

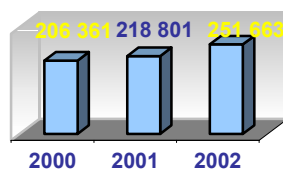
## CREDIT MUTUEL CENTRE EST EUROPE IN 2002 :

**9.1% increase in net attributable profit to €568m  
after a €202m transfer to the fund for general banking risks**

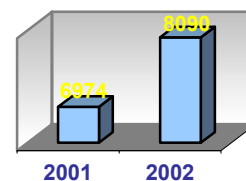
Thanks to its bankinsurance strategy, the dynamism of its branch network and the strengthening of its partnerships in France and abroad, Crédit Mutuel reported another sharp increase in its activities and results. After the Centre Est Europe and Sud-Est Federations, it was the turn of the Crédit Mutuel d'Ile-de-France Federation to join Caisse Interfédérale on 1 January 2002. This, and the synergies being developed with CIC, enabled Crédit Mutuel to broaden the scope of its activities and its product and service offer, optimise its tools, tighten up cost control and consolidate its positions in France and in the rest of Europe.

Net attributable profit increased by 9.1% to €568m after a €202m transfer to the fund for general banking risks. After payment of the dividend, the group will have shareholder's equity of €9.1bn, of which €8.1bn excluding minority interests.

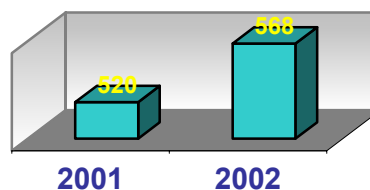
**Total Assets  
€m**



**Shareholder's equity**



**Net results bank-insurance**



For the bankinsurance activities, **the total assets** of Crédit Mutuel Centre Est Europe (CIC included) reached €251.7bn at 31 December 2002, equivalent to an increase of 15% (12% at constant consolidation scope).

**Managed savings** grew by 3% to €212.4bn, consisting for €75.4bn of accounting deposits (up 7.1% over the year before), for €137.1bn of financial savings (up 0.7%) and for €32.2bn of insurance savings (up 7.3%).

**Customer loans** grew by 9.5% to €95.4bn, with production up 9.1% to €21.9bn.

**Net income from bankinsurance** activities amounted to €5.4bn, an increase of 8.9% over the year before. With premium income of €4.7bn, the insurance activities contributed net income of €721m, up 20% over the year before.

The 9% increase in general operating charges reflects the investments made to develop the network, strengthen and harmonise the information systems, and the recruitments made (net job creations of 1,264 in 2002 for a total of 36,000 employees).

Risk provisioning charges declined by 13% to €434m.

Pre-tax profit on ordinary activities increased by 18.4% to €1.4bn.

After a €202m transfer to the fund for general banking risks and deducting the €137m share of the net profit accruing to minority interests, the group's share of the net profit from bankinsurance activities grew by 9.1% to €568m.

After payment of the dividend, the group will have shareholder's equity of €9,054m, of which €8,090m excluding minority interests, corresponding to an increase of 17%.

Return on equity reached 11.6%, while the European solvency ratio came to 9.5%, including a Tier One ratio of 7% ( at 30 june 2002 )

## **2003 prospects**

Crédit Mutuel and CIC intend to press on with their strategy of joint development by strengthening the network in areas where the Group is still insufficiently present, intensifying customer relations, and broadening the offer of innovative products and services in both banking and insurance.

The pooling of the subsidiaries' resources, notably their information systems, is being stepped up. By the summer of 2004, 13 regional groups of Crédit Mutuel and the 10 regional banks of CIC will share a common information system.

Further changes will be made to the Group's structures to adapt them to this new configuration.

The Group expects a strong increase in its activities and further economies of scale, the effects of which are already being felt gradually.

These good results and their favourable trend have prompted the international credit rating agency Moody's to upgrade its outlook from Stable to Positive on the ratings of both Crédit Mutuel Centre Est Europe (A1 for debts and deposits and B for financial strength) and CIC (A2 for debts and deposits and C+ for financial strength).

Moody's underlined the positive effect on operating profit of the synergies being developed and the solid business base in retail banking enjoyed by the Crédit Mutuel-CIC group, and also cited the good and improving solvency ratio.

**Crédit Mutuel Centre Est Europe (excluding CIC)  
Net attributable profit of €376m reported by the bankinsurance activities after a €122m transfer to the fund for general banking risks.**

As a result of Fédération du Crédit Mutuel d'Ile-de-France joining Caisse Interfédérale on 1 January 2002 and the transfer of CIC's insurance subsidiaries to Assurances du Crédit Mutuel in June 2002, the consolidation scope for the Crédit Mutuel Centre Est Europe group underwent significant changes in 2002.

