

France
Credit Analysis

Banque Federative du Credit Mutuel (BFCM)

Ratings

Foreign Currency	
Long-Term IDR	AA-
Short-Term IDR	F1+
Individual Rating	
Support Rating	n.a.
Support Rating Floor	A+
Sovereign Risk	
Foreign-Currency Long-Term IDR	AAA
Local-Currency Long-Term IDR	AAA

Outlooks

Foreign-Currency Long-Term IDR	Stable
Sovereign Foreign-Currency Long-Term IDR	Stable
Sovereign Local-Currency Long-Term IDR	Stable

Financial Data

	30 Jun 09	31 Dec 08
Crédit Mutuel Centre Est Europe		
Total assets (USDm)	605,695	613,122
Total assets (EURm)	428,535	440,559
Total equity (EURm)	20,007	17,509
Operating profit (EURm)	820	430
Published net income (EURm)	573	509
Comprehensive income (EURm)	970	-1,082
Operating ROAA (%)	0.38	0.10
Operating ROAE (%)	8.82	2.38
Eligible capital/weighted risks (%)	7.31	6.02
Tier 1 ratio (%)	10.44	8.78

Analysts

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Related Research

Applicable Criteria

- [Global Financial Institutions Rating Criteria \(December 2009\)](#)
- [Rating Criteria for European Banking Structures Backed by Mutual Support Mechanisms \(December 2009\)](#)
- [Rating Hybrid Securities \(December 2009\)](#)

Other Research

- [Credit Mutuel: Structure, Solidarity Mechanism and Rating Rationale \(February 2010\)](#)
- [Banque Federative du Credit Mutuel \(BFCM\): Insurance Activities \(October 2009\)](#)

Rating Rationale

- The ratings assigned to Banque Fédérative du Crédit Mutuel (BFCM) reflect its integral role within Crédit Mutuel Centre Est Europe (CMCEE). BFCM is the issuing vehicle of CMCEE, the entity that manages the group's liquidity, and the banking subsidiary through which CMCEE controls its subsidiaries. As it performs no banking business of its own, a stand-alone analysis of BFCM is irrelevant. Fitch's analysis is based on CMCEE's consolidated figures and considers the group's significant franchise in French retail banking, sound earnings generation and solid capitalisation, but also some asset quality deterioration.
- Performance is supported by resilient retail and insurance operations and the decision to exit risky investment banking activities in 2005. It was affected in 2008 by impairment charges on Lehman Brothers exposure and temporary write-downs on securities. Profitability across divisions has been sound since early 2009, although loan impairment charges increased from a very low base. At 64%, the cost/income ratio is the lowest among the large French retail banks.
- Recent acquisitions have helped CMCEE address two of its three main weaknesses: insignificant geographical diversification and concentration on low-margin housing loans. Nevertheless, international and consumer loans remain moderate, at 11% and 12% of the loan book, respectively. Some dependence on wholesale funding, the group's third weakness, remains to be addressed, as the loan book was only 74% funded by customer resources at end-June 2009.
- Retail customers account for 87% of the loan book. Impaired loans rose to 4% of gross loans at end-June 2009 due to the consolidation of recently acquired consumer finance companies and the worsened economic environment. This ratio is offset by a satisfactory 69% coverage ratio and virtually no market risks.
- CMCEE has fully repaid the state aid received at the peak of the crisis in 2008 (EUR1bn). With a Fitch eligible capital ratio above 7% and a Tier 1 ratio of 10.44% at end-June 2009, CMCEE's capitalisation is solid given its risk profile.

Support

- The Confédération Nationale de Crédit Mutuel (CNCM) is Crédit Mutuel's (CM) central body and is responsible for the liquidity and solvency of its affiliates. CMCEE would therefore look to CNCM in case of need. However, given CMCEE's size relative to CM, support from CNCM may prove insufficient. Any default by CMCEE would pose a systemic risk and therefore there is extremely high probability that support from the French state would be forthcoming if needed. The Support Rating assigned to BFCM reflects its integral role within CMCEE.

Key Rating Drivers

- While downward rating pressure would likely come from significant asset quality deterioration or increased reliance on wholesale funding, these are unlikely in the short to medium term.

Profile

CMCEE is the name given to the group of CM entities in north-eastern France, south-eastern France, the Paris region, the Savoy Mont-Blanc region and south-west France. Retail banking and insurance account for 75% of revenue. CMCEE's major subsidiaries (consolidated in BFCM) are Crédit Industriel et Commercial (CIC; 'AA-'), Groupe des Assurances du Crédit Mutuel (GACM) and Citibank Germany (CitiG).

- BFCM, CMCEE's issuing vehicle, is entirely integrated into CMCEE
- CMCEE has a strong franchise in French retail banking and insurance activities
- CMCEE is the main component of one of France's strongest banking groups
- Additional CM entities are expected to join CMCEE
- CMCEE has made recent acquisitions of Citibank Germany, Cofidis and Monabanque

Profile

Crédit Mutuel (CM) is France's fifth-largest bank by equity and has the third-largest retail banking franchise in the country. At end-2008, it had market shares of around 12% for deposits and 17% for loans. Details about CM can be found in Fitch's Special Report "*Credit Mutuel - Structure, Solidarity Mechanisms and Rating Rationale*" available at www.fitchratings.com.

CMCEE is not a legal entity; rather it is the name given to the group of CM entities in north-eastern France, south-eastern France, the Paris region, the Savoy Mont-Blanc region and south-west France. CM entities operating in centre-western France are also expected to join CMCEE in early 2011. CMCEE represents around three-quarters of CM. It consists of 808 local banks (Caisses de Crédit Mutuel) that function as network branches and own a federal bank, Caisse Fédérale de Crédit Mutuel Centre Est Europe (CFCMCEE). This is one of the 12 Caisses Fédérales de Crédit Mutuel (CFCMs) within CM. Through its bank, BFCM (consolidated equity and assets of EUR11bn and EUR416bn at end-June 2009, respectively), CMCEE also controls several key shareholdings, notably in CIC, GACM, CitiG, Cofidis, Monabanque and CIC Iberbanco. All banking entities within CMCEE comply with the prudential regulations applicable to other French banks. CMCEE has cooperative bank status and is owned, through the local banks, by more than 2 million member stakeholders. Of the 18 federations constituting CM, 15 sell GACM's products and 15 use CMCEE's IT platform.

Solidarity Mechanisms at Group Level

The links between the CFCMs, which are described in the Special Report on CM mentioned above, show that CMCEE can neither rely on support from any other CFCM nor be forced to support another CFCM experiencing problems. However, past experience shows that support has been forthcoming within the group when necessary through negotiations between the CFCMs, as opposed to the more formal and immediate mechanisms that exist in those cooperative groups with a legally binding cross-guarantee mechanism in place. If another CFCM entity were to be in trouble, CMCEE would be likely to affiliate it with its own federation, but management has stated that it would not support any CFCM if this were to weaken its own financial condition.

Solidarity Mechanisms at Regional Level

The links within CMCEE, which are also described in the Special Report on CM mentioned above, show that the local banks within CMCEE have to support any troubled local bank within CMCEE and CFCMCEE in case of need. In addition, CFCMCEE is expected to support BFCM (and indirectly its subsidiaries) in case of need, in its capacity as reference shareholder. As a consequence, Fitch considers CMCEE's EUR20bn of total equity (local banks: EUR7bn; CFCMCEE EUR1bn; BFCM EUR11bn) to be, in practice, available to support any entity within CMCEE should the need arise.

Business

Retail Banking

Through the local banks and CIC, CMCEE specialises in traditional retail banking services (mostly low risk/low return deposit-taking/housing loans). These generated three-quarters of revenue in 2008. It has a 12% market share of total lending and 8% of total deposits in France, and has very high market shares in east France (more than 50% of deposits and lending in Alsace).

In 2008, the group acquired 18 branches in France of Banco Popular Espanol (renamed CIC Iberbanco). Abroad, in December 2008 the group acquired CitiG, which will be renamed Targobank in February 2010. Although CitiG specialises in consumer finance (it is the third-largest consumer finance company in Germany), it is a proper and highly considered bank with more than 3 million customers and a

340-branch network, which provides most of funding resources. Abroad, CMCEE also holds 20% stakes in Tunisia's Banque de Tunisie and Morocco's BMCE Bank.

Some of the group's subsidiaries specialise in leasing, factoring and asset management to individuals, institutional investors and corporates (employee savings), with EUR55bn assets under management at end-2008. In 2009, CMCEE acquired a stake in Cofidis (a major consumer finance player with more than 11 million customers in nine European countries) and acquired Monabanque (a very small French retail bank).

CMCEE's management has been fairly opportunistic with the recent acquisitions. Having for a few years regarded consumer finance entities as expensive due to the benign environment (in terms of both asset quality and funding conditions), the financial crisis provided CMCEE with the chance to acquire entities at a discount, either because they were facing funding problems or because their parents were under pressure to generate cash.

CMCEE has achieved strong growth in the insurance business since 1971 and is now one of France's leading insurance companies. For information on GACM, see Fitch's most recent Credit Analysis on this entity "*Groupe des Assurances du Crédit Mutuel*" available at www.fitchratings.com.

