

France
Full Rating Report

Banque Federative du Credit Mutuel (BFCM)

Ratings

Foreign Currency	
Long-Term IDR	AA-
Short-Term IDR	F1+
Support Rating	1
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	Stable
Long-Term IDR	
Sovereign Local-Currency	Stable
Long-Term IDR	

Financial Data

CM10-CIC	30 Jun 10	31 Dec 09
Total assets (USDm)	549,096	625,647
Total assets (EURm)	447,475	434,299
Total equity (EURm)	22,852	21,879
Total eligible capital (EURm)	14,841	13,926
Operating profit (EURm)	1,619	2,218
Published net income (EURm)	1,112	1,435
Comprehensive income (EURm)	878	2,685
Operating ROAA (%)	0.74	0.51
Operating ROAE (%)	14.60	11.20
Eligible capital/weighted risks (%)	8.32	8.01
Tier 1 ratio (%)	10.26	9.97

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Related Research

Applicable Criteria

- *Global Financial Institutions Rating Criteria (August 2010)*
- *Short-Term Ratings Criteria for Corporate Finance (November 2010)*
- *Equity Credit for Hybrids & Other Capital Securities (December 2009)*
- *Rating Hybrid Securities (December 2009)*
- *Rating Criteria for European Banking Structure Backed by Mutual Support Mechanisms (December 2009)*

Other Research

- *Credit Mutuel Structure, Solidarity Mechanisms and Rating Rationale (January 2011)*
- *Credit Industriel et Commercial (CIC) (January 2011)*
- *Banque Fédérative du Crédit Mutuel (Insurance Activities) (September 2010)*

Rating Rationale

- The ratings assigned to Banque Fédérative du Crédit Mutuel (BFCM) reflect its integral role within CM10-CIC. BFCM is the issuing vehicle for CM10-CIC, manages the group's liquidity, and is the entity through which CM10-CIC controls its subsidiaries. As it performs no banking business of its own, a standalone analysis of BFCM is irrelevant. Fitch Ratings' analysis is based on CM10-CIC's consolidated figures and considers the group's significant franchise in French retail banking, sound and steady earnings generation, solid capitalisation but also some dependence on the wholesale market for its funding needs.
- Strong and recurring earnings from retail banking and insurance businesses have supported CM10-CIC's performance, which since 2009 has benefited from a healthy net interest margin in the low interest rate environment. As it exited risky investments banking activities in 2005 and has avoided excessive investments in complex structured assets, CM10-CIC has weathered the crisis unscathed. Fitch expects FY10 performance to be close to the good levels reported in H110.
- CM10-CIC has engaged since 2008 in a selective external growth strategy to achieve geographical and product diversification. The acquisitions of consumer finance entities (Citigroup's former retail network in Germany and Cofidis) have dented asset quality but have supported the group's earnings growth.
- Further strain is anticipated in the consumer loan book, especially in Spain and Portugal, but this does not represent, in isolation, an undue threat to the group. Exposures to peripheral European sovereign debt are manageable.
- CM10-CIC funds two-thirds of its loan book through its large deposit base but needs to tap capital markets to make up for the gap. Liquidity is adequately managed. Fitch views CM10-CIC's capitalisation as 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. CM10-CIC would therefore look to CNCM in case of need. However, given CM10-CIC's size relative to CM, support from CNCM may prove insufficient. Any default by CM10-CIC would pose a systemic risk and therefore there is an 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 CM10-CIC.

Key Rating Drivers

- 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

CM10-CIC is the name given to the group of ten regional CM banks. CM10-CIC's major subsidiaries (consolidated in BFCM) are Crédit Industriel et Commercial (CIC; 'AA-'), Groupe des Assurances du Crédit Mutuel (GACM), Cofidis and Targobank. In 2010, with Banco Popular ('A') CM10-CIC created a jointly-owned bank with 123 branches throughout Spain.

- BFCM, CM10-CIC's issuing vehicle, is entirely integrated into CM10-CIC
- CM10-CIC has a strong franchise in French retail banking and insurance activities
- CM10-CIC is the main component of one of France's strongest banking groups
- Prudent and selective external growth domestically and abroad

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-2009, 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.

CM10-CIC is not a legal entity; rather it is the name given to the subset of ten federations out of the 18 making up CM. CM10-CIC's relative size to CM has increased from an already dominant position as five small regional federations joined the previously CM5-CIC from 1 January 2011 to form CM10-CIC. CM10-CIC now represents around 80% of CM's consolidated assets and 75% of its equity.

CM10-CIC consists of several local banks (Caisses de Crédit Mutuel) that function as network branches and own a federal bank, Caisse Fédérale de Crédit Mutuel (CFCM). This is one of the 7 Caisses Fédérales de Crédit Mutuel within CM. Through its bank, BFCM (consolidated equity of EUR12.3bn and assets of EUR420bn at end-2009), CM10-CIC also controls several key subsidiaries, notably CIC, GACM, Targobank, Cofidis, Monabanque and CIC Iberbanco. CM10-CIC has cooperative bank status and is owned, through the local banks, by more than two million member stakeholders. Of the 18 federations constituting CM, 15 sell GACM's products and 15 use CM10-CIC's IT platform.

Solidarity Mechanisms at Group Level

The links between the CFCMs (described in the Special Report on CM mentioned above) show that CM10-CIC 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 face problems, CM10-CIC 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 CM10-CIC (also described in the Special Report on CM mentioned above) show that the local banks within CM10-CIC have to support any troubled local bank within CM10-CIC and CFCM if need be. In addition, CFCM is expected to support BFCM (and – indirectly – its subsidiaries) if needed, in its capacity as reference shareholder. As a consequence, Fitch considers CM10-CIC's EUR25bn of total equity (at 1 January 2011) to be, in practice, available to support any entity within CM10-CIC should the need arise.

Business

Retail Banking

Through the local banks and CIC, CM10-CIC specialises in traditional retail banking services (mostly low-risk/low-return housing loans and deposit-taking). These generated three-quarters of revenue in H110. It has a 12% market share of total lending and 8% of total deposits in France, and has very high market shares in eastern France (more than 50% of deposits and lending in Alsace).

CM10-CIC has been pursuing a selective and opportunistic external growth strategy since 2008 aimed at diversifying earning sources, as the financial institutions' valuations became more moderate when not discounted.

This strategy translated domestically into, in 2008, the acquisition of 18 French branches of the Spanish Banco Popular (rated 'A'/Stable Outlook) rebranded CIC Iberbanco, the purchase in 2009 of a controlling stake in Cofidis (a major consumer

Table 1: Divisional Contribution

(EURm)	Operating income		Pre-tax profit	
	H1 10	FY 09	H1 10	FY 09
Retail banking	4,216	7,691	1,060	1,464
Insurance	571	956	395	614
CIB	580	1,532	499	882
Private banking	198	397	44	95
Private equity	100	49	87	21
Other	-182	-400	-460	-972
Total	5,483	10,226	1,625	2,103

Source: CM10-CIC

finance player, with more than four million customers in nine European countries) in 2009, the announcement in 2010 of an agreement with Casino Guichard-Perrachon SA (rated 'BBB-/Outlook Stable; the third-largest grocery retailer in France) to acquire a 50% stake in the company's bank (Banque Casino), mostly active in consumer finance

Abroad, in 2008 the group acquired the German operations of Citibank, which have been renamed Targobank. Although Targobank specialises in consumer finance (it is the third-largest consumer finance company in Germany), it is a proper and highly regarded bank, with more than three million customers and a 340-branch network largely funded through customer deposits. In 2010, the bank entered into an agreement with Banco Popular to create a bank jointly owned by the two institutions with 123 branches throughout Spain (EUR2bn loans/EUR1.7bn savings); the transaction rationale for CM10-CIC lies in entering a new market, currently in a consolidation phase, through an existing profitable organisation along with an established local player. Overseas, the bank 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 EUR67bn assets under management at end-2009.

CM10-CIC 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 Full Rating Report on this entity "Groupe des Assurances du Crédit Mutuel" dated 20 September 2010 available at www.fitchratings.com.

Corporate and Investment Banking (CIB)

Via its CIC activities, CM10-CIC is a small 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. CM10-CIC's trading activities ("CM-CIC Marchés") perform the treasury function for the group, but also encompass sales and brokerage activities.

