

PRESS RELEASE

BFCM

**European banking and insurance shows growth;
financial solidity reaffirmed**

Results for the year ended 31 December 2009

Net income €1,029m

<u>Financial results</u>	2009	2009/2008
- Net banking income	€7,971m	x 2
- Gross operating income	€3,461m	x 4.6
- Cost of risk	- €1,892m	- 7.7% ^{1 and 2}
- Net income	€1,029m	x 7.5

<u>Strengthened solvency</u>		
Tier one ratio	10.3%	8.8% en 2008
Shareholders' equity	€14.8bn	(+ €1.7 billion)

Commercial activity

32% of net banking income is generated outside France

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

- **101,928 new customers** (excluding the Cofidis group)
- **3,600,000 new customers** (including the Cofidis group)
- **€159.3 billion in loan outstandings** (term loans + 4.5%¹)

¹ at constant scope

² + 49% 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 BFCM 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 €1,029 million.

Results for the financial year 2009 were presented on 25th February 2010 by Chief Executive Officer Mr Michel Lucas to a meeting of BFCM's (Banque Fédérative du Crédit Mutuel) Board of Directors chaired by Mr Etienne Pflimlin.

The BFCM group consolidated its expansion following 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 48 new points of sale (at constant scope) now numbers 2,568 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 101,928 in the number of customers (not counting the contribution of the Cofidis group), bringing the total to 11,182,986, of which the Cofidis group accounts for 3,497,187;
- customer loan outstandings increase from €153.1 billion to €159.3 billion including the contribution made by the Cofidis group (€7.8 billion);
- grow savings under management and in custody by €39.2 billion (12.9%), bringing the total to €343.3 billion;
- increase the number of insurance policies in force by 1,367,959 (7.1%) to a total of 20,628,708.

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 €1,029 million, compared with €138 million in 2008.

Total net banking income increased from €3,930 million in 2008 to €7,971 million for the year ended 31 December 2009, as a result of acquisitions of the Cofidis group and Targobank.

The cost of risk amounted to €1,892 million for the year ended 31 December 2009, as against €1,016 million for the previous year.

As a result, the cost of risk as a proportion of total loan outstandings rose to 0.99% and the impaired debt coverage ratio was 63.9% at year-end 2009.

BFCM is a subsidiary of the CM5-CIC¹ Group, for which 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 BFCM group listened attentively to its clientele of private individuals, associations, professionals and businesses.

Loans by the branch banking network, at €99.2 billion, held up well, with a rise of 2% in outstandings compared with 2008 thanks to increases in housing loans (+4%) and investment loans (+6%).

Deposits, at €60.8 billion, grew by 12%.

Managed savings grew by 20% to reach €62.3 billion.

As regards insurance, the property and casualty portfolio grew by 8.6% to reach 2,541,534 policies in force.

Net banking income from retail banking amounted to €5,818 million compared with €3,297 million (+4.6% at constant scope and multiplied by 1.8 as a result of acquisitions) and income before tax, as a result of higher loan impairment charges, to €855 million as against €669 million.

Overheads increased by 4.5% at constant scope, to €3,528 million, but the operating ratio improved from 68.5% to 60.6%.

The cost of risk was €1,452 million, up by 49% at constant scope.

Insurance revenue, at €7.7 billion, was up by 20.4%, with the life branch showing an increase of 32.4%. 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 €887 million, compared with €765 million in 2008, after paying €734 million by way of remuneration to the distribution networks (7% more than in 2008). Income before tax was €567 million, compared with €472 million.

¹ CM5 comprises the East Central Europe(Strasbourg), Southeast (Lyon), Ile-de-France, Savoy-Mont Blanc(Annecy) and Midi-Atlantique Crédits Mutuel Fédérations.

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 BFCM 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 BFCM 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.

BFCM performs the role of holding company and refinancing centre for the CM5-CIC Group, which had 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.

Information concerning the 2009 results can be found at: www.bfcm.creditmutuel.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.

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BFCM GROUP(*)

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

Total assets	420,516	425,223
Customer loans including finance leases ¹	159,264	153,134
Assets under management and in custody ²	343,255	304,083
- of which customer deposits ²	101,740	87,555
- of which insurance savings	46,785	42,676

Equity capital

Equity capital & super-subordinated loans	14,779	13,086
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Employees, year end	36,084	32,155
Number of points of sale	2,568	2,519
Number of customers	11,182,986	7,583,871

Income Statement

Consolidated Income Statement	31 December 2009	31 December 2008
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Net banking income ²	7,971	3,930
Overheads	(4,510)	(3,184)
Gross operating income	3,461	746
Cost of risk	(1,892)	(1016)
Operating Income	1,569	(270)
Net gains/losses on other assets and share of income of associates	(66)	104
Income before tax	1,504	(167)
Income tax	(475)	304
Net income	1,029	138
Net income attributable to the group	808	29

* Consolidated figures of 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).

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.