

ANNUAL REPORT

2013



BANQUE CIC | SUISSE |

The bank for private and business clients

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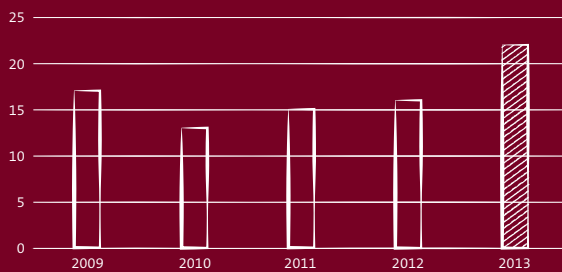
This annual report is a summary of the full version. The complete annual report for 2013 is available in French and German and can be found on our website at www.cic.ch.

SUMMARY

	31.12.2013	31.12.2012	Change	
	in 1 000 CHF	in 1 000 CHF	in %	in 1 000 CHF
Customer deposits	2 772 825	2 145 052	29.3	627 773
of which due to customers on savings and deposit accounts	1 001 606	439 597	127.8	562 009
of which other amounts due to customers	1 762 060	1 695 657	3.9	66 403
of which medium-term notes	9 159	9 798	-6.5	-639
Loans and advances to customers	4 679 891	3 945 764	18.6	734 127
of which amounts due from customers	1 284 490	999 550	28.5	284 940
of which mortgage lending	3 395 401	2 946 214	15.2	449 187
Shareholders' equity (after distribution of profit)	284 834	277 096	2.8	7 738
Total assets	5 360 228	4 600 219	16.5	760 009
Net interest income	52 173	47 135	10.7	5 038
Net fee and commission income	29 216	29 452	-0.8	-236
Gross operating profit	21 834	16 093	35.7	5 741
Net profit	5 323	3 604	47.7	1 719
Locations	9	9		
Staff (full-time equivalents, including apprentices)	294	290		
Apprentices	3	2		

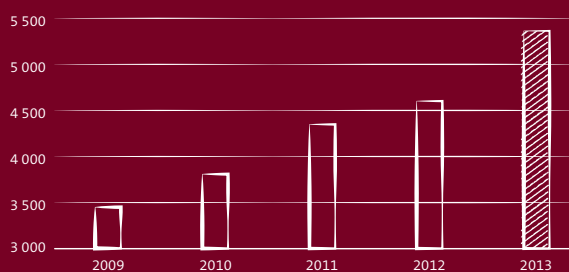
Gross profit over the last 5 years

in CHF million



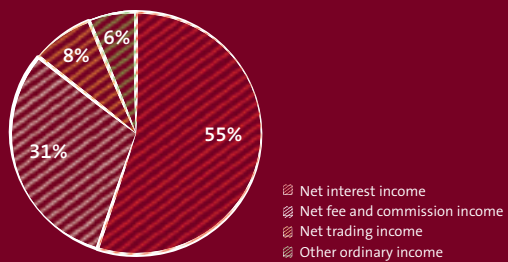
Assets over the last 5 years

in CHF million



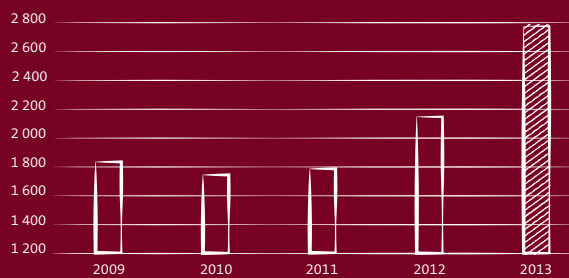
Income structure 2013

in per cent



Customer deposits over the last 5 years

in CHF million



FOREWORD BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CEO

In its 104th business year, Banque CIC (Suisse) successfully continued its dynamic growth.

With our strategy focusing on entrepreneurs and companies, we combine a personal and individual approach to private banking with the comprehensive range of products of an international group.

The solid foundation provided by the cooperative banking group Crédit Mutuel-CIC, one of the best capitalised banks in Europe, allowed us to continue on our extraordinary path of growth in 2013 without changing our strategic direction.