Corporate and Investment Banking (CIB)

Via CIC, CMCEE is a very marginal player in CIB activities. It provides financial services (especially long-term financing through the syndicated market) to large corporates, larger SMEs and institutional investors through branches in New York, London, Singapore and Frankfurt. CMCEE's trading activities ("CM-CIC Marchés") perform the treasury function for the group, but also encompass sales and brokerage activities.

Private Banking

CMCEE has private banking operations in France, Switzerland, Luxembourg, Germany and Asia through a number of subsidiaries.

Private Equity

CMCEE has a EUR1.6bn private equity portfolio.

Corporate Governance

As part of a cooperative group, CMCEE is controlled by its members, who own "parts sociales" (resembling shares) in the local banks. The principle of the cooperative movement is that each member has a vote. The board of each local bank is elected by its members and independent directors do not feature on these boards; strong social and community-oriented principles are in place and AGMs tend to be well attended. Nevertheless, CMCEE's management structure is highly centralised, with a very dominant chief executive and no true independents on the board.

Strategy

Although recent acquisitions in consumer finance have not significantly increased CMCEE's size, they have helped the group diversify geographically and dilute its concentration on traditional housing loans, addressing two weaknesses that had been identified by Fitch in its previous research on the group. Fitch expects CMCEE to focus on the integration of the new operations in the immediate future. The acquisition of CitiG has provided CMCEE with a very valuable branch network, on which it will build to sell additional traditional products (such as leasing, factoring and insurance products). Nevertheless, most of CMCEE's operations remain in its domestic market and the group's strategy remains focused on retail banking and insurance activities in France, where it continues to open branches in areas in which it is under-represented.

CMCEE's objective remains to attain market shares of 20% in deposit-taking and lending in all regions in which it is already operating. In the context of the CM cooperative movement, CMCEE is proposing its insurance products and IT system to other CM federations; some might be willing or forced to join CMCEE in the future.

Presentation of Accounts

CIC Iberbanco has been consolidated since 5 June 2008, CitiG since 5 December 2008, CM entities in south-west France since 1 January 2009 and Cofidis since 1 March 2009.

Performance

CMCEE's underlying performance in 2008 and H109 was supported by the overall resilience of its retail and insurance operations. It also benefited to some extent from the decision, in the years preceding the crisis, to exit risky CIB activities. Nevertheless, CMCEE's profitability in 2008 was materially affected by losses on Madoff (EUR80m), large impairment charges on its exposure to Lehman Brothers (EUR484m) and to Icelandic banks (EUR65m), and by devaluations of some long-term equity stakes (EUR481m). Despite higher impairment charges, profitability has recovered since early 2009, with broadly sound profitability across divisions and revaluations of securities written down in 2008. Owing to CitiG, foreign activities have increased but contributed a still modest 16% to group operating profit in H109.

As shown in Table 1, retail banking remains the group's main revenue and profit generator. Although revenue increased by half in H109 yoy owing to recent acquisitions, loan impairment charges increased materially, partly for the same reason (two-thirds of the increase), and partly due to asset quality deterioration in the French networks (a third of the increase), and operating profit in the division was flat. In total, loan impairment charges absorbed a high 58% of pre-impairment profit during the half-year. As a percentage of earning assets, higher margins resulting from the diversification in consumer finance exceeded higher loan impairment charges in H109 and this is expected to continue.

- Results are dominated by retail banking, with a broadly resilient contribution from insurance activities
- 2008 profitability was affected by negative fair value movements on securities and Lehman-related impairments
- Margins and loan impairment charges have increased after necessary diversification in consumer finance

Table 1: Divisional Contribution

(EURm)	Operating income		Pre-tax profit	
	H109	H109	2008	2007
Retail banking	3,598	533	1,094	1,382
Insurance	412	241	485	787
CIB: Financing	214	76	198	278
CIB: Market activities	444	304	-942	46
Private banking	211	69	47	181
Private equity	16	4	74	339
Other	-200	-372	-576	-78
Total	4,696	854	381	2,937

Source: CMCEE's accounts

CMCEE's insurance activities have maintained strong operating performance in recent years. Despite the significant impact the financial turbulence has had on the group, with impairments affecting both non-life and life subsidiaries, the net profit held up rather well in 2008, partly due to good non-life technical results and a prudent policy in granting life bonuses to policyholders. Performance remained good in H109, with the number of contracts at end-June 2009 up 5.5% yoy.

CIB was a major driver behind the fall in group profits in 2008. Although the division's financing activities remained profitable through the crisis, the market activities generated an operating loss of EUR942m in 2008, with around half of the loss due to impairment charges, mostly on the division's exposure to Lehman Brothers. In H109, both sub-divisions were profitable, with a profit of around EUR300m generated by trading activities and loan impairment charges at only EUR123m (up from an unsustainable low of EUR4m in H108). In H208, as permitted

by new IFRS rules, CMCEE reclassified EUR2.7bn of securities from trading to loans and receivables, EUR16.1bn from trading to available for sale (AFS), and EUR5.9bn from AFS to loans and receivables. Without the reclassification of trading assets to AFS, operating profit would have been EUR969m lower in 2008 and EUR500m higher in H109.

The performance of the private banking and private equity divisions remained positive through the crisis, although profitability decreased. The loss-making line “Other” in Table 1 includes costs of intermediate holdings, operating property, IT, and losses on long-term equity stakes. Table 2 shows that CMCEE’s performance ratios are very much in line with those of Credit Agricole but well below those of BNP Paribas, which has a strongly developed CIB division.

Table 2: Comparative H109 Financial Highlights

(%)	'AA'/Negative BNP Paribas	'AA-'/Stable		'A+'/Stable	
		CMCEE	Crédit Agricole	Societe Générale	(support driven) Groupe BPCE
Net interest margin	1.01	1.41	1.28	1.34	n.a.
Costs/average assets	1.55	1.39	1.11	1.45	1.46
Cost/income	56.95	63.98	64.38	71.89	98.93
Pre-impairment op. ROAA	1.17	0.78	0.61	0.57	0.02
Operating ROAA	0.59	0.38	0.25	0.12	-0.53
Operating ROAE	16.39	8.82	6.19	3.95	-17.59

Source: Fitch Ratings

Prospects

CMCEE’s full-year 2009 results are expected to be very satisfactory due to resilient asset quality in the French and German portfolios, some revaluations of assets written down at the peak of the financial crisis, some trading gains and very advantageous funding conditions obtained from repo transactions at the European Central Bank (ECB). In the longer term, CMCEE’s revenue generation should continue to be supported by the success of its bancassurance model focused on France. In addition, cross-selling opportunities (in France and in Germany) and higher profitability stemming from the recent acquisitions are expected to raise the group’s overall returns. Net income at CitiG and Cofidis in 2008 was EUR401m and EUR202m, respectively, and was not consolidated in CMCEE’s 2008 results. Due to the uncertain economic outlook, CMCEE will have to follow credit risk in the recently acquired entities closely (especially for Cofidis in Spain and Portugal); nevertheless, some comfort can be taken from CMCEE’s historically very efficient credit risk management.

Table 3: 2008 Performance of Recently Acquired Entities

(EURbn)	CitiG	Cofidis
Operating income (EURm)	1,557	1,094
Operating profit (EURm)	444	293
Loan impairment charges/pre-impairment operating profit (%)	41	52
Net income (EURm)	401	202
Cost to income (%)	52	43

Source: CMCEE

Risk Management

With the exception of CitiG and Cofidis, all CMCEE entities share common credit risk management systems and procedures. Given their specific business, CitiG and Cofidis have their own credit risk management systems, which operate under strict supervision by and reporting to CMCEE. Alongside CMCEE’s three operational divisions (commitments, market and financial) organisation, three committees meet weekly to approve credit (“comité des engagements groupe”), market (“comité des marchés groupe”) and asset-liability management (ALM; “comité ALM groupe”) risks,

- Risk management procedures are integrated throughout the group
- There is a strong focus on retail lending, mainly mortgages
- Exposure to consumer finance has increased through recent acquisitions
- Asset quality is in line with the sector average

respectively. The group risk committee (“comité des risques groupe”) meets monthly to define risk policies and monitor large and watchlist/doubtful risks. The risk monitoring committee (“comité de suivi des risques groupe”) also meets quarterly to form an overview of the group’s global risks. A group risk division (“direction des risques groupe”) has been in place since end-2007 to ensure that all risks are under control and to provide a horizontal view of risks, equity and return on equity. This division has no decision-making power and only provides analysis and alert signals to the group risk committee and to the risk monitoring committee. At end-June 2009, credit risks accounted for 90% of the group’s total capital adequacy requirements.

Credit Risks

A 12-grade rating system has been used throughout the group since 2003, and all counterparties are rated monthly. Under Basel II, CMCEE has adopted the internal rating-based (IRB) approach for most of its retail (ie private individuals and corporates with exposure of less than EUR1m) and bank exposure. Corporate lending, CitiG and sovereign/public sector entities still use the standardised approach. The validation of the foundation IRB approach for risks to corporates may be postponed to 2011. This is not a concern to the group given its low exposure to this clientele.

