5% in damage insurance and + 5.8% in healthcare insurance.

**To support its growth and improve customer satisfaction, the Crédit Agricole pursued its programme of creating agencies (5 new agencies) and the renovation of existing agencies (10 agencies renovated).**

Within this context, it developed a new concept allowing a more warm and friendly environment for its customers.

In all, there were about 40 various building and renovation projects undertaken in 2015 for which over 700 local companies were hired to help with the work.

**It also recruited over 360 partners over the last two years and increased its staff by nearly 100.**

To reinforce employee skills and to assist them along their career paths, 8800 training days were offered and followed in 2015.

These real-estate and human measures are part of the ambitious and boosting strategy, especially for customer loyalty and satisfaction which are permanently being checked. Assessment and follow-up tools for this satisfaction are used to pursue any necessary modifications.

**Social Responsibility for a Committed Bank**

For the last few years now, the Alsace Vosges Crédit Agricole has undertaken concrete commitments regarding Corporate Social Responsibility (CSR).

The improved quality of work environments represents a priority for the company. In this context, a survey is undertaken annually by all employees.

The Regional Bank is open to employee feedback for those having problems in the work-place or at home and has instituted specific and dedicated assistance.

From an environmental stand-point, the initiatives taken prove our desire to be “THE Green Bank”. Some examples for 2015:
- The launch of the Soli’vert savings account, better paid than a classical savings account and whose resources allow to fund attractively-priced eco-renovation work
- Acquiring a stake in the company leading the Elithis-Danube Tower project in Strasbourg. A world-first for a positive energy housing tower.

The Crédit Agricole backs the development of associative projects contributing to organising regional activities or fulfilling mutual-oriented values:
Some examples for 2015:
- Over 1 Million Euros dedicated to sponsoring projects in the fields of heritage, culture and solidarity (fundraising, sponsoring, etc.)
- The *Passerelle Association*, created in 2014, has helped out 123 people in difficult financial situations due to life accidents, in partnership with the *Crésus Association*.

**Perspectives for 2016**

Based on all its good results, the Alsace Vosges Crédit Agricole will intently pursue its strategy for growth and customer satisfaction.

Notably in its Business Investment Bank on the market of intermediate-sized enterprises, it wants to continue being the leading bank as it was in 2015.

A new IT tool will also be used in agencies and at head-quarters, facilitating the relationship between customers and advisors.

Last but not least, there will be a big boost given to the multi-channel and digital bank to meet any needs expressed by customers.