In 2013 we enlarged our client base by around 15%. Loans and advances to customers grew by 18.6% and customer deposits increased by 29.3%. Total assets advanced by 16.5% to CHF 5.4 billion. The operating result improved by 6.9% to more than CHF 95 million, while gross profit increased by 35.7% to almost CHF 22 million.

Business performance outstripped our expectations and is the result of the trust placed in us by our clients, which mirrors the great dedication of our employees. Our banking business is founded on relationships cultivated in a spirit of partnership. We do everything in our power to ensure that we can continue to serve our clients as a competent partner on the basis of our values, a solid structure and a consistent risk management policy. The sustained confidence of our existing clients and the trust recently placed in us by our many new clients continue to motivate us every day.

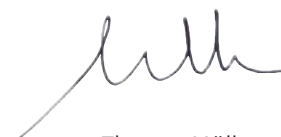
As we aim to continue on our path of growth, we remain committed to quality through an efficient organisational structure and state-of-the-art IT systems, while relying heavily on our motivated and skilled employees. We invest in the training and further education of our proven team in order to offer our discerning clientele services and advice of the best quality. As a result, in 2014 we will be able to continue supporting our clients with commitment and innovation in their search for the best answers to their financial questions regarding investments, financing and transactions.

We are very aware of the fact that our business success rests on the satisfaction of our clients. As a long-term partner we will not only support our clients today, tomorrow and in the future, but will also give them centre stage in all our thoughts and deeds. We take the time needed to understand their goals and work in a transparent and innovative fashion. This is the cornerstone for developing reliable solutions.

We are proud of these achievements. On behalf of the Board of Directors and the Management Committee we would like to thank all our employees for their commitment and our clients for their loyalty and trust. We look forward to continuing our journey together with you in the coming years.



Philippe Vidal
Chairman of the Board
of Directors



Thomas Müller
CEO



Philippe Vidal



Thomas Müller



Pierre Ahlborn



Henry Fauche



Christian Fischer



Elmar Ittensohn

REPORT BY THE BOARD OF DIRECTORS ON THE FINANCIAL YEAR 2013

Framework conditions

The reporting year was shaped by a positive economic environment, persistently low interest rates and continuing competitive pressure in the banking sector, in particular in the Swiss client segment. Banque CIC (Suisse) nevertheless managed to sustainably expand its market presence in all geographic regions of Switzerland.

On the stock exchanges, equities performed well for the second year in a row. Private investors slowly returned to the market, although mixed developments in the bond segment put a partial brake on portfolio growth. Stable currency relationships, however, translated into a positive overall investment performance in all important currencies.

Finally, the increasingly challenging regulatory environment – with its many new rules – also had an impact on the banking business in 2013. These new rules will affect the structural changes seen in the banking industry. As a Swiss bank with a solid sole shareholder, Banque CIC (Suisse) not only benefits from its membership of the strong Crédit Mutuel-CIC banking group, but also from its manageable size that allows fast adaptation to new framework conditions. However, the implementation of numerous regulatory projects entailed an additional workload, and it is thanks to the particular dedication of our employees that we were able to master this successfully.

Strategy

As a bank for both private and business clients, Banque CIC (Suisse) continued to offer a targeted client service, thereby convincing many Swiss entrepreneurs and companies of its qualities. With its specialised services such as the leasing of industrial goods or the financing of business jets, the Bank has a unique profile. Coupled with its successful asset management team, which once again proved its expertise in Swiss investments in particular, this opened many doors.

The pension segment is the second development axis of Banque CIC (Suisse). The Bank successfully positioned itself as a provider of private pillar 3a pension products to tap into new client segments, such as self-employed individuals. The Bank also developed interesting investment solutions for small and medium-sized pension funds and large institutional investors.

Finally, the cross-border business remains a key business area for the Bank, which held its own in a difficult environment thanks to a well-defined strategy and a strong focus on important and interesting markets that strongly support the Bank's development.



François Malnati



Urs Roth



Philippe Vidal (Chairman of the Board of Directors)



Erich Wyss (Honorary President)

Balance sheet

In the reporting year, the Bank's total assets increased by 16.5% to CHF 5.4 billion. Mortgage lending grew by CHF 449.2 million, while loans and advances to customers rose by CHF 284.9 million. This growth was mostly refinanced by customer deposits, with savings deposits increasing by CHF 562.0 million and other amounts due to customers rising to CHF 1,762.1 million. The strong increase in customer deposits confirms that Banque CIC (Suisse) enjoys a high level of trust.