Provisioning procedures for private individuals are fully automated. All exposures to corporates are reviewed at least annually; coverage ratios for each corporate are decided at group level and applied throughout the group. Collateral is taken into account, and is valued at between 25% of its market value for pledged businesses and 75% for real estate. Decisions for small and standard commitments with good-quality individuals or small- to medium-sized enterprises (SMEs) can be taken at branch level. This process is supported by the group’s common IT system, which provides online information on the exposure of any CMCEE entity to a given customer throughout CMCEE (including at CIC). The system also allows online analysis (consolidated or at branch level at CM’s central body’s request) of credit risk at the 15 federations that share CMCEE’s IT system. All other decisions (ie non-standard decisions in terms of amount, structure or quality of borrower) are taken by the committees mentioned above, which monitor risks at CMCEE and CIC at the same time, with representatives from both banks.

Table 4: Breakdown of Credit Risk Exposure

(EURbn)	(%)	2008	2007
On-balance-sheet exposure	87	379.4	369.4
Customer exposure	48	209.5	179.0
Financial instruments at fair value through profit and loss (excluding variable-income instruments)	11	48.2	88.1
Available-for-sale financial instruments (excluding variable-income instruments)	15	65.1	49.8
Interbank exposure	10	41.9	41.6
Financial instruments held to maturity and derivatives held for hedging	3	14.6	10.9
Off-balance-sheet exposure	13	56.1	54.7
Total credit exposure	100	435.5	424.1

Source: CMCEE’s annual report

Customer and Interbank Exposure

The strong loan growth that took place until 2007 (2007: 23%; 2006: 20%; 2005: 15%), mostly supported by housing loans, slowed only moderately in 2008 (18%). However, at end-June 2009, yoy lending growth of around 13% was mostly attributable to external growth. At end-2008, 87% of the loan portfolio emanated from the retail banking division, with only 10% from CIB, the remainder originating from private banking.

Due to the acquisition of CitiG and Cofidis, the proportion of lending abroad (mostly EU countries) increased to 11% of total lending at end-June 2009 from less than 2% at end-2007. The only sectoral concentration in the loan book is French housing loans, which accounted for 48% of total lending at end-June 2009. About a third of housing loans were secured by insurance from Crédit Logement or Cautionnement Mutuel de l'Habitat. At end-June 2009, housing loans had an average Loan to Value of 50%, two-thirds of housing loans had an LTV below 75%, and 14% had an LTV above 90%. Consumer loans, an area where CMCEE was under-represented compared with its French peers, have grown following recent acquisitions and accounted for 12% of end-June 2009 total lending.

By sector, the greatest concentration of corporate lending is to the finance and insurance sector (27% of end-2008 exposure), followed by real estate (18%), manufacturing (11%) and motor vehicles (11%). CMCEE follows its exposure to the real estate, transportation and automobile sectors closely. Despite the group's retail focus, some single-name concentration exists. This decreased in 2008, with the aggregation of commitments exceeding EUR300m down from EUR29.3bn at end-2007 to EUR20.8bn at end-2008. The 20 largest on- and off-balance-sheet credit authorisations at end-March 2009 totalled an adequate about 189% of Fitch eligible capital (around half of which were drawn amounts). Of these large exposures, 11 exceeded EUR1bn and were to large French corporates. The 20 largest weighted LBO authorisations totalled EUR1.4bn at end-March 2009 (none exceeded EUR130m) and the 20 largest weighted LBO draw-downs decreased to EUR1bn at end-March 2009 from EUR1.6bn at end-2007. At end-2008, around two-thirds of interbank exposure was to banks with ratings equivalent to 'A' and above, and 18% was to banks with ratings equivalent to 'BBB+' and below.

During 2008, the ratio of impaired loans to total loans increased from 2.4% to 3.2%, mainly due to the first-time consolidation of CitiG (which, due to the nature of its main activity, bears higher risk than, for example, CMCEE's housing loans). The ratio of impaired loans to total loans increased further in H109, to 4%; two-thirds of this increase in impaired loans was attributable to the first-time consolidation of Cofidis and one-third to the weaker economic environment for the French networks. Although Fitch has no concern about CMCEE's housing loan portfolio, consumer, SME and corporate loans are likely to be under more pressure in the current environment.

The coverage ratio improved from 66% at end-2007 to 72% at end-2008 following the first-time consolidation of CitiG (whose impaired loans are fully covered) but returned to 69% at end-June 2009 following the first-time consolidation of Cofidis. This coverage ratio is sound and in line with that of other large French banks. Net impaired loans have increased to 14% of equity at end-June 2009; this is slightly above the average for French banks rated in the 'AA' category but is balanced by CMCEE's better-quality capital ratios and by very low non-credit risks.

Table 5: Impact of Recent Acquisitions on Asset Quality

(EURbn)	CMCEE at end-2007	CitiG (1st cons. in H208)	CMCEE at end-2008	Cofidis (1st cons. in H109)	CMCEE at end-June 2009
Assets	413	13.9	441	8.7	429
Loans	179	11.8	210	7.4	219
Gross impaired loans	4.3	1.8	6.7	1.6	9.1
Consumer loans/loans	5	94	10	99	12
Gross impaired loans/loans (%)	2.4	13.0	3.2	18.8	4.0
Loan loss coverage (%)	65.5	102.4	71.6	67.2	69.3
Loan impairment charges/loans (%)	0.1	2.2	0.2	4.9	0.7
Net impairment loans/equity (%)	7.9	n.a.	10.9	n.a.	14.0

Source: CMCEE

Securities Portfolio

Financial instruments at fair value through profit and loss (P&L), excluding equity instruments, decreased by around 45% in 2008 to EUR48bn; half of this fall was the result of reclassification of trading securities to AFS or loans and receivables. Of these, EUR28bn were bonds (mostly listed; T-Bills: EUR4bn), EUR12bn were repo instruments, and EUR8bn were derivative instruments. Excluding equity instruments, AFS securities totalled EUR65bn at end-2008; a large amount of T-Bills were reclassified into this category in H208, with T-Bills representing around 22% of the portfolio at end-2008. Financial instruments held to maturity totalled EUR10bn at end-2008; less than 2% of these were T-Bills.

CMCEE's securities portfolio includes investments by the insurance business (for which GACM maintains a conservative approach). These had a book value of EUR60.9bn at end-2008, stable yoy. Excluding unit-linked related investments, the breakdown of investments was approximately as follows: fixed-income securities 81%; equities 13%; money market 4%; and property 2%. The credit quality of the bond portfolio appears good, with more than 75% of the total rated at least 'AA-', and less than 1% rated non-investment grade or not rated. In addition, reinsurance protection has been purchased in order to cover the group against significant events. For more information on the risks in the insurance operations, see Fitch's separate Credit Analysis, *Banque Federative du Credit Mutuel (BFCM) - Insurance Activities*, published on 6 October 2009 and available at www.fitchratings.com.

Market Risk

CMCEE's market activities are exclusively based in its trading room. The official measurement of market risk is based on both the European Capital Adequacy Directive and stress scenario measures, depending on activities. It covers interest rates, foreign exchange and equity risks. These risks are monitored and produced daily and submitted monthly to the dealing-room committee, in the presence of the head of periodic internal control and the head of credit risk. Global limits are validated annually by the board of directors. Value-at-risk and stress-test analyses have been used since early 2008. According to the Capital Adequacy Directive, capital requirement at end-June 2009 was only EUR343m (against a EUR650m internally set limit). Capital allocated to proprietary activities is progressively reduced.

Equities (excluding associates) totalled about EUR14.2bn at end-2008, 86% of which were listed. These investments included around EUR11.4bn of equities held by the insurance operations and are at the policyholders' risk. The balance mostly included private equity investments (EUR1.7bn) and only EUR0.4bn of trading assets.

Total RMBS exposure was EUR5.9bn at end-June 2009, EUR2.5bn of which was in the US, with less than EUR0.1bn consisting of US subprime RMBS. At the same date, the net CMBS exposure was small at around EUR0.2bn, and 92% of the net CDO exposure (EUR2bn) was rated 'AAA'.

The on- and off-balance-sheet structural interest rate is monitored by the ALM department (which is not a profit centre) within BFCM. At end-2008, a 1% increase in the yield curve would have reduced operating income by 1% in year 1 and by 0.3% in year 2 (against an internally set limit of 4%). If interest rates went up 2%, the group's net asset value would reduce by around 8% of regulatory capital, against a 20% limit under Basel II.

Operational Risk

CMCEE has chosen the advanced measurement approach for operational risks under Basel II, although most foreign operations are following the standard approach for the time being. Integration risk for the recently acquired operations is small as these continue to operate as in the past, with unchanged business models and management.

- Strong retail deposit base
- 26% of the loan book funded by wholesale resources
- A very large stock of assets repoable at the ECB
- Banking and insurance capitalisation is solid

Funding and Capital

Until end-2007, growth in the loan book largely exceeded the increase in customer deposits and CMCEE (like other French banks) substantially increased its recourse to the bond market during the period. Access to wholesale funding has also been supported by the first-time issuance of covered bonds (collateralised by residential French housing loans issued by CM-CIC Covered Bonds and rated 'AAA') since 2007. In total, CMCEE has issued EUR6bn covered bonds and has sufficient collateral to issue another EUR24bn. CMCEE decided in 2008 to match loan growth (in absolute figures) with that of customer deposits; nevertheless, these efforts to reduce dependence on the wholesale markets did not translate in the consolidated accounts due to the acquisition of Cofidis, and the loan book was still only 74% funded by customer resources at end-June 2009 (65% by deposits and 9% by securities - accounted for as term customer deposits in the attached spreadsheet), against 75% at end-2007.

