

March 1st, 2013

**PRESS RELEASE**

**BFCM Group**

***Commercial activity up, results stable, solid financial position affirmed***

In a depressed economic climate, BFCM Group, whose core business is retail banking (71% of NBI), recorded commercial gains and stable financial results while affirming its solid financial position by maintaining close ties to its customers and addressing their concerns.

**Results for the year ended December 31, 2012**

**Net income: €1,200m**

**Commercial activity**

**Support for its client base of private individuals, self-employed professionals, associations and corporates**

- loan outstandings up 0.3%, with investment loans up 5.4%
- total deposits up 10.3%.

**Financial results**

	<b>2012</b>	<b>2011<sup>1</sup></b>
- Net banking income	€8,159m	€7,753m
- Net provision allocations/ - reversals for loan losses	-€962m	-€1,336m
- Net income	€1,200m	€1,050m

**Financial solidity**

<b>CM11-CIC Group tier 1 capital adequacy ratio</b>	<b>14.1%</b>	<b>11.0<sup>2</sup>%</b>
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Net income totaled €1,200 million. Bear in mind that consolidated results for 2011 were impacted by impairments of Greek sovereign debt.

<sup>1</sup> 2011 reported figures. After taking into account the amended version of IAS19 and correcting recognition of the investment in Banco Popular Español in accordance with IAS 8, net banking income totaled €7,740m and net income €1,086m.

<sup>2</sup> With the additional requirements of Basel 1 floor levels.

## Commercial activity

In 2012, the commitment of all staff members enabled the bank to best serve its client base of private individuals, associations, self-employed professionals and corporates, and the Group is now the bank to one out of every three corporates.

Loan outstandings totaled €166 billion (+0.3%) and deposits totaled €132 billion (+10.3%).

The retail bank continued to improve the quality of its branch network, with 43 new branches opened in 2012, bringing the total to 2,657.

Customer loans in the retail bank grew by €2.2 billion to €144 billion (+1.6%).

Total deposits amounted to €105 billion (+9.1%).

Loan outstandings in the corporate banking activity totaled €13.1 billion and those in the private banking activity €7.5 billion.

## Financial results

Net banking income rose from €7,740 million in 2011 to €8,159 million at December 31, 2012.

General operating expenses increased to €5.1 billion from €4.9 billion a year earlier. Changes to tax and payroll regulations (doubling of the tax for systemic risks and a rise in fixed payroll expenses) accounted for more than a third of this increase. However, general operating expenses continued to be tightly controlled, rising by 1.6% in 2012 stripping out these external factors.

Net provision allocations/reversals for loan losses fell by €374 million to €962 million. This included a €30 million charge following the sale of Greek sovereign bonds on the market, during the first quarter of 2012.

The actual net provision for known risks (excluding general provisions), as a proportion of total loan outstandings, decreased from 0.53% to 0.50% and the overall non-performing loan coverage ratio was 67.71% at December 31, 2012.

Net income amounted to €1,200 million, up from €1,086 million in 2011.

BFCM is a subsidiary of CM11-CIC Group, which reported a core tier 1 capital adequacy ratio of 14.1%, one of the highest in Europe, facilitating access to financial markets. Prudential tier 1 capital totaled €21.8 billion.

The loan-to-deposits ratio of CM11-CIC Group was 126.1% at December 31, 2012, down from 136.3% a year earlier.

Financial solidity was confirmed by the three rating agencies, which maintained the long-term rating of the Banque Fédérative du Crédit Mutuel throughout 2012.

	Standard & Poor's	Moody's	Fitch Ratings
Long-term rating	A+	Aa3	A+

### **Retail banking**

Net banking income from retail banking stood at €5,854 million, compared with €6,215 million in 2011.

General operating expenses rose from €3,642 million in 2011 to €3,748 million.

Net provision allocations/reversals for loan losses totaled €774 million, compared with €781 million in 2011.

Income before tax stood at €1,243 million, compared with €1,849 million.

### **Corporate banking**

Net banking income came to €324 million, compared with €485 million in 2011.

Net provision allocations/reversals for loan losses rose from €32 million in 2011 to €60 million in 2012.

Income before tax fell to €171 million from €369 million in 2011.