Private Banking

CM10-CIC has private banking operations in France, Switzerland, Luxembourg, Germany and Asia through a number of subsidiaries with a total of EUR12bn of assets under management at end-2009.

Private Equity

CM10-CIC runs a EUR1.6bn private equity portfolio largely geared to French medium-sized companies.

Corporate Governance

As part of a cooperative group, CM10-CIC is controlled by its members, who own "parts sociales" (akin to shares) in the local banks. The principle of the cooperative movement is that each member has only one 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, CM10-CIC's management structure is highly centralised, with no true independent directors on BFCM's board. The very dominant former chief executive was appointed president of the board in October 2010.

Strategy

Although recent acquisitions have not substantially increased CM10-CIC's size, they have brought product- and geographic diversification to a group previously heavily focused on French housing loans, a two-fold concentration identified by Fitch as a weakness in its earlier research.

The integration of the two largest acquired companies (Cofidis and Targobank) has progressed well; it has not represented an excessive challenge, as they are relatively small compared with the group and have well-established operations that CM10-CIC does not intend to overhaul. With the small acquisition in Spain, CM10-CIC has entered a new market, where, as in Germany, the group aims to locally deploy its broad range of financial services products (such as leasing, factoring and insurance products). Further moves into the Spanish market cannot be ruled out, given the current consolidation phase experienced by the domestic banking sector.

Nevertheless, most of CM10-CIC's operations remain in its domestic market and the group's strategy remains focused on its strong bancassurance model in France, where it continues to open branches and streamline its organisation. Banque Casino will add another distribution channel in the French market, largely for consumer finance and insurance products. CM10-CIC'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, CM10-CIC is proposing to share its insurance products and IT system with other CM federations.

Presentation of Accounts

Targobank has been consolidated since 5 December 2008, the South-West federation from 1 January 2009, and Cofidis since 1 March 2009. According to Fitch's estimates, the consolidation of the five regional banks that joined in early 2011 would have increased the group's operating revenues by around EUR1bn and its net income by EUR150m. Given their limited materiality to the entire group, these are not included in the analysis below.

Performance

Given its shareholding structure, generating high returns has never been CM10-CIC's primary focus. Nevertheless, the bank delivers good performance supported by its solid retail franchise and recurring earnings capacity from retail banking and insurance businesses. CIB, by nature a more volatile source of revenue, is the second-largest provider to the group's earnings but its contribution remains rather modest compared with that of retail banking.

As observed for most European banks, CM10-CIC's profitability improved in H110 compared with 2009, largely due to healthy net interest margins and a reduction in loan impairment charges. Along with cost control, these are the main drivers of CM10-CIC's profitability.

As can be observed in Table 1, retail banking provides CM10-CIC with a strong and reliable source of revenue. Unlike most peers, which report their specialised-finance entities in a separate business line, CM10-CIC includes its consumer finance subsidiaries (Targobank and Cofidis) under retail banking. These have brought geographical diversification in the group's earning sources (25% of 2009 operating income was generated abroad, versus a minuscule 4% in 2007), but also higher net interest margins. These have contributed to the considerable improvement in the bank's overall ratio of net interest income/average earning assets but the main factor has been the decline in wholesale funding costs since 2009 in the low interest rate environment. CM10-CIC's solid franchise in retail banking is also reflected in its ability to generate stable and good commission income from these activities (EUR2.7bn in 2009; EUR1.9bn in 2008).

As could be expected given the difficult economic conditions and increased exposures to the traditionally higher-risk consumer finance business, loan impairment charges have increased compared with the historically low pre-crisis levels. However, they remain limited as a percentage of total loans or pre-impairment operating profit.

- Earnings are dominated by retail banking, with a resilient contribution from insurance activities
- Margins and loan impairment charges have increased after necessary diversification in consumer finance

Table 2: Targobank and Cofidis Performance

	Targobank		Cofidis	
	H1 10	FY 09	H1 10	FY 09
Operating income	766	1,632	620	1,225
Pre-tax profit	111	241	101	134
LIC/gross loans (bp)	348	372	599	499
Cost to income (%)	62	59	41	38

Source: CM10-CIC

CM10-CIC’s insurance activities have maintained strong operating performance in recent years, supported by cautious underwriting and by a prudent policy in granting life bonuses to policyholders. Performance remained good in H110, with the number of non-life contracts at end-June 2010 up 4.3% yoy.

Having closed risky activities in the years preceding the crisis, CM10-CIC’s CIB division has since been focusing on client-related products. Capital-market activities performed well in 2009, benefiting from the recovery in financial markets and H110 earnings reflect a more ‘through-the-cycle’ performance. Financing activities revenues represent a more predictable earnings stream; they were hit in 2009 by higher impairment charges (around 90bp of total gross loans) but recovered in H110, in line with reduced impairments (50bp).

Despite a difficult environment, the performance of private-equity business remained positive in 2009 and improved in H110 along with the economic conditions. Private banking performance is more stable and continues to generate satisfactory earnings. The loss-making line “Other” in Table 1 includes costs of intermediate holdings, operating property, IT, and losses on long-term equity stakes.

Peer Comparison

As can be seen in the annex, the bank’s profitability ratios compare very well with those of its most direct French competitors (the two other large mutual groups, Crédit Agricole and Groupe BPCE) and a group of European banks with significant domestic retail operations and ratings identical or very close to those of BFCM.

Prospects

Fitch expects CM10-CIC’s profitability for full-year 2010 to be roughly in line with the good earnings reported in H110, supported by a healthy net interest margin and the overall high quality of its customer loan book. The booming economy in Germany should support Targobank’s performance, with higher business volumes and lower loan impairment charges. The level of exposures to public and private debt in the troubled peripheral European countries is generally manageable (see *Risk Management*) but Fitch expects a rise in loan impairment charges in the Spanish and Portuguese loan books at Cofidis.

In the longer term, CM10-CIC’s solid revenue generation should continue to be supported by the success of its bancassurance model in France, which it plans to expand in Germany and also in Spain. In addition, CM10-CIC’s focus on cost control, and historically efficient credit risk management will contribute to the group’s ability to maintain its very satisfactory profitability.

Risk Management

With the exception of Targobank and Cofidis, all CM10-CIC entities share common credit risk management systems. Given their specific business, Targobank and Cofidis have their own credit risk management systems, which operate under strict supervision by and reporting to CM10-CIC. Given their limited size (total customer loan book of around EUR25bn) and retail banking focus, the five regional banks will not modify the risk profile of the entire group, according to Fitch.

Credit Risks

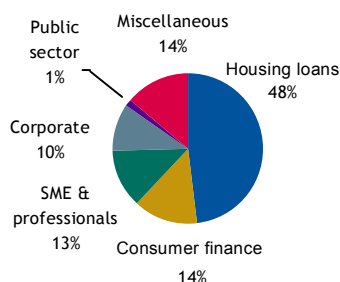
At end-June 2010, credit risks accounted for 90% of the group’s total capital adequacy requirements. Under Basel II, CM10-CIC has adopted the internal rating-based (IRB) approach for most of its retail (ie private individuals and corporates with exposure of less than EUR1m) and bank exposure. Corporate lending, Targobank and sovereign/public-sector entities still use the standardised approach.

Customer and Interbank Loans

According to the bank’s figures, 90% of its loan portfolio emanate from the retail banking division (which includes Cofidis with 4% and Targobank 5%), with only 8%

- Low risk appetite and cautious risk management
- Customer loan book largely geared to housing loans but exposure to consumer finance has increased with acquisitions
- Asset quality indicators affected by strains in consumer finance loan book but in line with peers’
- Securities portfolio is of sound quality overall

Chart 1: Breakdown on Loan Portfolio



Source: CMCEE, Fitch

from CIB and the remainder originating from private banking. Geographical diversification in terms of exposures remains limited: 89% of customer loans are to French clients. Of the remainder, 9% are to other European countries (mostly Germany, via Targobank).

Almost half of the customer loan book relates to housing loans and all of these are French. Half of the housing loans was secured by a first-lien mortgage and about a third was secured by third-party insurance (Crédit Logement or Cautionnement Mutuel de l'Habitat). At end-June 2010, 60% of housing loans had an LTV below 75%, and 22% had an LTV above 90%. This substantial portfolio is not a concern given historically minimal losses, French households' relatively low indebtedness levels and the benign evolution of housing prices in France. France did not experience a real estate bubble on the scale of other countries, such as Spain, as access to mortgages is more difficult and house price appreciation was less speculative. After a limited correction in 2009, steady growth in real estate values has resumed in 2010, supported by demographics and low interest rates.

