



# **CM5-CIC Group 2009**

*2008 Financials*



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*2009 Press release figures*

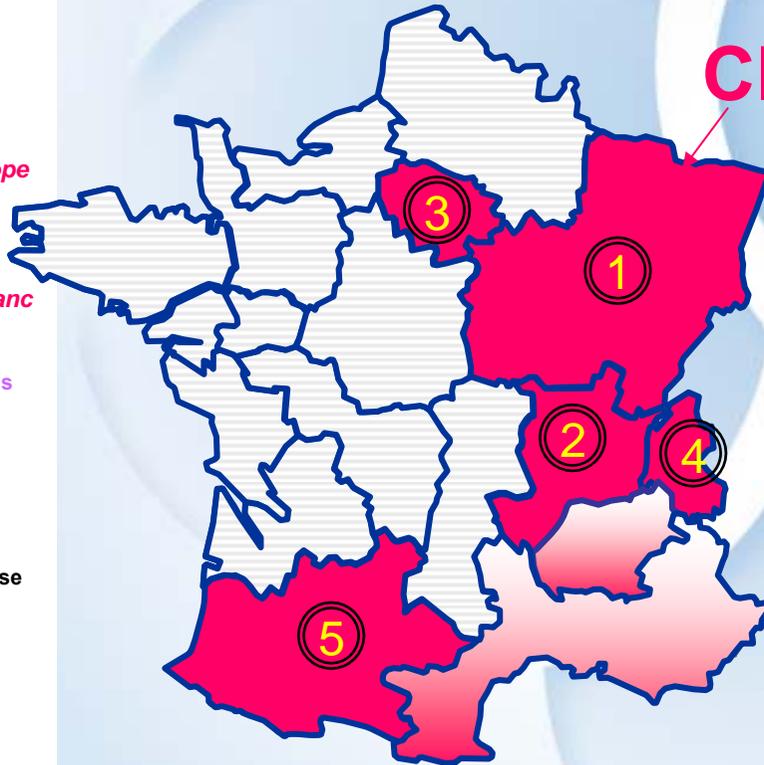


- ▶ **CM5-CIC Group in 2009**
  - ➔ **Group Organisation & Highlights**
  - ➔ **Group Activities**
  - ➔ **2008 Financials**
  
- ▶ **Conclusion**
- ▶ **appendices**



# CREDIT MUTUEL : 18“Fédérations”

- Anjou
- Antilles-Guyane
- ARKEA :**
- Bretagne,
- Massif-Central,
- Sud-Ouest,
- Centre
- CM5 :**
- Centre Est Europe
- Ile de France
- Sud-Est
- Savoie Mont Blanc
- Midi Atlantique
- Dauphiné-Vivaraïs
- Méditerranéen
- LACO :**
- Loire Atlantique ,
- Centre Ouest,
- Maine Anjou Basse
- Normandie
- Nord-Europe
- Normandie
- Océan



addition of 5 « Fédérations » :

**Crédit Mutuel CEE, SE, IdF, SMB, MA**

- ① - «CEE» Centre Est Europe
- ② - «SE» Sud-Est
- ③ - «IdF» Ile de France
- ④ - «SMB» Savoie Mont Blanc
- ⑤ - «MA» Midi-Atlantique

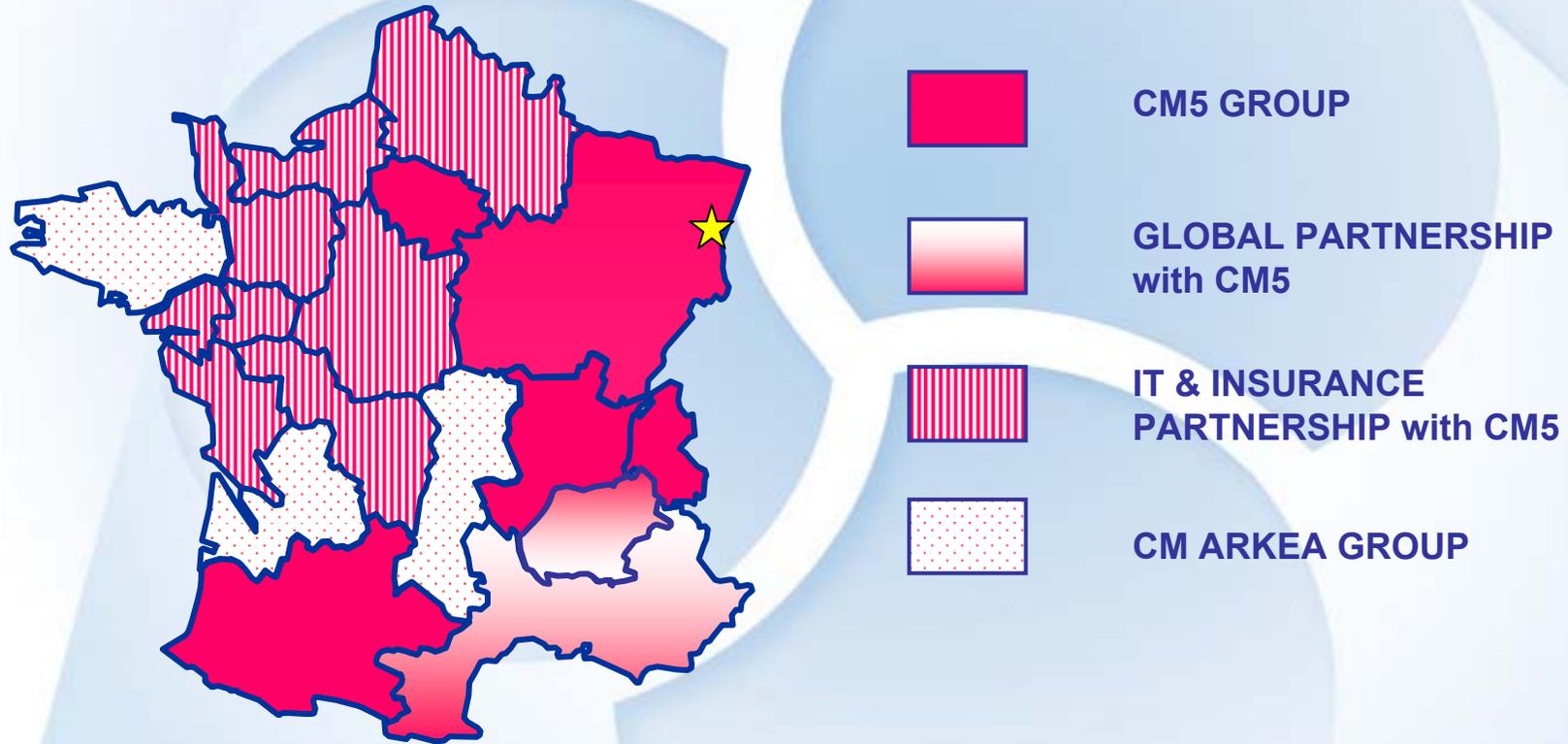
**CM5 represents:**  
 75% of deposits  
 73% of loans  
 76% of total assets  
 of the Crédit Mutuel Group

**CM5**





## CREDIT MUTUEL : 18 “Fédération’s” partnerships





## CM5-CIC Group HIGHLIGHTS *from January 2008 to date*

### CAPITAL ADEQUACY

**Tier One ratio:  
one of the best  
among French banks**

- total Tier One Capital : €16.7 bn
- RWA € 190 bn
- tier One Ratio : 8,78% (Dec 2008)
- payout < 10%
- A+/Aa3/AA-

### LIQUIDITY

**Increased liquidity level  
Increased ECB-eligible assets**

- focus on retail funding
- €50bn ECB eligible assets
- BFCM successful retail issues