The financial margin increased by €192m to €1,040m thanks to the strong development of the group's activities, an improvement in the intermediation margin, and higher revenues from participating interests (including a €77m dividend received from CIC).

Net income from bankinsurance activities grew by 23.2% to €2.1bn in the year to 31 December 2002. The gross profit generated by insurance activities amounted to 27% of net income from bankinsurance activities.

Operating charges were up 8.7% at constant consolidation scope, reflecting the development of the group's activities, an increase in headcount and more substantial investments.

The cost-to-income ratio (i.e. operating charges and depreciation charges expressed as a percentage of net income from bankinsurance activities) was broadly unchanged at 57.3%.

The gross operating profit increased by 23% to €918m.

Risk provisioning charges decreased by 10% at constant consolidation scope to €67m.

After a €122m transfer to the fund for general banking risks, the net attributable profit came to €376m, up 20.1% from €313m in 2001. It should be borne in mind that the 2001 figure is stated after a €41m provision in respect of "Livret bleu "

After appropriation of the profit, including €62m to remunerate the €2.2bn capital provided by members-cum-shareholders, shareholders' equity will amount to €8.1bn, of which €7.1 excluding minority interests.

## **Rapid development of the network of Crédit Mutuel Centre Est Europe, Sud-Est and Ile-de-France (\*)**

### Savings: the success of time deposits and life insurance products

In a difficult environment, Crédit Mutuel recorded another strong increase in its activities thanks to the dynamism of its branch network and to the quality of its offer in bankinsurance.

Savings managed by Crédit Mutuel increased by 4.6% to €65.3bn, with customer deposits up 6.7% to €28.7bn.

Members gave preference again to saving certificates and time deposits, which increased by 26% to €4.1bn. Half the amounts collected were invested in the Tonic product range.

Home savings accounts enjoyed new-found interest from savers, paving the way for a 5.5% increase to €7.8bn.

Taking advantage of the poor performances of the financial markets, amounts held on passbook deposits increased by 4.1% to €8.5bn.

Insurance-related financial savings collected from the network's customers grew by 7.4% to €9.6bn.

Banking-related financial savings declined by 5% to €4.5bn.

### Loans: production of €8.9bn lifted the loan book by 8% to €35.2bn

Housing credits increased by 12.5% to €19bn, reflecting a 13.5% rise in loan production to €4.5bn.

Consumer credits grew by 4.4% to €3.8bn, with production reaching €1.9bn.

The economic downturn affected demand for credits from professional customers and production declined by 12% to €2.2bn. Even so, these credits increased by 4% year-on-year to €10.6bn.

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(\*) Changes are shown at constant consolidation scope excluding Crédit Mutuel Ile-de-France and before the integration of CIC's insurance companies.

### Electronic payment instruments: roll out of Moneo.

After the Ile-de-France, Burgundy and Lyons regions, which were equipped in 2002, Crédit Mutuel Centre Est Europe is participating in the rollout of Moneo, the electronic purse, in Lorraine (since March 2003) and in Alsace and Franche-Comté (as from June 2003). More than 4,000 neighbourhood stores have been equipped as part of this drive.

### Net job creations reached 626

Developing employment is also a part of the strategy pursued by Crédit Mutuel, and this resulted in net job creations of 626 (220 at the branches, 190 in insurance and 200 in information systems and technical support).

At 31 December 2002, Crédit Mutuel employed 11,185 persons.

## **Strengthening of partnerships**

### One Caisse Interfédérale for the Centre Est Europe, Sud-Est and Ile-de-France Federations

A common Caisse Interfédérale was set up by the Centre Est Europe, Sud-Est and Ile-de-France Federations on 1 January that covers 29 French Departements with a total population of 22 million.

This partnership has enabled development to be stepped up in high potential areas and resulted in tighter cost control.

### -Common information system for 13 regional groups of Crédit Mutuel and the regional banks of CIC.

Crédit Mutuel Loire-Atlantique Centre-Ouest and Crédit Mutuel du Centre switched over to the group information system in November 2002. A total of 13 Federations now use the same system, and by the summer of 2004 all the regional banks of CIC will have switched over.

The group information system already manages 22 million accounts for 10 million customers of Crédit Mutuel and CIC.