The consumer loan portfolio (gross exposures of EUR32bn at end-June 2010, EUR28bn net) is intrinsically more risky. A third of the portfolio is to Germany, where economic indicators are sound (the unemployment rate fell to 7.5% at end-November 2010, GDP was up 3.9% yoy at end-September 2010). The largest remaining exposures are to France (EUR16bn), Portugal (EUR1bn) and Spain (EUR1bn).

By sector, the greatest concentration of corporate lending is to the finance and insurance sector (10% of end-March 2010 total exposures), followed by real estate (7%), manufacturing (4%) and motor vehicles (4%). Half of the real-estate exposures are to property investors and half are to developers. Virtually all of these companies are French and operate in the domestic market, which, as stated, has not experienced severe difficulties.

Despite the group's retail focus, some concentrations do exist. The 20 largest on- and off-balance-sheet credit authorisations at end-March 2010 totalled an acceptable 115% of total equity (less than half of which were drawn amounts). Of these large exposures, 13 exceeded EUR1bn (all to large French companies). At end-2009, 77% of interbank exposure was to banks with ratings equivalent to 'A' and above.

The ratio of impaired loans to total loans rose from 3.2% at end-2008 to 4.7% at end-2009. Two-thirds of the increase in impaired loans was attributable to the first-time consolidation of Cofidis and one-third to the deterioration in the existing portfolio. The ratio of impaired loans to total loans increased further in H110, to 4.9%. Fitch expects the Spanish and Portuguese consumer loan book to deteriorate in line with poor domestic economic conditions and the austerity plans adopted by the respective governments. However, this does not represent, in isolation, an undue threat to the bank.

The coverage ratio has reduced from 2008 (when the fully-provided-for impaired loans from Targobank were consolidated) but remains satisfactory at 63.6% at end-June 2010 and in line with peers.

Securities Portfolio

Fixed-income securities portfolio amounted to EUR100bn at end-June 2010. More than two-third of these was related to investments by the insurance business and virtually all of them were at the policy holders' risk. For more information on the risks in the insurance operations, see Fitch's separate Full Rating Report, "*Banque Federative du Credit Mutuel (BFCM) - Insurance Activities*", published on 20 September 2010 and available at www.fitchratings.com.

CM10-CIC's own portfolio amounted to EUR33.4bn, 97.5% of which was rated investment grade (only EUR835m, or less than 4% of the bank's equity, was rated 'BB' or lower). 80% was rated 'AA' or higher at the same date.

The book value of RMBS exposures was EUR5.5bn at end-June 2010; EUR2.2bn of these were in the US, of which EUR1.3bn, accounted as Loans and Receivables, was rated 'B' or below by external rating agencies and is in run-off. At the same date, the net CMBS exposure was small, at around EUR0.2bn, and 97% of the net CDO exposure (EUR2bn) was rated 'AA' or higher.

Market Risk

CM10-CIC's 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, including 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, CM10-CIC's capital requirement at end-June 2009 was only EUR322m (against a EUR550m internally set limit). Capital allocated to trading proprietary activities has been reduced gradually (to EUR350m for 2011).

Equities (including associates) totalled about EUR22.3bn at end-2009, 80% of which were listed. These investments included around EUR16bn of equities held by the insurance operations and virtually all of these are at the policyholders' risk. The balance included a very granular portfolio of private-equity investments largely geared to France (EUR1.6bn), EUR2.2bn of trading assets and EUR2.5bn of strategic investments.

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-2009, a 1% parallel increase in the yield curve would have increased operating income by 2.3% in year one and by 3.7% in year two (against an internally set limit of 3% and 4%, respectively).

Operational Risk

CM10-CIC has chosen the advanced measurement approach for operational risk under Basel II, although most foreign operations are following the standardised 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.

Funding and Capital

Funding

With a solid 12% share of the French deposit market, CM10-CIC benefits from a strong deposit base. However, its customer loan book is larger than its deposit base, leaving the group reliant on capital markets to make up for the gap. The loans/deposits ratio improved in 2009, despite the acquisition of Cofidis, which unlike Targobank (loans/deposits ratio of 95%), takes no customer deposits. The improvement is due to muted growth in the loan book while customers repatriated their assets to traditional on-balance-sheet products after the turmoil in the financial markets. Fitch notes that some debt securities were subscribed to by CM10-CIC's clients at end-June 2010; this means that loans to customer-related funding is around 130%. Fitch notes that the five new regional banks have an average loan-to-deposit ratio of around 85%, therefore not requiring funding from the group and will slightly improve the group's ratio.

CM10-CIC's access to the capital markets is supported by the healthy diversification of its funding sources, including a EUR30bn covered bond programme (collateralised by residential French housing loans issued by CM-CIC Covered Bonds and rated 'AAA', EUR17bn outstanding in November 2010).

- Strong retail deposit base
- 30% of the loan book funded by wholesale markets
- Adequate liquidity management, supported by large stock of assets repoable at the ECB
- Banking and insurance capitalisation is solid

The maturity of medium- and long-term debt is well spread over the time, with annual repayments not exceeding EUR7bn. In total, CM10-CIC has received EUR10.7bn of funds from Société de Financement de l'Economie Française (rated 'AAA' with a government guarantee; part of the French liquidity support package for the banking system) of which around EUR4bn were on-lent to other CM entities.

Liquidity is adequately managed. Each entity of the group, which is supervised on a consolidated basis, is required to meet the regulatory liquidity ratio. Over the next five years (on a contractual basis) the annual amount of dated resources falling due never exceeds 90% of the amount of total maturing assets. Moreover, the group policy requires immediately available liquidity (cash and securities repoable with the ECB after haircuts) to always exceed 30% of customer sight deposits or enable the bank to withstand no access to money markets for one month. At end-June 2010, the amount of liquidity available through repo with the ECB amounted to around EUR20bn.

Capital

Fitch views CM10-CIC's capitalisation as solid. When calculating Fitch Core Capital, the agency deducts the net asset value of the insurance activities, in order to derive core capital for assessing the banking operations' ability to absorb losses. This is the reason why the Fitch Eligible Capital ratio (8.32% at end-June 2010) is significantly lower than the Tier 1 ratio (10.26%). However, the agency recognises that this approach is somewhat cautious, given the strong regulatory solvency of the insurance operations (223% at end-2009) and capital fungibility between the insurance and bank operations. Hybrid instruments ("Titres Super Subordonnés", EUR1.6bn at end-2009, granted 100% equity credit by Fitch) represented a limited 13% of Fitch Eligible Capital at the same date.

The apparent improvement in capital ratios in 2009 was in fact the result of a reduction in weighted risk due to the second transitional floor from 1 January 2008, as required under Basel II. The bank has informed Fitch that the arrival of the five regional banks will have a small positive impact on the group's solvency ratio.

A rather limited pay-out ratio, common among cooperative groups, has historically supported internal capital generation and, ultimately, capital ratios. The absence of access to the equity market to raise capital is partially mitigated by the fact that cooperative members are traditional subscribers to equity instruments placed within the network. For instance, in October 2009 CM10-CIC repaid the EUR1bn of capital injected by the French state (as was done to all the largest French banking groups at the peak of the crisis) by raising EUR1.1bn from cooperative members.

According to Fitch's estimates, at end-June 2010 CM10-CIC's core Tier 1 ratio under full Basel III provisions was above the minimum of 7% applicable from 1 January 2019.