### DEVELOPMENT

**3 successful acquisitions  
Pursuit of organic expansion**

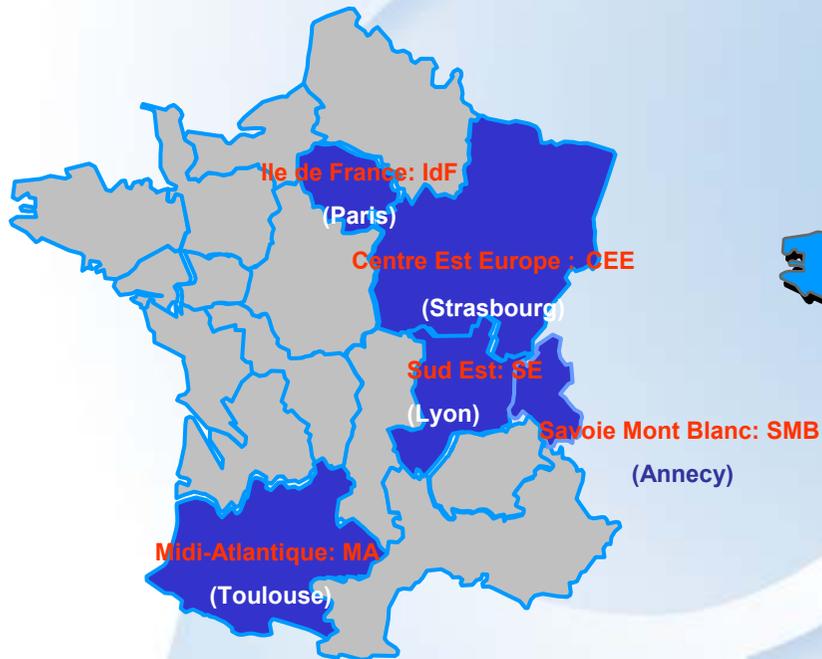
- acquisition of 100% BPF, 100% Citibank Germany & control of Cofidis
- 70 new branches opened in 2008
- continuation of internal growth with partnerships in IT, insurance...with other Crédit Mutuel "Fédérations"



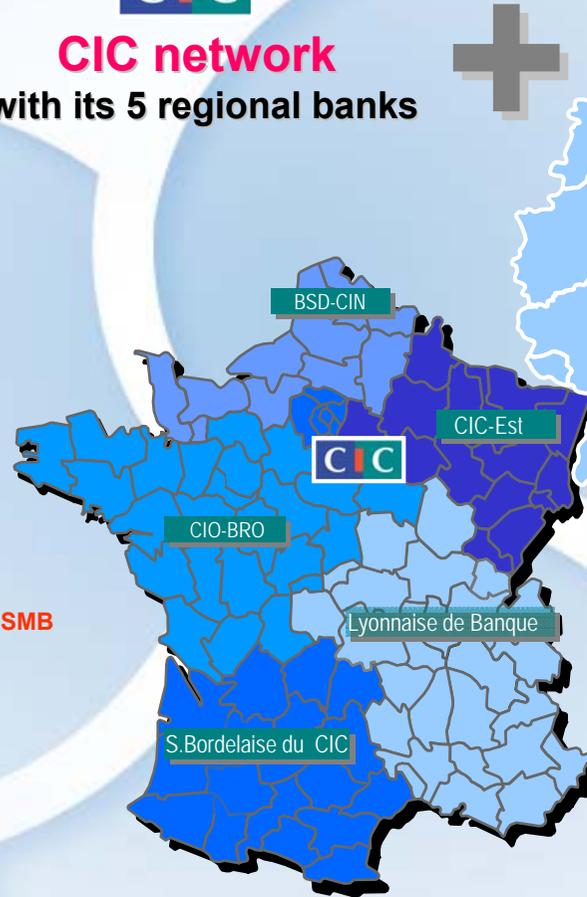
# CM5-CIC GROUP NETWORKS



**CM5 network**  
among the 18 Fédérations  
of the Crédit Mutuel Group



**CIC network**  
with its 5 regional banks







- ▶ **CM5-CIC Group in 2009**

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## ACTIVITIES

- **Retail Banking**
- **Insurance and Asset Management**
- **Financial services**
- **Corporate and Investment Banking**
- **Transaction Services**



## RETAIL BANKING

- **1,309 Crédit Mutuel branches servicing 4 million customers (with 2.3 million members stakeholders)**
- **6 CIC regional commercial banks with 2,122 branches and 4.1 million clients**
- **26 branches of Banque de l'Economie du Commerce et de la Monétique with strong commitment to the mid cap sector**
- **Following 2008 acquisitions:**
  - **18 branches of Banco Popular France rebranded CIC Iberbanco**
  - **339 branches servicing 3.4 million customers of Citibank Germany**

Crédit Mutuel

CIC  
BANQUES

Becm

CIC Iberbanco

citibank  
Deutschland

Crédit Mutuel  
Banque Fédérative



## INSURANCE & ASSET MANAGEMENT

### ➤ “Groupe des Assurances du Crédit Mutuel”

- Over 20 million contracts
- 7 million policy holders
- €52 bn in assets under management in life insurance
- Acquisition of Partners Assurance in Belgium, joint venture with RACC Gp in Spain, partnership with other Crédit Mutuel Fédération
- Non life insurance : 2.6 bn premiums
- Life insurance : 4.2 bn premiums; 250,000 new contracts

### ➤ Asset management and private banking

- €55 bn in assets under management via AM entities
- A private banking presence in France, Switzerland, Luxemburg Germany & Asia via CIC Private Banking, CIC Banque Privée, CIC Banque Transatlantique

Assurances  
Crédit Mutuel

SÉRÉNIS  
ASSURANCES



PARTNERS  
ASSURANCES • VERZEKERINGEN

CM-CIC Asset Management

CIC Banque Transatlantique

BANQUE  
DE LUXEMBOURG

Banque PASCHE  
Private Banking  
GENEVA - MONACO - NASSAU

CIC BANQUE CIC (SUISSE)

Crédit Mutuel  
Banque Fédérative



## FINANCIAL SERVICES

### ➤ Consumer finance

- substantial expansion in the field of consumer finance

### ➤ Employee benefit planning

- 44,332 clients (corporates, SME, retailers..) +21%
- €3,730 millions under management
- net income up 5% at €15.3 million due to sustained sales efforts

### ➤ Leasing

- Growth in leasing business with new branches in Belgium and Germany

### ➤ Factoring

- CM-CIC has become one of the largest factor in France (7.3 %market share)

**citibank**  
Deutschland



CM-CIC Bail

CM-CIC Lease



CM-CIC Lavolette Financement



## CORPORATE & INVESTMENT BANKING

### ➤ Corporate Banking

An important French corporate client base :

- 300 large caps
- €29.7 bn exposure mainly in France
- more arranger mandates at regional level
- reduction in LBOs and real estate transactions due to market conditions

### ➤ Financial Markets

- a very profitable year in corporate sales activities
- pro-active measures have been taken to reduce future earnings volatility due to the financial crisis
- immediate decrease of risk profile : 40% decrease in the spreadbook
- continued management of illiquid exposures

### ➤ Brokerage

➤ CM-CIC securities, lead member of the ESN group services, portfolio of 250 institutional clients in equity brokerage

### ➤ Private Equity

➤ €1.6bn prop portfolio; €600 million uM portfolio

**Crédit Mutuel**  
Banque Fédérative



CM-CIC Securities





## TRANSACTION SERVICES

- **Payments and cards**
  - global / cross regional solutions
  - new co-branding agreements
- **Custody services**
  - improved efficiency of outsourced functions
  - custodian for 721 mutual funds (€56 bn asset value)
- **Back-office and logistic services**
  - creation of CM-CIC Services increasing our commercial capability by tools rationalization
  - Specifically, CM-CIC Services is in charge of all domestic & international payments tools and back offices for the whole group with a fully integrated organisation)
- **Bankinsurance services via mobile technology : NRJ Mobile**
  - to exploit the synergies between mobile phone, payment management and offer of insurance products





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## 2008 FINANCIALS

- **Activity**
- **Banking income**
- **Risk evolution & Exposures**
- **Net results**
- **Capital**
- **Funding**
- **Ratings**



