

Paris, February, 25, 2010

**PRESS RELEASE****CIC GROUP**  
**Development of business activity****Results for the year ended 31 December 2009**

<b><u>Financial results</u></b>	<b>2009</b>	<b>2009/2008</b>
- Net banking income	€4,687m	+ 46%
- Gross operating income	€1,916m	x 3.6
- Cost of risk	- €861m	+ 37%
- Net income	€838m	x 4
Return on equity	11.6%	2% in 2008
EPS	€21.92	€4.73 in 2008
<b><u>Strengthened solvency</u></b>		
Tier one ratio	10.2%	9% in 2008

**Retail banking activity****Support for our clientele of private individuals, professionals, associations and businesses**

- 135,912 new customers
- total loan outstandings up by 3% (housing loans by 4.5%, investment loans by 6.3%)

Results for the financial year 2009, approved on 22 February 2010 by a meeting of the Executive Board chaired by Mr Michel Lucas, were presented on 25 February 2010 to a meeting of the Supervisory Board of Crédit Industriel et Commercial (CIC) chaired by Mr Etienne Pflimlin.

The economic crisis that began in 2007 was greatly exacerbated by the financial crisis of 2008. During 2009, a year that was characterised by a slowdown in investment and demand for finance, while financial markets returned to normal even as loan impairment charges increased, CIC stayed close to its customers and, building on their renewed confidence, sought to provide the most appropriate responses to their needs. Against this backdrop, the Group's net income for 2009 amounted to €838 million.

## Operating results

Total loan outstandings amounted to €121 billion, total deposits stood at €77 billion (+ 9%) and assets under management and in custody came to €205 billion (+ 11%).

The CIC Group's core business is retail banking; during the year the Group continued to focus on improving quality and extending its branch network, which with 42 new points of sale now numbers 2,164 branches. Thanks to the enthusiastic dedication of all its employees, it was able to provide the best possible service to its clientele of private individuals, professionals, associations and businesses. (CIC is banker to one business in three.)

This strategy has enabled us, in the course of one year:

- to boost the number of customers by 135,912 (of which 21,922 professionals and 5,084 businesses) to a total of 4,283,739 (+ 3.3%);
- to increase total loan outstandings by 3% (housing loans by 4.5%, investment loans by 6.3%);
- to grow total deposits by 12% and managed savings by 18%;
- to galvanise the property and casualty insurance business (policies in force up by 8.6%);
- and to further expand service activities (remote banking, mobile phone services, CCTV, etc.)

Loan outstandings in Financing and Capital Markets totalled €15.8 billion and in Private Banking €4.7 billion.

## Financial results

Net income for the year ended 31 December 2009 amounted to €838 million, compared with €206 million in 2008.

Net banking income increased from €3,206 million in 2008 to €4,687 million for the year ended 31 December 2009.

The cost of risk amounted to €861 million for the year ended 31 December 2009, as against €630 million for the previous year.

As a result, the cost of risk as a proportion of total loan outstandings rose to 0.7% and the impaired debt coverage ratio was 57% at year-end 2009.

The European capital adequacy ratio (tier one) came in at 10.2% as at 31 December 2009, as against 9% at year-end 2008, while tier one regulatory capital stood at €11 billion. CIC, a subsidiary of BFCM, is rated A+ by Standard & Poor's, Aa3 by Moody's and AA- by Fitch.

The Executive Board will propose to the Annual General Meeting of Shareholders, to be held on 20 May 2010, a net dividend of €4.35 per share, as against €1.00 in respect of 2008, payable in shares.

### **Retail banking**

In 2009, CIC listened attentively to its clientele of private individuals, associations, professionals and businesses.

Loans by the branch banking network, at €91 billion, held up well, with a rise of 3% in outstandings compared with 2008.

Deposits, at €59 billion, grew by 12% thanks to the dynamic performance of special savings plans (EARS) and PEPs.

Managed savings grew by 18% to reach €58 billion.

As regards insurance, the property and casualty portfolio grew by 8.6% to reach 2,541,125 policies in force.

The Group further pursued the development of customer service activities:

- remote banking: an increase of 9% to 1,330,878 contracts,
- VSE: up by 4.9% to 95,353 contracts,
- Mobile phone services: up by 62.4% to 134,102 contracts.