The maturity of medium- and long-term debt is well spread until 2039, with annual repayments not exceeding EUR7bn except in 2010 (EUR14bn). In total, CMCEE has received EUR10.7bn of funds from Société de Financement de l'Economie Française (rated 'AAA' with a government guarantee; part of the French support package for the banking system); the latter is no longer issuing funds.

CM has for many years benefited from being the only distributor of the "Livret Bleu" special regulated savings accounts. These have been held at the Caisse Des Dépôts et Consignations (CDC) since 1998 and CMCEE has not been affected by the European Commission decision to liberalise the distribution of such savings products from 2008. Loans acquired with CitiG and CIC Iberbanco were 80% funded by customer deposits. However, Cofidis was entirely wholesale funded (EUR8bn) and will eventually get all its funding from BFCM.

The group's liquid assets (cash and securities repoable at the ECB) always exceed 30% of customer sight deposits or two weeks of reimbursement to the market. At end-June 2009, they totalled around EUR20bn, consisting of unencumbered assets eligible for repo with the ECB. At end-September 2009, dated resources accounted for at least 89% of assets at any time over six years.

Capital allocated by the group to the insurance activities is in line with the credit rating assigned to BFCM. Capitalisation for the banking activities is solid, with a Fitch eligible capital ratio above 7% and a Tier 1 ratio of 10.44% at end-June 2009. The Tier 1 ratio remained stable in 2008 despite the EUR2.8bn goodwill generated by the acquisition of CitiG. It was supported by the EUR1bn issue in December 2008 of subordinated debt subscribed to by the French state as part of the state's capital support scheme towards French banks. Having raised EUR1.1bn capital from cooperative members since early 2009, CMCEE repaid the EUR1bn to the French state on 1 October 2009; this reduced the pro forma Tier 1 ratio to 9.84% at end-June 2009. Following the reimbursement of the state aid, hybrid issues accounted for around 21% of eligible capital (below Fitch's internally set limit of 30%). The EUR1.6bn fall in unrealised capital gains on available for sale instruments in 2008 was 2/3 attributable to bonds and 1/3 to equities (within CIC's market activities); these have been gaining value since early 2009. The acquisition of Cofidis cost CMCEE EUR657m, including EUR392m of goodwill. Most profits are retained, with a typical pay-out ratio of less than 5%.

Credit Mutuel Centre Est Europe

Income Statement

	30 Jun 2009			31 Dec 2008		31 Dec 2007		31 Dec 2006		31 Dec 2005	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Earning Assets	Year End EURm	As % of Earning Assets	Year End EURm	As % of Earning Assets	Year End EURm	As % of Earning Assets	Year End EURm	As % of Earning Assets
	Original	Original		Original		Original		Original		Original	
1. Interest Income on Loans	8,647.2	6,118.0	3.15	11,248.0	2.83	9,580.0	2.44	7,835.0	2.36	4,945.0	1.68
2. Other Interest Income	3,991.5	2,824.0	1.45	7,999.0	2.02	5,646.0	1.44	4,776.0	1.44	7,412.0	2.52
3. Dividend Income	114.5	81.0	0.04	253.0	0.06	97.0	0.02	67.0	0.02	32.0	0.01
4. Gross Interest and Dividend Income	12,753.2	9,023.0	4.65	19,500.0	4.91	15,323.0	3.91	12,678.0	3.82	12,389.0	4.22
5. Interest Expense on Customer Deposits	2,079.1	1,471.0	0.76	3,182.0	0.80	2,521.0	0.64	1,969.0	0.59	1,658.0	0.56
6. Preferred Dividends Paid & Declared	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Interest Expense	6,770.2	4,790.0	2.47	13,591.0	3.42	11,612.0	2.96	8,991.0	2.71	9,094.0	3.10
8. Total Interest Expense	8,849.3	6,261.0	3.22	16,773.0	4.23	14,133.0	3.60	10,960.0	3.30	10,752.0	3.66
9. Net Interest Income	3,903.8	2,762.0	1.42	2,727.0	0.69	1,190.0	0.30	1,718.0	0.52	1,637.0	0.56
10. Net Gains (Losses) on Trading and Derivatives	530.0	375.0	0.19	772.0	0.19	2,623.0	0.67	1,955.0	0.59	962.0	0.33
11. Net Gains (Losses) on Other Securities	-104.6	-74.0	-0.04	-384.0	-0.10	43.0	0.01	105.0	0.03	116.0	0.04
12. Net Gains (Losses) on Assets at FV through Income Statement	-285.5	-202.0	-0.10	-395.0	-0.10	-323.0	-0.08	257.0	0.08	308.0	0.10
13. Net Insurance Income	739.2	523.0	0.27	939.0	0.24	1,282.0	0.33	1,161.0	0.35	1,068.0	0.36
14. Net Fees and Commissions	1,752.6	1,240.0	0.64	1,833.0	0.46	1,795.0	0.46	1,686.0	0.51	1,511.0	0.51
15. Other Operating Income	98.9	70.0	0.04	318.0	0.08	233.0	0.06	301.0	0.09	218.0	0.07
16. Total Non-Interest Operating Income	2,730.7	1,932.0	0.99	3,083.0	0.78	5,653.0	1.44	5,465.0	1.65	4,183.0	1.42
17. Personnel Expenses	2,412.7	1,707.0	0.88	2,444.0	0.62	2,490.0	0.64	2,457.0	0.74	2,309.0	0.79
18. Other Operating Expenses	1,831.8	1,296.0	0.67	1,872.0	0.47	1,703.0	0.43	1,607.0	0.48	1,512.0	0.51
19. Total Non-Interest Expenses	4,244.5	3,003.0	1.55	4,316.0	1.09	4,193.0	1.07	4,064.0	1.22	3,821.0	1.30
20. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
21. Pre-Impairment Operating Profit	2,390.1	1,691.0	0.87	1,494.0	0.38	2,650.0	0.68	3,119.0	0.94	1,999.0	0.68
22. Loan Impairment Charge	1,132.1	801.0	0.41	465.0	0.12	146.0	0.04	143.0	0.04	138.0	0.05
23. Securities and Other Credit Impairment Charges	98.9	70.0	0.04	599.0	0.15	-22.0	-0.01	n.a.	-	n.a.	-
24. Operating Profit	1,159.0	820.0	0.42	430.0	0.11	2,526.0	0.64	2,976.0	0.90	1,861.0	0.63
25. Equity-accounted Profit/ Loss - Non-operating	38.2	27.0	0.01	25.0	0.01	26.0	0.01	23.0	0.01	17.0	0.01
26. Non-recurring Income	n.a.	n.a.	-	n.a.	-	366.0	0.09	249.0	0.08	244.0	0.08
27. Non-recurring Expense	n.a.	n.a.	-	86.0	0.02	n.a.	-	n.a.	-	n.a.	-
28. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Other Non-operating Income and Expenses	9.9	7.0	0.00	13.0	0.00	19.0	0.00	14.0	0.00	85.0	0.03
30. Pre-tax Profit	1,207.1	854.0	0.44	382.0	0.10	2,937.0	0.75	3,262.0	0.98	2,217.0	0.75
31. Tax expense	397.2	281.0	0.14	-127.0	-0.03	776.0	0.20	934.0	0.28	607.0	0.21
32. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
33. Net Income	809.9	573.0	0.30	509.0	0.13	2,161.0	0.55	2,328.0	0.70	1,610.0	0.55
34. Change in Value of AFS Investments	607.8	430.0	0.22	-1,597.0	-0.40	-181.0	-0.05	289.0	0.09	403.0	0.14
35. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Currency Translation Differences	-17.0	-12.0	-0.01	6.0	0.00	-37.0	-0.01	n.a.	-	n.a.	-
37. Remaining OCI Gains/(losses)	-29.7	-21.0	-0.01	n.a.	-	n.a.	-	n.a.	-	n.a.	-
38. Fitch Comprehensive Income	1,371.0	970.0	0.50	-1,082.0	-0.27	1,943.0	0.50	2,617.0	0.79	2,013.0	0.69
39. Memo: Profit Allocation to Non-controlling Interests	164.0	116.0	0.06	155.0	0.04	316.0	0.08	311.0	0.09	196.0	0.07
40. Memo: Net Income after Allocation to Non-controlling Interests	645.9	457.0	0.24	354.0	0.09	1,845.0	0.47	2,017.0	0.61	1,414.0	0.48
41. Memo: Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = EUR0.70751

