

Switzerland

New Caledonia

France

Luxembourg

Monaco

Miami

Annual Report 2016

CFM INDOSUEZ WEALTH MANAGEMENT

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Welcome



A whole bank just for you

Thanks to its **universal client-focused banking model** – based on close cooperation between its Retail Banks and its specialised business lines – reaffirmed by its new “A whole bank just for you” brand signature, Crédit Agricole helps its clients to realise all their personal and business projects. It does so by offering them an extensive range of services consisting of day-to-day banking, loans, savings products, Insurance, Asset Management, Real Estate, Leasing and Factoring, Corporate and Investment Banking, Issuer and Investor Services.

Serving **52 million clients worldwide**, it also stands out on account of its distribution model, multi-channel client-focused banking, and the efforts of its **138,000 employees** who make Crédit Agricole the Client Relationship-based Bank (CRB).

Built on its strong cooperative and mutual foundations and led by its **9.3 million mutual shareholders** and almost **31,000 directors** of its Local and Regional Banks, Crédit Agricole’s organisational model gives it stability and staying power. It also draws its strength from its values of transparency, client focus, accountability and openness to the world and to regional communities, an approach which it has cultivated for over 120 years.

Crédit Agricole’s policy of corporate social responsibility lies at the heart of its identity as a helpful and responsive Bank over the long term. It is reflected in its products and services and penetrates the actions of all its business lines. Its corporate social responsibility is a key factor that contributes to overall performance and is a powerful driver of innovation.

Crédit Agricole Group thus extends its leadership year after year. It is the number one provider of financing to the French economy and the number one insurer in France. It is also the first bancassuror in Europe, the first European Asset Manager and the world’s second-largest provider of green financing.



Group organisation

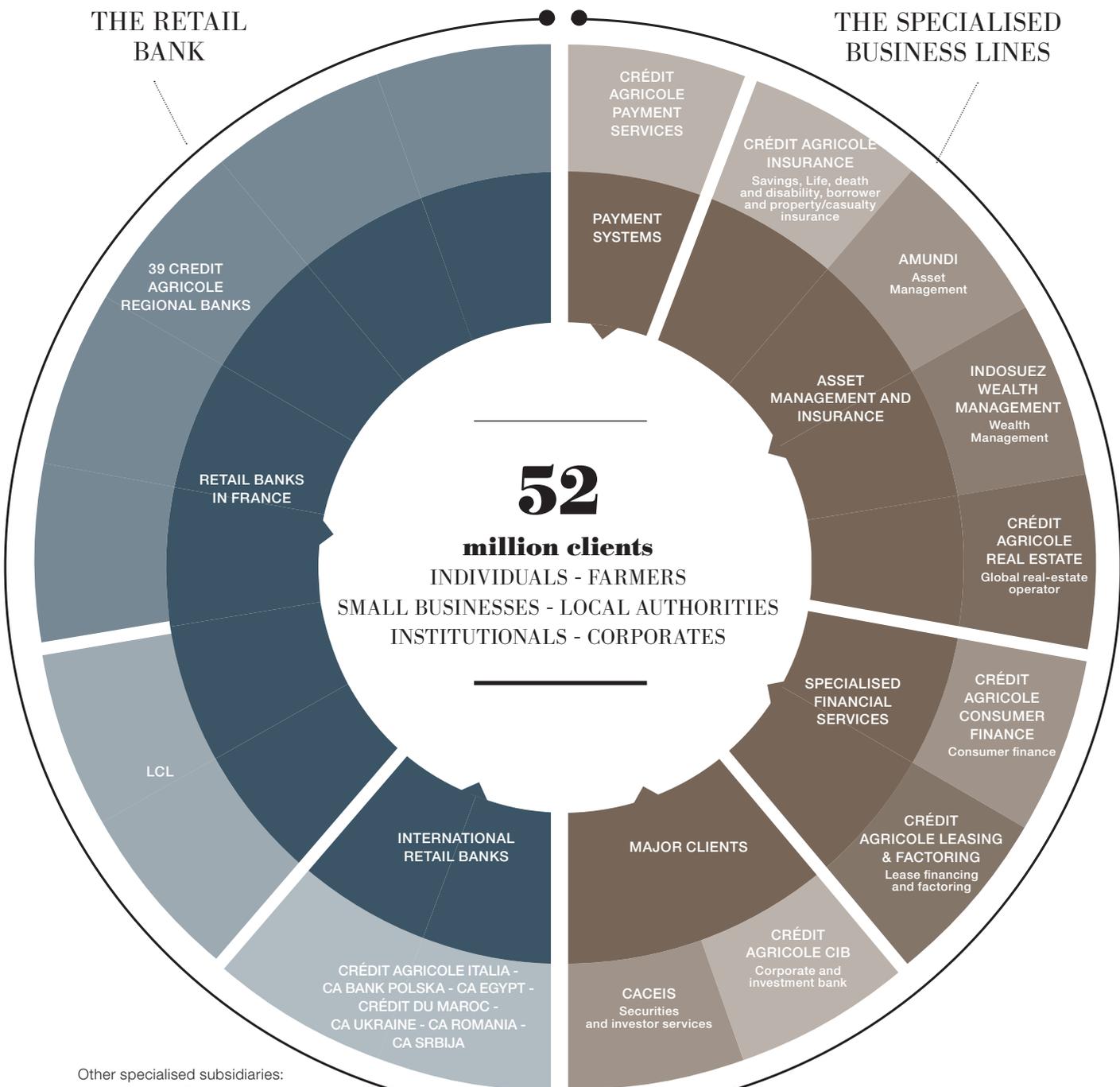
9.3 million mutual shareholders underpin Crédit Agricole’s cooperative organisational structure. They own the capital of the **2,741 Local Banks** in the form of mutual shares and they designate their representatives each year. Almost **31,000 directors** ensure that their expectations are met.

The Local Banks own the majority of the **39 Regional Banks’** share capital.

The Regional Banks are cooperative Regional Banks that offer their clients a comprehensive range of products and services. The discussion body for the Regional Banks is the Fédération Nationale du Crédit Agricole, where the Group’s main issues are debated.

The Regional Banks together own, via **SAS Rue La Boétie**, the majority of the share capital of **Crédit Agricole SA** (56.6%). Crédit Agricole SA coordinates together with its specialist subsidiaries the various business line strategies in France and abroad.

The universal client-focused bank



Indosuez Wealth Management

*For 140 years we have advised
entrepreneurs and families all over the world,
supporting them with expert financial advice
and exceptional personal service.*

*Today, we work alongside our clients to help them build,
protect, and pass on their wealth.*

*As “Architects of Wealth” we offer
state-of-the-art advice and unsurpassed service
to define efficient wealth structures and
best-in-class investment solutions.*

*In so doing, we thereby make it possible for our clients
to focus on achieving their personal goals, while relying
on the flawless execution of our traditional Wealth
Management and precision banking services.*



Message from the General Management of CA Indosuez Wealth (Group)



JEAN-YVES HOCHER

*Deputy Managing Director of Crédit Agricole SA,
supervising the Major Clients business line, CEO of Crédit Agricole CIB
and Chairman of CA Indosuez Wealth (Group)*

PAUL de LEUSSE

CEO of CA Indosuez Wealth (Group)

The year 2016 was an eventful but complex year for Indosuez Wealth Management. In many ways, it represented a transition towards a new era in Wealth Management. In a rapidly evolving market, the decisions we made and the projects we carried out this year clearly define the future of our business.

We have simplified our business strategy by focusing only on clients who are resident in those countries participating in the automatic exchange of information. While this choice will mean a reduction of assets under management in the short term, it will facilitate our future actions, in particular by making our market position clearer. Moreover, by deciding to focus on specific countries and by requiring our clients to sign a tax compliance certificate, we have completed the process begun several years ago to clarify tax-related issues.

At the end of the year, we launched our corporate project – “Shaping Indosuez 2020” – which is part of the Crédit Agricole Group medium-term plan. Within this project, we reaffirm the coherence and strength of our business model and set out our strategic vision for 2020. The first achievements under the plan will become apparent in 2017.

Our corporate project is based on four major pillars:

Accelerating our development

Organic growth will be the basis of our development, without excluding potential opportunities for acquisitions. The client-referral agreement signed with HSBC Private Bank in Monaco demonstrates our ability to strengthen our position among high-net-worth investors in our priority markets. It also allows CFM Indosuez Wealth Management to consolidate its position as the leading bank in Monaco.