Net banking income from retail banking amounted to €3,028 million compared with €2,866 million (+ 6%) and income before tax, as a result of higher loan impairment charges, to €507 million as against €547 million.

Overheads increased by only 2%, to €2,141 million.

The cost of risk was €470 million.

### **Financing and Capital Markets**

Income before tax was €715 million for the year ended 31 December 2009, compared with a loss of €551 million in 2008, with net banking income of €1,336 million as against an expense of €112 million.

Within this business line, the financing activity saw its income grow by 9% to €165 million and its net banking income grow by 39% to €391 million.

Loan outstandings amounted to €15.8 billion, with margins restored.

The cost of risk rose from €63 million in 2008 to €155 million for the year ended 31 December 2009. No single debt provided against exceeded €20 million.

As for capital markets activities, following a year that was heavily marked by the financial and banking crisis and a rise in credit spreads, 2009 saw financial markets return to normal. As a result, income before tax went from a loss of €704 million in 2008 to a positive figure of €550 million for the year ended 31 December 2009, and net banking income from a negative €394 million to a positive €945 million.

With regard to variable remuneration of market professionals, CIC adheres strictly to the guidelines laid down by the G20. More than 50% of variable remuneration is deferred and subject to clawback. The ratio of total remuneration to revenues is 11.8%. All costs (liquidity, risk, allocated capital) have been taken into account and the related accounting charges (taxes, deferred and conditional portions) duly recognized.

The cost of risk for 2009 amounted to €222 million compared with €162 million in 2008.

## **Private banking**

Income before tax went from €47 million in 2008 to €94 million for the year to 31 December 2009, and net banking income from €427 million to €397 million.

Despite the crisis, the business performed satisfactorily.

## **Private equity**

In an adverse economic climate, the business line's income before tax for the year ended 31 December 2009 was €21 million. Total investments amounted to €1.5 billion, of which more than €140 million was invested in 2009.

CIC has stakes in close to 500 French businesses through a portfolio totalling €1.5 billion. More than half of these investments are over five years old and more than 20% are over ten years old.

## **Outlook**

CIC Group will pursue:

- the commercial development of its branch network,
- the enrichment of its range of products and services in all its markets,
- its aim of providing the best service to its customers - private individuals, associations, professionals and businesses,
- its support for economic activity matched as closely as possible to its customers' needs.

*Information concerning the 2009 results can be found at [www.cic.fr](http://www.cic.fr)*

*Audit procedures for the consolidated financial statements have been completed. The auditor's report will be issued once complementary procedures required for the publication of the annual financial report have been completed.*

## **Contacts :**

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# Groupe CIC

## Key figures

(in millions of euros)	31 December 2009	31 December 2008
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### Business

Total assets	235 597	251 666
Customer loans including finance leases	120 719	121 701
Customer deposits	76 933	70 390
Assets under management and in custody	204 945	184 113
Number of property and casualty insurance policies	2 541 125	2 339 740

### Equity capital

Attributable to the group	8 613	6 930
Minority interests	383	434
Total	8 996	7 364

Employees, year end	21 045	22 656
Number of branches	2 164	2 122
Number of customers	4 283 739	4 147 827
Private individuals	3 565 436	3 455 802
Businesses and professionals	718 303	692 025

## Income Statement

Consolidated Income Statement	31 December 2009	31 December 2008
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Net banking income	4 687	3 206
Overheads	(2771)	(2673)
Gross operating income	1 916	533
Cost of risk	(861)	(630)
Operating Income	1 055	(97)
Net gains or losses on other assets	12	8
Share of income of associates	84	71
Income before tax	1 151	(18)
Income tax	(313)	224
Net income	838	206
Minority interests	(37)	(36)
Net income attributable to the group	801	170
EPS (in euros)	21,92	4,73

Paris, February, 25, 2010

## PRESS RELEASE

### CM5-CIC Group

## European banking and insurance shows growth financial solidity reaffirmed

### Results for the year ended 31 December 2009

#### Net income €1,435m

<u>Financial results</u>	2009	2009/2008
- Net banking income	€10,226m	x 1.8
- Gross operating income	€4,174m	x 2.8
- Cost of risk	- €1,987m	- 3.3% <sup>1-2</sup>
- Net income	€1,435m	x 2.8

