

Paris, 28 July 2011

## PRESS RELEASE

### **CIC** **Commercial activity on the rise**

#### Results for the six months to 30 June 2011

##### Financial results

- Net banking income	€2,420m
- Gross operating income	€927m
- Net additions to/reversals from provisions for loan losses	€211m
- Net income	€526m

##### Sustained activity of the banking network

###### **Support for private individuals, professionals, associations and businesses**

- Total loan outstandings up by 4% (housing loans up 4.4%, investment loans up 8.4%) for a total of €99.5 billion,
- Deposits up by 21.5% at €68.7 billion,
- Number of property and casualty insurance policies up by 6% at 2,807,288
- Remote banking up 7.1% to 1,488,357 contracts.

The Board of Directors of CIC, in a meeting held on 28 July 2011 and chaired by Mr Michel Lucas, approved the financial statements for the six months ended 30 June.

The first half year of 2011 was characterised by continued growth in customer numbers and development of the banking network, a reduction in net additions to/reversals from provisions for loan losses in retail banking and corporate banking, further growth in loan outstandings, deposits and insurance activities and services (remote banking, burglary protection and telephony).

However the accounts have been affected by the support plan for Greece put in place by the Council of the European Union on 21 July 2011.

## Operating results <sup>(1)</sup>

Total loan outstandings reached €129.9 billion (up by 3.9% on June 2010), while deposits totalled €94.5 billion (up 16.4%) and managed capital rose 4.3% to €223.5 billion.

French retail banking is the core business of CIC, which continued to improve the quality of its network, adding 36 new points of sale.

The commitment of all members of staff enabled the bank to best serve its clientele of private individuals, professionals, associations and businesses, and CIC is now the banker to one in every three businesses.

Over the past year, this development has resulted in particular in:

- a 69,872 increase in customer numbers (including 10,187 professionals and 605 businesses) to a total of 4,417,658 (up 1.6%);
- total loan outstandings rising by 4% to €99.5 billion, including growth in housing loans and investment loans of 4.4% and 8.4% respectively;
- customer deposits rising by 21.5% to €68.7 billion;
- growth in the property and casualty insurance activity, with the portfolio rising by 6% to number 2,807,288 policies;
- and further progress being made in services activities (remote banking up 7.1% to 1,488,357 contracts, telephony up 32.8% to 272,852 contracts, burglary protection up 12.3% to 61,384 contracts, etc.)

Loan outstandings in the corporate banking activity totalled €14.3 billion, and in the private banking activity €6.7 billion.

In the private equity business line, CIC supports its business customers on a permanent basis through a portfolio of €1.8 billion.

## Financial results <sup>(1)</sup>

For the six month period ended 30 June 2011, CIC's total net banking income increased to €2,420 million, compared with €2,376 million for the same period of 2010.

Net additions to/reversals from provisions for loan losses fell to €211 million compared with €220 million for the first half of 2010.

As a result, net additions to/reversals from provisions for loan losses as a proportion of total loan outstandings fell to 0.32% and the impaired debt coverage ratio reached 59.5%.

On 21 July 2011 the Council of the European Union passed a new support plan for Greece to cover its entire public financing deficit, notably with voluntary participation by the private sector. Consequently CIC has recognised a charge net of tax of €70 million on its portfolio of securities affected by the support plan. Outstandings on Greek sovereign debt in CIC's books (essentially through international entities) stands at €448 million after this write-down.

Net income for the period came to €526 million.

As at 31 March 2011, the European capital adequacy ratio (tier one) was 11.3%, and Tier one regulatory capital stood at €11.1 billion.

CIC is a subsidiary of BFCM (CM10-CIC group) and has ratings of A+ from Standard & Poor's, Aa3 from Moody's and AA- from Fitch.

### **Retail banking**

Net banking income from retail banking reached €1,654 million for the six months to 30 June 2011, compared with €1,635 million for the first half of 2010 (up 1%).

Net additions to/reversals from provisions for loan losses amounted to €65 million as against €139 million in 2010, and income before tax totalled €508 million compared with €431 million in 2010.

### **Corporate banking**

With net banking income of €200 million compared with €196 million for the period to 30 June 2010 and net additions to/reversals from provisions for loan losses swinging from €24 million for the period to 30 June 2010 to a net reversal (income) of €14 million for the six months to 30 June 2011, income before tax increased to €172 million compared with €134 million.

### **Capital markets**

Net banking income fell from €354 million for the period ended 30 June 2010 to €311 million, and net additions to/reversals from provisions for loan losses amounted to €63 million compared with €59 million in 2010. Income before tax came in at €157 million, compared with €206 million in 2010.

### **Private banking**

Net banking income went from €198 million for the period to 30 June 2010 to €233 million, net additions to/reversals from provisions for loan losses went from €5 million to €48 million and income before tax fell from €44 million in the first half of 2010 to €27 million.

### **Private equity**

Net banking income came in at €95 million compared with €100 million in 2010, and income before tax was €77 million compared with €87 million in 2010.