Our development strategy is underpinned by our international network, which is aligned with our clients’ aspirations. It also relies on a wide range of expertise dedicated to adding value and draws on the talents of one of the leading banking groups in Europe.

Succeeding in our digital transformation

Many of our clients responded to a survey on their expectations in terms of digital services. Most of them want to see solutions that can facilitate and enhance their interactions with our experts, a sign both of their loyalty to us and of their changing habits in this respect.

As a result, the proactive digital component of our business plan aims to improve our clients’ experience by providing them with access to all our expertise anytime and anywhere. Our Wealth Managers will be equipped with solutions that will help them make optimal decisions and increase their mobility. Finally, some processes such as account opening, will be digitalised in order to further enhance operational efficiency and reliability.

Improving our efficiency

Like all Wealth Management specialists, we need to improve our operational performance. Our growth will draw on our ability to make our business models more profitable and to ensure that our organisational structure is both more efficient for our clients and more flexible for our employees.

Uniting our teams behind the project

The success of «Shaping Indosuez 2020» corporate project is underpinned by our distinctive strengths: our solid presence within the Crédit Agricole Group, the power of the global brand that we rolled out in early 2016, our international network and our client-focused culture. The overall success will depend on the commitment, expertise and entrepreneurial spirit of our 2,800 employees in 14 countries.

2017 will see the completion of several programmes under the corporate project, which will bring profitable growth for our Wealth Management activities while driving higher standards in terms of the quality of service delivered to our clients.



Jean-Yves Hocher



Paul de Leusse



A network of
long-established offices
in 14 countries

EUROPE

- Antwerp*
- Bilbao*
- Bordeaux*
- Brussels*
- Geneva*
- Lille*
- Lugano*
- Luxembourg*
- Lyon*
- Madrid*

- Marseille*
- Milan*
- Monaco*
- Nantes*
- Paris*
- San Sebastián*
- Toulouse*
- Valencia*
- Zurich*

AMERICAS

- Miami*
- Montevideo*
- Rio de Janeiro*
- São Paulo*

MIDDLE EAST

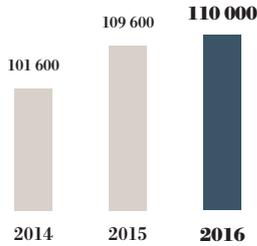
- Abu Dhabi*
- Beirut*
- Dubai*

ASIA PACIFIC

- Hong Kong*
- Singapore*
- Noumea*

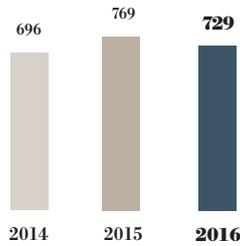
Our key figures

Assets under management (€M)



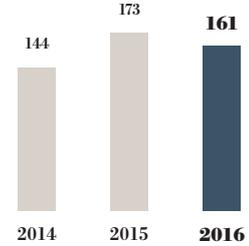
In 2016 Indosuez Wealth Management continued to refocus its activity, in particular by concentrating on clients resident in countries that have signed up to the automatic exchange of information for tax purposes. The impact of this refocusing strategy was offset by the strong performance of the financial markets in the last quarter of 2016.

NBI (€M)



Net banking income fell because of persistently low interest rates and the unsettled financial markets, which encouraged clients to put their investment decisions on hold until the last quarter of the year.

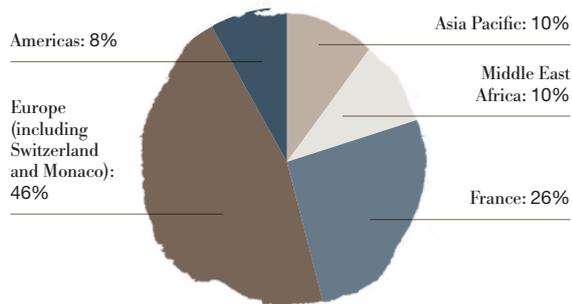
GOI (€M)



Gross operating income was down slightly, despite tight cost control.

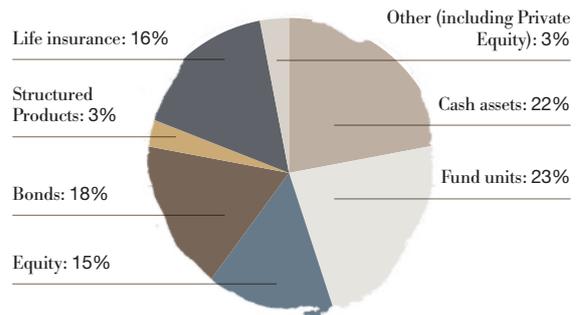
Geographic vision by country of residence

Our clients' assets are well diversified, underpinned by several growth factors.



Asset allocation

Diversified asset allocation, which results from our goal of protecting and increasing our clients' assets



2 800

employees with multiple areas of expertise

29

offices

14

countries around the world

Shaping Indosuez 2020

The corporate project of Indosuez Wealth Management

*Launched
at the end of 2016,
the corporate project
“Shaping Indosuez 2020”
intends to reinforce
Indosuez Wealth Management
leadership on its target markets
and enhance its profitability
by drawing on
four key pillars*

1

Accelerate growth

- Boost organic growth and the return on assets with real projects that will be implemented and deliver measurable results in the coming quarters.
- Develop synergies between the Major Clients Division and CACIB and CACEIS, as well across the Group as a whole, by affirming its role as a centre of excellence for Wealth Management clients, as it already does with the Regional Banks.
- Enhance Indosuez’s international positioning in key locations where we lack critical mass (Italy, Spain and Belgium) and among our target clients. This will involve the acquisition of Wealth Management specialists or of client portfolios.


2

Succeed in the digital transformation

- Improve our client relationship by allowing them to access Indosuez's expertise wherever they are and at all times.
- Upgrade the senior bankers' experience by providing them with online analysis and decision-making tools.
- Enhance internal processing systems to improve our responsiveness and reduce operating costs.


3

Simplify our organisation and enhance efficiency

- Our growth, which will include acquisitions, will also depend on our capacity to demonstrate that we can generate a return on our investments and on our business model.
- "Shaping Indosuez 2020" will provide proof of our ability to combine Wealth Management, effectiveness and productivity.
- To achieve this objective, we need to review our organisational structure to make it both more efficient for our clients and more attractive for Indosuez employees by delegating more authority and more responsibility to them. We also need to further develop our employees' existing expertise.


4

Unite our teams with a common goal

- Our project "Shaping Indosuez 2020" draws on our distinctive strengths: our solid presence within the Crédit Agricole Group, our strong global brand — Indosuez Wealth Management — a worldwide network and, an international range of products and services, and the development of a client-relationship-focused culture.
- Its success relies primarily on the unending commitment, expertise, entrepreneurial spirit and excellence of the men and women who make up our company. "Shaping Indosuez 2020" is a project for us all.

2016
Macroeconomic
analysis
and 2017
financial market
outlook



2016, a surprising year

PAUL WETTERWALD

*Chief Economist,
Indosuez Wealth Management*

Political environment

After years of growth in international trade, 2016 saw the benefits of free trade called into question. This trend was driven not by the political parties in power, but rather by movements that prospered from the idea that the gains generated by international trade have not been sufficiently redistributed to that part of the electorate that had suffered most from adjustments to production capacity over the past few years.

While this posture took on a range of forms that varied from country to country, these can be summed up by the notion of a “politics of rage”.

Underestimating this phenomenon led to two big surprises: the desire expressed by the citizens of the United Kingdom to leave the European Union (Brexit) and, more recently, the election of Donald Trump as US president.

Economic and financial climate

Another surprise was the weak growth seen in the United States during the first half of the year. Fortunately, the US economy accelerated sharply in the second half (with annualised GDP growth approaching 3%). Meanwhile, the eurozone’s growth trajectory crossed that of the United States: after a roaring start, momentum weakened. All in all, 2016 will most likely turn out to have been a year when GDP growth in the European monetary union lagged behind both its 2015 level and performance in the United States. That being the case, China was once again the main driver of global growth, which remained comfortably positive.

Meanwhile, inflation figures began to climb again, driven by base effects linked to oil and food prices and an improving labour market. They are now positive, except in Switzerland. Apart from the United States, this trend did not trigger a tightening of monetary policy in mature economies.