  

<u>Strengthened solvency</u>		
Tier one ratio	10.3%	8.8% en 2008
Shareholders' equity	€23.5bn	(+ €3.3 billion)

### Commercial activity

25% of net banking income is generated outside France

Support for its clientele of private individuals, professionals, associations and businesses

- 412,098 new customers (excluding the Cofidis group)
- 3,909,000 new customers (including the Cofidis group)
- €225 billion in loan outstandings (term loans + 3.6%<sup>1</sup>)

<sup>1</sup> at constant scope

<sup>2</sup> + 53% for retail banking

The economic crisis that began in 2007 was greatly exacerbated by the financial crisis of 2008. During 2009, a year that was characterised by a slowdown in investment and demand for finance, while financial markets returned to normal even as loan impairment charges increased, the CM5-CIC group stayed close to its members and customers and, building on their renewed confidence, sought to provide the most appropriate responses to their needs. It recorded a sustained level of business and achieved net income of €1,435 million.

The CM5-CIC group consolidated its expansion following the inclusion as a member of the Fédération du Crédit Mutuel Midi Atlantique (Toulouse) and the integration of TargoBank (formerly Citibank Deutschland), the Cofidis group and CIC Iberbanco (formerly Banco Popular France), as well as further developing its bankinsurance model.

The whole group, the core business of which is retail banking, continued to focus on improving quality and extending its branch network, which with 62 new points of sale (at constant scope) now numbers 3,939 outlets between banks and branches. Thanks to the enthusiastic dedication of all its employees it was able to provide the best possible service to its clientele of private individuals, associations, professionals and businesses. (The group is banker to one business in three.)

## **Commercial activity of the group**

Thanks to the dynamism of its branch network, its proximity to customers and the quality of its products and services, the group was able to :

- achieve a net increase of 412,098 in the number of customers (not counting the contribution of the Cofidis group), bringing the total to 15,536,102, of which the Cofidis group accounts for 3,497,187 ;
- boost customer loan outstandings by €10.2 billion including the contribution made by the Cofidis group (€7.8 billion), bringing total outstandings to €225.2 billion;
- grow savings under management and in custody by €44.9 billion (12.5%), bringing the total to €403.8 billion ;
- increase the number of insurance policies in force by 1,305,577 (6.5%) to a total of 21,426,833.

Based on its technological expertise, the group has strengthened its position in the fields of e-money, payments processing and mobile telephony.

Thus a large number of new opportunities are opening up, responding to consumers' expectations and generating revenues.

## **Financial results**

Net income for the year ended 31 December 2009 amounted to €1,435 million, compared with €509 million in 2008.

Total net banking income increased from €5,795 million in 2008 to €10,226 million for the year ended 31 December 2009, as a result of Crédit Mutuel Midi Atlantique's joining the group and acquisitions of the Cofidis group and Targobank.

The cost of risk amounted to €1,987 million for the year ended 31 December 2009, as against €1,064 million for the previous year.

As a result, the cost of risk as a proportion of total loan outstandings rose to 0.75% and the impaired debt coverage ratio was 63% at year-end 2009.

The European capital adequacy ratio (tier one) as at 31 December 2009 came in at 10.3% based on Basel I and 10.5% under the Basel II rules, while tier one regulatory capital stood at €17.9 billion.

The group is rated A+ by Standard & Poor's, Aa3 by Moody's and AA- by Fitch.

### **Retail banking**

In 2009, the CM5-CIC group listened attentively to its clientele of private individuals, associations, professionals and businesses.

Loans by the branch banking network, at €165 billion, held up well, with a rise of 2% in outstandings compared with 2008 thanks to increases in housing loans (+ 3%) and investment loans (+ 5%).

Deposits, at €105.4 billion, grew by 9%.

Managed savings grew by 17% to reach €87 billion.

As regards insurance, the property and casualty portfolio grew by 4.1% to reach 7,883,896 policies in force.