USD1 = EUR0.71855

USD1 = EUR0.67930

USD1 = EUR0.75930

USD1 = EUR0.84767

Credit Mutuel Centre Est Europe

Balance Sheet

	30 Jun 2009			31 Dec 2008		31 Dec 2007		31 Dec 2006		31 Dec 2005	
	6 Months - Interim	6 Months - Interim	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	EURm	Assets	EURm	Assets	EURm	Assets	EURm	Assets	EURm	Assets
	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original
Assets											
A. Loans											
1. Residential Mortgage Loans	147,815.6	104,581.0	24.40	102,451.0	23.25	93,317.0	22.59	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer / Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	170,013.1	120,286.0	28.07	111,920.0	25.40	88,509.0	21.43	152,162.0	42.73	126,682.0	39.77
6. Less: Reserves for Impaired Loans/ NPLs	8,908.7	6,303.0	1.47	4,826.0	1.10	2,796.0	0.68	2,997.0	0.84	3,133.0	0.98
7. Net Loans	308,920.0	218,564.0	51.00	209,545.0	47.56	179,030.0	43.34	149,165.0	41.89	123,549.0	38.79
8. Gross Loans	317,828.7	224,867.0	52.47	214,371.0	48.66	181,826.0	44.02	152,162.0	42.73	126,682.0	39.77
9. Memo: Impaired Loans included above	12,852.1	9,093.0	2.12	6,742.0	1.53	4,267.0	1.03	4,506.0	1.27	4,652.0	1.46
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets											
1. Loans and Advances to Banks	55,105.9	38,988.0	9.10	41,877.0	9.51	41,578.0	10.07	48,360.0	13.58	46,401.0	14.57
2. Trading Securities and at FV through Income	63,419.6	44,870.0	10.47	49,963.0	11.34	93,937.0	22.74	63,255.0	17.76	64,899.0	20.37
3. Derivatives	7,896.7	5,587.0	1.30	12,367.0	2.81	9,219.0	2.23	5,156.0	1.45	6,349.0	1.99
4. Available for Sale Securities	103,062.9	72,918.0	17.02	71,723.0	16.28	59,198.0	14.33	57,191.0	16.06	50,655.0	15.90
5. Held to Maturity Securities	12,833.7	9,080.0	2.12	10,125.0	2.30	7,676.0	1.86	7,457.0	2.09	1,108.0	0.35
6. At-equity Investments in Associates	684.1	484.0	0.11	343.0	0.08	438.0	0.11	176.0	0.05	149.0	0.05
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	187,897.0	132,939.0	31.02	144,521.0	32.80	170,468.0	41.27	133,235.0	37.42	123,160.0	38.66
9. Memo: Government Securities included Above	27,964.3	19,785.0	4.62	19,103.0	4.34	23,511.0	5.69	23,306.0	6.54	24,930.0	7.83
10. Investments in Property	1,573.1	1,113.0	0.26	944.0	0.21	990.0	0.24	1,054.0	0.30	664.0	0.21
11. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Earning Assets	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
13. Total Earning Assets	553,496.1	391,604.0	91.38	396,887.0	90.09	392,066.0	94.91	331,814.0	93.18	293,774.0	92.23
C. Non-Earning Assets											
1. Cash and Due From Banks	14,426.7	10,207.0	2.38	16,467.0	3.74	6,647.0	1.61	4,982.0	1.40	5,408.0	1.70
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	3,631.0	2,569.0	0.60	2,508.0	0.57	2,228.0	0.54	2,102.0	0.59	1,962.0	0.62
5. Goodwill	5,844.4	4,135.0	0.96	3,557.0	0.81	655.0	0.16	637.0	0.18	589.0	0.18
6. Other Intangibles	872.1	617.0	0.14	547.0	0.12	247.0	0.06	160.0	0.04	148.0	0.05
7. Current Tax Assets	1,194.3	845.0	0.20	1,095.0	0.25	759.0	0.18	706.0	0.20	409.0	0.13
8. Deferred Tax Assets	2,176.6	1,540.0	0.36	1,627.0	0.37	535.0	0.13	453.0	0.13	460.0	0.14
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	24,053.4	17,018.0	3.97	17,871.0	4.06	9,936.0	2.41	15,245.0	4.28	15,790.0	4.96
11. Total Assets	605,694.6	428,535.0	100.00	440,559.0	100.00	413,073.0	100.00	356,099.0	100.00	318,540.0	100.00
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Customer Deposits - Current	65,842.2	46,584.0	10.87	44,416.0	10.08	37,786.0	9.15	33,153.0	9.31	31,946.0	10.03
2. Customer Deposits - Savings	79,552.2	56,284.0	13.13	49,867.0	11.32	45,224.0	10.95	44,020.0	12.36	41,676.0	13.08
3. Customer Deposits - Term	88,754.9	62,795.0	14.65	66,231.0	15.03	52,454.0	12.70	30,869.0	8.67	28,179.0	8.85
4. Total Customer Deposits	234,149.3	165,663.0	38.66	160,514.0	36.43	135,464.0	32.79	108,042.0	30.34	101,801.0	31.96
5. Deposits from Banks	60,965.9	43,134.0	10.07	60,148.0	13.65	42,566.0	10.30	67,624.0	18.99	58,549.0	18.38
6. Other Deposits and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Deposits, Money Market and Short-term Funding	295,115.3	208,797.0	48.72	220,662.0	50.09	178,030.0	43.10	175,666.0	49.33	160,350.0	50.34
8. Senior Debt Maturing after 1 Year	103,062.9	72,918.0	17.02	68,425.0	15.53	71,575.0	17.33	60,494.0	16.99	39,112.0	12.28
9. Subordinated Borrowing	6,780.1	4,797.0	1.12	4,661.0	1.06	3,898.0	0.94	4,287.0	1.20	3,642.0	1.14
10. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Total Long Term Funding	109,843.0	77,715.0	18.14	73,086.0	16.59	75,473.0	18.27	64,781.0	18.19	42,754.0	13.42
12. Derivatives	14,665.5	10,376.0	2.42	15,421.0	3.50	9,236.0	2.24	5,638.0	1.58	6,773.0	2.13
13. Trading Liabilities	54,142.0	38,306.0	8.94	40,096.0	9.10	60,403.0	14.62	22,393.0	6.29	27,626.0	8.67
14. Total Funding	473,765.7	335,194.0	78.22	349,265.0	79.28	323,142.0	78.23	268,478.0	75.39	237,503.0	74.56
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	1,518.0	1,074.0	0.25	918.0	0.21	725.0	0.18	757.0	0.21	807.0	0.25
4. Current Tax Liabilities	402.8	285.0	0.07	280.0	0.06	257.0	0.06	413.0	0.12	444.0	0.14
5. Deferred Tax Liabilities	1,174.5	831.0	0.19	892.0	0.20	643.0	0.16	687.0	0.19	629.0	0.20
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	81,430.7	57,613.0	13.44	55,924.0	12.69	55,912.0	13.54	52,727.0	14.81	48,277.0	15.16
9. Other Liabilities	15,399.1	10,895.0	2.54	13,135.0	2.98	12,103.0	2.93	14,676.0	4.12	15,343.0	4.82
10. Total Liabilities	573,690.8	405,892.0	94.72	420,414.0	95.43	392,782.0	95.09	337,738.0	94.84	303,003.0	95.12
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	3,725.7	2,636.0	0.62	2,636.0	0.60	1,600.0	0.39	1,600.0	0.45	1,600.0	0.50
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity											
1. Common Equity	25,151.6	17,795.0	4.15	16,377.0	3.72	15,998.0	3.87	14,130.0	3.97	12,019.0	3.77
2. Non-controlling Interest	4,149.8	2,936.0	0.69	2,218.0	0.50	2,182.0	0.53	1,939.0	0.54	1,515.0	0.48
3. Securities Revaluation Reserves	-996.5	-705.0	-0.16	-1,075.0	-0.24	513.0	0.12	692.0	0.19	403.0	0.13
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	-26.9	-19.0	0.00	-11.0	0.00	-2.0	0.00	0.0	0.00	0.0	0.00
6. Total Equity	28,278.0	20,007.0	4.67	17,509.0	3.97	18,691.0	4.52	16,761.0	4.71	13,937.0	4.38
7. Total Liabilities and Equity	605,694.6	428,535.0	100.00	440,559.0	100.00	413,073.0	100.00	356,099.0	100.00	318,540.0	100.00
8. Memo: Fitch Core Capital	14,242.9	10,077.0	2.35	8,855.0	2.01	18,036.0	4.37	16,124.0	4.53	13,348.0	4.19
9. Memo: Fitch Eligible Capital	17,968.7	12,713.0	2.97	11,491.0	2.61	19,636.0	4.75	17,724.0	4.98	14,948.0	4.69

