Rating Action: Credit Industriel et Commercial

Moody's affirms BFCM's and CIC's Aa3 ratings with stable outlooks

BFCM's BFSR is affirmed at C but the outlook is changed from stable to negative

Paris, March 16, 2009 -- Moody's announced today that it has affirmed the Bank Financial Strength Rating (BFSR) and Long-Term debt and deposit ratings of BFCM at respectively C and Aa3. The outlook on the BFSR is changed to negative from stable. At the same time, Moody's also affirmed CIC's BFSR at C- and changed the outlook from positive to stable. The outlooks on BFCM's and CIC's Long-Term debt and deposit ratings remain stable. Both BFCM and CIC are members of Credit Mutuel Centre Est Europe Group (CM5-CIC) (unrated).

Last week, CM5-CIC announced a EUR509 million consolidated net income for 2008, down from EUR2,161 million the previous year. BFCM's consolidated net income for 2008 stood at EUR138 million, down from EUR1,704 million for 2007. The main elements that affected the group and BFCM's results were significant impairments stemming from the securities portfolio as well as a steep increase in the cost of risks, both in the market activities and in the retail activities. Moody's further notes that the Group reclassified a large chunk of its securities under IAS39 as of July, 1st 2008, which prevented it, as well as BFCM and CIC, from recording a net loss for the year.

The change of outlook from stable to negative on BFCM's C BFSR reflects Moody's view that financial markets activities and assets induce higher volatility than expected in BFCM's P&L. It also takes into account the expected deterioration of the French retail activities given the challenging macro environment, as well as the addition of potentially more volatile consumer finance activites in BFCM's business-mix, following the acquisitions of Citibank Deutschland (unrated) and Cofidis (unrated).

The outlook on CIC's C- BFSR was changed from positive to stable. The positive outlook was based on the expectation that the improvement of CIC's financials over 2006 and 2007 would prove sustainable in the longer term. In Moody's view, the positive outlook is no longer justified given the 2008 results and the prospects for 2009.

BFCM's and CIC's Aa3 Long-Term debt and deposit ratings carry stable outlooks. They benefit from a very high likelihood of support from CM5-CIC group and in turn the group benefits from a very likelihood of systemic support given its size in the French retail market (it is France's third largest retail network in terms of both deposits and lending market shares) and its importance in flow processing payments in France.

Last rating action was on 11 July 2008, when the outlook on BFCM's BFSR was changed to stable from positive, following the announcement by the bank that it had reached a final agreement to buy Citibank Deutschland, to reflect the weakened solvency ratios. At the time, Moody's also affirmed CIC's BFSR at C- with a positive outlook and CIC's Long-Term debt and deposit ratings at Aa3 with a stable outlook.

The principal methodology used in rating BFCM and CIC are the "Bank Financial Strength Ratings: Global Methodology" and "Incorporation of Joint-Default Analysis into Moody's Bank Ratings: A Refined Methodology", which can be found at www.moodys.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies sub-directory. Other methodologies and factors that may have been considered in the process of rating these issuers can also be found in the Credit Policy & Methodologies directory.

Based in Strasbourg, France, BFCM is a majority owned subsidiary of CM4-CIC group.

At year-end 2008, BFCM reported unaudited consolidated net income of €138 million, down (-91.9%) from €1,704 million at year-end 2007 (figures for 2008 are impacted by the IAS 39 reclassification. For more details, please refer to the issuer's press release). At year-end 2008, total assets amounted to €425.2, up 3.0% from €395.9 billion at year-end 2007. No capital adequacy ratios are disclosed at the level of BFCM.

Based in Paris, France, CIC is a majority owned subsidiary of BFCM.

At year-end 2008, CIC reported unaudited consolidated net income of €206 million, down (-82.9%) from €1,204 million at year-end 2007 (figures for 2008 are impacted by the IAS 39 reclassification. For more details, please refer to the issuer's press release). At year-end 2008, total assets amounted to €251.7 billion, in line with year-end 2007. CIC's Tier 1 ratio stood at 8.6% at year-end 2008.

Frankfurt
Carola Schuler
Senior Vice President
Financial Institutions Group
Moody's Deutschland GmbH
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

Paris
Stephane Le Priol
VP - Senior Credit Officer
Financial Institutions Group
Moody's France S.A.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454