After kicking off the USA’s first monetary tightening cycle for over ten years on 16 December 2015, the Federal Reserve struggled to maintain its momentum.

At their December meeting, the members of the US Central Bank’s Federal Open Market Committee voted to upgrade their projections on interest rate hikes. Base rates are not expected to reach 3% before 2020 at the earliest. The bond market noted this stance, with the long end of the US government bond yield curve shifting upwards relative to its position at the beginning of the year. In December 2015, the Governor of the European Central Bank decided to move the interest rate on funds deposited with the Central Bank by commercial banks further into negative territory, lowering it from -0.2% to -0.3%. He also extended the ECB’s purchase programme until March 2017. One year on, the ECB’s balance sheet has grown by €750 billion and the purchase programme has been extended again, until December 2017 at the earliest.

Meanwhile, Japan and China maintained their accommodative monetary policy. In Japan, the 2% inflation target was put on the back burner so that priority could be given to managing the yield curve with the aim of maintaining 10-year yields close to zero. In China, the authorities continued to manage the pace of activity, slightly weakening the yen.

The yen was not the only currency to weaken against the

dollar. Sterling (due to Brexit) and the Mexican peso (due to the Trump effect) lost more than 16%, while the Swiss franc and the euro limited their depreciation. Conversely, the Russian and Brazilian currencies each gained over 20%. As expected, yields on bonds denominated in Russian rouble and Brazilian real (both of which strengthened) declined, while those on bonds issued in Mexican pesos rose. More surprisingly, the fall in sterling was accompanied by a decline in gilt yields. Yields on euro-denominated bonds declined, hit hard by the ECB's actions. Apart from in Switzerland and Italy, this finally allowed equity markets to post positive performances. These various developments went hand in hand with peaks in volatility, reflecting rising uncertainty.

2017: more key political events

Global economic growth has settled at a rate close to its average for the past 30 years: this is good news, albeit mitigated by a forecast lack of acceleration over the next few years.

This is driven by the fact that some of the usual growth drivers are missing. After having fallen for a while, salaries are now rising. Nor will the price of oil, expected to remain close to its current level for the next few months, slow down rising production costs. Meanwhile, central banks struggle to offer more monetary stimulus. Conversely, fiscal policies have taken on a less restrictive bias. All in all, this creates an environment of moderate growth, accompanied by historically low interest rates, with inflation rates also remaining modest. In short, an environment that remains generally favourable for risk assets.

The greatest risks to this scenario are political. Rising protectionism can be seen all over the world through political parties and/or programmes of a populist persuasion focused on domestic issues. Protectionism means higher prices coupled with lower trading volumes.

On a large scale, this trend could possibly even trigger a recession in the United States and worldwide.

Political risk is also high in the light of elections in France and Germany in 2017. Here again, our scenario assumes an outcome conducive to growth. Should that prove mistaken, the problem of the survival of the euro and the European Union would resurface. However, it should be noted that the European Union is approaching these problems in better conditions than it did in 2008 in terms of systemic risk. In this regard, we would consider any market corrections that might arise as buying opportunities. Meanwhile, the Brazilian and Indian central banks, like some of their emerging country counterparts, are cutting interest rates and still have more room to manoeuvre. While it is true that emerging economies are vulnerable if spreads between their interest rates and US interest rates widen, they are entering 2017 with their external accounts stronger than in past crises.

Furthermore, both Brazil and Russia should emerge from recession next year. Consequently, the lion's share of global growth should come from the emerging world, making these markets attractive to investors, albeit at the price of higher volatility.



*“The lion’s share
of global growth should
come from the emerging
world, making these markets
attractive to investors”*





MARIE-ODILE **JORIS**
Corporate Secretary

The Monegasque environment

The suitability of the courageous and visionary choices made by its Princes throughout its 720-year history has made Monaco a sovereign state whose balanced economy can only excite envy.

There are many reasons for being based in this highly international environment.

This is because Monaco is an exclusive and unique place with many advantages: stability, security, moderate taxation, exceptional living conditions, excellent healthcare and a high level of secondary education.

The great diversity of activities and enterprises with high added value, which is characteristic of the economic fabric of Monaco, helps boost a vast job pool.

Monaco's 2015 GDP came to €5.64 billion against €5.32 billion in 2014, recording volume growth of 5.4% (corrected for inflation).*

In 2016 the Principality continued to grow while at the same time maintaining robust finances. Its main economic indicators, universally strong for the third quarter of 2016, posted mixed results depending on the sector.

Growth in the amount of bank assets remained positive both over the past 12 months and in the last quarter,

mainly on account of growth in the amount of deposits. In 2016 this sector saw the announcement of the ending of Credit Suisse's activities, which were taken over by Safra and HSBC, with which our Company has signed a referral agreement. The financial sector thus continued its concentration of credit institutions (33 at 31 December 2016) and an increase in the number of management companies (58 at 31 December 2016).

The real estate sector, already buoyant, continues to enjoy a growing number of transactions in new and old property, while average prices are rising on account of larger surface areas being exchanged.

After a first quarter in slight decline, employment grew for the third consecutive quarter and ended the year up 1.3%. While the number of employers has also grown, the number of hours worked has remained stable.

The Principality's economy comes within a Mediterranean arc extending from the Italian Riviera to the French Côte d'Azur. Every day almost 50,000 professionals enter Monaco to work, in an exchange profitable to each of the countries. Moreover, 120 nationalities, from every continent, bring their experience and expertise to the Monegasque economy.



In 2016 the Principality continued to grow while at the same time maintaining robust finances. Its main economic indicators, universally strong for the third quarter of 2016, posted mixed results depending on the sector.

The Principality currently has around 10 long-term construction sites for almost a third of the state's annual budget. Following the commissioning of the Albert II Tunnel in July 2016, a major component in the improvement of traffic access to the Principality, other major sites and completions of complex real estate operations stress the continuation of the Principality's budgetary efforts to arrive at a balance between urban and economic development and preservation of the quality of life.

A number of operations – Charles III island, city gateway, FANB Roqueville, Pasteur, the new Princess Grace Hospital – are progressing in accordance with established planning, making it possible to develop useful square metres of tertiary and industrial space vital for economic development.

Following the Abandonment Law promulgated in July 2016, the treaty for concession of the design, completion and marketing of the offshore extension or eco-neighbourhood of six hectares at Anse du Portier made it possible to embark on the initial preparatory work in the autumn.

Advantages in the excellence of its facilities and the many cultural and sporting events held during the year make the Principality of Monaco a favoured destination for professionals and tourists. In a tourist context marked by attacks and disenchantment on the part of certain nationalities for France as a destination, the Principality of Monaco remains attractive on account of its high level of security, to which its authorities are very much attached.

In terms of international tax policy, the Principality has resolutely committed to tax transparency with the lodging on 14 October 2016 with the OECD of the instrument of ratification of the Convention on Mutual Administrative

Assistance in Tax Matters signed on 13 October 2014 by Prince Albert II. This Convention, added to numerous other measures taken since 2009, authorises the government to implement automatic exchange of information on the financial accounts of non-residents from 2018, on the basis of information collected in 2017.

The Principality is at the same time working to strengthen its economic appeal, which involves modernising legislation and continued investment in improved functioning of the authorities to serve users as well as improved knowledge of the Principality's specifics by opening up on an international level as regards negotiations with the European Union.

* 2016 GDP data published by the Institut Monégasque de la Statistique et des Études Économiques (IMSEE) not yet available.

Annual Report

CFM Indosuez Wealth Management, the reference bank in monaco

As the number-one bank employer in Monaco, CFM Indosuez Wealth Management is the only bank on the market that can offer financial solutions to private investors, businesses, institutions, and professionals.

Created in 1922 by some of Monaco's leading families, some of whom are still stakeholders, CFM Indosuez Wealth Management is a 70%-owned subsidiary of Crédit Agricole Group. This backing by one of the world's top banking groups, paired with our deep roots in Monaco, is an essential guarantee of strength and sustainability for our customers, shareholders, employees, and partners.

Within the group, our Company is fully integrated in the Wealth Management Business, Indosuez Wealth Management. Our 2800 experts in Wealth Management, 369 of whom are at CFM Indosuez Wealth Management in Monaco, create customised solutions for our customers in a country where we operate or by multibooking. Together, they have a single calling: to help families and entrepreneurs create, cultivate, protect, and pass on their wealth.