## CM5-CIC ACTIVITY

### Solid bank-insurance performance

➤ **11,6 million customers**

- + 216,000 new customers

➤ **Growth of outstandings**

- **Credits: €214bn**

- 12.2 % market share
- 17,6% Crédit Mutuel credit m.s

**+ 17,8% increase y-o-y**

**+ 10,9% constant scope**

- **Deposits: €129 bn**

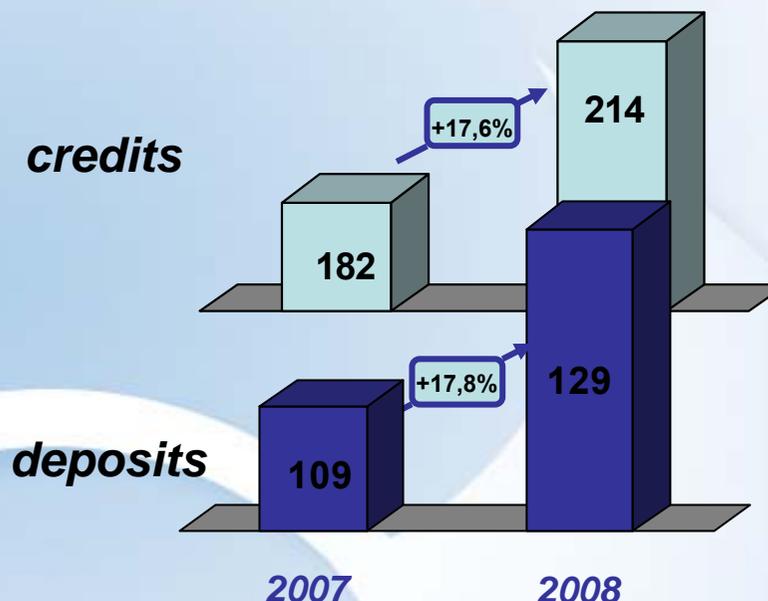
- 8.4% market share
- 13.3 % Crédit Mutuel deposit m.s

**+ 17,6% increase y-o-y**

**+ 9% constant scope**

➤ **Insurance: 20,1 million contracts (+8%); €6.7 bn turnover**

- Non life insurance rose by 12,3% to €2.6 bn turnover
- Life insurance: €4.8 bn turnover decrease of 25,2%

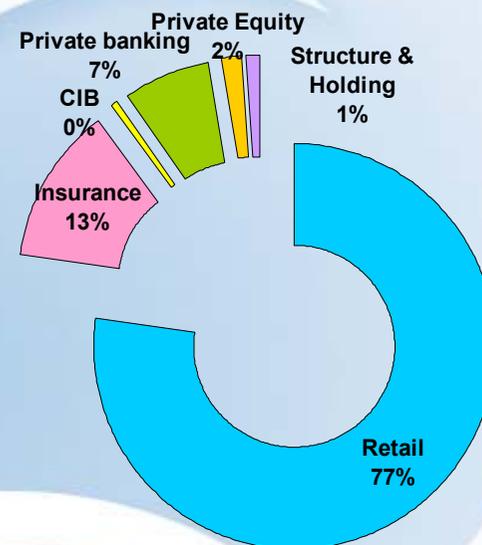




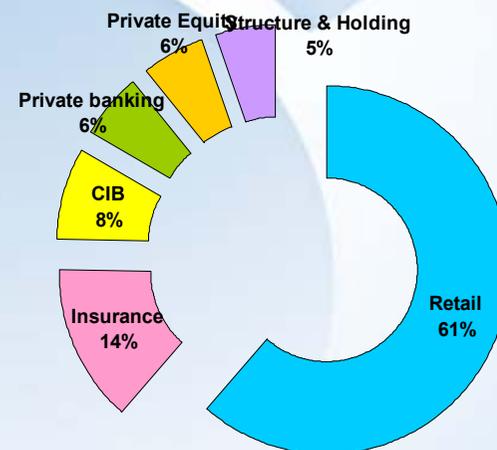
# NET BANKING INCOME

A diversified revenue base driven by retail banking and insurance

<u>NBI</u>	2 007	2 008
Retail	4 654	4 752
Insurance	1 056	781
CIB	611	26
Private banking	449	427
Private Equity	424	112
Structure & Holding	403	66
<i>Inter-activity</i>	<i>(344)</i>	<i>(370)</i>
<b>TOTAL</b>	<b>7 253</b>	<b>5 795</b>



2008



2007



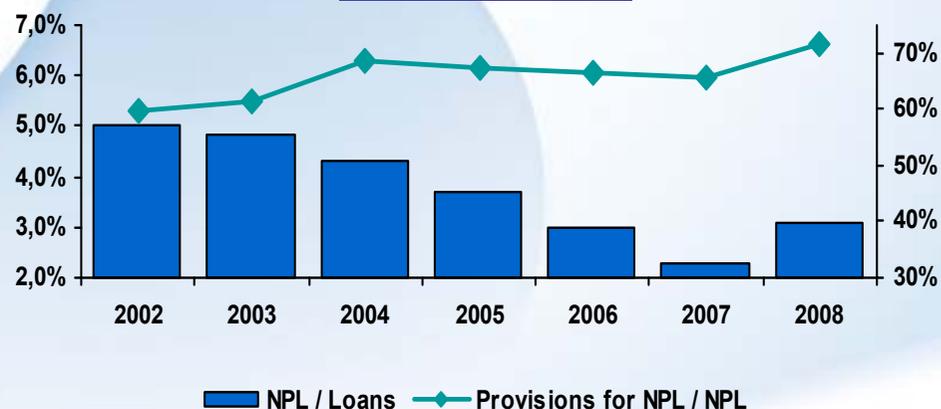
## NPL & PROVISIONS

Cost of Risk	2 007	2 008
Retail	(110)	(421)
Insurance		
CIB	(7)	(530)
Private banking	(6)	(108)
Private Equity	0.	1
Struct&Holding	0.	(6)
Private Equity	0.	1
<b>TOTAL</b>	<b>(124)</b>	<b>(1 064)</b>

- 2007 recorded historical low levels of cost risk, 2008 registered a higher cost of risk which totalled €1,064 million (including 484 million related to Lehman Brothers and 65 million to Icelandic banks)
- As a result, the cost of risk as a proportion of total loans outstanding rose at year end 2008 (0.19 %)
- Cover rate of non-performing loans was 71.6% in 2008 and remained in the range of 60-72%
- NPL on total loans at sound level of 3.10%



### Evolution of Non-Performing Loans & Provisions





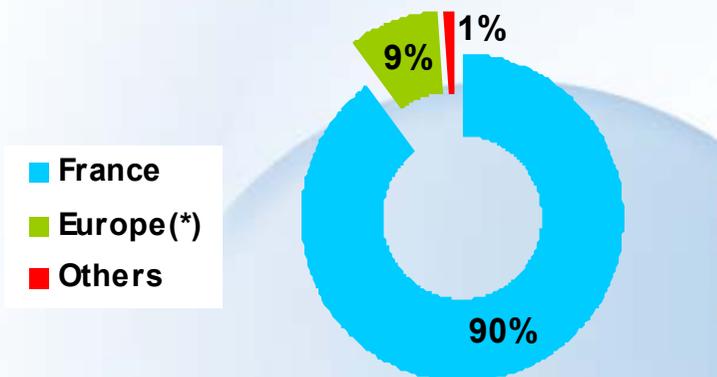
## Illiquid CM5-CIC assets as at Dec 2008

<i>million €</i>		<b>TOTAL</b>	<b>Depreciation</b>	
	<b>RMBS</b>		<b>2007</b>	<b>2008</b>
		<b>€ 7,114</b>	<b>€78</b>	<b>€ 674</b>
US	€ 3,122			
EU	€ 3,343			
France	€ 20			
Others	€ 629			
	<b>CMBS</b>	<b>€ 331</b>	<b>€ 14</b>	
EU	€ 130			
US	-			
Others	€ 201			
	<b>CDO</b>	<b>1,749</b>	<b>€ 310</b>	
EU	€ 484			
US	€ 354			
Others	€ 911			
	<b>Other ABS</b>	<b>2,306</b>	<b>€ 42</b>	
France	€ 571			
UE	€ 1,622			
Others	€ 110			
<b>LBO</b>	<b>dedicated financing structures</b>	<b>3,532</b>	<b>€ 38</b>	
France	€ 1,317			
UE	€ 919			
US	€ 1,117			

