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PRESS RELEASE

BFCM Group

The mutual banking group moves ahead with its expansion and reaffirms its financial solidity

The group continued its commercial development in 2011 with the firm objective of financing the economy and being of service to its customers. The results, though impacted by impairment losses on Greek sovereign debt, nonetheless reflect this strategy.

Results for the year ended 31 December, 2011

Net income: €1,050m

<u>Financial results</u>	2011	2010
- Net banking income	€7,753m	€8,481m
- Gross operating income	€2,818m	€3,570m
- Net additions to/reversals from provisions for loan losses	-€1,336m	-€1,214m
- Net income	€1,050m	€1,751m

Financial solvency

Tier 1 ratio of CM10-CIC Group Shareholders' equity and deeply subordinated debt	11.0%	10.8%
	€16.0bn	€ 16.1bn

Commercial activity

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

- loan outstandings** up 3.5% (investment loans up 11.4%)
- customer deposits outstanding up 11.5%
- 2.5 million new insurance policies

In 2011, BFCM Group extended its activity and scope of operations in neighbouring countries, in particular with the creation of the TargoBank network with Banco Popular in Spain.

It strengthened its ties with the food retail sector. Drawing on its technological capacities, it formed a partnership with Casino group to sell financial products. Banque Casino is an equally-owned joint venture between the two banners.

The whole group, whose core business is retail banking, continued to improve the quality of its network, which now numbers 2,630 banks, including 37 new openings.

Financial statements were impacted by impairment losses on Greek sovereign debt. In this context, net income reached €1,050 million.

Operating results

The commitment of all staff members, who are attentive to the needs of their customers and enjoy their renewed confidence, enabled the bank to serve its clientele, on a best basis, of private individuals, associations, professionals and businesses. The group is now the bank to one out of every three businesses.

This was reflected in:

- a €5.8 billion rise in customer loans outstanding (up 3.5%) to €165.4 billion, boosted by investment loans (up 11.4%), with housing loans growing by 3.3%;
- a €12.4 billion increase in deposits (up 11.5%) to €119.7 billion;
- 2.5 million new insurance policies (up 11.7%), including 1.6 million from Cofidis, raising the total portfolio to 23.5 million policies.

Customer loans outstanding in retail banking increased by €5.1 billion, raising total outstandings by 3.5% to €141.5 billion.

Deposits grew by 15.5% to more than €96.4 billion.

With €22.4 billion of gross loans outstanding, the results of new subsidiaries (TargoBank Germany, TargoBank Spain, Cofidis and Banque Casino) held steady, despite new regulatory constraints and the tough economic climate.

Loans outstanding in the corporate banking activity totalled €15.5 billion, and in the private banking activity €7.1 billion.

Drawing on its expertise, particularly in technology, the group has strengthened its position in the fields of e-money, payments process and mobile telephony. This is opening up plenty of new opportunities to satisfy consumers' requirements and generate additional revenues.

Financial results

BFCM recorded a net tax charge of €329 million on its portfolio of Greek sovereign bonds. Based on the maturities and respective characteristics of these bonds, Greek debt was subject to a fair value impairment of 70% in the bank sector (net outstandings of €193 million) and of 78% in the insurance sector (net outstandings of €72 million).

Total net banking income was €7,753 million for the year ended 31 December, 2011, compared with €8,481 million in 2010.

Net additions to provisions for loan losses totalled €1,336 million at 31 December, 2011. Restated for the impact of Greek bond impairments, they totalled €885 million.

Net additions to provisions for loan losses, as a proportion of total loan outstandings, improved to 0.52% (compared with 0.72% at year-end 2010) and the impaired debt coverage ratio was 69.86%.

Net income came to €1,050 million, compared with €1,751 million in 2010.

BFCM is a subsidiary of CM10-CIC group. The latter's European Tier 1 capital adequacy ratio was 11% (provisional figure) and tier one regulatory capital was €21.5 billion at 31 December, 2011.

The group is rated A+ by Standard & Poor's, Aa3 by Moody's and A+ by Fitch.

Retail banking

At 31 December, 2011, net banking income amounted to €6,214 million, compared with €6,293 million in 2010.

Net additions to provisions for loan losses totalled €781 million (down 29.1%) and income before tax was €1,785 million, compared with €1,551 million.