Exchange rate

USD1 = EURO.70751

USD1 = EURO.71855

USD1 = EURO.67930

USD1 = EURO.75930

USD1 = EURO.84767

Credit Mutuel Centre Est Europe

Summary Analytics

	30 Jun 2009	31 Dec 2008	31 Dec 2007	31 Dec 2006	31 Dec 2005
	6 Months - Interim	Year End	Year End	Year End	Year End
	%	%	%	%	%
	Original	Original	Original	Original	Original
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	5.62	5.68	5.74	5.62	4.17
2. Interest Expense on Customer Deposits/ Average Customer Deposits	1.82	2.15	2.07	1.88	1.78
3. Interest Income/ Average Earning Assets	4.62	4.94	4.23	4.05	4.48
4. Interest Expense/ Average Interest-bearing Liabilities	3.66	4.96	4.75	4.30	4.79
5. Net Interest Income/ Average Earning Assets	1.41	0.69	0.33	0.55	0.59
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.00	0.57	0.29	0.50	0.54
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	41.16	53.06	82.61	76.08	71.87
2. Non-Interest Expense/ Gross Revenues	63.98	74.29	61.27	56.58	65.65
3. Non-Interest Expense/ Average Assets	1.39	1.01	1.09	1.20	1.28
4. Pre-impairment Op. Profit/ Average Equity	18.18	8.25	14.95	20.32	15.51
5. Pre-impairment Op. Profit/ Average Total Assets	0.78	0.35	0.69	0.92	0.67
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	51.51	71.22	4.68	4.58	6.90
7. Operating Profit/ Average Equity	8.82	2.38	14.25	19.39	14.44
8. Operating Profit/ Average Total Assets	0.38	0.10	0.66	0.88	0.62
9. Taxes/ Pre-tax Profit	32.90	-33.25	26.42	28.63	27.38
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	6.16	2.81	12.19	15.17	12.49
2. Net Income/ Average Total Assets	0.27	0.12	0.56	0.69	0.54
3. Fitch Comprehensive Income/ Average Total Equity	10.43	-5.98	10.96	17.05	15.62
4. Fitch Comprehensive Income/ Average Total Assets	0.45	-0.25	0.51	0.78	0.67
5. Net Income/ Av. Total Assets plus Av. Managed Assets	n.a.	n.a.	n.a.	n.a.	n.a.
D. Capitalization					
1. Fitch Eligible Capital/ Regulatory Weighted Risks	7.31	6.02	10.87	11.73	13.11
2. Tangible Common Equity/ Tangible Assets	3.60	3.07	4.32	4.49	4.15
3. Tangible Common Equity/ Total Business Volume	3.10	2.69	3.79	4.48	4.14
4. Tier 1 Regulatory Capital Ratio	10.44	8.78	8.52	9.19	9.17
5. Total Regulatory Capital Ratio	10.40	8.98	10.51	11.80	11.66
6. Fitch Eligible Capital/ Tier 1 Regulatory Capital	70.04	68.54	126.07	n.a.	n.a.
7. Equity/ Total Assets	4.67	3.97	4.52	4.71	4.38
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.	n.a.	n.a.
10. Net Income - Cash Dividends/ Total Equity	n.a.	n.a.	n.a.	n.a.	n.a.
E. Loan Quality					
1. Growth of Total Assets	-2.73	6.65	16.00	11.79	13.80
2. Growth of Gross Loans	4.90	17.90	19.50	20.11	14.64
3. Impaired Loans(NPLs)/ Gross Loans	4.04	3.15	2.35	2.96	3.67
4. Reserves for Impaired Loans/ Gross loans	2.80	2.25	1.54	1.97	2.47
5. Reserves for Impaired Loans/ Impaired Loans	69.32	71.58	65.53	66.51	67.35
6. Impaired Loans less Reserves for Imp Loans/ Equity	13.95	10.94	7.87	9.00	10.90
7. Loan Impairment Charges/ Average Gross Loans	0.74	0.23	0.09	0.10	0.12
8. Net Charge-offs/ Average Gross Loans	0.33	0.13	n.a.	n.a.	n.a.
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	n.a.	n.a.	n.a.	n.a.	n.a.
F. Funding					
1. Loans/ Customer Deposits	135.74	133.55	134.22	140.84	124.44
2. Interbank Assets/ Interbank Liabilities	90.39	69.62	97.68	71.51	79.25

Credit Mutuel Centre Est Europe

Reference Data

	30 Jun 2009			31 Dec 2008			31 Dec 2007			31 Dec 2006		31 Dec 2005	
	6 Months -	6 Months -	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	Interim	Interim											
	USDm	EURm	EURm	EURm	EURm	EURm	EURm	EURm	EURm	EURm	EURm	EURm	EURm
Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	
A. Off-Balance Sheet Items													
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	25,454.1	18,009.0	4.20	17,755.0	4.03	15,596.0	3.78	n.a.	-	n.a.	-	n.a.	-
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	63,105.8	44,648.0	10.42	38,314.0	8.70	39,055.0	9.45	n.a.	-	n.a.	-	n.a.	-
6. Other Contingent Liabilities	2,388.7	1,690.0	0.39	1,512.0	0.34	1,809.0	0.44	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	696,643.2	492,882.0	115.02	498,140.0	113.07	469,533.0	113.67	356,099.0	100.00	318,540.0	100.00		
8. Memo: Total Weighted Risks	245,797.2	173,904.0	40.58	190,900.0	43.33	180,669.0	43.74	151,064.0	42.42	114,035.6	35.80		
B. Average Balance Sheet													
Average Loans	310,411.2	219,619.0	51.25	198,098.5	44.97	166,994.0	40.43	139,422.0	39.15	118,594.5	37.23		
Average Earning Assets	557,229.6	394,245.5	92.00	394,476.5	89.54	361,940.0	87.62	312,794.0	87.84	276,260.5	86.73		
Average Assets	614,192.0	434,547.0	101.40	426,816.0	96.88	384,586.0	93.10	337,319.5	94.73	299,231.0	93.94		
Average Managed Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	483,709.8	342,229.5	79.86	336,203.5	76.31	295,810.0	71.61	252,990.5	71.04	223,064.0	70.03		
Average Common equity	24,149.5	17,086.0	3.99	16,187.5	3.67	15,064.0	3.65	13,074.5	3.67	11,136.5	3.50		
Average Equity	26,512.7	18,758.0	4.38	18,100.0	4.11	17,726.0	4.29	15,349.0	4.31	12,885.5	4.05		
Average Customer Deposits	230,510.5	163,088.5	38.06	147,989.0	33.59	121,753.0	29.47	104,921.5	29.46	93,357.0	29.31		
C. Maturities													
Asset Maturities:													
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:													
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior debt Maturing < 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior debt Maturing > 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	103,062.9	72,918.0	17.02	68,425.0	15.53	147,561.0	35.72	79,528.0	22.33	62,938.0	19.76		
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt maturing < 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt maturing > 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	6,780.1	4,797.0	1.12	4,661.0	1.06	3,898.0	0.94	4,287.0	1.20	3,642.0	1.14		
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Net Income Reconciliation													
1. Net Income	809.9	573.0	0.13	509.0	0.12	2,161.0	0.52	2,328.0	0.65	1,610.0	0.51		
2. Add: Preferred Stock Dividend	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Net Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
E. Equity Reconciliation													
1. Equity	28,278.0	20,007.0	4.67	17,509.0	3.97	18,691.0	4.52	16,761.0	4.71	13,937.0	4.38		
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange Rate

USD1 = EUR0.70751

USD1 = EUR0.71855

USD1 = EUR0.67930

USD1 = EUR0.75930

USD1 = EUR0.84767

Banque Federative du Credit Mutuel (BFCM)