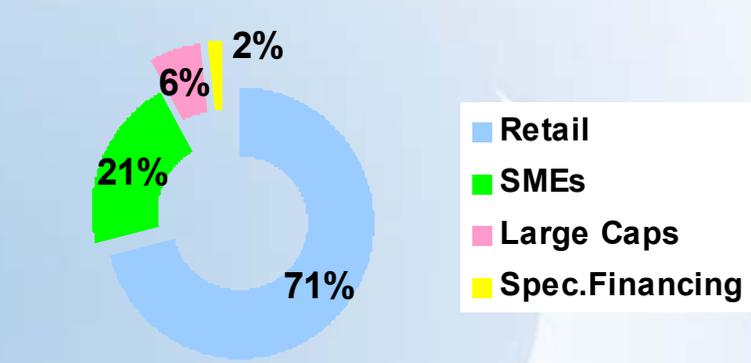


# CREDIT RISK BREAKDOWN

## GEOGRAPHICAL AREA



## TYPE



## LOANS TO CLIENTS



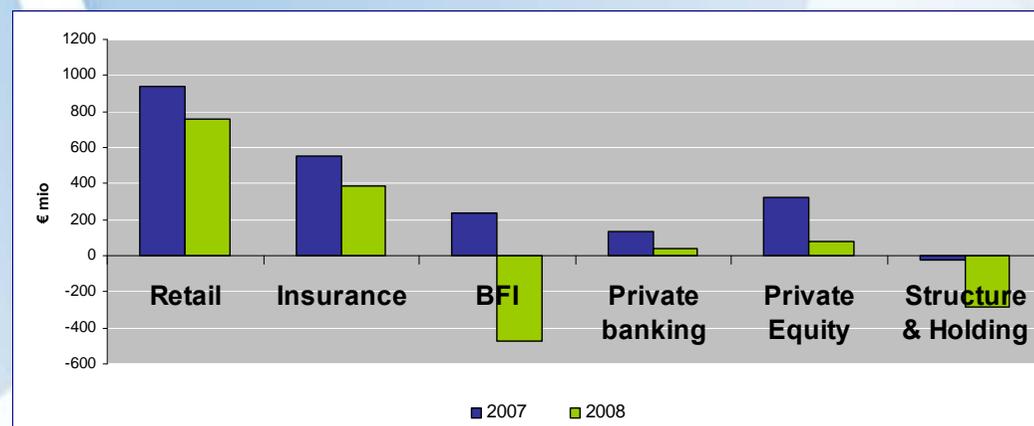


## NET RESULTS

In 2008, the Group registered sustained business with a Net Profit of €509 million despite a highly deteriorated environment

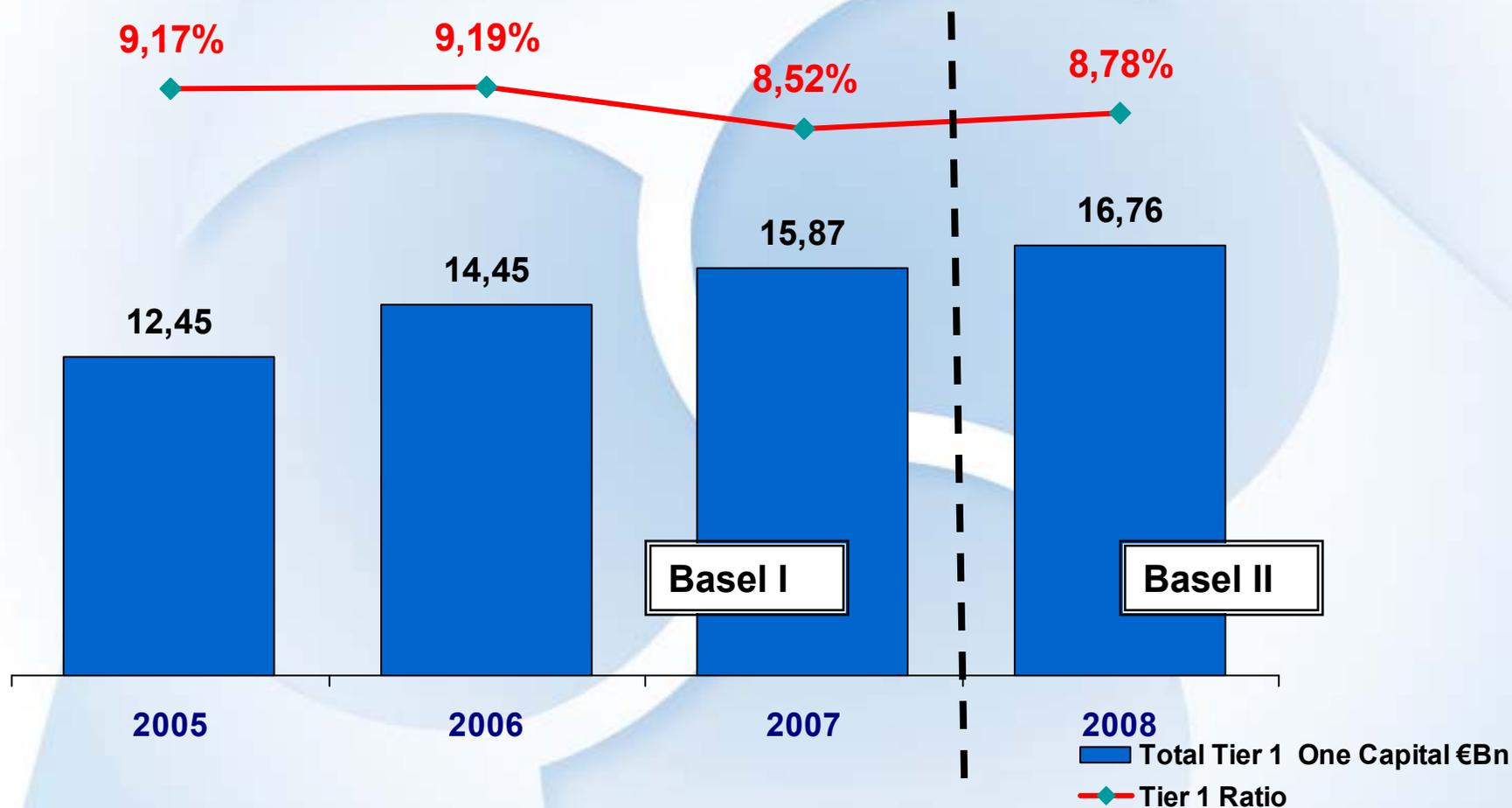
	2 007	2 008
Retail	937	760
Insurance	549	390
CIB	233	(476)
Private banking	135	42
Private Equity	367	77
Structure & Holding	(60)	(285)
<b>TOTAL</b>	<b>2 161</b>	<b>509</b>

### Net Results





## CM5-CIC TOTAL TIER ONE CAPITAL & TIER 1 RATIO



- Capital ratios remain solid after 2008 significant M&A transaction
- Available additional subordinated debt issuance capacity