Mortgage growth is spread across Switzerland and was generated by new as well as existing clients. The same is true for business loans, which also posted above-average growth. This growth was achieved through prudent lending, in compliance with our proven risk policy, which is reflected in the stable and favourable risk position of our Bank.

As part of our liquidity management, we reduced our financial investments by CHF 86.5 million because of the low interest rates for quality bonds and increased our cash and cash equivalents by CHF 208.3 million by investing most of it risk-free and short-term with the Swiss National Bank.

The stability of Banque CIC (Suisse) is also confirmed by its capitalisation, which is still well above the minimum requirements and guarantees the liquidity and capital needs of the Bank in the face of future developments.

Income statement

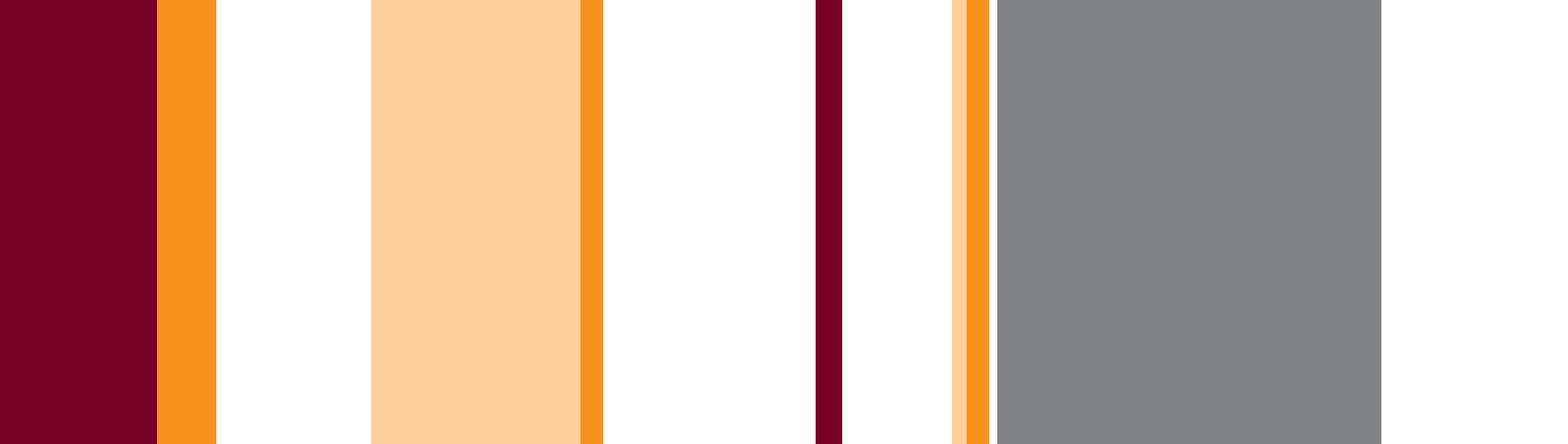
At CHF 95.3 million compared to CHF 89.1 million in the previous year, income from ordinary banking business was considerably higher than in the previous year. With net income of CHF 52.2 million, which is over 10% more than in the year before, the interest business remains the Bank's most important driver of revenue. At CHF 29.2 million, net fee and commission income remained more or less stable. While net trading income contracted by CHF 1.4 million, other ordinary income rose by CHF 2.7 million, boosted mainly by additional income from participating interests and other income.

Operating expenses remained mostly constant, with personnel expenses going up and other expenses going down. Seen overall, expenses increased marginally by CHF 0.4 million to CHF 73.4 million.

Gross profit was CHF 21.8 million, which is around CHF 5.7 million more than in the previous year. Depreciation and amortisation dropped by CHF 0.1 million, while impairment, provisions and losses increased by CHF 5.0 million. The default risk advanced by CHF 0.8 million in total, while other provisions grew by CHF 0.6 million.

Other provisions also include the risk provisioning for the US tax programme raised for the settlement of the tax dispute between the Swiss banks and the US government. Although the Bank never at any time pursued a strategy of growing its business with US clients, it decided to participate in Category 2 of this programme, reserving its right to switch to Category 3.