### **Capital markets**

At December 31, 2012, net banking income totaled €603 million, up from €401 million in 2011.

Net provision allocations/reversals for loan losses stood at €25 million, compared with €116 million in 2011.

Income before tax rose from €112 million to €383 million.

### **Private banking**

Net banking income rose by 7% to €464 million from €431 million in 2011. Income before tax increased by 25% to €106 million from €85 million.

### **Private equity**

Net banking income came to €100 million in the year to December 31, 2012, compared with €93 million in 2011. Income before tax stood at €66 million, compared with €59 million.

The investment portfolio totaled €1.7 billion, including €199 million of new investments in 2012. The portfolio consists of 497 investment lines.

## Outlook for 2013

BFCM is the holding company and central financial vehicle of CM11-CIC Group, which has approximately €31.2 billion of shareholders' equity and deeply subordinated debt, up €3.3 billion.

While contending with a number of challenges – economic and social, technological, competitive and regulatory – the BFCM Group has set one priority, to pursue its growth and development; one necessity, to adapt; and one requirement, to maintain its identity.

It will also continue its efforts to strengthen its independence from the financial markets by focusing on bringing in new deposits while continuing to finance the projects of companies and individuals.

With its deep roots and the commitment of its directors and employees, the group continues to affirm its mutual banking difference, both regionally and nationally, by staying close to its members and customers.

*The consolidated financial statements have been audited. The audit certificate will be issued after the finalization of additional procedures required for the publication of the annual financial report.*

*Unless otherwise indicated, 2011 financial results take into account the amended version of IAS19 and correcting recognition of the investment in Banco Popular Español in accordance with IAS8. For insurance, corporate banking, capital markets, private banking and private equity activities, reported figures for 2011 take into account the non significant impact of the amended version of IAS19.*

*Percentage variations are calculated at constant business scope. For insurance, corporate banking, capital markets, private banking and private equity activities, these are gross variations.*

Complete regulatory information, including the registration document, is available on the internet site [www.bfcm.creditmutuel.fr](http://www.bfcm.creditmutuel.fr) and is published by BFCM in accordance with the provisions of Article L451-1-2 of the French Monetary and Financial Code and 222-1 and following of the General Regulations of the Autorité des Marchés Financiers (French financial markets authority - AMF).

### Director of information

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## BFCM Group \*

## Key figures

(in millions of euros)	December 31, 2012	December 31, 2011
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### Business

Total assets	397 205	382 200 <sup>1</sup>
Loans and advances to customers, including lease-financing <sup>2</sup>	165 775	165 358
Savings managed and in custody <sup>3</sup>	404 331	367 679
- of which, customer deposits <sup>3</sup>	131 984	119 705
- of which, insurance products	55 044	52 638

### Equity

Shareholders' equity and deeply subordinated debt	18 335	15 984 <sup>1</sup>
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Employees, year end <sup>4</sup>	43 034	42 901
Number of branches	2 657	2 675
Number of customers (in millions)	17,1	17,1

## Financial results

Consolidated income statement (in millions of euros)	December 31, 2012	December 31, 2011 <sup>1</sup>
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Net banking income	8 159	7 753
General operating expenses	(5 140)	(4 935)
Operating income before provisions	3 019	2 818
Net provision allocations/reversals for loan losses	(962)	(1 336)
Operating income after provisions	2 057	1 482
Net gains/losses on other assets and equity affiliates	(146)	108
Income before tax	1 911	1 590
Corporate income tax	(711)	(541)
Net income	1 200	1 050
Net income attributable to owners of the company	930	817

\* Consolidated results of Banque Fédérative du Crédit Mutuel and its principal subsidiaries: ACM, BECM, IT, etc. and including CIC, TARGOBANK Germany, Cofidis, CIC Iberbanco and TARGOBANK Spain

1. 2011 figures after taking into account the amended version of IAS19 and correcting recognition of the investment in Banco Popular Español in accordance with IAS 8: Total assets: 382,358 Shareholders' equity and deeply subordinated debt: 16,090; NBI: 7,740; Operating income: 1,503; Income before tax: 1,637; Net income: 1,086.

2. Including lease-financing;

3. Issuance by the SFEF is not included in customer deposits

4. Employees at group-controlled entities