

Resolution Plan pursuant to 12 C.F.R. Part 243 – Public Section

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Unique identifier of top-tier company

Caisse Fédérale de Crédit Mutuel
RSSD-ID 2916860

To the Board of Governors of the Federal Reserve System (“Board”) and the Federal Deposit Insurance Corporation (“FDIC”):

Introduction

Crédit Industriel et Commercial (“CIC”) is a bank organized under the laws of France that maintains a state-licensed branch in New York. Banque Fédérative du Crédit Mutuel (“BFCM”) is a company organized under the laws of France and owns c.100 percent of the voting shares of CIC. Caisse Fédérale de Crédit Mutuel (“CFCM”) is a company organized under the laws of France and owns 93 percent of the voting shares of BFCM. CIC, BFCM and CFCM are each foreign banking organizations that are treated as bank holding companies (“BHCs”) under section 8(a) of the International Banking Act of 1978.

Pursuant to 12 C.F.R. § 243.3(a)(1)(iii), Board Regulation QQ,¹ CFCM is required to file a resolution plan with the Board and the FDIC. Additionally, 12 C.F.R. § 243.3(a)(3) requires a covered company to annually submit a resolution plan on or before each anniversary of its initial submission date. This resolution plan constitutes CFCM’s latest annual submission under 12 C.F.R. § 243.3(a)(3) and must be filed by no later than December 31, 2018.

On April 1, 2016, CFCM filed with the Board and the FDIC notice of its intention to file a tailored resolution plan pursuant to 12 C.F.R. § 243.4(a)(3)(iii). On June 10, 2016, the Board and the FDIC approved the notice. Also on June 10, 2016, the Board and the FDIC provided additional guidance to CFCM regarding the informational content required of its 2016, 2017 and 2018 resolution plans. This filing constitutes the 2018 resolution plan required of CFCM pursuant to that guidance. The filing is divided into two parts: this section is the public section. The other document is separately marked as confidential, and confidential treatment is requested for the information contained therein.

¹ For ease of reference, CFCM will refer to the Board’s version of the joint regulation on resolution plans issued by the Board and the FDIC.

Executive Summary

CFCM is a French headquartered banking network of approximately 4,600 local banks and mutual organizations, organized across different networks including Credit Mutuel and CIC. CFCM is one of the largest banking entities in France. As of December 31, 2017, CFCM had approximately 24.3 million customers and approximately €619 billion of assets. CFCM's main lines of business include retail banking, mortgage lending, consumer finance, insurance and commercial banking. An audited financial statement of CFCM as of December 31, 2017 is attached as Attachment A.

CFCM and its subsidiaries have few assets or business operations in the United States. As of December 31, 2017, CIC, BFCM and CFCM each had far less than \$100 billion in total U.S. nonbank assets. The consolidated U.S. operations represented approximately 1.2 percent of CFCM's consolidated, global assets.

CFCM and BFCM had no U.S. assets other than those held through CIC. CIC's only U.S. nonbank assets consisted of 100 percent of the voting shares of CM-CIC Market Solutions Inc. ("CM-CIC MS Inc.") (f/k/a GSN North America, Inc.), a registered broker-dealer with one office in New York City. As of December 31, 2017, CM-CIC MS Inc.'s total assets were \$1.1 million. A copy of CM-CIC MS Inc.'s audited consolidated balance sheet as of December 31, 2017 is attached as Attachment B.

CIC has no U.S. insured depository institution assets. CIC's sole U.S. banking operations consists of those of its New York branch ("New York Branch"). The New York Branch is licensed by the New York State Department of Financial Services ("NYSDFS"). As of December 31, 2017, the assets of the New York Branch were \$9.035 billion, of which \$1.061 billion represented cash deposited at the Federal Reserve Bank of New York ("FRBNY"). The New York Branch manages the Grand Cayman branch of CIC pursuant to Federal Reserve Regulation K, 12 C.F.R. § 211.24(g).