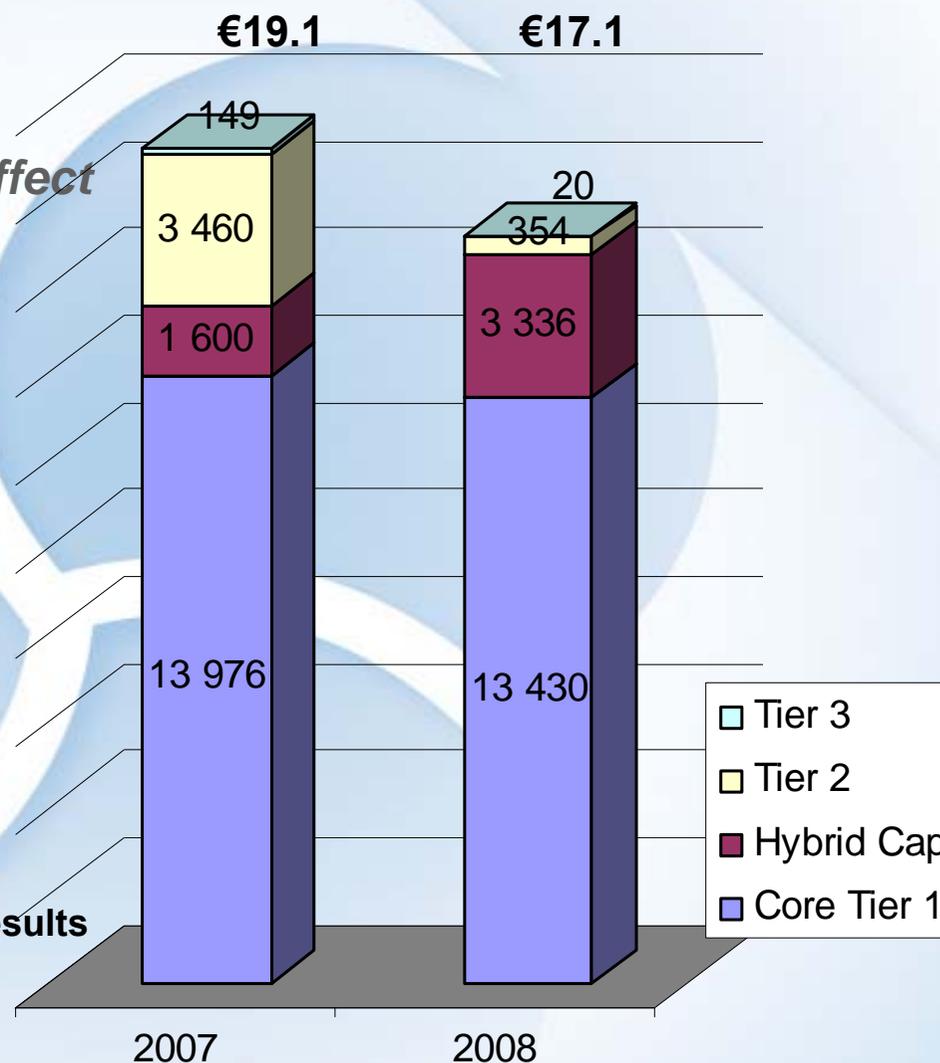
# FINANCIAL STRENGTH

as of January 2009 excluding floor effect

- **TOTAL TIER ONE RATIO: 9.88%**
- CORE TIER ONE :** 7.91%
  - **Floor effect (\*) :**
    - Tier one ratio: 8.78%
    - Core Tier one: 7.04%

- **GOVERNMENT CAPITAL FUND**
  - € 1.036bn of hybrid T1 issued in Dec 2008

- **PAY-OUT <10%**
  - **Dividends are automatically added to the results**
    - Mechanical effect of the cooperative structure



**Tier 1 = Core Tier 1+ Hybrid Cap**



## FUNDING: GLOBAL POLICY

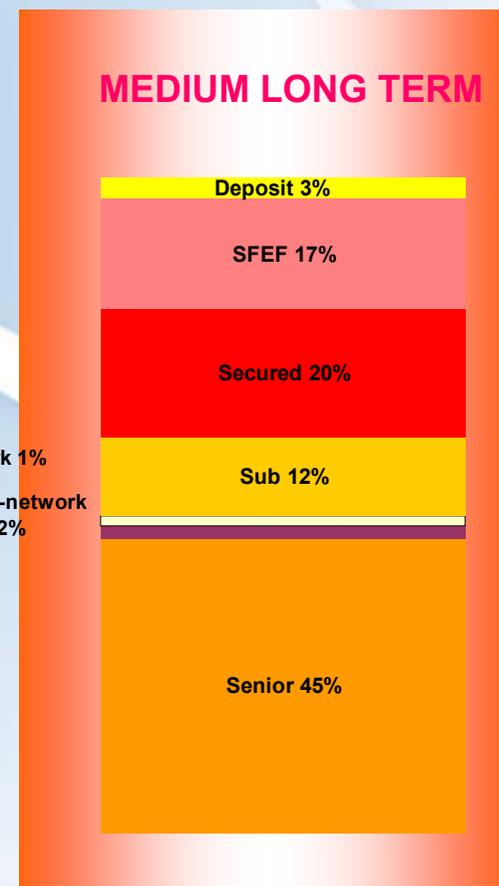
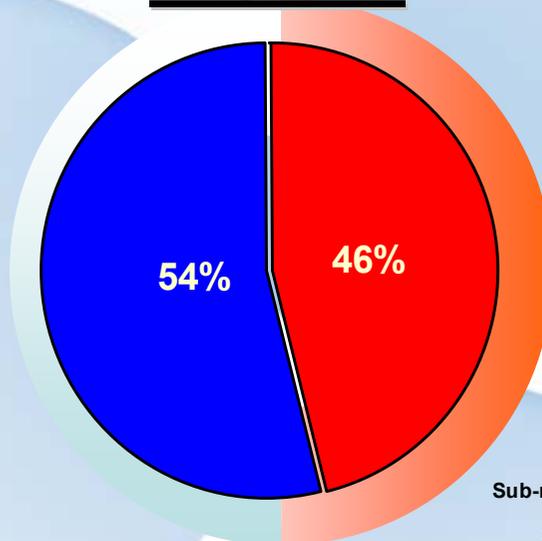
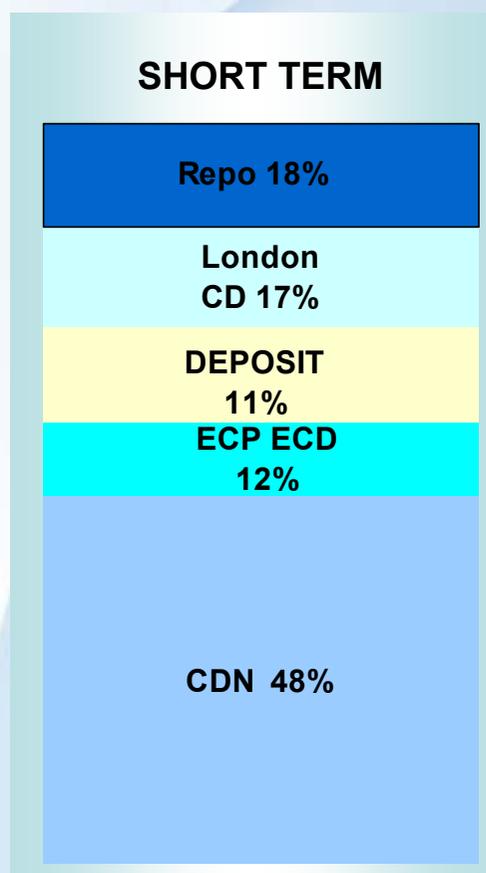
- continued strong inflow of retail and corporate deposits
- diversified funding strategy with respect to investor types, geographic locations & product specificities
- comfortable collateral of ECB-eligible assets
- cautious ALM policy



## FUNDING OUTSTANDINGS as of April 2009

CM5-CIC conservative liquidity policy provides that 80% of short-term resources are hedged with collateral

**€ 115 bn**



Sub-network 1%

Senior-network 2%



# DEBT ISSUANCE PROGRAMS

**BFCM**  
CD, ECP, BMTN,  
EMTN,  
X-NOTES

**CIC Paris**  
CDN, BMTN

**CIC Lond  
on**  
London CD  
**CM-CIC CB**  
Covered Bonds  
AAA

(€bn)	   	
	CEILINGS	OUTSTANDINGS
<b>French CD's</b>	<b>60</b>	<b>39</b>
<b>ECP</b>	<b>18</b>	<b>8</b>
<b>TOTAL</b>		
<b>Short-Term (&lt; 1-year)</b>	<b>78</b>	<b>47</b>
<b>French MTN</b>	<b>6,5</b>	<b>2</b>
<b>EMTN/X-notes</b>	<b>58,5</b>	<b>29</b>
<b>TOTAL</b>		
<b>Medium / Long Term (1-year and above)</b>	<b>65</b>	<b>31</b>
<b>CMCIC-CB</b>	<b>15</b>	<b>14</b>