Annex

Comparative Financial Highlights

(% , unless otherwise stated)	CM10-CIC		CA AA-/Stable		Groupe BPCE A+/Stable ^a		Peers	
	H110	FY09	H110	FY09	H110	FY09	H110	FY09
Net interest income/earning assets	1.63	1.46	1.30	1.41	1.18	1.31	1.69	1.82
Cost/average assets	1.46	1.37	1.16	1.13	1.48	1.51	1.25	1.28
Cost/income	58.54	58.76	60.20	62.42	66.45	84.36	52.45	52.10
Imp. charges/pre-imp. op. profit	29.12	47.25	42.98	54.78	24.2	136.66	33.41	40.18
ROAA	0.74	0.51	0.44	0.31	0.57	-0.10	0.82	0.78
ROAE	14.60	11.20	10.64	7.65	14.64	-3.24	15.12	14.31
Capital								
Fitch eligible capital (EURbn)	14.8	13.9	n.a.	40.3	32.5	29.8	20.05	19.95
Fitch eligible capital ratio	8.32	8.01	n.a.	7.48	7.58	7.25	9.44	9.83
Asset quality								
Imp loans/gross loans	4.93	4.68	3.00	3.38	3.99	3.66	3.59	3.54
Reserves/imp. loans	63.60	63.03	n.a.	93.15	54.63	57.79	61.42	57.74
Unreserved imp. loans/equity	18.15	17.76	n.a.	2.26	24.13	21.83	13.25	14.12
Loan imp. charges/gross loans	0.57	0.78	0.74	0.82	0.34	0.58	0.71	0.83
Funding								
Loans/customer deposits	150.21	151.92	132.51	121.72	149.66	150.70	179.65	182.16

^a Support-driven LT IDR
Source: Banks accounts, Fitch

Details of Selected Peers

(% , unless otherwise stated)	Average		Intesa Sanpaolo AA-/stable		Nordea Bank AB AA-/stable		Svenska Handelsbanken AA-/stable		BBVA AA-/positive		LA CAIXA A+/stable	
	H110	FY09	H110	FY09	H110	FY09	H110	FY09	H110	FY09	H110	FY09
NII/earning assets	1.69	1.82	1.90	2.09	0.98	1.14	1.03	1.08	2.86	2.89	1.68	1.89
Cost/average assets	1.25	1.28	1.61	1.67	0.89	0.93	0.67	0.7	1.75	1.71	1.31	1.38
Cost/income	52.45	52.10	63.16	60.58	53.02	51.1	47.36	47.11	43.24	43.29	55.49	58.42
Imp. charges/pre-imp. op. profit	33.41	40.18	48.97	53.24	23.94	30.86	11.15	19.82	37.22	44.47	45.76	52.52
ROAA	0.82	0.78	0.48	0.55	0.61	0.63	0.75	0.81	1.49	1.27	0.79	0.64
ROAE	15.12	14.31	5.72	6.71	14.39	15.08	17.67	17.46	27.6	23.66	10.23	8.62
Capital												
Fitch eligible capital (EURbn)	20.05	19.95	26.0	26.3	20.1	19.4	9.0	8.4	25.4	25.3	19.8	20.3
Fitch eligible capital ratio	9.44	9.83	7.96	7.90	9.76	10.10	9.01	9.17	8.19	8.69	12.27	13.27
Asset quality												
Imp. loans/gross loans	3.59	3.54	7.83	7.54	1.45	1.43	0.58	0.58	4.52	4.58	3.57	3.56
Reserves/imp. loans	61.42	57.74	59.21	55.79	55.14	52.08	67.91	62.34	60.99	57.38	63.84	61.13
Unreserved imp. loans/equity	13.25	14.12	23.44	24.20	8.63	8.69	3.34	3.90	19.96	22.52	10.89	11.31
Loan imp. charges/gross loans	0.71	0.83	0.73	0.93	0.28	0.44	0.13	0.23	1.40	1.53	0.99	1.04
Funding												
Loans/customer deposits	179.65	182.16	169.11	185.21	189.52	185.27	256.89	269.68	142.44	136.93	140.29	133.70

Source: Banks accounts, Fitch

CM10-CIC Income Statement

	30 Jun 2010			31 Dec 2009		31 Dec 2008		31 Dec 2007	
	6 Months - Interim	6 Months - Interim	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	EURm	Earning	EURm	Earning	EURm	Earning	EURm	Earning
	Unaudited	Unaudited	Assets	Unqualified	Assets	Unqualified	Assets	not seen	Assets
1. Interest Income on Loans	7,318.4	5,964.0	2.91	12,162.0	3.06	11,248.0	2.83	9,580.0	2.44
2. Other Interest Income	2,443.2	1,991.0	0.97	4,552.0	1.14	7,999.0	2.02	5,646.0	1.44
3. Dividend Income	68.7	56.0	0.03	85.0	0.02	253.0	0.06	97.0	0.02
4. Gross Interest and Dividend Income	9,830.3	8,011.0	3.91	16,799.0	4.22	19,500.0	4.91	15,323.0	3.91
5. Interest Expense on Customer Deposits	2,624.8	2,139.0	1.04	2,694.0	0.68	3,182.0	0.80	2,521.0	0.64
6. Other Interest Expense	3,183.1	2,594.0	1.27	8,333.0	2.09	13,591.0	3.42	11,612.0	2.96
7. Total Interest Expense	5,807.9	4,733.0	2.31	11,027.0	2.77	16,773.0	4.23	14,133.0	3.60
8. Net Interest Income	4,022.4	3,278.0	1.60	5,772.0	1.45	2,727.0	0.69	1,190.0	0.30
9. Net Gains (Losses) on Trading and Derivatives	-171.8	-140.0	-0.07	569.0	0.14	772.0	0.19	2,623.0	0.67
10. Net Gains (Losses) on Other Securities	28.2	23.0	0.01	-99.0	-0.02	-384.0	-0.10	43.0	0.01
11. Net Gains (Losses) on Assets at FV through Income Statement	174.2	142.0	0.07	-125.0	-0.03	-395.0	-0.10	-323.0	-0.08
12. Net Insurance Income	887.2	723.0	0.35	1,191.0	0.30	939.0	0.24	1,282.0	0.33
13. Net Fees and Commissions	1,644.3	1,340.0	0.65	2,563.0	0.64	1,833.0	0.46	1,795.0	0.46
14. Other Operating Income	122.7	100.0	0.05	251.0	0.06	318.0	0.08	233.0	0.06
15. Total Non-Interest Operating Income	2,684.9	2,188.0	1.07	4,350.0	1.09	3,083.0	0.78	5,653.0	1.44
16. Personnel Expenses	2,174.4	1,772.0	0.86	3,278.0	0.82	2,444.0	0.62	2,490.0	0.64
17. Other Operating Expenses	1,752.3	1,428.0	0.70	2,670.0	0.67	1,872.0	0.47	1,703.0	0.43
18. Total Non-Interest Expenses	3,926.7	3,200.0	1.56	5,948.0	1.50	4,316.0	1.09	4,193.0	1.07
19. Equity-accounted Profit/ Loss - Operating	22.1	18.0	0.01	31.0	0.01	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	2,802.7	2,284.0	1.11	4,205.0	1.06	1,494.0	0.38	2,650.0	0.68
21. Loan Impairment Charge	796.4	649.0	0.32	1,732.0	0.44	465.0	0.12	146.0	0.04
22. Securities and Other Credit Impairment Charges	19.6	16.0	0.01	255.0	0.06	599.0	0.15	-22.0	-0.01
23. Operating Profit	1,986.7	1,619.0	0.79	2,218.0	0.56	430.0	0.11	2,526.0	0.64
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	25.0	0.01	26.0	0.01
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	366.0	0.09
26. Non-recurring Expense	n.a.	n.a.	-	124.0	0.03	86.0	0.02	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	7.4	6.0	0.00	9.0	0.00	13.0	0.00	19.0	0.00
29. Pre-tax Profit	1,994.0	1,625.0	0.79	2,103.0	0.53	382.0	0.10	2,937.0	0.75
30. Tax expense	629.5	513.0	0.25	668.0	0.17	-127.0	-0.03	776.0	0.20
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	1,364.5	1,112.0	0.54	1,435.0	0.36	509.0	0.13	2,161.0	0.55
33. Change in Value of AFS Investments	-251.6	-205.0	-0.10	1,304.0	0.33	-1,855.0	-0.47	-181.0	-0.05
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	35.6	29.0	0.01	-23.0	-0.01	15.0	0.00	-37.0	-0.01
36. Remaining OCI Gains/(losses)	-71.2	-58.0	-0.03	-31.0	-0.01	-12.0	0.00	n.a.	-
37. Fitch Comprehensive Income	1,077.4	878.0	0.43	2,685.0	0.67	-1,343.0	-0.34	1,943.0	0.50
38. Memo: Profit Allocation to Non-controlling Interests	212.3	173.0	0.08	241.0	0.06	155.0	0.04	316.0	0.08
39. Memo: Net Income after Allocation to Non-controlling Interests	1,152.2	939.0	0.46	1,194.0	0.30	354.0	0.09	1,845.0	0.47
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = EUR0.81493