Message from the Officers



JEAN-MARIE **SANDER**
Chairman

GILLES **MARTINENGO**
Chief Executive Officer

In 2016 CFM Indosuez Wealth Management obtained highly satisfactory results after an exceptional 2015, in an economically, financially and geopolitically complex context.

Thus net banking income demonstrated robust resistance despite great volatility on the financial markets and a context of low interest rates, reaching €119.4 million. The 2016 net result came to €44.9 million under IFRSs, thanks in particular to the Bank's effective risk control policy along with good cost control.

This success in 2016 is the result of a constant quest for excellence and innovation on the part of all our employees to the benefit of our clients and partners. It also attests to

the loyal support of our shareholders and the Monegasque authorities, whom we would like at this point to thank for their confidence and the interest they show in our growth.

Four events in particular defined the year for our Company:

- **Adoption of the CFM Indosuez Wealth Management brand from the beginning of 2016:** through its new brand, our Company marks its attachment to the Principality and reflects its international wealth management expertise in its name. Our visibility and attractiveness have been increased for our target clients and more particularly for international clients.

*This success in 2016
is the result of a constant
quest for excellence and
innovation on the part of
all our employees to the
benefit of our clients
and partners.*

- **Strategic decision of Indosuez Wealth (Group) in spring 2016:** for a number of years, Crédit Agricole's Wealth Management business line has taken a voluntary step aimed at ensuring that each of its clients is fully compliant with the tax services of his country of residence, so it has decided to focus its resources and efforts on clients residing in countries participating in the automatic exchange of information. Thanks to the commercial dynamism of our teams, this decision has generated outflows of capital, largely offset by growth in new clients.
- **Signing of a referral agreement with HSBC Private Bank (Monaco) in autumn 2016:** this agreement enables CFM Indosuez Wealth Management to continue developing its business and increase its market share.
- **Launch at the end of 2016 of the Shaping Indosuez 2020 company project:** this project comes within the Crédit Agricole Group's Strategic Ambition 2020 medium-term plan. It signifies the ambitions of Indosuez Wealth Management in addressing the new challenges looming in the international wealth management arena.

These events represent important points in our transition towards a new period, in a rapidly changing wealth management market. Each of them contributes to strengthening our leadership in Monaco. The quality of the expertise provided to our clients was also recognised by the international Global Finance magazine in its 2017 rankings, which selected CFM Indosuez Wealth Management as the Best Bank in Monaco. Now in its eighteenth year, these rankings are produced in many countries around the world. Global Finance analyses banks' performance on the basis of information obtained not only from financial industry experts, but also business leaders, investors, etc. For its 2017 ranking, Global Finance was particularly attentive to banks' capacities for innovation. Our Company thus continues to be a major banking institution in Monaco.

The expertise of its employees and the entire Indosuez Wealth Management Group, coupled with the strength and robustness of the Crédit Agricole Group by which our Company is backed, give CFM Indosuez Wealth Management the assurance of being able to address the challenges of the coming years.

Our model is transparent, robust, competitive and oriented to the future. We are confident in the ability of CFM Indosuez Wealth Management to support its clients and the coming generations in managing their wealth, with a requirement level which, although already very high, will not stop being raised.

Jean-Marie Sander

Gilles Martinengo

Management Bodies

BOARD OF DIRECTORS

Honorary Chairman

Yves BARSALOU
Georges MAZAUD

Board Of Directors

Chairman
Jean-Marie SANDER

Senior Managers

Yves BARSALOU
Michel CRESP
Jean DELAMALLE
Olivier DESJARDINS
Philippe GESLIN
Hervé HUSSON
Paul de LEUSSE
Andrée SAMAT
Jean-Marie SANDER

Chief Executive Office

Chief Executive Officer
Gilles MARTINENGO



EXECUTIVE COMMITTEE

Front row, from left to right

Marie-Odile JORIS
Corporate Secretary

Gilles MARTINENGO
Chief Executive Officer

Stéphane HERPE
Head of Markets, Marketing
and Development department

Grégoire FAURE
Head of Global Wealth
Management

Second row, from left to right

Vincent THOMAS
Head of Finance, IT, Operations
and Organisation department

Yves BRACCALENTI
Head of Development

Ariel BARUGEL
Head of Human Ressources



Message from Grégoire Faure

Our business model is robust and durable. This model relies in particular on a balance between international clients and our onshore clients in Monaco, and on our local links with our branch network covering the entire Principality.

GRÉGOIRE FAURE
Wealth Management

For our commercial activity, 2016 again proved to be a year full of challenges given the radical changes in our business lines. These internal and external challenges make it necessary to reinvent our model while ensuring that the excellence of our client services remains centre stage:

- regulatory challenge: increasing international regulatory constraints and the Group's strategic choices have compelled us, for all our clients, to strengthen our commercial policy, deeply committed as it is to strict observance of OECD, FATCA and MiFID compliance standards;
- commercial challenge with the implementation of our sales strategy based around our new CFM Indosuez Wealth Management brand, and geared towards the development of a handful of priority markets made up of clients resident in countries that participate in the automatic exchange of information;
- challenge in terms of the product range with clients who have a wait-and-see attitude, can be demanding and have also often sought returns with limited risk taking, in financial markets subject to high volatility;
- financial challenge owing to negative interest rates. This development is reflected in the growth of our target business and a gratifying distribution of the range of products and services thanks to the expertise of our bankers in their markets.

The transfer of non-strategic clients took place under favourable conditions thanks to the hard work of all our teams and the provision of customised support.

The last quarter of 2016 also saw our signing a referencing agreement with HSBC Private Bank (Monaco), requiring us to prepare and organise the arrival in 2017 of new clients and new teams, particularly sales teams.

These sizeable changes combine to prove that our business model is robust and durable. This model relies in particular on a balance between international clients and our onshore clients in Monaco, and on our local links with our branch network covering the entire Principality. CFM Indosuez Wealth Management is also the only institution in Monaco capable of providing financial solutions not only to private investors and companies but also to institutional and professional investors.

Our House thus continues to enjoy sustainable growth, under the conditions of compliance, transparency and risk control needed for the trust of our clients, partners, shareholders and employees.



The development of expertise and innovations for our clients, associated with the proximity offered them in Monaco, will remain key success factors in the years ahead.

Message from Stéphane Herpe

STÉPHANE HERPE

Investment solutions

CFM Indosuez Wealth Management offers the widest available range of investment solutions in Monaco and further expanded this range in 2016, in collaboration with all the experts in the Indosuez Wealth Management Group.

The proximity and expertise of our specialists in the markets based in Monaco was once again particularly appreciated by our clients in 2016. Our trading room remains far and away the largest in the Principality and the entire Côte d'Azur, with 55 experts dedicated to investment solutions. This trading room constitutes a platform of reference for investors wishing to access market offerings. Our experts also appear every morning on the Principality's flagship radio station, Radio Monaco, setting out market trends.

Our goal is to offer our clients a level of responsiveness, security and innovation fully in keeping with their expectations. In 2016 these expectations were marked by an increase in requests for assistance and personalised advice. This began in the first quarter of the year, with extremely volatile markets. The search for yield for our clients in a context of low interest rates and heavy volatility then led our teams to continue rolling out packages dedicated to real assets, such as private equity or real estate. Thus our private equity experts based in Monaco were able to present our clients with new dedicated subfunds that have enjoyed great success.

Furthermore, the context of low interest rates that characterised the global financial environment in 2016 led our experts to work on launching a range of new funds managed for absolute performance. These products were in particular designed to take advantage of the possibilities for value creation offered by underlyings requiring a sizeable degree of analysis, such as commodities and indices.

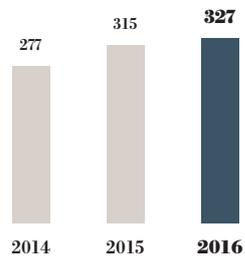
In 2017 we are continuing to innovate and expand our range, particularly with specialised insurance funds in life insurance and a new advisory mandate specialising in hedge funds. This mandate will make it possible to offer clients a solution combining a prudent approach to the opportunities offered by alternative investment with a strategy of diversification and decorrelation. We are also innovating with the launch of the Indosuez Insight application, which enables our clients to access research documents and analyses published by experts throughout the Indosuez Wealth Management Group covering macroeconomics, investment strategy, estate planning, corporate finance, equities, fixed income securities, currencies and precious metals, commodities, structured products, private markets, real estate, insurance and hedge funds.