As of April 2009

not included : London CD program



## RATINGS

Conservative strategy and sound financial profile  
are reflected in BFCM & CIC's strong ratings

	Moody's		S&P		Fitch Ratings	
	BFCM	CIC	BFCM	CIC	BFCM	CIC
Short-Term	P-1	P-1	A-1	A-1	F1+	F1+
Long-Term	Aa3	Aa3	A+	A+	AA-	AA-
Outlook	Stable	Stable	Stable	Stable	Stable	Stable

**CMCIC Covered Bonds: AAA / Aaa / AAA by S&P, Moody's and Fitch Ratings**



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## CONCLUSION

**Despite an unprecedented deepening of the crisis:**

- ✓ **the Group posted positive profits**
- ✓ **with a strong financial structure**
- ✓ **with a retail bank-insurance core business providing stability**
- ✓ **with the ability to seize external growth opportunities**
- ✓ **and to pursue a sustained organic growth**



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# CMCIC-Covered Bonds

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CM  CIC Covered Bonds

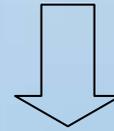
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**CM4-CIC**

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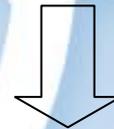
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**Banque Fédérative du Crédit Mutuel**

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**CM-CIC Covered Bonds**

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**CM-CIC Covered Bonds**



## The collateral providers (\*)

**CM4-CIC**

A major banking group in France

- Among the largest providers of French home loans
- with a net banking income of EUR 5.8 bn in 2008
- a sound capitalisation with a Tier 1 Capital ratio of 8.78 %

A cooperative bank with a low risk profile, focused on retail banking via 2

networks  and 

## The borrower

**BANQUE FEDERATIVE du CREDIT MUTUEL**

- holding and central funding entity of the Crédit Mutuel-CIC Group
- rated by S&P **A+**(stable) / Moody's **Aa3** (stable) / Fitch Ratings **AA-** (stable)

(\*) as at Dec 2008



## The Issuer

### CM-CIC Covered Bonds

- a duly licensed **French credit institution** with the approval of the French banking authorities (CECEI)
- under permanent supervision and control of the “Banque de France” & “Commission Bancaire”
- benefits from a full recourse against BFCM
- issues **AAA / Aaa / AAA** rated bonds with hard bullet maturities
- the Covered Bonds are backed by direct security over the Cover Pool (collateral directive)



## CM-CIC Covered Bonds programme strength

### Legal Framework

#### Supervision

- not a SPV but a credit institution approved & controlled by the BDF
- regulated by the common law: the EU Collateral Directive 2002/47
- audited by PWC Audit, Ernst & Young
- with an independent member at the board

### Restrictive Eligibility Criteria

#### High quality & low risk cover pool

- prime residential mortgages and guaranteed home loans
- underlying properties exclusively located in France
- only residential loans governed by French law are eligible
- loans are originated by the CM local banks and the CIC branches
- with conservative origination and underwriting procedures
- a common IT system to support, to control the process of loan origination, and to manage the assessment of risk
- low risk cover pool (no arrears)



# CM-CIC Covered Bonds programme strength

## French Market Framework

### French home loan market: a low risk market

- exclusively prime home loans market
- conservative underwriting approach
- only mortgage loans & guaranteed home loans
- France: one of the lowest home ownerships level in Europe (only 57% vs 83% in Spain, 80% in Italy, 77% Ireland, 71% UK 71%,...) <sup>(1)</sup>

## CM-CIC home loan business

### Strength of CM-CIC home loan business

- Among the largest provider of home loans
  - with a 17.7% credit market share in France in 2008
- strong franchise in retail banking
  - with two different networks  and 
  - with 5,619 branches <sup>(2)</sup> all over France
- knowledge of the local market and of the clients
  - the customers are “the roots” of the cooperative organization
- 91% of the home loans outstandings are originated through our networks

(1) Sources: Eurostat 2007

(2) Crédit Mutuel CIC national with Citibank D



# CM-CIC Covered Bonds programme

CM-CIC Covered Bonds

## Cover pool(\*)

Pool notionnel	EUR 20 bn
Type	Prime French residential mortgages and guaranteed home loans
Number of loans	238 167
Average loan Balance	84 833
Seasoning	42 months
Current LTV	70%
Current Indexed LTV	58%
Rate Type	81% Fixed, 19% Floated & Indexed
Geographic distribution	France

## Programme Key Terms

Issuer	CM-CIC Covered Bonds
Programme Size	EUR 15 bn
Expected Ratings	AAA (S&P) / Aaa (Moody's) / AAA (Fitch Ratings)
Risk Weighting	20%
Maturity Type	Hard bullet
Currency	Any
Listing	Luxembourg
Governing Law	French
Maximum LTV	100% (with LTV cap at 80% for ACT)

(\*) April 2009



# CM-CIC Covered Bonds issues

	Inaugural Issue	Second Issue	Third Issue
Size	EUR 2.5 bn	EUR 2 bn	EUR 1.5 bn
Rating	AAA (S&P) / Aaa (Moody's) AAA (Fitch Ratings)	AAA (S&P) / Aaa (Moody's) AAA (Fitch Ratings)	
Maturity	July, 2012	November, 2010	June, 2010
Maturity type	Hard Bullet	Hard Bullet	
Joint Bookrunners	Barclays, BNP Paribas and HSBC	ABN BNP Paribas Danske Bank	Barclays BNP Paribas Crédit Suisse
Rate Type	4.75%	4.375%	5.25%
Listing	Luxembourg	Luxembourg	
Governing Law	French law	French law	



## Highly liquid and strongly rated instrument

AAA / Aaa / AAA by S&P, Moody's and Fitch Ratings  
Exposure to the high quality French home loan market  
Commitment to create a liquid benchmark reference curve

## Full support of the CM4-CIC Group

Third largest retail bank in France  
A+(stable) / Aa3 (stable) / AA- (stable) by S&P, Moody's and Fitch Ratings  
A stable and profitable financial structure with a low risk business model

## Stable and growing high quality cover pool

Pure French prime residential home loans  
Tight customer scoring and monitoring systems  
+9.8% individual home loan portfolio growth in 2008

## Structural features of the Covered Bonds programme

Asset Cover Test ensures overcollateralisation level and reduces negative carry risk  
Hedging strategy and liquidity providers mitigate market and liquidity risks



## appendices

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**The Covered Bonds structure details**

**Home loan market and business**

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# **CM-CIC Covered Bonds Structure Details**