## **Outlook**

CIC will pursue:

- the commercial development of its branch network,
- the enrichment of its range of products and services in all its markets,
- its aim of providing the best service to its customers - private individuals, associations, professionals and businesses,
- its support for economic activity matched as closely as possible to its customers' needs.

*(1) Accounts not audited but reviewed.*

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# CIC

## Key figures

(in millions of euros)	30 june 2011	30 june 2010
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### Business

Total assets	247 173	245 246
Customer loans (1)	129 888	125 003
Customer deposits	94 513	81 198
Assets under management and in custody (2)	223 478	214 353
Number of property and casualty insurance policies	2 807 288	2 648 382

### Equity capital

Attributable to the group	9 906	8 946
Minority interests	309	311
Total	10 215	9 257

Employees, year end (FTE)	20 623	20 632
Number of branches (3)	2 103	2 105
Number of customers (4)	4 417 658	4 347 786
Private individuals	3 673 216	3 614 136
Businesses and professionals	744 442	733 650

## Income Statement

Consolidated Income Statement	30 june 2011	30 june 2010
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Net banking income	2 420	2 376
Overheads	(1 493)	(1 428)
Gross operating income	927	948
Net additions to/reversals from provisions for loan losses	(211)	(220)
Operating income	716	728
Net gains or losses on other assets	3	3
Share of income of associates	24	45
Income before tax	743	776
Income tax	(217)	(223)
Net accounting income	526	553
Minority interests	(5)	(14)
Net income attributable to the group	521	539
EPS (in euros)	13,77	14,48

(1) Including finance leases

(2) Month-end outstandings including financial securities issued.

(3) 36 branches opened and 38 closed, of which 25 due to the reorganisation of part of the network

(4) Calculation rules fine-tuned in 2010 and June 2010 figures restated (4,349,935 before restatement).

Paris, 28 July 2011

**PRESS RELEASE**

**CM10-CIC Group**  
**Financial solidity confirmed**

Results for the six months to 30 June 2011

**Net income: €1,256m**

<u>Financial results</u>	<u>H1 2011</u>	<u>chge. H1 2010</u> <sup>(1)</sup>
- Net banking income	€6,102m	+3%
- Operating income before provisions	€2,524m	+6%
- Net additions to/reversals from provisions for loan losses	-€678m	+3%
- Net income	€1,256m	+5%

**Strengthened solvency**

Shareholders' equity & super-subordinated loans	€28.7bn	(+€4.2bn)
Tier one ratio (forecast 30 June)	11.2%	

**Sustained commercial activity**

**Support for private individuals, professionals, associations and businesses**

- Loan outstandings up 15.8% (of which housing loans and investment loans up by 22%) to €259.5 billion
- Total savings up 13,3% at €464.5 billion (of which deposits up 27.3% at €182.7 billion)
- The number of property and casualty insurance policies up by 1,883,471

During the first half of 2011 the CM10-CIC group posted sustained levels of activity. The period was characterised by continued growth in customer numbers and development of the banking network, a reduction in net additions to/reversals from provisions for loan losses in retail banking and corporate banking, further growth in loan outstandings, deposits and insurance activities and services (remote banking, burglary protection and telephony). However the accounts have been affected by the support plan for Greece put in place by the Council of the European Union on 21 July 2011.

The whole group, whose core business is retail banking, continued to improve the quality of its banking network which now numbers 4,543 banks and branches (of which 534 belonging to the new federations joining us).

The commitment of all staff enabled the bank to best serve its members and clientele of private individuals, professionals, associations and businesses, and CIC is now the banker to one in every three businesses.

## Commercial activity of the group

Driven by the dynamic performance of its branch network, its proximity to customers and the quality of its products and services, the group was able to:

- increase the number of customers to 22,518,588 (including 1,887,308 for the new member federations);
- boost customer loan outstandings by 15.8% YoY to €259.5 billion, driven by housing loans (up 22%) and investment loans (up 22%);
- increase managed savings by 13% on June 2010 to €464.5 billion, with deposits up by 27.3% to €182.7 billion;
- increase the number of property and casualty insurance policies by 1,883,471 or 8.5%, including 1.5 million Cofidis policies, bringing the total to 24,031,196.

With €21 billion in gross loan outstandings, the activity of the new retail banking subsidiaries Targobank and Cofidis held up well in spite of the difficult economic conditions.

Loan outstandings in corporate banking totalled €16.6 billion and those in private banking €6.7 billion.

In the private equity business line, the Crédit Mutuel-CIC Group supports its business customers on a permanent basis through a portfolio of €1.8 billion.

Relying on its expertise in a number of fields, notably technology, the group has strengthened its position in the areas of e-money, payments processing, burglary protection and mobile telephony.

This is opening up many new opportunities to meet consumers' requirements and generate additional revenues.

## Financial results

Total net banking income for the period increased to €6,102 million, from €5,436 million for the first half of 2010.

Net additions to/reversals from provisions for loan losses increased to €678 million compared with €636 million in the same period of 2010.

