2010

Annual Report




CIC

CIC ended 2010 with net income of €1,144 million.

Building on the skills and know-how of its 21,000 employees attending to the needs of nearly 4.4 million clients, CIC posted strong gains in loans and deposits, and also in insurance, remote banking, video surveillance and telephony.

Private individuals, associations, self-employed professionals and corporates (CIC is banker to one in three businesses in France) all benefited from personalized support for their projects, and this is reflected in the figures, with retail banking investment lending up by 8.8% and home loans up by 7.6%.

In an economic climate in which businesses need help to create jobs, effective early 2011 CIC has brought its capital structuring activities together under CM-CIC Capital Finance. As France's second biggest bank-owned private equity operator, with €2.6 billion in assets under management and more than 500 equity holdings in its own name, this organization enjoys close relations with regional SMEs, which it is well placed to assist in their expansion in France and abroad.

The cost/income ratio improved to 61% thanks to sales growth, productivity gains and control of overheads.

With €27.6 billion in Tier 1 capital (up by 8.4%), its parent company Crédit Mutuel posts a Tier 1 solvency ratio of 11.5%. This is recognized, as the Crédit Mutuel-CIC group is the only French bank whose rating has not been downgraded by the international agencies in the last three years. This financial strength is fundamental, serving as it does as a guarantee of the institution's durability and of safety for its clients.

This is complemented by dynamism associated with:
• the quality, motivation and continuous training of its employees;
• the use of effective tools;
• a strategy based on proximity and trust.

These successes have been recognized: Crédit Mutuel-CIC was named "Bank of the Year in France" by the magazine The Banker and won first prize in the banks category at the BearingPoint-TNS Sofres Customer Relations Podium.

CIC faces the future with confidence and determination. It continues to strive to improve its network and enrich its offering in all its markets.

Thanks to a responsive organization which puts customer service and support for job-creating businesses at the top of its list of concerns, it is more determined than ever to play an active part in meeting the financing needs of the economy as far as possible.

Michel Lucas
President of the Executive Board

CONTENTS

This registration document also serves as an annual report.

CIC, the holding company and network bank serving the Paris region, comprises five regional banks and specialist entities covering all areas of finance and insurance both in France and abroad.

4,369,747 clients, including:

3,635,585 individuals

66,451 associations

557,048 self-employed professionals

110,461 corporates

20,611 employees

2,117 branches in France

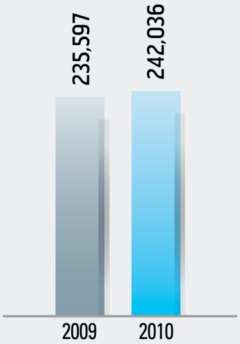
3 foreign branches and

36 foreign representative offices

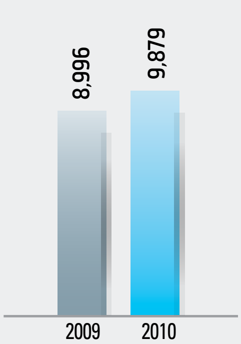
Figures as of December 31, 2010

Key consolidated figures

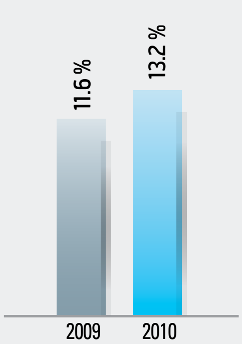
IN € MILLIONS



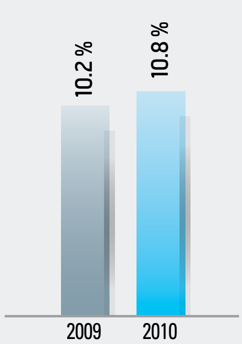
TOTAL ASSETS



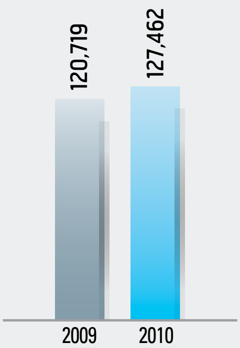
SHAREHOLDERS' EQUITY
(incl. minority interests)