Insurance

Insurance revenue fell by 11.7% compared with 2010 to €7.8 billion: life insurance revenues dropped by 24.0%, while P&C insurance revenues climbed by 14.3%.

Net insurance income was €875 million for the year ended 31 December, 2011 compared with €1,114 million in 2010, after paying €1,006 million by way of remuneration to the distribution networks. Income before tax was €587 million, compared with €764 million in 2010.

Corporate banking

Net banking income rose from €456 million in 2010 to €485 million in 2011 (up 6%) and net additions to provisions for loan losses decreased from €35 million to €32 million over the same period.

Income before tax rose by 8% to €369 million.

Capital markets

Net banking income for the year ended 31 December, 2011 was €401 million compared with €618 million in 2010.

Net additions to provisions for loan losses came to €116 million, compared with a reversal (gain) of €4 million in 2010.

Income before tax fell from €440 million to €112 million after the deduction of a €154 million impairment loss on Greek sovereign bonds.

Private banking

Net banking income rose by 7% to €431 million at 31 December, 2011, compared with €404 million in 2010. Income before tax increased by 21% to €85 million in 2011, compared with €70 million in 2010.

Private equity

Net banking income totalled €93 million at 31 December, 2011, compared with €191 million in 2010, while income before tax was €59 million, compared with €156 million.

Total investments amounted to €1.7 billion, including €373 million in 2011.

The portfolio consists of 575 holdings.

Outlook: always ready to help our customers

BFCM is the holding company of CM10-CIC and acts as its central treasury. It has nearly €28 billion in equity and deeply subordinated debt, up by €2.4 billion.

The CM10-CIC group (which became CM11-CIC on January 1, 2012 when it was joined by the Caisse Fédérale de Crédit Mutuel de la Fédération du Crédit Mutuel Anjou) faces the future with confidence and determination.

It plays an active part in financing the local, regional and national economies.

The group is also continuing to streamline its technical and financial tools and applications.

In these difficult times, based on its strong grassroots presence and the dedication of its executives and employees, the group continues to apply its clearly differentiated mutualist approach to the service of all its members and customers, both regionally and nationally.

**CM10 is composed of the Crédit Mutuel federations in the following regions: Centre-East-Europe (Strasbourg), the South-East (Lyon), Ile-de-France, Savoie-Mont Blanc (Annecy), Southern France-Atlantic (Toulouse), Centre (Orléans), Dauphiné-Vivarais (Valence), Loire-Atlantique Centre-Ouest (Nantes), Normandy (Caen) and the Mediterranean (Marseille).*

***Audit procedures for the consolidated financial statements have been completed. The auditors' report will be issued once supplementary procedures required for the publication of the annual financial report have been completed.*

NB: unless otherwise stated, percentage changes are calculated on a comparable scope and period basis. For insurance, corporate banking and capital markets activities, percentage changes are based on gross figures.

BFCM Group (*)

Key figures

(in millions of euros)	31 December 2011	31 December 2010
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Business

Total assets		
Customer loans including finance leases ¹	165 358	159 542
Assets under management and in custody ²	367 679	367 439
- customer deposits ²	119 705	107 335
- savings insurance	52 638	51 338

Equity capital

Shareholders' equity and deeply subordinated debt	15 984	16 071
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Employees, year end ³	42 901	40 403
Number of branches	2 630	2 635
Number of customers	16 504 960	17 212 935

Results

Consolidated income statement	31 December 2011	31 December 2010
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Net banking income	7 753	8 481
Overheads	(4 935)	(4 911)
Operating income before provisions	2 818	3 570
Net additions to/reversals from provisions for loan losses	(1 336)	(1 214)
Operating income after provisions	1 482	2 356
Net gains/losses on other assets and equity affiliates	108	(2)
Income before tax	1 590	2 355
Corporate income tax	(541)	(604)
Net income	1 050	1 751
Net income attributable to shareholders	817	1 405

* Consolidated results of the Banque Fédérative du Crédit Mutuel and its principal subsidiaries: ACM, BECM, IT, etc... including CIC, TargoBank Germany, Cofidis, CIC Iberbanco, TargoBank Spain (ex Banco Popular Hipotecario) and Banque Casino.

1 Including finance leases

2 Issues made by the SFEF are not included in customer deposits

3. Employees at group-controlled entities