Net additions to/reversals from provisions for loan losses as a proportion of total loan outstandings held steady at 0.4%.

The impaired debt coverage ratio was 65.8%.

On 21 July 2011 the Council of the European Union passed a new support plan for Greece to cover its entire public financing deficit, notably with voluntary participation by the private sector. Consequently the CM10-CIC Group has recognised a charge net of tax of €76 million on its portfolio of securities affected by the support plan. After this write-down, outstandings on Greek sovereign debt in CM10-CIC's books (essentially through international entities) stand at €481 million for group credit institutions and €264 million for insurance.

Net income amounted to €1,256 million.

Shareholders' equity & super-subordinated loans increased by €4.2 billion to €28.7 billion.

The European capital adequacy ratio (tier one) is estimated at 11.2% as at 30 June 2011, while tier one regulatory capital stood at €21.5 billion as at 31 March 2011.

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

### **Retail banking**

Net banking income for the six months ended 30 June 2011 was €4,645 million, compared with €4,216 million for the first half of 2010.

Net additions to/reversals from provisions for loan losses totalled €459 million as against €652 million last year, and income before tax was €1,356 million compared with €1,059 million.

### **Insurance**

Insurance revenue, at €4.5 billion, was down by 13% YoY (24% for the life insurance part). Net insurance income reached €693 million compared with €571 million in H1 2010 and income before tax was €513 million compared with €395 million.

### **Corporate banking**

With net banking income of €235 million compared with €223 million for the first half of 2010 and net additions to/reversals from provisions for loan losses swinging from €25 million in H1 2010 to a net reversal (income) of €17 million, income before tax came in at €208 million compared with €157 million last year.

### **Capital markets**

Net banking income increased from €357 million in H1 2010 to €396 million, and net additions to/reversals from provisions for loan losses amounted to €63 million as against a net reversal (income) of €83 million in 2010. Income before tax fell to €234 million compared with €342 million in H1 2010.

### **Private banking**

Net banking income increased from €198 million in H1 2010 to €233 million, net additions to/reversals from provisions for loan losses went from €5 million to €48 million and income before tax fell from €44 million to €27 million.

### **Private equity**

Net banking income came in at €95 million compared with €100 million in 2010, and income before tax was €77 million compared with €87 million in 2010.

## **Outlook: always ready to help our customers and members**

With five new federations joining the Caisse Fédérale de Crédit Mutuel on 1 January 2011 - Crédit Mutuel du Centre, Dauphiné-Vivaraais, Loire Atlantique Centre Ouest, Normandie and Méditerranéen - the group continues to strengthen its branch network in France and neighbouring countries, broadening its activities and scope of operation.

The process of rationalising technical and financial tools continues.

With €28.7 billion in equity and super-subordinated debt, the CM10-CIC Group faces the future with confidence and determination. It plays an active part in financing the economy, based on its strong grassroots presence and the dedication of its executives and employees, and continues to apply its clearly differentiated mutualist approach to the service of all its members and customers, both regionally and nationally.

(1) *Changes at constant scope. Accounts not audited but reviewed.*

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## CM10-CIC (\*)

## Key figures (\*\*)

(in millions of euros)	30 june 2011	30 june 2010
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### Business

Total assets	474 726	447 475
Customer loans	259 538	224 051
Assets under management and in custody (1)	464 544	409 868
- of which customer deposits (1)	182 704	143 566
- of which insurance savings	63 078	59 359

### Equity capital

Equity capital & super-subordinated loans	28 696	24 439
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Employees, year end (2)	63 723	54 929
Number of points of sale	4 543	3 875
Number of customers	22 518 588	21 427 250

## Results

Consolidated Income Statement	30 june 2011	30 june 2010
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Net banking income	6 102	5 436
Overheads	(3 579)	(3 200)
Operating income before provisions	2 524	2 236
Net additions to/reversals from provisions for loan losses	(678)	(636)
Operating income after provisions	1 846	1 600
Net gain/(loss) on disposals of other assets and share of income of affiliates	35	24
Income before tax	1 881	1 624
Corporate income tax	(625)	(513)
Net income	1 256	1 112
Net income attributable to equity holders of the parent	1 121	938

\* Consolidated figures of the Caisses de Crédit Mutuel Centre Est Europe, Sud-Est, Ile-de-France, Savoie-Mont Blanc, Midi Atlantique, Loire Atlantique and Centre Ouest, Centre, Normandie, Dauphiné-Vivarais and Méditerranéen, their common Caisse Fédérale, Banque Fédérative du Crédit Mutuel and its principal subsidiaries: ACM, BECM, IT, etc., including CIC, TargoBank (formerly Citibank Deutschland), Cofidis, CIC Iberbanco (formerly Banco Popular France), Banco Popular Hipotecario.

\*\* Figures not validated by the boards, unaudited but reviewed.

(1) SFEF (Société de Financement de l'Economie Française) issues are not counted as customer deposits.

(2) Employees of entities controlled by the Group.