Net banking income from retail banking amounted to €7,691 million compared with €4,818 million (+8.3% at constant scope and multiplied by 1.6 as a result of acquisitions) and income before tax, as a result of higher loan impairment charges, to €1,464 million as against €1,167 million.

Overheads increased by 7% at constant scope, to €4,712 million, but the operating ratio improved from 67.3% to 61.3%.

The cost of risk was €1,538 million, up by 53% at constant scope.

Insurance revenue, at €8.1 billion, was up by 20.3%, with the life branch showing an increase of 31.9%. As part of its drive to develop its international coverage, the group signed partnership agreements with the Royal Automobile Club of Catalonia (103,800 policies in portfolio as at 31 December 2009) and acquired the Belgian company Partners.

Net insurance income for the year ended 31 December 2009 was €956 million, compared with €781 million in 2008, after paying €747 million by way of remuneration to the distribution networks (6.7% more than in 2008). Income before tax was €614 million, compared with €485 million.

### **Financing and Capital Markets**

Income before tax was €882 million for the year ended 31 December 2009, compared with a loss of €744 million in 2008, with net banking income of €1,532 million as against €26 million.

Within this business line, the financing activity saw its income before tax grow by 13.7% to €225 million and its net banking income by 37.4% to €461 million.

Loan outstandings amounted to €18.6 billion, with margins restored.

The cost of risk rose from €64 million in 2008 to €158 million for the year ended 31 December 2009. No single debt provided against exceeded €20 million.

As for capital markets activities, following a year that was heavily marked by the financial and banking crisis and a rise in credit spreads, 2009 saw financial markets return to normal. As a result, income before tax went from a loss of €942 million in 2008 to a positive figure of €657 million for the year ended 31 December 2009, and net banking income from a negative €310 million to a positive €1,072 million.

With regard to variable remuneration of market professionals, the CM5-CIC group adheres strictly to the guidelines laid down by the G20. More than 50% of variable remuneration is deferred and subject to clawback. The ratio of total remuneration to revenues is 10.4%. All costs (liquidity, risk, allocated capital) have been taken into account and the related accounting charges (taxes, deferred and conditional portions) duly recognized.

The cost of risk for 2009 amounted to €221 million compared with €465 million in 2008.

## **Private banking**

Income before tax went from €47 million in 2008 to €95 million for the year to 31 December 2009, and net banking income from €427 million to €397 million.

Despite the crisis, the business performed satisfactorily.

## **Private equity**

In an adverse economic climate, the business line's income before tax for the year ended 31 December 2009 was €21 million. Total investments amounted to €2 billion.

The Crédit Mutuel-CIC group has stakes in 480 French businesses through a portfolio totalling more than €2 billion. These investments are made in order to help the economy, not with any speculative aims, as is reflected in the ten-year average holding period.

## **Outlook: always ready to help our customers**

The group continues to strengthen its branch network in France and neighbouring countries, broadening its activities and scope of operation.

The rationalisation of technical and financial tools continues.

With over €23.5 billion in equity and super-subordinated debt, up by €3 billion following the repayment of the €1.036 billion loan to the SPPE (*"Société de Prise de Participation de l'Etat"*, the French state-owned investment company), the CM5-CIC group faces the future with confidence and determination. It will thus continue to play an active part in financing the local, regional and national economies. In these difficult times, based on its firm anchoring in local life and the dedication of its employees and member representatives, the group continues to apply its clearly differentiated mutual approach to the service of all its members and customers.

Commenting on results for 2009, Michel Lucas, the group's CEO, added :

*For many years now, even in times of crisis, Crédit Mutuel, a "financial cooperative" geared to individuals, families, local, regional and national activity, has demonstrated the robustness of its business model, which is based on responsibility, not on profit. It is different from other financial organisations in three essential ways.*

*- Firstly, in terms of its ownership: with Crédit Mutuel, the users, members or "partner-customers" as I shall call them, are all owners of the institution and holders of members' shares. This involves more than twelve million people. With a conventional bank, the owners are not the customers but the shareholders - investors, hedge funds, private individuals, businesses, speculators and so on – who expect a significant annual dividend. With Crédit Mutuel, there is a strong partner-customer relationship. Thus it is an association of people, whereas a conventional bank is, so to speak, an association of capital.*