CFCM is also the indirect parent of Banque Transatlantique, a bank organized under the laws of France that operates a licensed representative office in New York ("Representative Office"). The Representative Office is licensed by the NYSDFS and has no assets. Banque Transatlantique owns 100 per cent of Transatlantique Private Wealth LLC (TPW). This company is a registered investment advisor and has no assets under custody.

Overview of Resolution Plan

CFCM is an entity organized in France and is treated as a BHC under the Bank Holding Company Act of 1956, as amended. As noted, CFCM engages indirectly in financial activities in the United States *solely* through the New York Branch, through CM-CIC MS Inc., and through TPW.

CFCM's resolution plan provides the Board and the FDIC a plan for the rapid and orderly resolution of CFCM's indirect material U.S. operations in the event of material

financial distress. The resolution plan provides information as required by Board Regulation QQ on CFCM's indirect material U.S. operations that are conducted in the U.S. Pursuant to the New York Banking Law ("NYBL"), the NYSDFS would be the receiver of the New York Branch should it become insolvent.

Material Entities

12 C.F.R. § 243.2(l) defines a *Material entity* as a "subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line."

CFCM has four U.S. entities: (i) the New York Branch, (ii) CM-CIC MS Inc., (iii) the Representative Office and (iv) TPW. The New York Branch is a legal and operational extension of CIC and thus is not a separate legal entity. The New York Branch primarily conducts wholesale banking activities with U.S. clients and investment activities on behalf of CIC. We believe that the New York Branch is a material entity as defined in Regulation QQ.

CM-CIC MS Inc. is a registered broker-dealer with the Securities and Exchange Commission ("SEC") under the Securities Exchange Act. CM-CIC MS Inc. is a direct subsidiary of CIC. CM-CIC MS Inc. facilitates equity transactions in the European markets for U.S. based institutional clients and handles U.S. equity execution for European based clients. We do not believe that CM-CIC MS Inc. is a material entity as defined in Regulation QQ. The Representative Office has one employee and no assets. TPW has four employees and has no assets under custody. We do not believe that the Representative Office or TPW are material entities as defined in Regulation QQ.

Core Business Lines

12 C.F.R. § 243.2(d) defines *Core business lines* to include "those business lines...that ... upon failure would result in a material loss of revenue, profit or franchise value". CFCM does not have any direct or indirect business lines in the United States that meet the definition of *core business lines*.

The primary business lines of the New York Branch include commercial banking, investment and financing activities. The significant business lines of CM-CIC MS Inc. include engaging as an agent in the purchase and sale of equity securities and equity products, and earning advisory fees for investment and research related services.

None of these business lines meets the definition of a *core business line*, as the failure of those business lines would not cause to CFCM a material loss of revenue, profit or franchise value.

Material Supervisory Authorities

As CFCM is treated as a BHC by the Board due to the New York Branch, the Board has general oversight over CFCM and all of its direct and indirect U.S. entities. The primary supervisory authority for the New York Branch is the NYSDFS, and the primary supervisory

authority for CM-CIC MS Inc. is the SEC. TPW is also registered and supervised by the SEC. CM-CIC MS Inc. is a member of the Financial Industry Regulatory Authority, which is its direct supervising and regulatory authority.

Principal Officers

The principal officers of the New York Branch are as follows:

Stephen Francis	Executive Vice President and General Manager
Yves Pire	First Vice President and Senior Auditor
Dora Hyduk	First Vice President and Senior Credit Officer, Corporate Credit Management
Philip Chappo	First Vice President, Finance and Tax
Mary Ginnane	First Vice President, Head of Administration and Human Resources
Andre Marcantetti	Senior Managing Director and Group Head, Treasury Group
Joshua Neto	Vice President, Compliance
Neal Zephyrin	Vice President, Risk Management

The principal officers of CM-CIC MS Inc. are as follows:

Alex Englese	Chief Executive Officer
David Benichou	Senior Vice President, Global Equity Sales

The principal officer of the Representative Office and TPW is as follows:

Pascal Le Coz	Managing Director
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Resolution Planning Corporate Governance Structure and Related Processes

CFCM's U.S. resolution planning is managed by Stephen Francis, with regard to the New York Branch, and by Alex Englese, with regard to CM-CIC MS Inc. Mr. Francis and Mr. Englese have gathered information and advice from their U.S. colleagues responsible for the specific matters discussed in this resolution plan.