Seen overall, net profit for the period was raised by CHF 1.7 million to CHF 5.3 million after taxes.



Outlook and thank you to the Management Committee and employees

The outlook for 2014 is similar to the outlook for the previous year. Given our excellent positioning as a stable, reliable partner and our strengths in the investment, pension and financing segments, in 2014 Banque CIC (Suisse) again aims to exploit the anticipated robust economic development in Switzerland to continue on its path of above-average growth. At the same time the Bank will sharpen its focus on its cross-border operations in an attempt to further improve the quality of its services. Banque CIC (Suisse) will continue to invest in its buildings, systems and processes and above all in its employees in order to further strengthen its market position.

The results achieved in a challenging environment in the reporting year are encouraging.

For this, we have to thank the Management Committee as well as our dedicated employees.

BALANCE SHEET

in 1 000 CHF	31.12.2013	31.12.2012	Change
Assets			
Cash and other liquid assets	343 435	135 103	208 332
Money market placements	198	8	190
Loans and advances to banks	73 749	148 049	-74 300
Loans and advances to customers	1 284 490	999 550	284 940
Mortgage lending	3 395 401	2 946 214	449 187
Securities and precious metals held for trading	30	30	-
Financial investments	183 913	270 413	-86 500
Participating interests	3 164	3 164	-
Fixed assets	38 100	43 258	-5 158
Accrued income and prepaid expenses	9 869	10 781	-912
Other assets	27 879	43 649	-15 770
Total	5 360 228	4 600 219	760 009
Total subordinated claims	-	5 141	-5 141
Total amounts due from subsidiaries and qualified participants	30 350	55 015	-24 665
Liabilities			
Money market paper issued	847	337	510
Due to banks	1 727 743	1 627 129	100 614
Due to customers on savings and deposit accounts	1 001 606	439 597	562 009
Other amounts due to customers	1 762 060	1 695 657	66 403
Medium-term notes	9 159	9 798	-639
Bonds loans and loans from mortgage bond institutions	415 000	376 800	38 200
Accrued expenses and deferred income	23 446	24 152	-706
Other liabilities	38 280	53 650	-15 370
Allowance for general credit losses and other provisions	97 253	96 003	1 250
Reserves for general banking risks	32 500	30 085	2 415
Share capital	100 000	100 000	-
General statutory reserve	29 200	29 200	-
General reserve from capital contribution	3 385	3 385	-
Other reserves	113 050	109 550	3 500
Retained earnings	1 376	1 272	104
Net profit	5 323	3 604	1 719
Total	5 360 228	4 600 219	760 009
Total subordinated liabilities	60 091	60 092	-1
Total liabilities to subsidiaries and qualified participants	1 165 880	1 057 922	107 958

PROFIT AND LOSS STATEMENT

ORDINARY INCOME AND EXPENSES

in 1 000 CHF	2013	2012	Change
Net interest income			
Interest income	68 644	64 342	4 302
Interest and dividend income from financial investments	4 263	5 728	-1 465
Interest expense	-20 734	-22 935	2 201
Subtotal	52 173	47 135	5 038
Net fee and commission income			
Credit-related fees and commissions	5 573	5 190	383
Fees and commissions from securities and investment business	20 496	20 464	32
Other fee and commission income	5 393	5 342	51
Fee and commission expense	-2 246	-1 544	-702
Subtotal	29 216	29 452	-236
Net trading income	8 201	9 580	-1 379
Other ordinary income			
Income from participating interests	3 849	1 372	2 477
Net income from real estate	1 320	1 309	11
Other ordinary income	513	282	231
Subtotal	5 682	2 963	2 719
Operating expenses			
Personnel expenses	-51 192	-49 543	-1 649
Other expenses	-22 246	-23 494	1 248
Subtotal	-73 438	-73 037	-401
Gross operating profit	21 834	16 093	5 741

NET PROFIT

in 1 000 CHF	2013	2012	Change
Gross operating profit	21 834	16 093	5 741
Depreciation and amortisation of fixed assets	-8 816	-8 916	100
Value adjustments, provisions and losses	-9 218	-4 244	-4 974
Net profit before extraordinary items and taxes	3 800	2 933	867
Extraordinary income	6 311	9 121	-2 810
Extraordinary expenses	-2 415	-6 895	4 480
Taxes	-2 373	-1 555	-818
Net profit	5 323	3 604	1 719