USD1 = EUR0.69416

USD1 = EUR0.71855

USD1 = EUR0.67930

CM10-CIC Balance Sheet

	30 Jun 2010		As % of Assets	31 Dec 2009		31 Dec 2008		31 Dec 2007	
	6 Months - Interim USDm	6 Months - Interim EURm		Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	135,453.4	110,385.0	24.67	107,040.0	24.65	102,451.0	23.25	93,317.0	22.59
2. Other Mortgage Loans	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.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	148,373.5	120,914.0	27.02	117,601.0	27.08	111,920.0	25.40	88,509.0	21.43
6. Less: Reserves for Impaired Loans/ NPLs	8,894.0	7,248.0	1.62	6,624.0	1.53	4,826.0	1.10	2,796.0	0.68
7. Net Loans	274,932.8	224,051.0	50.07	218,017.0	50.20	209,545.0	47.56	179,030.0	43.34
8. Gross Loans	283,826.8	231,299.0	51.69	224,641.0	51.72	214,371.0	48.66	181,826.0	44.02
9. Memo: Impaired Loans included above	13,984.0	11,396.0	2.55	10,509.0	2.42	6,742.0	1.53	4,267.0	1.03
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	59,725.4	48,672.0	10.88	38,668.0	8.90	41,877.0	9.51	41,578.0	10.07
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	57,587.8	46,930.0	10.49	49,605.0	11.42	49,963.0	11.34	93,937.0	22.74
4. Derivatives	5,643.4	4,599.0	1.03	5,071.0	1.17	12,367.0	2.81	9,219.0	2.23
5. Available for Sale Securities	93,492.7	76,190.0	17.03	75,723.0	17.44	71,723.0	16.28	59,198.0	14.33
6. Held to Maturity Securities	14,087.1	11,480.0	2.57	9,101.0	2.10	10,125.0	2.30	7,676.0	1.86
7. At-equity Investments in Associates	656.5	535.0	0.12	517.0	0.12	343.0	0.08	438.0	0.11
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	171,467.5	139,734.0	31.23	140,017.0	32.24	144,521.0	32.80	170,468.0	41.27
10. Memo: Government Securities included Above	23,121.0	18,842.0	4.21	20,113.0	4.63	19,103.0	4.34	23,511.0	5.69
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	876.1	714.0	0.16	1,123.0	0.26	944.0	0.21	990.0	0.24
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
15. Total Earning Assets	507,001.8	413,171.0	92.33	397,825.0	91.60	396,887.0	90.09	392,066.0	94.91
C. Non-Earning Assets									
1. Cash and Due From Banks	6,326.9	5,156.0	1.15	9,185.0	2.11	16,467.0	3.74	6,647.0	1.61
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	3,389.2	2,762.0	0.62	2,781.0	0.64	2,508.0	0.57	2,228.0	0.54
5. Goodwill	5,020.1	4,091.0	0.91	4,085.0	0.94	3,557.0	0.81	6,555.0	1.61
6. Other Intangibles	1,212.4	988.0	0.22	969.0	0.22	547.0	0.12	247.0	0.06
7. Current Tax Assets	1,332.6	1,086.0	0.24	1,078.0	0.25	1,095.0	0.25	759.0	0.18
8. Deferred Tax Assets	1,806.3	1,472.0	0.33	1,333.0	0.31	1,627.0	0.37	535.0	0.13
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	23,006.9	18,749.0	4.19	17,043.0	3.92	17,871.0	4.06	9,936.0	2.41
11. Total Assets	549,096.2	447,475.0	100.00	434,299.0	100.00	440,559.0	100.00	413,073.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	61,342.7	49,990.0	11.17	49,886.0	11.49	44,416.0	10.08	37,786.0	9.15
2. Customer Deposits - Savings	70,017.1	57,059.0	12.75	57,402.0	13.22	49,867.0	11.32	45,224.0	10.95
3. Customer Deposits - Term	59,068.9	48,137.0	10.76	42,453.0	9.78	33,806.0	7.67	24,244.0	5.87
4. Total Customer Deposits	190,428.6	155,186.0	34.68	149,741.0	34.48	128,089.0	29.07	107,254.0	25.96
5. Deposits from Banks	59,970.8	48,872.0	10.92	41,807.0	9.63	60,148.0	13.65	42,566.0	10.30
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Deposits, Money Market and Short-term Funding	250,399.4	204,058.0	45.60	191,548.0	44.11	188,237.0	42.73	149,820.0	36.27
9. Senior Debt Maturing after 1 Year	112,414.6	91,610.0	20.47	87,341.0	20.11	100,850.0	22.89	99,785.0	24.16
10. Subordinated Borrowing	5,642.2	4,598.0	1.03	4,768.0	1.10	4,661.0	1.06	3,898.0	0.94
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	118,056.8	96,208.0	21.50	92,109.0	21.21	105,511.0	23.95	103,683.0	25.10
13. Derivatives	13,062.5	10,645.0	2.38	10,045.0	2.31	15,421.0	3.50	9,236.0	2.24
14. Trading Liabilities	42,412.2	34,563.0	7.72	42,565.0	9.80	40,096.0	9.10	60,403.0	14.62
15. Total Funding	423,930.9	345,474.0	77.21	336,267.0	77.43	349,265.0	79.28	323,142.0	78.23
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	1,655.4	1,349.0	0.30	1,187.0	0.27	918.0	0.21	725.0	0.18
4. Current Tax Liabilities	712.9	581.0	0.13	395.0	0.09	280.0	0.06	257.0	0.06
5. Deferred Tax Liabilities	1,395.2	1,137.0	0.25	1,126.0	0.26	892.0	0.20	643.0	0.16
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	78,854.6	64,261.0	14.36	61,445.0	14.15	55,924.0	12.69	55,912.0	13.54
9. Other Liabilities	12,555.7	10,232.0	2.29	10,411.0	2.40	13,135.0	2.98	12,103.0	2.93
10. Total Liabilities	519,104.7	423,034.0	94.54	410,831.0	94.60	420,414.0	95.43	392,782.0	95.09
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	1,949.9	1,589.0	0.36	1,589.0	0.37	2,636.0	0.60	1,600.0	0.39
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	24,365.3	19,856.0	4.44	18,773.0	4.32	16,420.0	3.73	15,998.0	3.87
2. Non-controlling Interest	3,950.0	3,219.0	0.72	3,146.0	0.72	2,218.0	0.50	2,182.0	0.53
3. Securities Revaluation Reserves	-138.7	-113.0	-0.03	39.0	0.01	-1,074.0	-0.24	513.0	0.12
4. Foreign Exchange Revaluation Reserves	-7.4	-6.0	0.00	-36.0	-0.01	-43.0	-0.01	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	-127.6	-104.0	-0.02	-43.0	-0.01	-12.0	0.00	-2.0	0.00
6. Total Equity	28,041.7	22,852.0	5.11	21,879.0	5.04	17,509.0	3.97	18,691.0	4.52
7. Total Liabilities and Equity	549,096.2	447,475.0	100.00	434,299.0	100.00	440,559.0	100.00	413,073.0	100.00
8. Memo: Fitch Core Capital	16,261.5	13,252.0	2.96	12,337.0	2.84	9,318.0	2.12	n.a.	-
9. Memo: Fitch Eligible Capital	18,211.4	14,841.0	3.32	13,926.0	3.21	11,954.0	2.71	n.a.	-