The development of expertise and innovations for our clients, associated with the proximity offered them in Monaco, will remain key success factors in the years ahead.

Key Figures

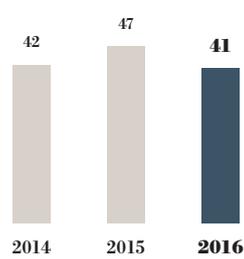
Shareholders' Equity excl. FGBR

(in millions of euros)



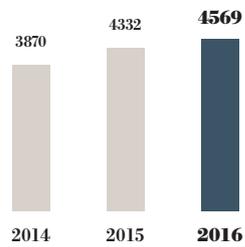
Gross operating profit

(in millions of euros)



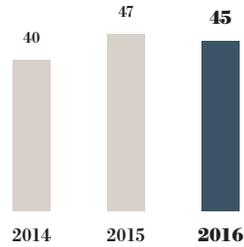
Total assets

(in millions of euros)



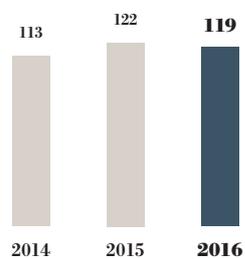
Net profit

(in millions of euros)



Net banking income

(in millions of euros)



The Bank's activities and results

Assets under management at CFM Indosuez Wealth were down 3% compared to at the end of December 2015, in keeping with our strategic decisions. This slight decline is explained mainly by implementing strategic decisions, mitigated by positive market effects and buoyant commercial momentum.

Cash under management was up 3%, mainly on term deposits in USD (up 58%). Sight deposits in all currencies remained stable while at the same time staying at high levels, owing to interest rates that continued to be very low or negative.

Securities under management were down 6% at 31 December 2016.

Life insurance assets under management were virtually unchanged over the year, while applications continued to enjoy dynamic growth, up 7%.

Annual financial statements

The balance sheet total came to €4,569 million at 31 December 2016, up €237 million or 5% on December 2015.

On the assets side, the amount of the Bank's investment portfolio made up of liquid securities exceeded €1.3 billion at the end of 2016 and consisted mainly of bonds.

This level of securities under management makes it possible to comply with the global liquidity coverage ratio (LCR) as well as in the main currencies, the euro and the dollar.

The item 'loans and advances to credit institutions' came to €613 million against €579 million in 2015.

On the liabilities side, equity stood at €327 million, excluding general banking risk reserves of €4.5 million. The growth in equity between December 2015 and December 2016 (up €12 million) resulted from the ordinary general meeting's decision approving the 2015 accounts to carry forward an amount of €14 million on the 2015 result, out of a total result that came in 2015 to €47 million.

Furthermore, net banking income was €119.4 million, down 2.4% on 2015, but still in line with budget forecasts despite substantial volatility in securities and the context of low interest rates.

General costs were up 4.1% on the preceding period but remained contained and in line with budget forecasts at €78.4 million.

Given the foregoing elements and a positive cost of risk and exceptionals, the net profit came to €45 million, down 4.48% on 2015.

Allocation of income

Profit for 2016	€45,004,466.81
Retained earnings from the preceding period	€164,030,747.84
Theoretical total for distribution	€209,035,214.65
Dividends payable to shareholders	€31,515,000.00
Retained earnings	€177,520,214.65

On these bases, each share would receive a dividend of €55, 4.40% down on the dividend paid for 2015 (€57.55 per share). This dividend would be paid on 8 June 2017.

Financial statements

**CFM Indosuez
Wealth Management**



1. Balance sheet at 31 December 2016

Assets

(in € '000s)	NOTES	31/12/2016	31/12/2015
Inter-bank and similar transactions		658 041	622 014
Cash and amounts due from Central Banks		45 404	43 563
Receivables from Credit Institutions	3	612 637	578 451
Transactions with Customers	4	2 433 666	2 267 731
Securities transactions		1 345 033	1 337 479
Bonds and other fixed-income securities	5	1 335 237	1 325 137
Equities and other variable-income securities	6	9 796	12 342
Fixed assets		31 952	31 912
Equity investments and other long-term securities	7	796	652
Investments in related companies	8	297	506
Intangible assets	9	17 951	17 889
Tangible assets	9	12 908	12 865
Accrual accounts and miscellaneous assets		99 824	72 891
Other assets	13	32 050	20 271
Accrual accounts	13	67 774	52 620
TOTAL ASSETS		4 568 516	4 332 027

Liabilities

(in € '000s)	NOTES	31/12/2016	31/12/2015
Bank transactions and similar		237 639	126 480
Payables to Credit Institutions	10	237 639	126 480
Customer Payables	11	3 919 393	3 813 337
Accrual accounts and miscellaneous liabilities		74 874	67 530
Other liabilities	14	28 948	21 976
Accrual accounts	14	45 926	45 554
Provisions	15	5 104	5 202
Funds set aside for general banking risks	16	4 471	4 471
Shareholders' equity excluding FGBR	17	327 035	315 007
Subscribed share capital		34 953	34 953
Issue Premiums		311	311
Reserves		82 736	82 736
Retained earnings		164 031	149 897
Result pending approval		0	0
Net income for the year		45 004	47 110
TOTAL LIABILITIES		4 568 516	4 332 027

Off-balance-sheet items

(in € '000s)	NOTES	31/12/2016	31/12/2015
Commitments given			
Financing commitments	20	617 748	645 082
Guarantee commitments	20	226 352	278 482
Commitments relating to securities			
Commitments received			
Financing commitments			
Guarantee commitments	20	1 837 991	1 723 726
Commitments relating to securities			

2. Income statement for 2016

(in € '000s)	NOTES	31/12/2016	31/12/2015
PNet interest and similar income		44 654	44 948
Interest and similar income	21	51 415	51 742
Interest and similar expense	21	-6 761	-6 794
Income from variable-income securities	22	484	50
Net commissions		59 707	66 354
Commission income	23	64 027	70 727
Commission expense	23	-4 320	-4 373
Net income from financial transactions		18 664	15 648
Gains or losses on trading portfolio transactions	24	16 433	15 457
Gains or losses on investment and similar portfolio transactions	25	2 231	191
Other net banking operating income		-4 129	-4 632
Other banking operating income	26	2 530	3 184
Other banking operating expense	26	-6 659	-7 816
NET BANKING INCOME		119 380	122 368
General operating expenses	27	-75 569	-72 028
Additions to amortisation and depreciation and impairment of intangible and tangible assets	9	-2 822	-3 263
GROSS OPERATING INCOME		40 989	47 077
Cost of risk	28	540	34
OPERATING INCOME		41 529	47 111
Net income from fixed assets	29	3 475	-1
CURRENT INCOME BEFORE TAX		45 004	47 110
Non-recurring income		0	0
NET INCOME FOR THE FINANCIAL YEAR		45 004	47 110

3. Notes to the financial statements

Note 1

Accounting principles and policies applied

1.1. Introduction

CFM Indosuez Wealth Management's financial statements are prepared in compliance with the regulations that apply to credit institutions in the Principality of Monaco, within the framework of the agreements between France and Monaco.

1.2. Accounting principles and policies

Translation of assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the market exchange rates at the balance sheet date.

The income and expenses resulting from these translations, together with the translation differences generated on transactions during the financial year are recognised in the income statement.

Forex-exchange transactions

- Spot and forward foreign-exchange contracts
Spot foreign-exchange contracts are valued at the spot market rate for the currency in question at each balance sheet date.

Forward currency transactions are back-to-back transactions, and the rate used is the spot rate for the currency in question.

- Currency options
Currency options are back-to-back transactions entered into on the over-the-counter market.

Forward interest-rate financial instruments

- These are primarily back-to-back contracts that form part of the asset and liability management process. The expenses and income relating to these transactions are entered on the income statement on a pro rata basis.

- Interest-rate options
Interest-rate options are back-to-back transactions entered into on the over-the-counter market.

Securities

- Trading securities
Trading securities are securities purchased on an organised market that is sufficiently liquid, with a view to reselling them within a maximum timeframe of six months from the outset.