### -New synergies being developed in the Group

Crédit Mutuel and CIC are continuing to develop synergies by using common systems and capitalising on their respective know-how and expertise, notably in the areas of property, lease financing, insurance and private management.

- In 2002, five Crédit Mutuel Federations took a direct 2.4% interest in the capital of CIC. Others have already had an indirect interest through Banque Fédérative du Crédit Mutuel since 1999.
- In June 2002, Serenis and Socapi, the two insurance companies of CIC, were transferred to the Assurances du Crédit Mutuel group, in return for which CIC received 20.5% of the capital.
- In October 2002, Banque Fédérative du Crédit Mutuel acquired Deutsche Bank's 28.9% interest in Banque de Luxembourg. As a result of this minority buyout, Banque de Luxembourg is now a fully-owned subsidiary of Crédit Mutuel-CIC. This, and the acquisition by Banque Transatlantique, a regional bank of CIC, of an interest in Mutuel Bank de Luxembourg, a Crédit Mutuel subsidiary, will strengthen the private management activity being developed at European level.
- In December 2002, an agreement was reached with Banca Popolare di Milano that opens up new prospects for the distribution of banking, insurance and cash flow management products.
- Through its branch offices in London, New York, Singapore, Luxembourg and Frankfurt, and a network of correspondents in 40 countries, Crédit Mutuel-CIC has access to the world's leading financial markets and offers customers financial and logistics support for their operations abroad.

### **Development strategy focused on convenience bankinsurance activities and technological excellence**

Crédit Mutuel's objective is to have market shares of a least 10% in both banking and insurance throughout the territory covered by its operations. This is to be achieved by strengthening the network of local banks, developing remote customer relations, intensifying relations with its members-cum-customers, and increasing its presence amongst the young and in the agricultural sector.

In 2002, Crédit Mutuel won over 45,000 new customers for a total now of 3.5 million, and captured market share even in the regions where it is already strongly established.

### Strengthening the network and developing multi-channel relations

2002 was marked by the creation of 12 local banks and branches. This brings their number to 1,231 - respectively 989, 124 and 118 in the territories of Crédit Mutuel Centre Est Europe, Sud-Est and Ile-de-France - and is completed by 1,050 automated teller machines (ATM).

Remote customer relations are being developed rapidly.

A total of 45 call centres serving 380 local banks are now operational. They are staffed by 400 telephone advisers handling around 5.5 million calls a year and provide immediate answers to 92% of the requests made.

Crédit Mutuel works through all distribution channels.

As regards the Internet, Cybermut has seen connections double to 13 million. Launched in November 2002, P@ywebcard enables totally secure payments to be made on the Internet using a dynamic virtual card with a number that is used just once. More than 10,000 payments have already been made using this system.

As regards Domibanque, the viewdata system started up in 1984, it remains the third most popular remote communication media (after Cybermut and the call centres) with 4 million connections.

Lastly, since November 2002 Crédit Mutuel has been featured on the new package of i-mode services offered by Bouygues.

In 2003, a multimedia contract will be offered to customers enabling them to access all these services using a single identification number.

#### [Broadening the product and service offer](#)

Capitalising on its banking and insurance expertise and technological tools, Crédit Mutuel is offering innovative products and services catering to the needs of its members. These include Tonic Plus Sociétaire (a savings product offering stepped returns), Tout Auto (all-inclusive credit, insurance and maintenance), Tout Logis (all-inclusive credit, householder's comprehensive insurance and remote surveillance) and Tout Prévoyance (personal protection insurance).

In 2003, Crédit Mutuel will broaden its offer, notably in asset management, for which one hundred specialists have been trained. New products and services will be launched for younger customers, including an electronic purse, as well as others targeted at individual entrepreneurs, companies and associations, notably with a new version of Eurocompte.

#### [The best retail bank for the performances of its investment products](#)

The quality of Crédit Mutuel's management was confirmed with a new award at the Victoires des Sicav organised by La Tribune and Standard and Poor's. The prize for the best euro short-term bond fund (five years) was awarded to CMI Court Terme for the second consecutive year.

This was the sixth prize won in eighteen months.

Crédit Mutuel tops the rankings for retail banks for its performance in the one- to three-year category, and is second in the five-year category.

## A dynamic mutual bank

90,000 new members joined Crédit Mutuel in 2002, lifting their number to 1,730,000.

354 million shares have been subscribed to by members. They represented an amount of €2.3bn and earned remuneration of €62.5m.

Deeply attached to its cooperative organisation, Crédit Mutuel aims to encourage the even greater involvement of its members in the life of the company and in its actions.