Exchange rate

USD1 = EUR0.81493

USD1 = EUR0.69416

USD1 = EUR0.71855

USD1 = EUR0.67930

CM10-CIC Summary Analytics

	30 Jun 2010 6 Months - Interim	31 Dec 2009 Year End	31 Dec 2008 Year End	31 Dec 2007 Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	5.23	5.50	5.68	5.74
2. Interest Expense on Customer Deposits/ Average Customer Deposits	2.83	1.82	2.70	2.34
3. Interest Income/ Average Earning Assets	3.98	4.25	4.94	4.23
4. Interest Expense/ Average Interest-bearing Liabilities	2.80	3.24	4.99	4.78
5. Net Interest Income/ Average Earning Assets	1.63	1.46	0.69	0.33
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.31	1.02	0.57	0.29
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.63	1.46	0.69	0.33
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	40.03	42.98	53.06	82.61
2. Non-Interest Expense/ Gross Revenues	58.54	58.76	74.29	61.27
3. Non-Interest Expense/ Average Assets	1.46	1.37	1.01	1.09
4. Pre-impairment Op. Profit/ Average Equity	20.59	21.24	8.25	14.95
5. Pre-impairment Op. Profit/ Average Total Assets	1.04	0.97	0.35	0.69
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	29.12	47.25	71.22	4.68
7. Operating Profit/ Average Equity	14.60	11.20	2.38	14.25
8. Operating Profit/ Average Total Assets	0.74	0.51	0.10	0.66
9. Taxes/ Pre-tax Profit	31.57	31.76	-33.25	26.42
10. Pre-Impairment Operating Profit / Risk Weighted Assets	2.58	2.42	0.78	1.47
11. Operating Profit / Risk Weighted Assets	1.83	1.28	0.23	1.40
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	10.03	7.25	2.81	12.19
2. Net Income/ Average Total Assets	0.51	0.33	0.12	0.56
3. Fitch Comprehensive Income/ Average Total Equity	7.92	13.56	-7.42	10.96
4. Fitch Comprehensive Income/ Average Total Assets	0.40	0.62	-0.31	0.51
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	1.26	0.83	0.27	1.20
7. Fitch Comprehensive Income/ Risk Weighted Assets	0.99	1.55	-0.70	1.08
D. Capitalization				
1. Fitch Core Capital/Weighted Risks	7.43	7.10	4.88	n.a.
2. Fitch Eligible Capital/ Weighted Risks	8.32	8.01	6.26	n.a.
3. Tangible Common Equity/ Tangible Assets	4.02	3.85	2.96	4.32
4. Tier 1 Regulatory Capital Ratio	10.26	9.97	8.78	8.52
5. Total Regulatory Capital Ratio	10.26	9.97	8.98	10.51
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	5.11	5.04	3.97	4.52
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.	n.a.
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	9.81	6.56	2.91	11.56
E. Loan Quality				
1. Growth of Total Assets	3.03	-1.42	6.65	16.00
2. Growth of Gross Loans	2.96	4.79	17.90	19.50
3. Impaired Loans(NPLs)/ Gross Loans	4.93	4.68	3.15	2.35
4. Reserves for Impaired Loans/ Gross loans	3.13	2.95	2.25	1.54
5. Reserves for Impaired Loans/ Impaired Loans	63.60	63.03	71.58	65.53
6. Impaired Loans less Reserves for Imp Loans/ Equity	18.15	17.76	10.94	7.87
7. Loan Impairment Charges/ Average Gross Loans	0.57	0.78	0.23	0.09
8. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	0.13	n.a.
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	4.93	4.68	3.15	2.35
F. Funding				
1. Loans/ Customer Deposits	150.21	151.92	167.79	169.53
2. Interbank Assets/ Interbank Liabilities	105.46	94.82	70.39	97.68
3. Customer Deposits/ Total Funding excl Derivatives	46.35	45.90	38.37	34.17

CM10-CIC Reference Data

	30 Jun 2010		As % of Assets	31 Dec 2009		31 Dec 2008		31 Dec 2007	
	6 Months - Interim USDm	6 Months - Interim EURm		Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	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.	-
3. Guarantees	n.a.	n.a.	-	n.a.	-	17,755.0	4.03	15,596.0	3.78
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	n.a.	n.a.	-	n.a.	-	38,314.0	8.70	39,055.0	9.45
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	1,512.0	0.34	1,809.0	0.44
7. Total Business Volume	549,096.2	447,475.0	100.00	434,299.0	100.00	498,140.0	113.07	469,533.0	113.67
8. Memo: Total Weighted Risks	218,866.7	178,361.0	39.86	173,780.0	40.01	190,900.0	43.33	180,669.0	43.74
9. Fitch Adjustments to Weighted Risks.	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Weighted Risks	218,866.7	178,361.0	39.86	173,780.0	40.01	190,900.0	43.33	180,669.0	43.74
B. Average Balance Sheet									
Average Loans	279,741.8	227,970.0	50.95	221,293.0	50.95	198,098.5	44.97	166,994.0	40.43
Average Earning Assets	497,586.3	405,498.0	90.62	395,438.7	91.05	394,476.5	89.54	361,940.0	87.62
Average Assets	541,012.1	440,887.0	98.53	434,464.3	100.04	426,816.0	96.88	384,586.0	93.10
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	418,281.9	340,870.5	76.18	340,242.0	78.34	336,203.5	76.31	295,810.0	71.61
Average Common equity	23,700.8	19,314.5	4.32	17,662.7	4.07	16,209.0	3.68	15,064.0	3.65
Average Equity	27,444.7	22,365.5	5.00	19,798.3	4.56	18,100.0	4.11	17,726.0	4.29
Average Customer Deposits	187,087.8	152,463.5	34.07	147,831.0	34.04	117,671.5	26.71	107,648.0	26.06
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	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.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	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.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	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.	-
Retail Deposits 3 - 12 Months	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.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	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.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1 - 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	5,642.2	4,598.0	1.03	4,768.0	1.10	4,661.0	1.06	3,898.0	0.94
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	28,041.7	22,852.0	5.11	21,879.0	5.04	17,509.0	3.97	18,691.0	4.52
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	28,041.7	22,852.0	5.11	21,879.0	5.04	17,509.0	3.97	18,691.0	4.52
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
4. Goodwill	5,020.1	4,091.0	0.91	4,085.0	0.94	3,557.0	0.81	655.0	0.16
5. Other intangibles	1,212.4	988.0	0.22	969.0	0.22	547.0	0.12	247.0	0.06
6. Deferred tax assets deduction	411.1	335.0	0.07	302.0	0.07	514.0	0.12	0.0	0.00
7. Net asset value of insurance subsidiaries	5,136.6	4,186.0	0.94	4,186.0	0.96	3,573.0	0.81	n.a.	-
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
9. Fitch Core Capital	16,261.5	13,252.0	2.96	12,337.0	2.84	9,318.0	2.12	n.a.	-
10. Eligible weighted Hybrid capital	1,949.9	1,589.0	0.36	1,589.0	0.37	1,611.0	0.37	1,600.0	0.39
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	1,025.0	0.23	n.a.	-
12. Fitch Eligible Capital	18,211.4	14,841.0	3.32	13,926.0	3.21	11,954.0	2.71	n.a.	-
13. Eligible Hybrid Capital Limit	6,969.2	5,679.4	1.27	5,287.3	1.22	3,993.4	0.91	n.a.	-
Exchange Rate	USD1 = EURO.81493			USD1 = EURO.69416		USD1 = EURO.71855		USD1 = EURO.67930	