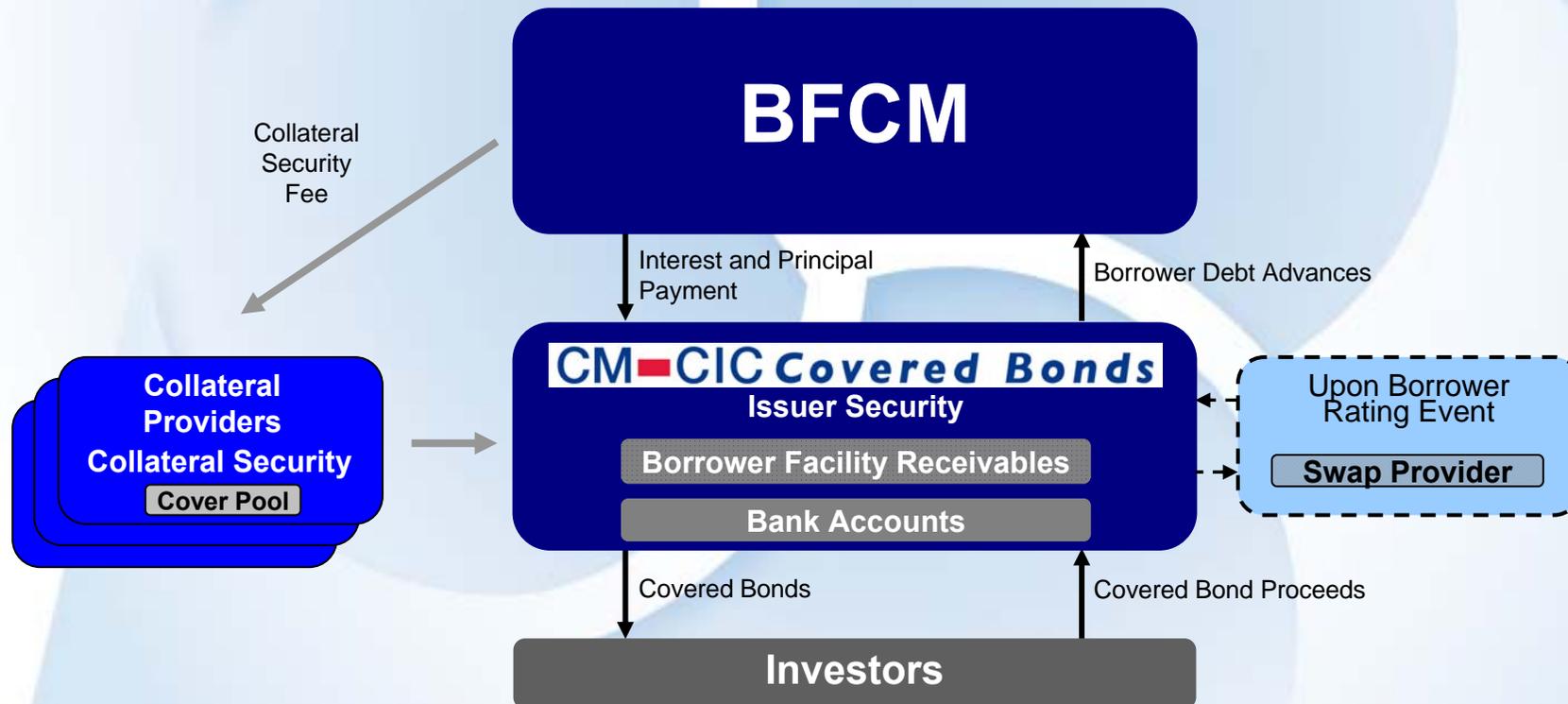
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# CM-CIC Covered Bonds Programme structure overview

## Standard Features

- Full recourse of the Issuer against BFCM
- Covered Bonds backed by direct security over the Cover Pool
- Asset monitoring including Asset Coverage Test and Amortisation Test

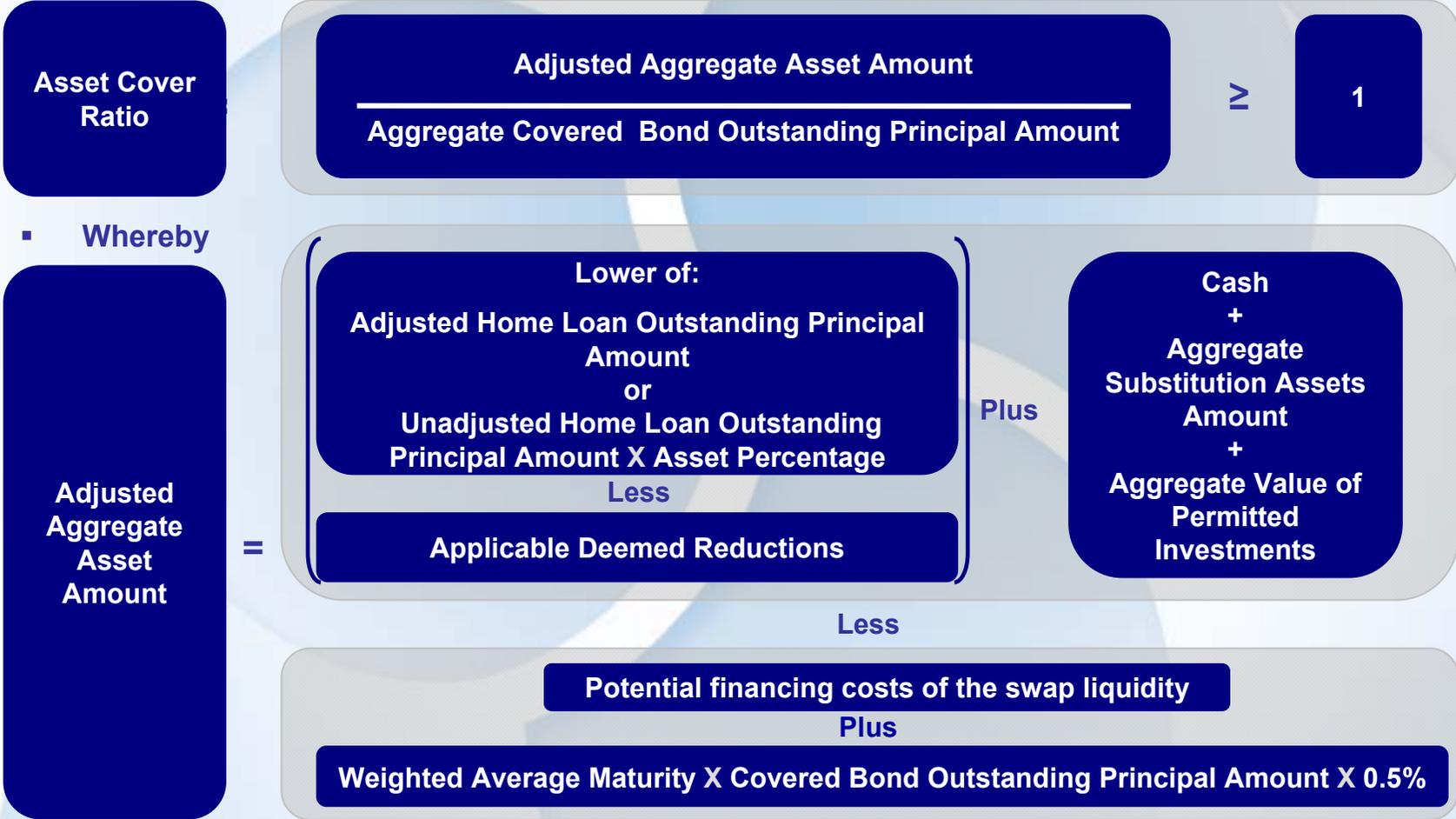




# CM-CIC Covered Bonds structure details

## Asset Cover Test

- The Asset Cover Test (ACT) is designed to ensure that the collateral constituted by home loans, cash and other collateral is able to meet future cash flows (interest and principal) on the covered bonds (tested monthly by the Issuer calculation agent )





# CM-CIC Covered Bonds structure details amortisation test

## CM-CIC Covered Bonds Structure Details

### Amortisation Test

**Amortisation Ratio** = 
$$\frac{\text{Transferred Aggregate Asset Amount}}{\text{Aggregate Covered Bond Outstanding Principal Amount}} \geq 1$$

Whereby

**Transferred Aggregate Asset Amount** = 
$$\begin{aligned} & \text{Home Loan}^1 \text{ Outstanding Principal Amount} \times \\ & \text{(M=1 if loan less than 3 months in arrears ;} \\ & \text{M=0.7 if loan 3 months or more in arrears)} \end{aligned} \text{ Plus } \begin{aligned} & \text{Cash} \\ & + \\ & \text{Aggregate Substitution} \\ & \text{Asset Amount} \\ & + \\ & \text{Aggregate Value of} \\ & \text{Permitted Investments} \end{aligned}$$

Less

$$\text{Weighted Average Maturity X Covered Bond Outstanding Principal Amount X 0.5\%}$$

1-All Home Loans title to which has been transferred to the Issuer upon enforcement of the Borrower Collateral Security and the Affiliate Collateral Security following the enforcement of a Borrower Event of Default