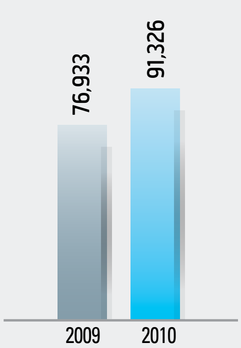
RETURN ON EQUITY



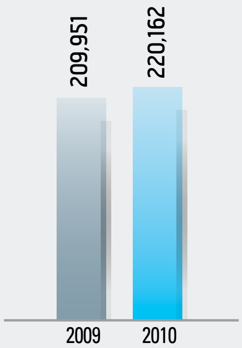
TIER 1 SOLVENCY RATIO



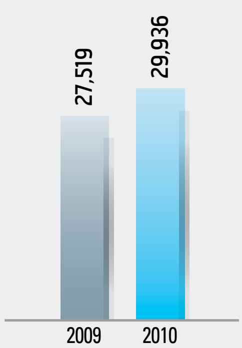
CUSTOMER LOANS



CUSTOMER DEPOSITS



SAVINGS MANAGED AND HELD IN CUSTODY (1)



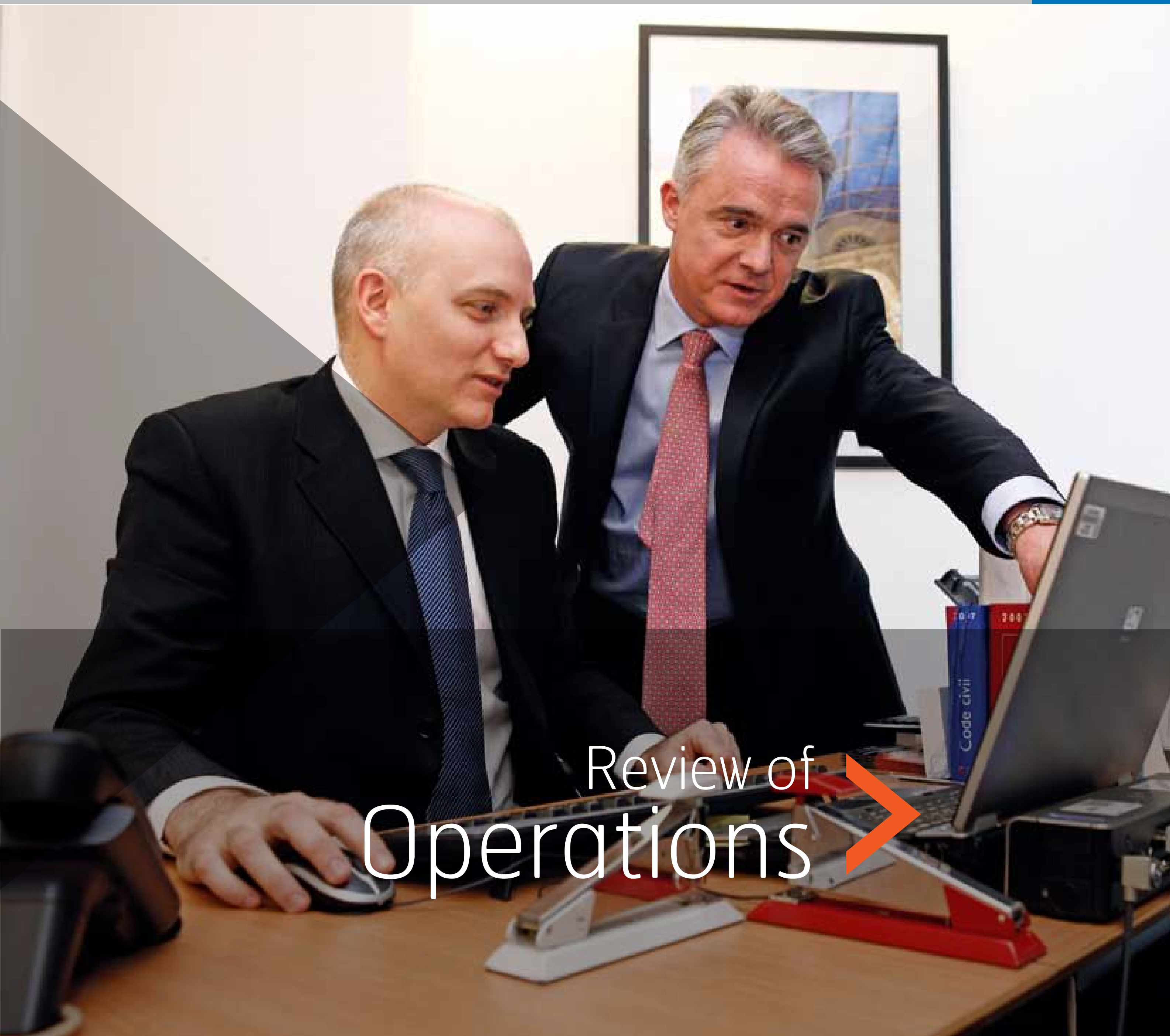
LIFE INSURANCE

(1) At month-end including financial securities issued.