Banque Federative du Credit Mutuel (BFCM) Income Statement

	30 Jun 2010			31 Dec 2009		31 Dec 2008		31 Dec 2007	
	6 Months - Interim	6 Months - Interim	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm Unaudited	EURm Unaudited	Earning Assets	EURm Unqualified	Earning Assets	EURm Unqualified	Earning Assets	EURm Unqualified	Earning Assets
1. Interest Income on Loans	5,587.0	4,553.0	2.27	9,288.0	2.40	8,562.0	2.21	7,251.0	1.92
2. Other Interest Income	3,752.5	3,058.0	1.52	7,001.0	1.81	10,418.0	2.69	7,512.0	1.99
3. Dividend Income	n.a.	n.a.	-	67.0	0.02	131.0	0.03	67.0	0.02
4. Gross Interest and Dividend Income	9,339.5	7,611.0	3.79	16,356.0	4.22	19,111.0	4.94	14,830.0	3.93
5. Interest Expense on Customer Deposits	2,126.6	1,733.0	0.86	1,725.0	0.44	2,050.0	0.53	1,596.0	0.42
6. Other Interest Expense	4,103.4	3,344.0	1.67	10,062.0	2.59	15,371.0	3.97	13,070.0	3.46
7. Total Interest Expense	6,230.0	5,077.0	2.53	11,787.0	3.04	17,421.0	4.50	14,666.0	3.88
8. Net Interest Income	3,109.5	2,534.0	1.26	4,569.0	1.18	1,690.0	0.44	164.0	0.04
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	584.0	0.15	772.0	0.20	2,622.0	0.69
10. Net Gains (Losses) on Other Securities	60.1	49.0	0.02	-103.0	-0.03	-385.0	-0.10	125.0	0.03
11. Net Gains (Losses) on Assets at FV through Income Statement	41.7	34.0	0.02	-136.0	-0.04	-401.0	-0.10	-46.0	-0.01
12. Net Insurance Income	n.a.	n.a.	-	916.0	0.24	754.0	0.19	1,008.0	0.27
13. Net Fees and Commissions	1,346.1	1,097.0	0.55	2,115.0	0.55	1,490.0	0.38	1,475.0	0.39
14. Other Operating Income	617.2	503.0	0.25	-36.0	-0.01	-18.0	0.00	41.0	0.01
15. Total Non-Interest Operating Income	2,065.2	1,683.0	0.84	3,340.0	0.86	2,212.0	0.57	5,225.0	1.38
16. Personnel Expenses	1,529.0	1,246.0	0.62	2,291.0	0.59	1,747.0	0.45	1,746.0	0.46
17. Other Operating Expenses	2,211.2	1,802.0	0.90	2,156.0	0.56	1,409.0	0.36	1,338.0	0.35
18. Total Non-Interest Expenses	3,740.2	3,048.0	1.52	4,447.0	1.15	3,156.0	0.82	3,084.0	0.82
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	1,434.5	1,169.0	0.58	3,462.0	0.89	746.0	0.19	2,305.0	0.61
21. Loan Impairment Charge	n.a.	n.a.	-	1,637.0	0.42	416.0	0.11	148.0	0.04
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	255.0	0.07	600.0	0.15	-20.0	-0.01
23. Operating Profit	1,434.5	1,169.0	0.58	1,570.0	0.40	-270.0	-0.07	2,177.0	0.58
24. Equity-accounted Profit/ Loss - Non-operating	29.5	24.0	0.01	55.0	0.01	96.0	0.02	64.0	0.02
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	124.0	0.03	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	3.7	3.0	0.00	3.0	0.00	8.0	0.00	13.0	0.00
29. Pre-tax Profit	1,467.6	1,196.0	0.60	1,504.0	0.39	-166.0	-0.04	2,254.0	0.60
30. Tax expense	443.0	361.0	0.18	475.0	0.12	-304.0	-0.08	550.0	0.15
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	1,024.6	835.0	0.42	1,029.0	0.27	138.0	0.04	1,704.0	0.45
33. Change in Value of AFS Investments	n.a.	n.a.	-	1,078.0	0.28	-1,636.0	-0.42	-181.0	-0.05
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Fitch Comprehensive Income	1,024.6	835.0	0.42	2,107.0	0.54	-1,498.0	-0.39	1,523.0	0.40
38. Memo: Profit Allocation to Non-controlling Interests	190.2	155.0	0.08	221.0	0.06	109.0	0.03	239.0	0.06
39. Memo: Net Income after Allocation to Non-controlling Interests	834.4	680.0	0.34	808.0	0.21	29.0	0.01	1,465.0	0.39
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	60.0	0.02	242.0	0.06	183.0	0.05
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = EURO.81493

USD1 = EURO.69416

USD1 = EURO.71855

USD1 = EURO.67930

Banque Federative du Credit Mutuel (BFCM) Balance Sheet

	30 Jun 2010			31 Dec 2009		31 Dec 2008		31 Dec 2007	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	71,575.5	58,329.0	13.38	56,408.0	13.41	55,006.0	12.94	49,682.0	12.55
2. Other Mortgage Loans	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.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	128,419.6	104,653.0	24.00	101,626.0	24.17	96,914.0	22.79	74,172.0	18.73
6. Less: Reserves for Impaired Loans/ NPLs	8,036.3	6,549.0	1.50	5,962.0	1.42	4,231.0	1.00	2,194.0	0.55
7. Net Loans	191,958.8	156,433.0	35.87	152,072.0	36.16	147,689.0	34.73	121,660.0	30.73
8. Gross Loans	199,995.1	162,982.0	37.37	158,034.0	37.58	151,920.0	35.73	123,854.0	31.28
9. Memo: Impaired Loans included above	n.a.	n.a.	-	n.a.	-	5,747.0	1.35	3,313.0	0.84
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	146,593.0	119,463.0	27.39	105,547.0	25.10	104,743.0	24.63	96,977.0	24.49
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	60,839.6	49,580.0	11.37	48,244.0	11.47	48,337.0	11.37	91,300.0	23.06
4. Derivatives	651.6	531.0	0.12	5,094.0	1.21	12,361.0	2.91	9,215.0	2.33
5. Available for Sale Securities	83,320.0	67,900.0	15.57	67,448.0	16.04	64,466.0	15.16	51,063.0	12.90
6. Held to Maturity Securities	11,814.5	9,628.0	2.21	7,672.0	1.82	8,228.0	1.93	6,085.0	1.54
7. At-equity Investments in Associates	780.4	636.0	0.15	615.0	0.15	440.0	0.10	447.0	0.11
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	157,406.2	128,275.0	29.41	129,073.0	30.69	133,832.0	31.47	158,110.0	39.94
10. Memo: Government Securities included Above	23,121.0	18,842.0	4.32	20,113.0	4.78	19,093.0	4.49	23,501.0	5.94
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	828.3	675.0	0.15	1,059.0	0.25	880.0	0.21	928.0	0.23
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
15. Total Earning Assets	496,786.2	404,846.0	92.83	387,751.0	92.21	387,144.0	91.04	377,675.0	95.39
C. Non-Earning Assets									
1. Cash and Due From Banks	5,599.3	4,563.0	1.05	8,054.0	1.92	13,487.0	3.17	6,083.0	1.54
2. Memo: Mandatory Reserves included above	1,673.8	1,364.0	0.31	2,560.0	0.61	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	2,372.0	1,933.0	0.44	1,955.0	0.46	1,748.0	0.41	1,520.0	0.38
5. Goodwill	4,902.3	3,995.0	0.92	3,990.0	0.95	3,462.0	0.81	664.0	0.17
6. Other Intangibles	1,110.5	905.0	0.21	896.0	0.21	482.0	0.11	202.0	0.05
7. Current Tax Assets	781.7	637.0	0.15	676.0	0.16	709.0	0.17	454.0	0.11
8. Deferred Tax Assets	1,546.1	1,260.0	0.29	1,128.0	0.27	1,457.0	0.34	383.0	0.10
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	22,038.7	17,960.0	4.12	16,066.0	3.82	16,734.0	3.94	8,929.0	2.26
11. Total Assets	535,136.8	436,099.0	100.00	420,516.0	100.00	425,223.0	100.00	395,910.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	52,495.3	42,780.0	9.81	43,410.0	10.32	36,843.0	8.66	30,058.0	7.59
2. Customer Deposits - Savings	35,907.4	29,262.0	6.71	30,314.0	7.21	23,818.0	5.60	21,217.0	5.36
3. Customer Deposits - Term	46,519.3	37,910.0	8.69	62,433.0	14.85	60,090.0	14.13	47,006.0	11.87
4. Total Customer Deposits	134,922.0	109,952.0	25.21	136,157.0	32.38	120,751.0	28.40	98,281.0	24.82
5. Deposits from Banks	128,759.5	104,930.0	24.06	92,746.0	22.06	103,539.0	24.35	82,159.0	20.75
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Deposits, Money Market and Short-term Funding	263,681.5	214,882.0	49.27	228,903.0	54.43	224,290.0	52.75	180,440.0	45.58
9. Senior Debt Maturing after 1 Year	111,839.1	91,141.0	20.90	56,461.0	13.43	68,194.0	16.04	71,469.0	18.05
10. Subordinated Borrowing	9,393.4	7,655.0	1.76	7,819.0	1.86	6,008.0	1.41	5,148.0	1.30
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	121,232.5	98,796.0	22.65	64,280.0	15.29	74,202.0	17.45	76,617.0	19.35
13. Derivatives	5,075.3	4,136.0	0.95	10,029.0	2.38	15,391.0	3.62	9,234.0	2.33
14. Trading Liabilities	49,880.4	40,649.0	9.32	42,565.0	10.12	39,599.0	9.31	59,186.0	14.95
15. Total Funding	439,869.7	358,463.0	82.20	345,777.0	82.23	353,482.0	83.13	325,477.0	82.21
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	1,524.1	1,242.0	0.28	1,074.0	0.26	815.0	0.19	620.0	0.16
4. Current Tax Liabilities	467.5	381.0	0.09	268.0	0.06	182.0	0.04	151.0	0.04
5. Deferred Tax Liabilities	1,222.2	996.0	0.23	988.0	0.23	772.0	0.18	527.0	0.13
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	65,986.0	53,774.0	12.33	51,004.0	12.13	45,834.0	10.78	45,355.0	11.46
9. Other Liabilities	10,489.2	8,548.0	1.96	9,115.0	2.17	11,802.0	2.78	10,903.0	2.75
10. Total Liabilities	519,558.7	423,404.0	97.09	408,226.0	97.08	412,887.0	97.10	383,033.0	96.75
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	2,783.0	0.65	1,600.0	0.40
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	12,203.5	9,945.0	2.28	9,502.0	2.26	8,807.0	2.07	8,987.0	2.27
2. Non-controlling Interest	3,613.8	2,945.0	0.68	2,881.0	0.69	1,922.0	0.45	1,785.0	0.45
3. Securities Revaluation Reserves	-228.2	-186.0	-0.04	-10.0	0.00	-1,120.0	-0.26	507.0	0.13
4. Foreign Exchange Revaluation Reserves	-11.0	-9.0	0.00	-40.0	-0.01	-45.0	-0.01	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	-43.0	-0.01	-11.0	0.00	-2.0	0.00
6. Total Equity	15,578.0	12,695.0	2.91	12,290.0	2.92	9,553.0	2.25	11,277.0	2.85
7. Total Liabilities and Equity	535,136.8	436,099.0	100.00	420,516.0	100.00	425,223.0	100.00	395,910.0	100.00
8. Memo: Fitch Core Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Memo: Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate USD1 = EURO.81493 USD1 = EURO.69416 USD1 = EURO.71855 USD1 = EURO.67930