As described above, CFCM has one *material entity*, the New York Branch, and no *core business lines* in the U.S. Thus, the primary function of CFCM and its direct and indirect executives under U.S. law is to ensure compliance with the requirement to file this resolution plan, to plan for the rapid and orderly resolution of the New York Branch, and to monitor future requirements under U.S. law or under non-U.S. law relating to CFCM's U.S. operations.

Primary Contact Person

Mr. Stephen Francis is the senior management person at CFCM's U.S. operations that is the responsible contact person for the Board. His contact information is below.

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Summary of Resolution Strategy

Should they require resolution, both the New York Branch and CM-CIC MS Inc. would be resolved under well-known and well-established statutory regimes that would minimize or eliminate any adverse effects on U.S. financial stability. Given the relatively small size of CFCM's U.S. operations as compared to the relevant U.S. markets, the failure of CFCM's U.S. operations would not have any adverse effects on U.S. financial stability.

Should the New York Branch become insolvent, or otherwise meet the relevant criteria under the NYBL, the Superintendent of the NYSDFS would seize the New York Branch and commence liquidation pursuant to the terms of the NYBL.

Should CM-CIC MS Inc. become insolvent, it would be wound down after the initiation of a proceeding by a trustee appointed by the Securities Investor Protection Corporation pursuant to the Securities Investor Protection Act ("SIPA"). The trustee would transfer any customer accounts to a solvent broker-dealer, and then liquidate the remainder of CM-CIC MS Inc.'s business pursuant to SIPA. As noted above, we do not believe that CM-CIC MS Inc. is a *material entity* as defined in Regulation QQ.

Interconnections and Interdependencies

There are few interconnections or interdependencies among CFCM and its U.S. operations. None of these connections are material or even significant.

CIC manages funding for its global operations at its head office in Paris, as described more fully below. CIC presently guarantees the capital requirements of CM-CIC MS Inc.

Funding and Liquidity

Except for very short-term maturities, funding for the New York Branch is primarily centralized at the CM-CIC Group level. BFCM and CIC head office provide funding to the New York Branch. The New York Branch has dedicated caps on funding from various sources, including thresholds on head office borrowings.

The New York Branch balance sheet is essentially made of three components: (i) corporate loans, (ii) securities and (iii) excess reserves deposited with the FRBNY.

Liabilities include funding received from CIC head office and additional third party funding. Third party funding from third parties as of December 31, 2017, largely came from certificates of deposit counterparties (approximately 84.8 percent of third party funding) and cash counterparties (approximately 13.6 percent).

As CM-CIC MS Inc. engages in no principal trading or investment activities, it has little ongoing liquidity needs.

Counterparty Exposure

The New York Branch has two main sources of counterparty exposure: treasury activities and corporate activities. The New York Branch balance sheet exposure has mainly two components: securities and loans. For both securities and loan products, the New York Branch has specified counterparty, rating and product limits. Other more limited areas of counterparty exposure for the New York Branch include letters of credit, undrawn committed lines, interest rate derivatives and repurchase agreements.

CM-CIC MS Inc. does not have significant principal counterparties, as it acts as agent, broker or advisor for all of its activities. It acts as introducing broker for Convergenx Clearing Corp. pursuant to a fully disclosed clearing agreement.

Membership in Clearing, Payment and Settlement Systems

The New York Branch is a member of the FRBNY Fedline Advantage: Wire Transfer System and the FRBNY Check 21 program. The New York Branch is a participant in the Clearing House Interbank Payment System ("CHIPS") and a member of Clearstream Banking.

CM-CIC MS Inc. has no memberships in any clearing, payment or settlement systems.

Caisse Fédérale de Crédit Mutuel

By: 

Name of authorized signatory: Mr. DANIEL BAAL, CEO

Date: DECEMBER 12, 2018