Income Statement

	30 Jun 2009			31 Dec 2008		31 Dec 2007		31 Dec 2006		31 Dec 2005	
	6 Months -	6 Months -	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	Interim	Interim									
	USDm	EURm	Earning	Earning	Earning	Earning	Earning	Earning	Earning	Earning	Earning
	Original	Original	Assets	Original	Assets	Original	Assets	Original	Assets	Original	Assets
1. Interest Income on Loans	6,607.7	4,675.0	2.47	8,562.0	2.21	7,251.0	1.92	5,847.0	1.84	5,052.0	1.82
2. Other Interest Income	5,834.5	4,128.0	2.18	10,418.0	2.69	7,512.0	1.99	6,066.0	1.91	6,531.0	2.35
3. Dividend Income	90.5	64.0	0.03	131.0	0.03	67.0	0.02	67.0	0.02	40.0	0.01
4. Gross Interest and Dividend Income	12,532.7	8,867.0	4.68	19,111.0	4.94	14,830.0	3.93	11,980.0	3.76	11,623.0	4.18
5. Interest Expense on Customer Deposits	1,327.2	939.0	0.50	2,050.0	0.53	1,596.0	0.42	1,161.0	0.36	913.0	0.33
6. Preferred Dividends Paid & Declared	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Interest Expense	8,093.2	5,726.0	3.02	15,371.0	3.97	13,070.0	3.46	10,090.0	3.17	10,028.0	3.61
8. Total Interest Expense	9,420.4	6,665.0	3.52	17,421.0	4.50	14,666.0	3.88	11,251.0	3.54	10,941.0	3.94
9. Net Interest Income	3,112.3	2,202.0	1.16	1,690.0	0.44	164.0	0.04	729.0	0.23	682.0	0.25
10. Net Gains (Losses) on Trading and Derivatives	538.5	381.0	0.20	772.0	0.20	2,622.0	0.69	1,943.0	0.61	968.0	0.35
11. Net Gains (Losses) on Other Securities	-106.0	-75.0	-0.04	-385.0	-0.10	125.0	0.03	158.0	0.05	220.0	0.08
12. Net Gains (Losses) on Assets at FV through Income Statement	-289.7	-205.0	-0.11	-401.0	-0.10	-46.0	-0.01	448.0	0.14	428.0	0.15
13. Net Insurance Income	563.9	399.0	0.21	754.0	0.19	1,008.0	0.27	972.0	0.31	825.0	0.30
14. Net Fees and Commissions	1,430.4	1,012.0	0.53	1,490.0	0.38	1,475.0	0.39	1,315.0	0.41	1,214.0	0.44
15. Other Operating Income	-86.2	-61.0	-0.03	-18.0	0.00	41.0	0.01	95.0	0.03	57.0	0.02
16. Total Non-Interest Operating Income	2,050.9	1,451.0	0.77	2,212.0	0.57	5,225.0	1.38	4,931.0	1.55	3,712.0	1.34
17. Personnel Expenses	1,684.8	1,192.0	0.63	1,747.0	0.45	1,746.0	0.46	1,721.0	0.54	1,663.0	0.60
18. Other Operating Expenses	1,447.3	1,024.0	0.54	1,409.0	0.36	1,338.0	0.35	1,281.0	0.40	1,220.0	0.44
19. Total Non-Interest Expenses	3,132.1	2,216.0	1.17	3,156.0	0.82	3,084.0	0.82	3,002.0	0.94	2,883.0	1.04
20. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
21. Pre-Impairment Operating Profit	2,031.1	1,437.0	0.76	746.0	0.19	2,305.0	0.61	2,658.0	0.84	1,511.0	0.54
22. Loan Impairment Charge	1,122.2	794.0	0.42	416.0	0.11	148.0	0.04	81.0	0.03	104.0	0.04
23. Securities and Other Credit Impairment Charges	41.0	29.0	0.02	600.0	0.15	-20.0	-0.01	9.0	0.00	n.a.	-
24. Operating Profit	867.8	614.0	0.32	-270.0	-0.07	2,177.0	0.58	2,568.0	0.81	1,407.0	0.51
25. Equity-accounted Profit/ Loss - Non-operating	55.1	39.0	0.02	96.0	0.02	64.0	0.02	30.0	0.01	23.0	0.01
26. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Other Non-operating Income and Expenses	5.7	4.0	0.00	8.0	0.00	13.0	0.00	10.0	0.00	10.0	0.00
30. Pre-tax Profit	928.6	657.0	0.35	-166.0	-0.04	2,254.0	0.60	2,608.0	0.82	1,440.0	0.52
31. Tax expense	296.8	210.0	0.11	-304.0	-0.08	550.0	0.15	724.0	0.23	347.0	0.12
32. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
33. Net Income	631.8	447.0	0.24	138.0	0.04	1,704.0	0.45	1,883.0	0.59	1,093.0	0.39
34. Change in Value of AFS Investments	n.a.	n.a.	-	-1,636.0	-0.42	-181.0	-0.05	318.0	0.10	368.0	0.13
35. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Remaining OCI Gains/(losses)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
38. Fitch Comprehensive Income	631.8	447.0	0.24	-1,498.0	-0.39	1,523.0	0.40	2,201.0	0.69	1,461.0	0.53
39. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	109.0	0.03	239.0	0.06	240.0	0.08	148.0	0.05
40. Memo: Net Income after Allocation to Non-controlling Interests	631.8	447.0	0.24	29.0	0.01	1,465.0	0.39	1,643.0	0.52	945.0	0.34
41. Memo: Dividends Relating to the Period	n.a.	n.a.	-	242.0	0.06	183.0	0.05	n.a.	-	n.a.	-
Exchange rate	USD1 = EUR0.70751			USD1 = EUR0.71855		USD1 = EUR0.67930		USD1 = EUR0.75930		USD1 = EUR0.84767	

Banque Federative du Credit Mutuel (BFCM)

Balance Sheet

	30 Jun 2009			31 Dec 2008		31 Dec 2007		31 Dec 2006		31 Dec 2005	
	6 Months - Interim	6 Months - Interim	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	EURm	Assets	EURm	Assets	EURm	Assets	EURm	Assets	EURm	Assets
	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original
Assets											
A. Loans											
1. Residential Mortgage Loans	77,680.9	54,960.0	13.21	55,006.0	12.94	49,682.0	12.55	40,019.0	11.80	31,546.0	10.56
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer / Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	147,658.7	104,470.0	25.12	96,914.0	22.79	74,172.0	18.73	62,284.0	18.37	54,184.0	18.13
6. Less: Reserves for Impaired Loans/ NPLs	7,997.1	5,658.0	1.36	4,231.0	1.00	2,194.0	0.55	2,340.0	0.69	2,480.0	0.83
7. Net Loans	217,342.5	153,772.0	36.97	147,689.0	34.73	121,660.0	30.73	99,963.0	29.49	83,250.0	27.86
8. Gross Loans	225,339.6	159,430.0	38.33	151,920.0	35.73	123,854.0	31.28	102,303.0	30.18	85,730.0	28.69
9. Memo: Impaired Loans included above	11,232.4	7,947.0	1.91	5,747.0	1.35	3,313.0	0.84	3,494.0	1.03	3,636.0	1.22
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets											
1. Loans and Advances to Banks	148,594.4	105,132.0	25.27	104,743.0	24.63	96,977.0	24.49	95,205.0	28.08	80,123.0	26.81
2. Trading Securities and at FV through Income	61,395.6	43,438.0	10.44	48,337.0	11.37	91,300.0	23.06	61,711.0	18.20	63,031.0	21.09
3. Derivatives	7,886.8	5,580.0	1.34	12,361.0	2.91	9,215.0	2.33	5,140.0	1.52	6,347.0	2.12
4. Available for Sale Securities	91,778.2	64,934.0	15.61	64,466.0	15.16	51,063.0	12.90	48,949.0	14.44	43,150.0	14.44
5. Held to Maturity Securities	10,838.0	7,668.0	1.84	8,228.0	1.93	6,085.0	1.54	6,006.0	1.77	1,107.0	0.37
6. At-equity Investments in Associates	814.1	576.0	0.14	440.0	0.10	447.0	0.11	250.0	0.07	171.0	0.06
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	172,712.8	122,196.0	29.38	133,832.0	31.47	158,110.0	39.94	122,056.0	36.00	113,806.0	38.08
9. Memo: Government Securities included Above	27,964.3	19,785.0	4.76	19,093.0	4.49	23,501.0	5.94	23,295.0	6.87	24,930.0	8.34
10. Investments in Property	1,485.5	1,051.0	0.25	880.0	0.21	928.0	0.23	987.0	0.29	596.0	0.20
11. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Earning Assets	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
13. Total Earning Assets	540,135.1	382,151.0	91.87	387,144.0	91.04	377,675.0	95.39	318,211.0	93.86	277,775.0	92.94
C. Non-Earning Assets											
1. Cash and Due From Banks	13,410.4	9,488.0	2.28	13,487.0	3.17	6,083.0	1.54	4,021.0	1.19	3,919.0	1.31
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	2,517.3	1,781.0	0.43	1,748.0	0.41	1,520.0	0.38	1,441.0	0.43	1,377.0	0.46
5. Goodwill	5,710.2	4,040.0	0.97	3,462.0	0.81	664.0	0.17	646.0	0.19	598.0	0.20
6. Other Intangibles	768.9	544.0	0.13	482.0	0.11	202.0	0.05	120.0	0.04	109.0	0.04
7. Current Tax Assets	664.3	470.0	0.11	709.0	0.17	454.0	0.11	371.0	0.11	195.0	0.07
8. Deferred Tax Assets	1,918.0	1,357.0	0.33	1,457.0	0.34	383.0	0.10	285.0	0.08	304.0	0.10
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	22,788.4	16,123.0	3.88	16,734.0	3.94	8,929.0	2.26	13,930.0	4.11	14,586.0	4.88
11. Total Assets	587,912.5	415,954.0	100.00	425,223.0	100.00	395,910.0	100.00	339,025.0	100.00	298,863.0	100.00
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Customer Deposits - Current	54,642.3	38,660.0	9.29	36,843.0	8.66	30,058.0	7.59	26,090.0	7.70	25,464.0	8.52
2. Customer Deposits - Savings	41,176.8	29,133.0	7.00	23,818.0	5.60	21,217.0	5.36	21,267.0	6.27	20,506.0	6.86
3. Customer Deposits - Term	77,478.8	54,817.0	13.18	60,090.0	14.13	47,006.0	11.87	25,364.0	7.48	23,248.0	7.78
4. Total Customer Deposits	173,297.9	122,610.0	29.48	120,751.0	28.40	98,281.0	24.82	72,721.0	21.45	69,218.0	23.16
5. Deposits from Banks	133,278.7	94,296.0	22.67	103,539.0	24.35	82,159.0	20.75	103,772.0	30.61	89,185.0	29.84
6. Other Deposits and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Deposits, Money Market and Short-term Funding	306,576.6	216,906.0	52.15	224,290.0	52.75	180,440.0	45.58	176,493.0	52.06	158,403.0	53.00
8. Senior Debt Maturing after 1 Year	102,781.6	72,719.0	17.48	68,194.0	16.04	71,469.0	18.05	60,388.0	17.81	39,078.0	13.08
9. Subordinated Borrowing	8,856.4	6,266.0	1.51	6,008.0	1.41	5,148.0	1.30	5,537.0	1.63	4,142.0	1.39
10. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Total Long Term Funding	111,638.0	78,985.0	18.99	74,202.0	17.45	76,617.0	19.35	65,925.0	19.45	43,220.0	14.46
12. Derivatives	14,613.2	10,339.0	2.49	15,391.0	3.62	9,234.0	2.33	5,617.0	1.66	6,750.0	2.26
13. Trading Liabilities	53,520.1	37,866.0	9.10	39,599.0	9.31	59,186.0	14.95	22,393.0	6.61	27,622.0	9.24
14. Total Funding	486,347.9	344,096.0	82.72	353,482.0	83.13	325,477.0	82.21	270,428.0	79.77	235,995.0	78.96
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	1,376.7	974.0	0.23	815.0	0.19	620.0	0.16	648.0	0.19	658.0	0.22
4. Current Tax Liabilities	234.6	166.0	0.04	182.0	0.04	151.0	0.04	177.0	0.05	224.0	0.07
5. Deferred Tax Liabilities	1,017.7	720.0	0.17	772.0	0.18	527.0	0.13	561.0	0.17	494.0	0.17
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	67,104.4	47,477.0	11.41	45,834.0	10.78	45,355.0	11.46	42,187.0	12.44	37,819.0	12.65
9. Other Liabilities	12,508.7	8,850.0	2.13	11,802.0	2.78	10,903.0	2.75	13,482.0	3.98	14,291.0	4.78
10. Total Liabilities	568,589.8	402,283.0	96.71	412,887.0	97.10	383,033.0	96.75	327,483.0	96.60	289,481.0	96.86
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	3,725.7	2,636.0	0.63	2,783.0	0.65	1,600.0	0.40	1,600.0	0.47	1,600.0	0.54
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity											
1. Common Equity	12,932.7	9,150.0	2.20	8,807.0	2.07	8,987.0	2.27	7,672.0	2.26	6,184.0	2.07
2. Non-controlling Interest	3,836.0	2,714.0	0.65	1,922.0	0.45	1,785.0	0.45	1,584.0	0.47	1,230.0	0.41
3. Securities Revaluation Reserves	-1,069.9	-757.0	-0.18	-1,120.0	-0.26	507.0	0.13	686.0	0.20	368.0	0.12
4. Foreign Exchange Revaluation Reserves	-73.5	-52.0	-0.01	-45.0	-0.01	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	-28.3	-20.0	0.00	-11.0	0.00	-2.0	0.00	0.0	0.00	0.0	0.00
6. Total Equity	15,597.0	11,035.0	2.65	9,553.0	2.25	11,277.0	2.85	9,942.0	2.93	7,782.0	2.60
7. Total Liabilities and Equity	587,912.5	415,954.0	100.00	425,223.0	100.00	395,910.0	100.00	339,025.0	100.00	298,863.0	100.00
8. Memo: Fitch Core Capital	1,696.1	1,200.0	0.29	994.0	0.23	10,613.0	2.68	9,296.0	2.74	7,184.0	2.40
9. Memo: Fitch Eligible Capital	1,696.1	1,200.0	0.29	994.0	0.23	12,413.0	3.14	11,096.0	3.27	8,984.0	3.01