PROFIT DISTRIBUTION

in 1 000 CHF	2013	2012	Change
Net profit	5 323	3 604	1 719
Retained earnings from the previous year	1 376	1 272	104
Balance sheet profit	6 699	4 876	1 823
Profit distribution			
Distribution of dividend on share capital	-	-	-
Allocation to general statutory reserve	-	-	-
Allocation to other reserves	-5 450	-3 500	-1 950
Retained earnings	1 249	1 376	-127



Christoph Bütikofer

David Fusi

Thomas Müller

Cinzia Visinoni

Rolf Waldmeier

André Justin

Patrick Python

ORGANISATION AS AT 1 JANUARY 2014

BOARD OF DIRECTORS

Chairman	Philippe Vidal, Paris
Vice Chairman	Elmar Ittensohn, Worb
Members	Pierre Ahlborn, Mersch Henry Fauche, Geneva Christian Fischer, Wallisellen François Malnati, Sélestat Urs Roth, Bern
Honorary President	Erich Wyss, Biel-Benken
Head of Internal Audit	Lukas Vogel

MANAGEMENT COMMITTEE

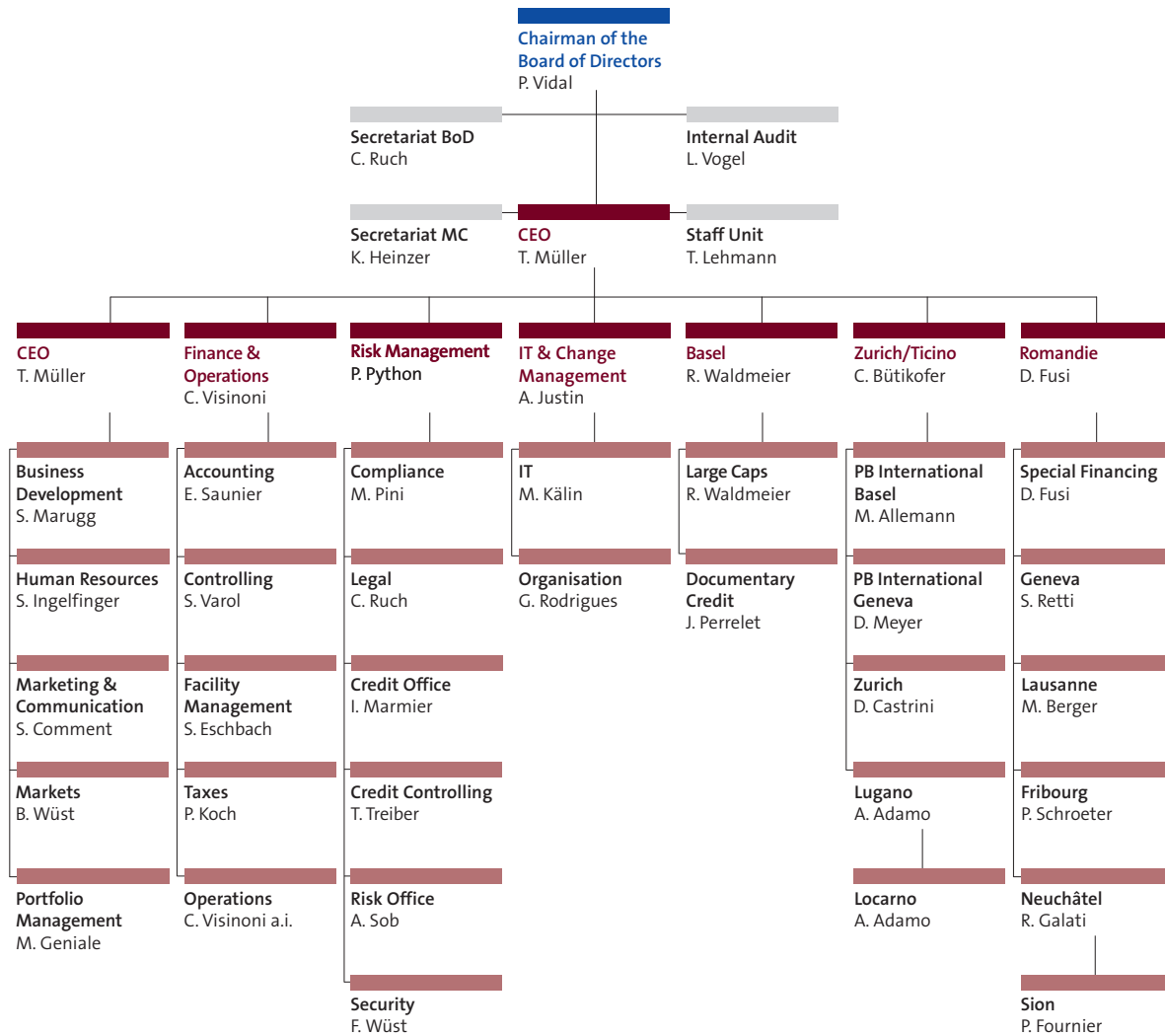
CEO	Thomas Müller
Members of the Management Committee	Christoph Bütikofer David Fusi André Justin Patrick Python Cinzia Visinoni Rolf Waldmeier
Members of the Extended Management Committee	Sascha Ingelfinger Christoph Ruch