Trading securities are valued at their market value. The capital gains or losses generated are recorded under income or expense for the financial year.

- Investment securities
Investment securities are financial investments purchased in order to provide a financial return.

A provision is recorded where their market value is lower than their book value.

- Equity investments
The recording of impairment provisions on equity investments is assessed on an individual basis, taking account of their value-in-use and of the economic and financial appraisal of each company concerned.

Fixed assets

Tangible assets are entered at their historical cost and in accordance with the component method; repairs, maintenance and small items are posted as a debit in the year's expenses account.

Intangible assets include the business assets purchased, software, and lease rights, and are shown on the balance sheet at their historical cost.

The business assets purchased and lease rights are not amortised, and are subject to an impairment test. The depreciation and amortisation charges for other fixed assets are calculated on a straight-line basis.

Note 2

Equivalent value of assets and liabilities in foreign currencies

(in € '000s)	31.12.2016	31.12.2015
Total assets in foreign currencies	1 588 940	1 573 074
Total liabilities in foreign currencies	1 587 537	1 571 053

The depreciation and amortisation calculation periods selected are as follows:

Component depreciation and amortisation period	
Buildings	50 years
Fixtures & fittings	6 to 10 years
Furniture & equipment	5 to 10 years
Transportation equipment	5 years
IT equipment	3 years
Software and other intangible assets	1 to 3 years

Provisions for customer-related risk

Provisions for customer-related risk are recorded in accordance with the risk of loss as soon as those risks are known; these provisions are deducted from the asset, where they relate to impaired receivables. They are recorded under liabilities in other cases.

Retirement benefits

The retirement benefits payable in connection with the various mandatory pension schemes to which employers and employees contribute are managed by specialised external organisations. The contributions payable for the financial year are recognised under the income for the period.

The Bank raised the provision for retirement benefits to €2.513 million in 2016.

Other employee commitments

The bonuses for long-service awards paid to employees are included in personnel expenses.

The provision corresponding to the entitlements earned by staff in connection with these bonuses amounted to €1,098,000 at the end of the financial year.

Note 3

Receivables against credit institutions

(in € '000s)	31.12.2016	31.12.2015
Accounts and loans		
demand	70 801	69 752
overnight	0	0
term	541 703	508 318
related receivables	133	381
Total credit institution accounts	612 637	578 451
Provisions	0	0
Net credit institution accounts	612 637	578 451

Note 4

Customer receivables

(in € '000s)	31.12.2016	31.12.2015
Principal receivable amounts	2 439 155	2 274 480
Related receivables	2 028	2 199
Total customer receivables	2 441 183	2 276 679
Provisions	-7 517	-8 948
Net book value	2 433 666	2 267 731

Note 5

Bonds and other fixed-income securities

(in € '000s)	31.12.2016	31.12.2015
Negotiable debt securities	1 324 750	1 317 247
Related receivables	11 841	8 736
Sub-total	1 336 591	1 325 983
Provisions	-1 354	-846
Net book value	1 335 237	1 325 137

Note 6

Equities and other variable-income securities

(in € '000s)	31.12.2016	31.12.2015
Investment securities and shares	5	5
Accumulation UCITS	9 810	12 346
Sub-total	9 815	12 351
Provisions	-19	-9
Net book value	9 796	12 342

Note 7

Equity investments and other securities held on a long-term basis

(in € '000s)	31.12.2016	31.12.2015
Investments in credit institutions	29	29
Other securities	770	628
Sub-total	799	657
Provisions	-3	-5
Net book value	796	652

Note 8

Investments in related companies

(in € '000s)	31.12.2016	31.12.2015
Investments in credit institutions		
Other securities	297	506
Sub-total	297	506
Provisions		
Net book value	297	506

The Bank owns almost 100% of the share capital of CFM Indosuez Gestion, a Monaco Limited Company with share capital of €150,000. Furthermore, the Bank owns 100% of the share capital of CFM Indosuez Conseil en Investissement, a French single-manager simplified joint stock company with share capital of €150,000. Lederlex SA had been wound up in september 2016.

Note 9

Fixed assets

(in € '000s)	Intangible items	Tangible items
Gross value at 1 January 2016	33 475	46 440
Net change during the financial year	330	2 596
Gross value at 31 December 2016	33 805	49 036
Aggregate depreciation at the financial year-end	15 854	36 128
Net value at 31 December 2016	17 951	12 908
Depreciation charge for the 2016 financial year	268	2 554

The business assets purchased have not been depreciated, although they are subject to impairment tests. No impairment was recorded at the end of 2016. Start-up costs were fully amortised at the financial year-end.

Note 10

Payables to credit institutions

(in € '000s)	31.12.2016	31.12.2015
Ordinary accounts payable	33 988	8 622
Term accounts	203 652	117 857
Related liabilities	-1	1
Total payable to credit institutions	237 639	126 480

Note 11

Customer payables

(in € '000s)	31.12.2016	31.12.2015
Special scheme savings accounts	168 926	212 756
Demand accounts	3 107 000	3 090 911
Term accounts	633 864	491 744
Other accounts	8 066	17 579
Related liabilities	1 537	347
Net balance sheet value	3 919 393	3 813 337

Note 12

Receivables and related liabilities

(in € '000s)	31.12.2016	31.12.2015
Interest accrued, not yet received (assets)		
Receivables against credit institutions	133	381
Customer receivables	2 028	2 199
Bonds and other fixed-income securities	11 841	8 736
Total interest included under assets	14 002	11 316
Interest accrued, not yet paid (liabilities)		
Payable to credit institutions	-1	1
Customer payables	1 537	347
Total interest included under liabilities	1 536	348

Note 13

Other assets and accrual accounts

(in € '000s)	31.12.2016	31.12.2015
Other assets		
Miscellaneous receivables	256	438
Options purchased	14 557	2 508
Securities settlement accounts	13 257	13 538
Guarantee deposits	3 869	3 740
Other	111	47
Net balance sheet value	32 050	20 271
Accrual accounts		
Payment accounts	125	352
Foreign currency adjustments	38 843	20 747
Income receivable	21 109	26 105
Prepaid expenses	1 570	1 227
Other	6 127	4 189
Net balance sheet value	67 774	52 620
TOTAL	99 824	72 891

Note 14

Other liabilities and accrual accounts

(in € '000s)	31.12.2016	31.12.2015
Other liabilities		
Guarantee deposits	8 017	12 808
Options sold	14 557	2 508
Miscellaneous payables	6 369	6 660
Securities settlement accounts	5	0
Other	0	0
Net balance sheet value	28 948	21 976
Accrual accounts		
Currency adjustments	0	0
Prepaid income	0	1
Expenses payable	38 237	39 364
Other accrual accounts	7 689	6 189
Net balance sheet value	45 926	45 554
TOTAL	74 874	67 530

Note 15

Provisions

(in € '000s)	Balance at 31.12.2015	Additions	Reversals	Translation differences	Other changes	Balance at 31.12.2016
Provision deducted from assets						
Customer receivables	8 948	914	2 355	10		7 517
Investment securities	855	1 373	855			1 373
Financial investments	5		2			3
TOTAL	9 808	2 287	3 212	10	0	8 893
Provisions classified under balance sheet liabilities						
Customer-related risks	367					367
Employee commitments	4 012	1 528	1 212			4 328
Other allocated provisions	823	378	792			409
TOTAL	5 202	1 906	2 004	0	0	5 104

Note 16

Funds set aside for general banking risks

(in € '000s)	31.12.2016	31.12.2015
Fund set aside for general banking risks	4 471	4 471
Balance sheet value	4 471	4 471

This amount covers the Bank's general risks on an interchangeable basis. The funds set aside for general banking risks are considered as shareholders' equity under the terms of current banking regulations.