Exchange rate

USD1 = EURO.70751

USD1 = EURO.71855

USD1 = EURO.67930

USD1 = EURO.75930

USD1 = EURO.84767

Banque Federative du Credit Mutuel (BFCM)

Summary Analytics

	30 Jun 2009	31 Dec 2008	31 Dec 2007	31 Dec 2006	31 Dec 2005
	6 Months - Interim	Year End	Year End	Year End	Year End
	%	%	%	%	%
	Original	Original	Original	Original	Original
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	6.06	6.27	6.35	6.24	n.a.
2. Interest Expense on Customer Deposits/ Average Customer Deposits	1.56	2.10	2.03	1.74	n.a.
3. Interest Income/ Average Earning Assets	4.65	4.98	4.26	4.03	n.a.
4. Interest Expense/ Average Interest-bearing Liabilities	3.82	5.11	4.88	4.43	n.a.
5. Net Interest Income/ Average Earning Assets	1.15	0.44	0.05	0.25	n.a.
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	0.74	0.33	0.00	0.22	n.a.
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	39.72	56.69	96.96	87.12	84.48
2. Non-Interest Expense/ Gross Revenues	60.66	80.88	57.23	53.04	65.61
3. Non-Interest Expense/ Average Assets	1.06	0.77	0.83	0.94	n.a.
4. Pre-impairment Op. Profit/ Average Equity	28.15	7.10	21.55	30.33	n.a.
5. Pre-impairment Op. Profit/ Average Total Assets	0.69	0.18	0.62	0.84	n.a.
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	57.27	136.19	5.55	3.39	6.88
7. Operating Profit/ Average Equity	12.03	-2.57	20.35	29.30	n.a.
8. Operating Profit/ Average Total Assets	0.29	-0.07	0.58	0.81	n.a.
9. Taxes/ Pre-tax Profit	31.96	183.13	24.40	27.76	24.10
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	8.76	1.31	15.93	21.49	n.a.
2. Net Income/ Average Total Assets	0.21	0.03	0.46	0.59	n.a.
3. Fitch Comprehensive Income/ Average Total Equity	8.76	-14.25	14.24	25.11	n.a.
4. Fitch Comprehensive Income/ Average Total Assets	0.21	-0.37	0.41	0.69	n.a.
5. Net Income/ Av. Total Assets plus Av. Managed Assets	n.a.	n.a.	n.a.	n.a.	n.a.
D. Capitalization					
1. Fitch Eligible Capital/ Regulatory Weighted Risks	n.a.	n.a.	n.a.	n.a.	n.a.
2. Tangible Common Equity/ Tangible Assets	1.57	1.33	2.64	2.71	2.37
3. Tangible Common Equity/ Total Business Volume	1.55	1.32	2.63	2.71	2.37
4. Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
5. Total Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
6. Fitch Eligible Capital/ Tier 1 Regulatory Capital	n.a.	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	2.65	2.25	2.85	2.93	2.60
8. Cash Dividends Paid & Declared/ Net Income	n.a.	175.36	10.74	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	-16.15	12.02	n.a.	n.a.
10. Net Income - Cash Dividends/ Total Equity	n.a.	-1.09	13.49	n.a.	n.a.
E. Loan Quality					
1. Growth of Total Assets	-2.18	7.40	16.78	13.44	n.a.
2. Growth of Gross Loans	4.94	22.66	21.07	19.33	n.a.
3. Impaired Loans(NPLs)/ Gross Loans	4.98	3.78	2.67	3.42	4.24
4. Reserves for Impaired Loans/ Gross loans	3.55	2.79	1.77	2.29	2.89
5. Reserves for Impaired Loans/ Impaired Loans	71.20	73.62	66.22	66.97	68.21
6. Impaired Loans less Reserves for Imp Loans/ Equity	20.74	15.87	9.92	11.61	14.85
7. Loan Impairment Charges/ Average Gross Loans	1.03	0.30	0.13	0.09	n.a.
8. Net Charge-offs/ Average Gross Loans	n.a.	0.15	n.a.	n.a.	n.a.
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	n.a.	n.a.	n.a.	n.a.	n.a.
F. Funding					
1. Loans/ Customer Deposits	130.03	125.81	126.02	140.68	123.86
2. Interbank Assets/ Interbank Liabilities	111.49	101.16	118.04	91.74	89.84

Banque Federative du Credit Mutuel (BFCM)

Reference Data

	30 Jun 2009			31 Dec 2008		31 Dec 2007		31 Dec 2006		31 Dec 2005	
	6 Months - Interim	6 Months - Interim	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	EURm	Assets	EURm	Assets	EURm	Assets	EURm	Assets	EURm	Assets
	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original
A. Off-Balance Sheet Items											
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	587,912.5	415,954.0	100.00	425,223.0	100.00	395,910.0	100.00	339,025.0	100.00	298,863.0	100.00
8. Memo: Total Weighted Risks	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet											
Average Loans	220,032.2	155,675.0	37.43	136,498.7	32.10	114,169.0	28.84	93,694.7	27.64	n.a.	-
Average Earning Assets	543,663.7	384,647.5	92.47	383,667.0	90.23	347,885.0	87.87	297,286.7	87.69	n.a.	-
Average Assets	594,463.0	420,588.5	101.11	409,399.3	96.28	372,318.3	94.04	318,149.7	93.84	n.a.	-
Average Managed Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	492,981.0	348,789.0	83.85	338,816.7	79.68	299,193.3	75.57	252,611.3	74.51	n.a.	-
Average Common equity	12,690.3	8,978.5	2.16	8,968.0	2.11	8,350.0	2.11	6,869.0	2.03	n.a.	-
Average Equity	14,549.6	10,294.0	2.47	10,510.3	2.47	10,698.3	2.70	8,763.7	2.58	n.a.	-
Average Customer Deposits	171,984.1	121,680.5	29.25	97,660.7	22.97	78,769.7	19.90	66,547.3	19.63	n.a.	-
C. Maturities											
Asset Maturities:											
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:											
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior debt Maturing < 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior debt Maturing > 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	102,781.6	72,719.0	17.48	68,194.0	16.04	146,330.0	36.96	79,430.0	23.43	62,914.0	21.05
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt maturing < 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt maturing > 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	8,856.4	6,266.0	1.51	6,008.0	1.41	5,148.0	1.30	5,537.0	1.63	4,142.0	1.39
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Net Income Reconciliation											
1. Net Income	631.8	447.0	0.11	138.0	0.03	1,704.0	0.43	1,883.0	0.56	1,093.0	0.37
2. Add: Preferred Stock Dividend	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Net Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
E. Equity Reconciliation											
1. Equity	15,597.0	11,035.0	2.65	9,553.0	2.25	11,277.0	2.85	9,942.0	2.93	7,782.0	2.60
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange Rate USD1 = EURO.70751 USD1 = EURO.71855 USD1 = EURO.67930 USD1 = EURO.75930 USD1 = EURO.84767

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