AUDITORS

Ernst & Young Ltd., Basel



ORGANISATIONAL STRUCTURE AS AT 1 JANUARY 2014





TAKING CARE OF BUSINESS FOR YOU



Thomas Müller
Chairman of the Management
Committee
CEO



David Fusi
Member of the Management
Committee
Region Romandie



Rolf Waldmeier
Member of the Management
Committee
Region Basel



FIVE GOOD REASONS WHY WE ARE THE PERFECT BANK FOR YOU

Our actions are shaped by entrepreneurial thought. As a private bank among universal banks, we combine the personal and individual approach of a private bank with the product diversity seen in the commercial business to meet the high standards of our clients. Five golden objects symbolise our business and show why we are the perfect bank for you.



WE TAKE TIME FOR YOU

We listen attentively and present lasting solutions for you. You benefit from our personal service in which we communicate with you as equals.



WE DREAM UP IDEAS FOR YOU

We offer you effective and suitable solutions. You benefit from our drive for innovation, while our cooperative organisational structure guarantees continuity and reliability. This gives you access to good ideas with added value.



Patrick Python
Member of the Management
Committee
Risk Management



WE TAKE A CAREFUL LOOK FOR YOU

We offer you a focused advisory service. You benefit from our comprehensive services and focused advice in a very personal context. Far-sighted and clear-cut solutions are to your advantage.



André Justin
Member of the Management
Committee
IT & Change Management



WE PUT THINGS TOGETHER FOR YOU

We see life as a coherent whole, allowing you to benefit from our «big picture» view and understanding of complex interrelationships. This provides you with a foundation for long-term success in all business matters and phases of life.



Christoph Bütikofer
Member of the Management
Committee
Region Zurich & Ticino



WE CLEAR THE WAY FOR YOU

We offer you cooperative-based solidity. You benefit from tradition combined with innovation on a cooperative foundation. We engage in entrepreneurial thought and gear our actions to your financial success.



WE MAKE A DIFFERENCE FOR YOU

Some 300 employees at nine locations in Switzerland dedicate themselves to generating sustainable added value for our clients every day. This engagement is mirrored in the quality of the services we offer our clients. A great deal of commitment and enthusiasm ensures the excellence of every client contact. We take pride in this.





CRÉDIT MUTUEL-CIC

Our bank, flexible and solid

Bank CIC (Switzerland) Ltd. operates on a comprehensible scale. With over 300 staff in nine locations, its size offers clarity and manageability. Clients appreciate our short decision-making channels and the fact that they can reach the relevant people directly. At the same time, as part of the Crédit Mutuel-CIC Group, Bank CIC (Switzerland) Ltd. enjoys a high level of stability, ensuring continuity and reliability even in difficult times. This combination of versatility and solidity brings together the advantages of being both large and small, creating unique benefits for the client.

Bank CIC (Switzerland) Ltd. is a 100% subsidiary of the French Crédit Mutuel-CIC Group.