*- Crédit Mutuel is also different in the way people take part in decision making, since all "partner-customers" can attend the organisation's ordinary or extraordinary general meetings. These "partner-customers" are eligible to serve as honorary (i.e. unpaid) directors of their local savings bank and of other entities in the group. In a conventional bank, the customer takes no part in general meetings of shareholders and is not eligible to serve as a director; it is the investor shareholders who elect the members of the boards of directors, on the recommendation of "senior executives". At a time when capitalism is discovering the notion of control by a governing body independent of salaried management, at Crédit Mutuel management is controlled by more than 30,000 independent voluntary appointees, and has been for over 130 years. No decision is taken without the question being asked: "What will be the reaction of our voluntary appointees who represent the "partner-customers?"*

*- The third way in which Crédit Mutuel differs from other banks is in how profits are shared. Operating surpluses are transferred to the general reserves, which are not available for sharing among partner-customers under the French Financial Cooperatives Act of 1947. One of the most important characteristics is that our financial cooperative is inalienable, in other words it cannot be sold or taken over. It can, however, be wound up if the members so decide. In a way we form part of the national patrimony, since we are managed by twelve million people. This gives us a certain freedom of expression and action, and may seem surprising in a milieu dominated by single-mindedness that has degenerated into unbridled capitalism.*

*Society in general has evolved, and so have the needs of our partner-customers. Crédit Mutuel and its member savings institutions have adapted, and offer the same products as other banks and insurance companies. This forces us to be as good as - if not better than - the other banks, while still not being guided by profit.*

*- We must be good managers – but guided by an ethic of the common good.*

*For more than 130 years, Crédit Mutuel has demonstrated the quality of its ethic. The recent economic and financial crises will not prevent it from continuing its development and adaptation in 2009 while still maintaining a good solvency ratio (10.3% in 2009 compared with 8.8% in 2008). All the employees, close to customers thanks to our decentralised structure, strive enthusiastically to serve private individuals and to get the real economy going again.*

*CM5 comprises the Crédit Mutuel Centre Est Europe (Strasbourg), Sud Est (Lyon), Ile-de-France, Savoie-Mont Blanc (Annecy) and Midi-Atlantique (Toulouse) Fédérations*

*Audit procedures for the consolidated financial statements have been completed. The auditors' report will be issued once complementary procedures required for the publication of the annual financial report have been completed.*

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## CM5-CIC (\*)

## Key figures (\*\*)

(in millions of euros)	31 December 2009	31 December 2008
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### Business

Total assets	434 298	440 559
Customer loans including finance leases <sup>1</sup>	225 166	214 931
Assets under management and in custody <sup>2</sup>	403 751	358 873
- of which customer deposits <sup>2</sup>	146 207	127 564
- of which insurance savings	56 662	52 432

### Equity capital

Equity capital & super-subordinated loans	23 468	20 145
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Employees, year end	50 831	45 729
Number of points of sale	3 939	3 787
Number of customers	15 536 102	11 626 817

## Income Statement

Consolidated Income Statement	31 December 2009	31 December 2008
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Net banking income <sup>2</sup>	10 226	5 795
Overheads	(6 052)	(4 387)
Gross operating income	4 174	1 409
Cost of risk	(1 987)	(1 064)
Operating Income	2 187	344
Net gains/losses on other assets and share of income of associates	(83)	37
Income before tax	2 103	381
Income tax	(668)	127
Net income	1 435	509
Net income attributable to the group	1 194	353

\* Consolidated figures of the Caisses de Crédit Mutuel Centre Est Europe, Sud-Est, Ile-de-France, Savoie-Mont Blanc and Midi Atlantique, their common Caisse Fédérale, the Banque Fédérative du Crédit Mutuel and its principal subsidiaries: ACM, BECM, IT, etc., including CIC, TargoBank (formerly Citibank Deutschland), Cofidis and CIC Iberbanco (formerly Banco Popular France).

\*\* Figures not validated by the boards, in the process of being audited.

1 Including related accounts receivable and payable; SFEF (Société de Financement de l'Économie Française) issues are not counted as customer deposits.

2 Excluding the effect of reciprocal transactions between banks and insurance companies relating to employee benefit plans and investments between insurance companies and banks.