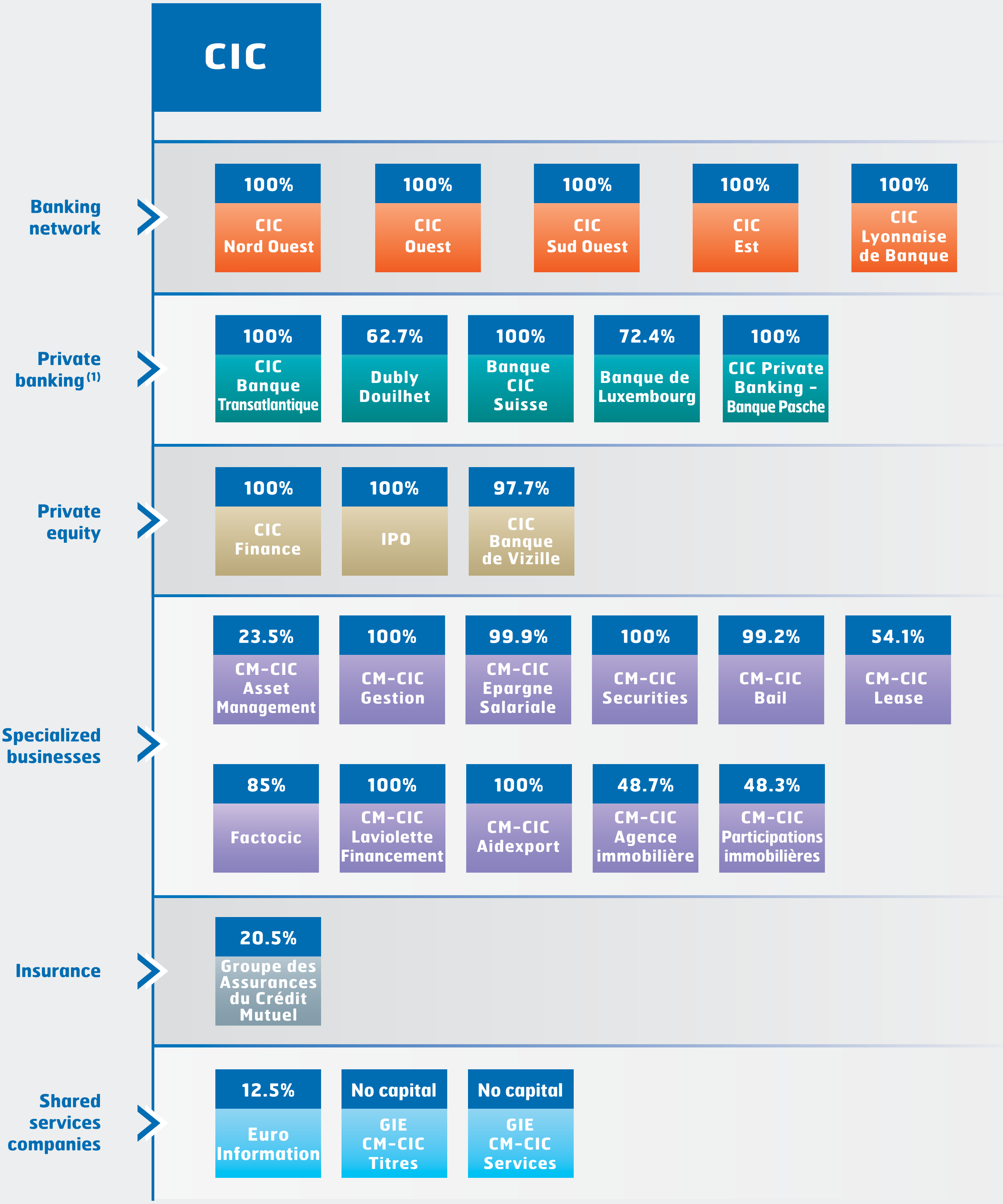
RESULTS

	2010	2009
Net banking income	**4,637**	4,687
Operating income	**1,370**	1,055
Net income attributable to group	**1,115**	801
Cost/income ratio	**61%**	59%

Source: consolidated financial statements.