Our group: A strong foundation

Being part of this Group ensures that Bank CIC (Switzerland) Ltd. has a stable shareholder base and a clear ownership structure while enabling it to operate independently. The Group's international and global network also provides ample opportunity for a variety of cross-border transactions.

The Crédit Mutuel-CIC Group is one of the best capitalised banks in Europe thanks to its cooperative structure and diversified business model, with solid long-term ratings.

Crédit Mutuel-CIC

The cooperative Crédit Mutuel-CIC Group is one of the largest banking groups in France. Its 5,920 branches and approximately 78,500 employees represent the second-largest branch network in France. The Crédit Mutuel-CIC Group has proven expertise in looking after business clients and enjoys a strong presence abroad. A third of all small and medium-sized businesses in France bank with the Group. It forms the second-largest retail bank in France, managing over 30 million clients. The Group combines the benefits of a non-centralised cooperative bank represented throughout France with the strengths of an international commercial bank with branches in around 40 foreign locations.

A German idea with a European translation

Crédit Mutuel is a cooperative bank founded on the values of the famous German mayor F. W. Raiffeisen (1818–1888).

It has always understood the importance of developing products and services which best meet the expectations of its clients. This is how the concept of «bancassurance» arose, and today Crédit Mutuel offers its clients a broad and successful range of banking and insurance services.

As an experienced Swiss asset manager, Bank CIC (Switzerland) Ltd. is part of the Group's international private banking operation. Together with the other Group members, Banque de Luxembourg, Banque Pasche, Banque Transatlantique and Dubly Douilhet, Bank CIC (Switzerland) Ltd. provides first-class services to the discerning clientele of CIC Banque Privée in the area of asset management and investment advice.

CRÉDIT MUTUEL-CIC – A GLOBAL PRESENCE

Regions with number of representatives

Europe	14
Middle East	2
Africa	4
America	5
Asia	11
Australia	1

RATINGS AS AT 31 DECEMBER 2013

	S&P	Moody's	Fitch
Short-term	A-1	P-1	F1
Long-term	A	Aa3	A+
Outlook	stable	negative	stable

The rating refers to Banque Fédérative du Crédit Mutuel (BFCM). BFCM is the holding company for the Crédit Mutuel-CIC Group.



PRINCIPAL KEY FIGURES OF CRÉDIT MUTUEL-CIC

Profit	EUR 2 717 million
Equity	EUR 40 281 million
Ratio of tier one funds	14.5%
Clients	30.4 million
Client funds	EUR 669 billion
Loans to clients	EUR 351 billion
Employees	78 500
Cooperative members	7.5 million



MILESTONES IN OUR DEVELOPMENT

A Basel bank with a rich history

The origins of Banque CIC (Suisse) can be traced back to 1871 when bankers from Basel founded the Banque d'Alsace et de Lorraine (BAL). At that time, Basel was the most important centre of the Swiss banking industry. BAL shares were listed on the Basel stock exchange in 1872. From its foundation until the start of World War One in 1914, the bank acted as a correspondent for the Swiss railways and Swiss National Bank.

The first BAL counters were opened in Basel in 1909. This marked the beginning of a Swiss banking tradition lasting over 100 years.

1909

BAL opens its first counters in the Aeschenvorstadt, Basel. The Basel-based Gewerbebank AG is integrated into the company in the same year.

1919

Acquisition of premises on Marktplatz in the heart of Basel which still remain the Bank headquarters today.

1931

BAL taken over by French Banque CIAL, based in Strasbourg.



1971

Lausanne location opens.

1977

Zurich location opens.

1984

Swiss operation becomes an independent limited company: Bank CIAL (Switzerland) Ltd.

1997

Opening of new office in Geneva through merger with Banque de l'Union Européenne en Suisse SA. Lugano and Locarno locations are also opened.

2007

Neuchâtel location opens.

2008

Change of name to Bank CIC (Switzerland) Ltd. The Bank is now presented under a single brand name: Banque CIC (Suisse). Fribourg location opens.

2009



Banque CIC (Suisse) 1909 – 2009

Bank CIC (Switzerland) Ltd. celebrates its centenary with many highlights all over Switzerland.

2011

Sion location opens.

2013

Total assets exceed CHF 5 billion for the first time.



LOCATIONS

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A member of the Crédit
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 **BANQUE CIC | SUISSE |**

Taking care of business for you