Note 17

Change in shareholders' equity (before appropriation of earnings and excluding fgbr)

(in € '000s)	Share Capital	Premiums & reserves	Revaluation differences	Retained earnings	Regulated provisions	Net income	Total
Balance at 31.12.2014	34 953	83 047	0	118 612	0	40 310	276 922
Increase or decrease							0
Dividends paid in 2015						-9 025	-9 025
Appropriation of the 2014 earnings				31 285		-31 285	0
Net income for the 2015 financial year						47 110	47 110
Balance at 31.12.2015	34 953	83 047	0	149 897	0	47 110	315 007
Increase or decrease							0
Interim dividends paid in 2016						-32 976	-32 976
Appropriation of the 2015 earnings				14 134		-14 134	0
Net income for the 2016 financial year						45 004	45 004
Balance at 31.12.2016	34 953	83 047	0	164 031	0	45 004	327 035

Note 18

Breakdown of receivables and payables according to their residual maturity

(in € '000s)	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Excluding receivables & related liabilities					
Receivables against credit institutions	412 504	200 000			612 504
Customer receivables	2 430 669	8 486			2 439 155
Receivables represented by a security	401 990	491 165	431 595		1 324 750
Payable to credit institutions	237 640				237 640
Customer payables	3 820 119	97 737			3 917 856

Note 19

Commitments on forward financial instruments:

(in € '000s)	31.12.16			Total
	≤ 1 year	1 to 5 years	> 5 years	
Forward transactions				
Interest-rate swaps:	1 689 545	1 538 957	648 709	3 877 211
Global interest-rate management	486 762	898 504	595 639	1 980 905
Other hedging transactions	1 041 257	629 069	53 070	1 723 395
Forward currency transactions:	161 527	11 384		172 911
Euros receivable against foreign currencies payable	2 996 603	38 146	0	3 034 748
Foreign currencies receivable against euros payable	1 401 879	1 379		1 403 258
Option transactions	1 594 723	36 767		1 631 490
Options purchased				
Options sold	1 223 339	8 315		1 231 655
Ventes d'options	1 223 339	8 315		1 231 655

The amounts shown correspond to total lending and borrowing positions (rate swaps and rate swap options), or to total contract purchases and sales (other contracts).

Note 20

Off-balance-sheet items

(in € '000s)	31.12.2016	31.12.2015
Commitments given	844 100	923 564
• Financing commitments:	617 748	645 082
To clients	617 748	645 082
• Guarantee commitments:	226 352	278 482
To credit institutions	15 202	15 004
To clients	211 150	263 478
Commitments receiveds	1 837 991	1 723 726
• Guarantee commitments:	1 837 991	1 723 726
From credit institutions	33 184	64 854
From clients	1 804 807	1 658 872

Note 21

Net interest and similar income from transactions

(in € '000s)	31.12.2016	31.12.2015
With credit institutions	19 596	21 964
With clients	31 258	29 778
On securities	561	0
Interest and similar income	51 415	51 742
With credit institutions	-1 761	-3 031
With clients	-5 000	-3 493
On securities	0	-270
Interest and similar expense	-6 761	-6 794
Net interest and similar income	44 654	44 948

Note 22

Income from variable-income securities

(in € '000s)	31.12.2016	31.12.2015
Equity investments and other securities held on a long-term basis	26	2
Investments and in affiliates	458	48
Total	484	50

Note 23

Commissions

(in € '000s)	31.12.16			31.12.15		
	Produits	Charges	Net	Produits	Charges	Net
On transactions with credit institutions	0	-147	-147	0	-165	-165
On transactions with clients	6 139	-1 364	4 775	6 653	-1 518	5 135
On securities transactions	47 001	-2 809	44 192	53 207	-2 690	50 517
Other commissions	10 887	0	10 887	10 867	0	10 867
Net commissions	64 027	-4 320	59 707	70 727	-4 373	66 354

Note 24

Gains or losses on trading portfolio transactions

(in € '000s)	31.12.2016	31.12.2015
On transaction securities	4 724	5 249
On foreign currency transactions and similar financial instruments	11 709	10 208
Balance of the trading portfolio transactions	16 433	15 457

Note 25

Gains or losses on investment portfolio transactions

(in € '000s)	31.12.2016	31.12.2015
Investment securities		
Net gains	2 806	476
Net changes in provisions	-575	-285
Net value	2 231	191

Note 26

Other banking operating income and expenses

(in € '000s)	31.12.2016	31.12.2015
Income		
Share in joint ventures	0	0
Re-invoiced and reclassified expenses	37	34
Miscellaneous banking operating income	2 424	3 088
Other income	69	62
Total Income	2 530	3 184
Expenses		
Share in joint ventures	-1 008	-816
Miscellaneous banking operating expenses	-5 651	-7 000
Total expenses	-6 659	-7 816
Net Total	-4 129	-4 632

Note 27

General operating expenses

(in € '000s)	31.12.2016	31.12.2015
Personnel expenses		
Wages and benefits	33 171	31 124
Profit-sharing	1 007	1 085
Payroll expenses	11 840	11 313
Total personnel expenses	46 018	43 522
Administrative expenses	29 551	28 506
Of which Statutory Auditors' fees	160	149
Total General Operating Expenses	75 569	72 028

Note 28

Cost of risk

(in € '000s)	31.12.2016	31.12.2015
Reversal of provisions for contingencies and charges	792	161
Recovery of amortised receivables	2 280	1 154
Miscellaneous income	283	29
Total income	3 355	1 344
Provisions for impaired receivables and other assets	-807	-576
Losses on unrecoverable receivables covered by a provision	-1 629	-730
Additions to provisions for contingencies and charges	-379	0
Miscellaneous expenses	0	-4
Total expenses	-2 815	-1 310
Total	540	34

Note 29

Gains and losses on fixed assets

(in € '000s)	31.12.2016	31.12.2015
Gains on the disposal of intangible and tangible assets	3 475	
Losses on the disposal of intangible and tangible assets		-1
Gains on the disposal of financial investments		
Additions and reversals of provisions for impairment of financial investments		
Total	3 475	-1

Note 30

Average headcount

	31.12.2016	31.12.2015
Staff category		
Executives	286	273
Supervisors	83	91
Employees		
Total	369	364

Note 31

Encumbered assets

CFM Indosuez Wealth monitors and manages the level of its mobilised assets. In total, the ratio of encumbered assets was 0% at 31 December 2016. We did not identify any source of asset mobilisation meeting the criteria set by the decree of 19 December 2014.

ACTIFS

(in € millions) 31.12.2016	Book value of encumbered assets	Fair value of encumbered assets	Book value of unencumbered assets	Fair value of unencumbered assets
Assets of the reporting institution	0,0	0,0	4 568,5	4 630,5
Capital instruments	0,0	0,0	0,0	0,0
Debt securities	0,0	0,0	2 433,7	2 433,7
Loans and receivables other than demand loans	0,0	0,0	1 345,0	1 357,3
Other assets	0,0	0,0	789,8	839,5

GUARANTEES RECEIVED

(in € millions) 31.12.2016	Fair value of the encumbered guarantee received or the encumbered own debt securities issued	Fair value of the guarantee received or the own debt securities issued available to be encumbered
Collateral received from the reporting institution	0,0	0,0

Company financial results

(€ '000s, except for per-share amounts)

31.12.2009

31.12.2010

Year-end financial position

Share capital	34 953	34 953
Number of shares outstanding	573 000	573 000
Reserves	83 047	83 047

Overall income from transactions performed

Net banking income	100 301	99 163
Current income	37 551	40 203
Net income for the financial year	37 551	40 203
Amount of income distributed	24 353	26 129

Income from transactions per share

Current income	65,53	70,16
Net income for the financial year	65,53	70,16
Dividend paid per share	42,50	45,60

Number of employees

Staff	407	407
Payroll	29 591	30 311
Amount paid in connection with employee benefits (Social Security, and social activities, etc.)	10 200	10 498

31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016
34 953	34 953	34 953	34 953	34 953	34 953
573 000	573 000	573 000	573 000	573 000	573 000
83 047	83 047	83 047	83 047	83 047	83 047
104 582	112 023	108 625	113 114	122 368	119 381
38 672	45 362	35 177	40 310	47 110	41 530
38 672	45 362	35 177	40 310	47 110	45 004
26 129	29 487	24 582	28 214	32 976	31 515
67,49	79,17	61,39	70,35	82,22	72,48
67,49	79,17	61,39	70,35	82,22	78,54
45,60	51,46	42,90	49,24	57,55	55,00
379	372	370	361	364	369
30 394	30 061	30 987	31 619	32 209	34 178
10 652	10 131	10 835	11 105	11 313	11 840

General report of the Statutory Auditors

Financial year ended 31 December 2016

Ladies and Gentlemen,

In accordance with the provisions of article 25 of Law No 408 of 20 January 1945, we herewith report to you on the general and permanent task entrusted to us, by decision of the ordinary general meeting of 15 May 2014 for 2014, 2015 and 2016.