## CM-CIC Covered Bonds structure details hedging strategy

- **Before an event of default, the Issuer is not exposed to any risk of an interest or currency rate mismatch arising between the payments received on the Borrower Advances and the payments to be made under the Covered Bonds**
- **Upon the occurrence of a Hedging Rating Trigger Event, the Issuer will enter into Hedging Agreements**
  - Swap agreements concluded by the Issuer with Eligible Hedging Providers (Issuer Hedging Agreements) to hedge any currency and interest rate mismatch between the Covered Bonds and the Cover Pool
  - “Hedging Rating Trigger Event” means the event in which the senior unsecured, unsubordinated and unguaranteed debt obligations of BFCM become rated below A-1 by S&P, P1 by Moody's or F1+ by Fitch Ratings
- **Upon the occurrence of a Borrower Event of Default, and the subsequent transfer in favour of the Issuer of title to the Home Loans, the Issuer will**
  - Maintain its rights and obligations under the existing Issuer Hedging Agreements
  - Terminate immediately the Borrower Hedging Agreements



## CM-CIC Covered Bonds structure details structure highlights

- **The Pre-Maturity Test is designed to ensure that the Borrower can provide sufficient liquidity in case of a downgrade**
  - If 9 months before the maturity of any Covered Bonds series the Borrower short-term ratings are below A1 by S&P, P-1 by Moody's or F1+ by Fitch Ratings, the Borrower must fund a cash collateral account up to a sufficient amount to insure the redemption of the Covered Bonds
  - A non-compliance with the Pre-Maturity Test will prevent the Issuer from issuing any further series of Covered Bonds as long as it remains unremedied
- **Liquidity Support**
  - Monthly payment under the Covered Bond Swap
  - Funds held by the highly rated Covered Bond Swap provider until the annual payment of interest
- **Account Agreement**
  - BFCM provides bank accounts to the Issuer
- **Asset Servicing**
  - The Collateral Providers will perform the Asset Servicing. BFCM will provide CM-CIC Covered Bonds with Asset Reporting
  - CM-CIC Covered Bonds will use reasonable efforts to enter into a master servicing agreement with an Eligible Servicer if downgraded below BBB by S&P, Baa2 by Moody's or BBB- by Fitch Ratings



## CM-CIC Covered Bonds structure details cash flow priorities

### Pre- Enforcement Priority Payment Order

- Senior Administrative and Tax Costs
- Covered Bonds Hedging Costs
- Interest on the Covered Bonds
- Principal on the Covered Bonds
- Hedging Termination Costs
- Dividend to the Issuer's shareholders and any payment under the subordinated loan



## CM-CIC Covered Bonds structure details key events 1/3

### Borrower Event of Default

- **The occurrence of any of the following events will constitute a Borrower Event of Default**
  - Default in the payment of principal or interest on any Borrower Facility not remedied within 3 business days after the due date
  - Breach of Pre-Maturity Test
  - Breach of Asset Cover Test
  - Breach of Amortisation Test
  - Failure to comply with any of the Borrower's material obligations
  - Occurrence of an Insolvency Event
  - Failure to enter into any Hedging Agreement within 30 days following a Hedging Rating Trigger Event
  - Failure to constitute a reserve within specified period of 10 days
- **A Borrower Event of Default will result in a Borrower Enforcement Notice**
  - Borrower advances due and payable
  - Enforcement of the Borrower Facility with transfer of assets to the Issuer

### Controlled Post- Enforcement Priority Payment Order

- **Senior Administrative and Tax Costs**
- **Covered Bonds Hedging Costs**
- **Interest on the Covered Bonds**
- **Principal on the Covered Bonds**
- **Hedging Termination Costs**
- **Subject to full repayment of any outstanding Covered Bonds, distribution of remaining enforcement proceeds to the Borrower**



## CM-CIC Covered Bonds structure details key events 2/3

### Issuer Event of Default

- **The occurrence of any of the following events will constitute an Issuer Event of Default**
  - Default in the payment of principal or interest on any Covered Bond not remedied within 5 business days after the due date
  - Order made for the liquidation or winding up of the Issuer
  - The Issuer ceases to carry on all or a material part of its business
  - Breach of Amortisation Test
  - Failure to enter into any Hedging Agreement within 30 days following a Hedging Rating Trigger Event
- **An Issuer Event of Default will result in an Issuer Enforcement Notice and an Accelerated Post-Enforcement Priority Payment Order**

### Accelerated Post- Enforcement Priority Payment Order

- **Senior Administrative and Tax Costs**
- **Covered Bonds Hedging Costs**
- **Interest on the Covered Bonds**
- **Principal on the Covered Bonds**
- **Hedging Termination Costs**
- **Subject to full repayment of any outstanding Covered Bonds, distribution of remaining enforcement proceeds to the Borrower**



### No further Issuance

- **The Issuer undertakes not to issue further Covered Bonds under the Programme**
  - As from the date a Borrower Enforcement Notice has been served
  - As from the date an Issuer Enforcement Notice has been served
  - For so long as Non Compliance with Asset Cover Test has occurred and is not remedied
  - For so long as, regarding the Pre-Maturity Test, a Non Compliance Notice has been delivered and is not withdrawn

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### [CM-CIC CB web site](#)

*For Further information please consult the CM-CIC Covered Bonds web site:*

- *Investor reports*
- *Annual financial report*
- *Base Prospectus*
- *Press release*
- *Presale reports*



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# Home loan market and business

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## CM4-CIC's home loan business

- **Due to CM4-CIC's retail strategy focused on organic growth...**

- CM4-CIC home loans outstanding growth: +9.6% in 2008 (constant scope)

- **...home loans generate a significant part of retail business**

- with a €102.4 billion individual home loans represent 49% of CM4-CIC total loan production

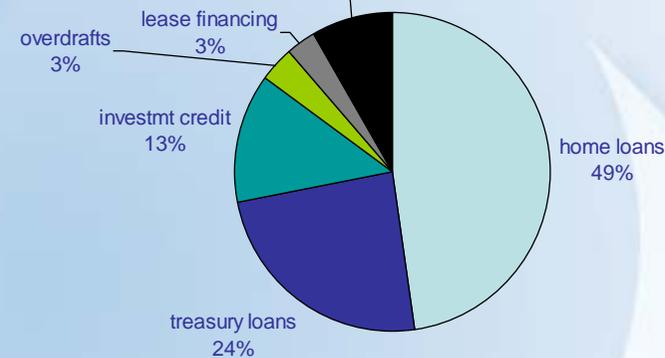
- **Home loans are the central activity allowing a profitable cross selling relationship**

- The high level of customer loyalty with a monitoring at branch level and the deep understanding of client needs allow efficient cross selling

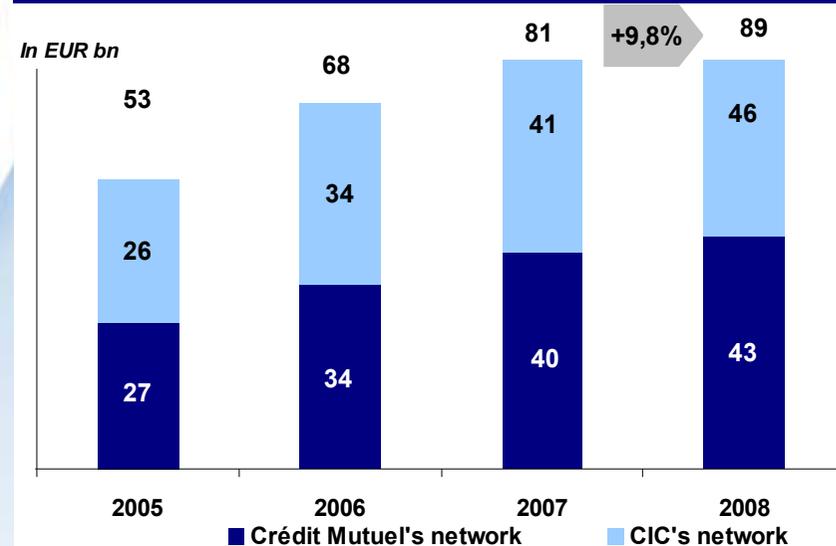
- **Distribution network**

- A wide network of 3,788 branches in France
- 91% of the home loans in terms of outstandings were originated through the network and only 9% by brokers

### Total Loans Outstanding = €214 billion



### Individual Home Loans Outstanding





## Visit our Websites

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**CM-CIC Covered Bonds:**  
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