Crédit Mutuel has set itself three objectives, which are to:

- Recruit 800,000 new members over five years, so that they represent 70% of core customers. Specific new products and services featuring advantages reserved for members and rewarding their loyalty will be launched this year;
- Achieve attendance rates of at least 10% at the general meetings of local banks;
- Ensure that the local banks' directors and advisers are representative of the body of members, notably by striving for greater board representation for women (at least 20%).

For the first time, trophies will be handed out at the Federation's General Meeting on 23 May in Strasbourg to reward banks having displayed particular dynamism in developing membership involvement.

## CREDIT MUTUEL CENTRE EST EUROPE <sup>(1)</sup>

### Key figures at 31 December 2002

Branches and counters	1,231		
Centre Est Europe	989		
Sud-Est	124		
Ile-de-France	118		
Automated teller machines	1,050		
Members	1,700,000		
Administrators	10,525		
Employees	11,185		
Customers	3,438,000		
<b>Total savings managed</b>	<b>65,315</b>	million	+4.6% <sup>(2)</sup>
Of which:			
Accounting deposits	28,657	million	+6.7%
Bank financial savings	4,504	million	-5.0%
Insurance financial savings	9,602	million	+7.4%
Loans outstanding	35,199	Million	+8.1%
<b>Market share</b>			
Share of deposit-taking	6.9%		
Alsace	44.5%		
Lorraine	18.3%		
Franche-Comté	13.7%		
Burgundy	6.3%		
Rhône-Alpes	4.7%		
Ile-de-France	1.6%		
Share of lending	7.3%		
Alsace	47.7%		
Lorraine	20.8%		
Franche-Comté	17.5%		
Burgundy	11.5%		
Rhône-Alpes	9.8%		
Ile-de-France	1.4%		

(1) Consolidated figures for Caisses de Crédit Mutuel Centre Est Europe, Sud-Est and Ile-de-France, Caisse Interfédérale, Banque Fédérative du Crédit Mutuel and its main subsidiaries: ACM, BECM, IT systems, etc. The above figures do not include CIC.

(2) Percentage change compared with 2002 reasoning at constant consolidation scope, therefore excluding Crédit Mutuel Ile-de-France and before the integration of the insurance companies of CIC.

**GROUPE CREDIT MUTUEL CENTRE EST EUROPE<sup>(1)</sup> - CIC**  
(€m)

	<b>2002</b>	2001
<b>Shareholders' equity before appropriation</b>	<b>8,430</b>	7,274
<i>Of which:</i>		
<i>Group share (excluding fund for general banking risks)</i>	<b>6,042</b>	5,109
<b>Minority interests</b>	<b>845</b>	820
<i>Fund for general banking risks</i>	<b>1,542</b>	1,345
<b>Activity</b>		
<i>Total assets</i>	<b>251,663</b>	218,801
<i>Customer loans (including lease financing) (2)</i>	<b>95,412</b>	87,104
<i>Customer deposits (2)</i>	<b>75,359</b>	70,375
<i>Funds managed and held by the bank</i>	<b>137,058</b>	136,065
<i>Of which</i>		
<i>Life insurance</i>	<b>32,154</b>	29,962
<b>Profit and loss account highlights</b>		
<i>Net banking income (3)</i>	<b>5,416</b>	4,973
<i>Gross operating profit</i>	<b>1,810</b>	1,700
<i>Operating profit</i>	<b>1,376</b>	1,201
<i>Pre-tax profit on ordinary activities</i>	<b>1,432</b>	1,206
<i>Total consolidated net profit</i>	<b>704</b>	629
<i>Group share</i>	<b>568</b>	520
<b>Key ratios</b>		
<i>Cost-to-income ratio</i>	<b>66.6%</b>	65.8%
<i>Return on equity</i>	<b>11.6%</b>	9.0%
<b>Employees</b>	<b>36,005</b>	34,741
<b>Branches</b>	<b>2,858</b>	2,808
<b>Customers</b>	<b>6,666,000</b>	6,468,000

(1) Consolidated figures for Caisses de Crédit Mutuel Centre Est Europe, Sud-Est and Ile-de-France, Caisse Interfédérale, Banque Fédérative du Crédit Mutuel and its main subsidiaries: ACM, BECM, IT systems, etc. The above figures include CIC

(2) excluding related receivables & payables

(3) Excluding impact of intercompany transactions between banking and insurance companies relating to the insurance cover provided to employees and to investments between insurance and banking activities.