The financial statements and company documents, prepared by your Board of Directors, were made available to us within the legal deadlines.

* The balance sheet total comes to €4,568,515,875

* The income statement shows a net profit of €45,004,467

Our task, which consists in expressing an opinion on these financial statements, was carried out in accordance with professional standards and applying the rules on auditing institutions covered by banking regulations. Our task led us to examine the operations carried out by your company during 2016, the balance sheet at 31 December 2016, the income statement for the period and the notes to the financial statements ended on that date.

These documents were prepared in accordance with the legal provisions and as per the same forms and using the same measurement methods as in the preceding period.

We audited the various elements comprising the assets and liabilities as well as the methods for their measurement and for discrimination of income and expenditure. Our examination was conducted in accordance with generally accepted accounting audit standards, which specify that our work is planned and carried out so as to obtain reasonable assurance that the financial statements do not contain any significant irregularities.

An accounting audit includes examination, by sampling, of the justification of the amounts and information contained in the financial statements, as well as assessment of the accounting principles used and the main estimates made by your officers.

In our opinion, the financial statements at 31 December 2016, as annexed to this report and submitted for your approval, give a true and fair view, in accordance with the legal provisions and professional standards, of your Company's assets and liabilities at 31 December 2016 and the result for the 12-month period ended on that date.

We also audited the financial information contained in the report of your Board of Directors, the proposed appropriation of the results and compliance with the provisions of the law and the articles of incorporation governing the functioning of your Company. We have no observations to make.

Monaco, 3 April 2017

Bettina Ragazzoni
Statutory Auditor

Claude Tomatis
Statutory Auditor

Special report of the Statutory Auditors

Financial year ended 31 December 2016

Ladies and Gentlemen,

In accordance with the provisions of article 24 of Law No 408 of 20 January 1945, we present you with a report on the operations referred to in article 23 of the Sovereign Ordinance of 5 March 1895 carried out during 2016 and on the meetings held during the same period.

Operations referred to in article 23 of the Sovereign Ordinance of 5 March 1895

We remind you that these cover any undertaking or contract comprising a series of successive services of the same or similar type conducted with or on behalf of the company and in which a director of your company has a direct or indirect interest.

During the period, the following operations were carried out:

Agreement to outsource the Group's treasury management function to CA Indosuez (Switzerland) SA from July 2016. SLA being negotiated for 2016 (final version signed on 11 January 2017).

Referral agreement (RA) concluded with HSBC dated 18 October 2016 and in particular the referee guarantor included therein signed by the CEO of CA Indosuez Wealth (Group) SA, 5-7 avenue Percier, 75008 Paris, Mr Paul de Leusse, Director of CFM Indosuez Wealth.

CFM Indosuez Wealth continued its operations with CA-CIB and other Group institutions the type and conditions of which remain those of the banking profession and the market.

CFM Indosuez Wealth continued its operations under the IT services (S2i) and back office subcontracting agreement with CA Indosuez (Switzerland) SA.

CFM Indosuez Wealth continued to provide its operational support to CFM Indosuez Gestion and SASU CFM Indosuez Conseil en Investissement.

CFM Indosuez Wealth used the services of the insurance broker Ascoma JH for the management of part of its insurance policies. CFM Indosuez Wealth also concluded a business finder contract with this company.

We have no observations to make concerning these operations.

Meetings held during the period

During the period you met:

- on 20 May 2016 in the annual ordinary general meeting to approve the financial statements for the period ended 31 December 2015.

For this meeting, we verified:

- compliance with the provisions of the law and of the articles of incorporation related to its holding;
- execution of the resolutions approved.

We did not find any irregularities.

Monaco, 3 April 2017

Bettina Ragazzoni
Statutory Auditor

Claude Tomatis
Statutory Auditor

Resolutions

Resolution one

The General Meeting, having heard the report of the Board of Directors and the reports of the Statutory Auditors, the balance sheet and the income statement prepared at 31 December 2016, approves the 2016 financial statements as presented to it by the Board of Directors.

Resolution two

The General Meeting approves the distribution of the profit balance for 2016, i.e. €45,004,466.81, to which must be added retained earnings from the preceding period of €164,030,747.84, i.e. a total of €209,035,214.65, as proposed by the Board in its report and accordingly decides to:

Distribute dividends to shareholders in the amount of
€31,515,000.00
Carry forward €177,520,214.65

The distribution to shareholders will take place by payment of the dividend on 8 June 2017 of €55, 4.40% down on the dividend paid for 2015.

Resolution three

The General Meeting authorises the Board of Directors, if it sees fit, to pay before the end of the period an interim dividend for 2017, on the basis of a balance sheet duly certified by the company's Statutory Auditors.

Resolution four

In accordance with article 16 of the articles of incorporation, the General Meeting re-elects as director Mr Jean-Marie Sander for a period of one year. Mr Sander's term of office will end at the Ordinary General Meeting called to approve the 2017 financial statements.

Resolution five

In accordance with article 16 of the articles of incorporation, the General Meeting re-elects as director Mr Yves Barsalou for a period of one year. Mr Barsalou's term of office will end at the Ordinary General Meeting called to approve the 2017 financial statements.

Resolution six

In accordance with article 16 of the articles of incorporation, the General Meeting re-elects as director Mr Michel Cresp for a period of one year. Mr Cresp's term of office will end at the Ordinary General Meeting called to approve the 2017 financial statements.

Resolution seven

In accordance with article 16 of the articles of incorporation, the General Meeting re-elects as director Mr Olivier Desjardins for a period of one year. Mr Desjardins's term of office will end at the Ordinary General Meeting called to approve the 2017 financial statements.

Resolution eight

In accordance with article 16 of the articles of incorporation, the General Meeting re-elects as director Mr Paul de Leusse for a period of one year.

Mr de Leusse's term of office will end at the Ordinary General Meeting called to approve the 2017 financial statements.

Resolution nine

In accordance with article 16 of the articles of incorporation, the General Meeting re-elects as director Ms Andrée Samat for a period of one year.

Ms Samat's term of office will end at the Ordinary General Meeting called to approve the 2017 financial statements.

Resolution ten

In accordance with article 17 of the articles of incorporation, the General Meeting ratifies the appointment as director of Mr Hervé Husson for a period of one year.

Mr Husson's term of office will end at the Ordinary General Meeting called to approve the 2017 financial statements.

Resolution eleven

In accordance with article 17 of the articles of incorporation, the General Meeting ratifies the appointment as director of Mr François Veverka for a period of one year.

Mr Veverka's term of office will end at the Ordinary General Meeting called to approve the 2017 financial statements.

Resolution twelve

The General Meeting proposes to establish as follows the composition of the Statutory Auditors for 2017, 2018 and 2019:

Incumbent Statutory Auditors: Ms Sandrine Arcin and Mr Claude Tomatis

Alternate Statutory Auditor: Mr François Brych

The General Meeting approves the amount of the Statutory Auditors' fees, as set out in the expenditure for the period.

Resolution thirteen

The General Meeting, having heard the report of the Board of Directors and the reports of the Statutory Auditors, takes note of the details notified to it, for the past period, of the operations referred to in article 23 of the Sovereign Ordinance of 5 March 1895.

The General Meeting approves these operations and renews for the directors the authorisation specified in article 23 of the aforesaid Ordinance.

Resolution fourteen

The Ordinary General Meeting gives all powers to Ms Marie-Odile Joris or the bearer of an original copy for the purpose of fulfilling as soon as practicable all the formalities necessitated by the foregoing resolutions.



Our branches

HEADQUARTERS

11, boulevard Albert 1^{er}
Tél. + 377 93 10 20 00

BRANCHES

Albert 1^{er}

11, boulevard Albert 1^{er}
Tél.+ 377 93 10 20 00

Gastaud

2, rue des Princes
Tél.+ 377 93 10 20 92

Suffren Reymond

11, boulevard Albert 1^{er}
Tél.+ 377 93 10 23 40

Monte-Carlo

31, boulevard Princesse Charlotte
Tél.+ 377 93 10 25 30

Moulins

Europa Résidence
Tél.+ 377 93 10 25 00

Monaco Ville

6, rue Comte Félix Gastaldi
Tél.+ 377 93 10 26 20

Fontvieille

18, quai Jean-Charles Rey
Tél.+ 377 93 10 26 50



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