Banque Federative du Credit Mutuel (BFCM) Summary Analytics

	30 Jun 2010	31 Dec 2009	31 Dec 2008	31 Dec 2007
	6 Months - Interim	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	5.67	5.94	6.27	6.35
2. Interest Expense on Customer Deposits/ Average Customer Deposits	2.84	1.36	2.10	2.03
3. Interest Income/ Average Earning Assets	3.87	4.24	4.98	4.26
4. Interest Expense/ Average Interest-bearing Liabilities	2.91	3.39	5.14	4.90
5. Net Interest Income/ Average Earning Assets	1.29	1.18	0.44	0.05
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	n.a.	0.76	0.33	0.00
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.29	1.18	0.44	0.05
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	39.91	42.23	56.69	96.96
2. Non-Interest Expense/ Gross Revenues	72.28	56.23	80.88	57.23
3. Non-Interest Expense/ Average Assets	1.44	1.06	0.77	0.83
4. Pre-impairment Op. Profit/ Average Equity	18.87	31.59	7.10	21.55
5. Pre-impairment Op. Profit/ Average Total Assets	0.55	0.82	0.18	0.62
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	n.a.	54.65	136.19	5.55
7. Operating Profit/ Average Equity	18.87	14.33	-2.57	20.35
8. Operating Profit/ Average Total Assets	0.55	0.37	-0.07	0.58
9. Taxes/ Pre-tax Profit	30.18	31.58	183.13	24.40
10. Pre-Impairment Operating Profit / Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
11. Operating Profit / Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	13.48	9.39	1.31	15.93
2. Net Income/ Average Total Assets	0.39	0.24	0.03	0.46
3. Fitch Comprehensive Income/ Average Total Equity	13.48	19.23	-14.25	14.24
4. Fitch Comprehensive Income/ Average Total Assets	0.39	0.50	-0.37	0.41
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
7. Fitch Comprehensive Income/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
D. Capitalization				
1. Fitch Core Capital/Weighted Risks	n.a.	n.a.	n.a.	n.a.
2. Fitch Eligible Capital/ Weighted Risks	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	1.52	1.78	1.33	2.64
4. Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
5. Total Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	2.91	2.92	2.25	2.85
8. Cash Dividends Paid & Declared/ Net Income	n.a.	5.83	175.36	10.74
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	2.85	-16.15	12.02
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	13.26	7.88	-1.09	13.49
E. Loan Quality				
1. Growth of Total Assets	3.71	-1.11	7.40	16.78
2. Growth of Gross Loans	3.13	4.02	22.66	21.07
3. Impaired Loans(NPLs)/ Gross Loans	n.a.	n.a.	3.78	2.67
4. Reserves for Impaired Loans/ Gross loans	4.02	3.77	2.79	1.77
5. Reserves for Impaired Loans/ Impaired Loans	n.a.	n.a.	73.62	66.22
6. Impaired Loans less Reserves for Imp Loans/ Equity	n.a.	n.a.	15.87	9.92
7. Loan Impairment Charges/ Average Gross Loans	n.a.	1.05	0.30	0.13
8. Net Charge-offs/ Average Gross Loans	n.a.	0.42	0.15	n.a.
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	n.a.	n.a.	3.78	2.67
F. Funding				
1. Loans/ Customer Deposits	148.23	116.07	125.81	126.02
2. Interbank Assets/ Interbank Liabilities	113.85	113.80	101.16	118.04
3. Customer Deposits/ Total Funding excl Derivatives	31.03	40.55	35.72	31.08

Banque Federative du Credit Mutuel (BFCM) Reference Data

	30 Jun 2010			31 Dec 2009		31 Dec 2008		31 Dec 2007	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	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.	-
3. Guarantees	15,309.3	12,476.0	2.86	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.	-
5. Committed Credit Lines	49,367.4	40,231.0	9.23	n.a.	-	n.a.	-	n.a.	-
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	599,813.5	488,806.0	112.09	420,516.0	100.00	425,223.0	100.00	395,910.0	100.00
8. Memo: Total Weighted Risks	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Fitch Adjustments to Weighted Risks.	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Weighted Risks	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
Average Loans	196,959.2	160,508.0	36.81	156,461.3	37.21	136,498.7	32.10	114,169.0	28.84
Average Earning Assets	486,297.6	396,298.5	90.87	385,682.0	91.72	383,667.0	90.23	347,885.0	87.87
Average Assets	525,575.8	428,307.5	98.21	420,564.3	100.01	409,399.3	96.28	372,318.3	94.04
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	432,086.2	352,120.0	80.74	347,785.0	82.70	338,816.7	79.68	299,193.3	75.57
Average Common equity	11,931.7	9,723.5	2.23	9,153.0	2.18	8,968.0	2.11	8,350.0	2.11
Average Equity	15,329.5	12,492.5	2.86	10,959.3	2.61	10,510.3	2.47	10,698.3	2.70
Average Customer Deposits	151,000.1	123,054.5	28.22	126,506.0	30.08	97,660.7	22.97	78,769.7	19.90
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	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.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	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.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	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.	-
Retail Deposits 3 - 12 Months	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.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	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.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1 - 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	9,393.4	7,655.0	1.76	7,819.0	1.86	6,008.0	1.41	5,148.0	1.30
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	15,578.0	12,695.0	2.91	12,290.0	2.92	9,553.0	2.25	11,277.0	2.85
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	15,578.0	12,695.0	2.91	n.a.	-	n.a.	-	n.a.	-
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	15,578.0	12,695.0	2.91	12,290.0	2.92	9,553.0	2.25	11,277.0	2.85
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Non-loss-absorbing non-controlling interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Goodwill	4,902.3	3,995.0	0.92	3,990.0	0.95	3,462.0	0.81	664.0	0.17
5. Other intangibles	1,110.5	905.0	0.21	896.0	0.21	482.0	0.11	202.0	0.05
6. Deferred tax assets deduction	1,546.1	1,260.0	0.29	140.0	0.03	685.0	0.16	n.a.	-
7. Net asset value of insurance subsidiaries	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. First loss tranches of off-balance sheet securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Fitch Core Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Eligible weighted Hybrid capital	n.a.	n.a.	-	n.a.	-	n.a.	-	1,800.0	0.45
11. Government held Hybrid Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Eligible Hybrid Capital Limit	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Exchange Rate	USD1 = EUR0.81493			USD1 = EUR0.69416		USD1 = EUR0.71855		USD1 = EUR0.67930	

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