Review of Operations



The percentages indicate the portion of the entity controlled by CIC as defined under article L.233-3 of the French Commercial Code (Code de Commerce). The companies not controlled by CIC, i.e., where ownership is less than 50%, are jointly owned by Crédit Mutuel, as detailed opposite. They are therefore controlled by the Crédit Mutuel-CIC group in accordance with the terms of the same article of the French Commercial Code.

(1) Private banking activities are also conducted by CIC's Singapore branch (in situ and via CIC Investor Services Limited in Hong Kong).

CIC comprises:

- CIC (Crédit Industriel et Commercial), the holding company and head of the bank network, which also acts as the regional bank for the Greater Paris region and through which investment, financing and capital markets activities are carried out;
- five regional banks, each of which serves a clearly defined region;
- specialist entities and service companies serving the whole group.

As at December 31, 2010, CIC's shareholding structure was as follows:

- BFCM (Banque Fédérative du Crédit Mutuel): 72.48% and Ventadour Investissement: 19.48%, representing a total interest of 91.96% for Crédit Mutuel Centre Est Europe;
- Caisse Centrale du Crédit Mutuel: 1.01%;
- Crédit Mutuel Nord Europe: 0.99%;
- Banca Popolare di Milano: 0.93%;
- Crédit Mutuel Océan: 0.70%;
- Crédit Mutuel Arkéa: 0.69%;
- Crédit Mutuel Maine-Anjou, Basse-Normandie: 0.67%;
- Crédit Mutuel du Centre: 0.58%;
- Crédit Mutuel Loire-Atlantique et Centre-Ouest: 0.36%;
- Crédit Mutuel Normandie: 0.07%;
- Treasury Stock: 0.60%;
- Present and former employees: 0.27%.

The remaining 1.17% of shares are held by the public.

Crédit Mutuel shareholdings by business:

Private banking
Banque Transatlantique Luxembourg: 40%
Banque de Luxembourg: 27.6%

Specialized businesses
CM-CIC Asset Management: 76.4%
CM-CIC Bail: 0.8%
CM-CIC Lease: 45.9%
Factocic: 15%
CM-CIC Agence immobilière: 51.3%
CM-CIC Participations immobilières: 51.7%

Insurance
Groupe des Assurances du Crédit Mutuel: 79.5%

Shared services companies
Euro Information: 87.5%

With net banking income of €3,280 million (up by 8%), operating expenses of €2,175 million (up by 2%) and a cost of risk of €267 million (as against €470 million in 2009), retail banking posted operating income of €838 million.

Retail banking: key figures
(€ millions)

	2010	2009	Change
Net banking income	3,280	3,028	+8.3%
General operating expenses	(2,175)	(2,141)	+1.6%
Operating income before provisions	1,105	887	+24.6%
Cost of risk	(267)	(470)	-43.2%
Income before tax	955	507	+88.4%
Net income attributable to group	655	346	+89.3%

Source: consolidated financial statements.

Retail banking, the group's core business, continued to grow in 2010.

The number of clients[1] increased by 88,166 or 2%, including 11,159 associations and self-employed professionals and 474 corporates.

The network's total commitments increased by 4.9%, with investment loans to corporates and self-employed professionals up by 13.4% and 7.5% respectively.

Customers' savings ended the year up by 6.5%, with managed savings up by 2.2% and deposits up by 11.4%.

CIC's life insurance intake rose further, with an increase of 11.5% in revenue.

Assets of non money-market mutual funds rose by 1.4%, while those of FCPI innovation funds and FIP investment funds grew by 4.8%.

Service activities associated with electronic payment systems showed strong growth:

- number of cards in circulation up by 2.8%, including high value added cards up by 8.9%;
- number of merchant payment terminals up by 1.6% to 119,279;
- flow of payments by card with merchants and corporates up by 9.3%.

In property insurance, the portfolio grew by 5.4% for auto and 5.2% for home.

The number of telephony contracts reached 232,526, representing an increase of 41.7%.

Network

> Network development

2,117 points of sale

In 2010 CIC continued its rapid expansion of points of sale, with 44 new sites, of which 14 in the Greater Paris region. Now with 2,117 branches, CIC is constantly intensifying its client proximity.

Remote banking

ATMs

The total number of ATMs increased by 108 to 3,665, of which 2,533 DAB/GAB full-service terminals and cash dispensers and 1,132 cash deposit machines. CIC recorded a total of 70,490,322 cash withdrawals and 43,122,528 other transactions.

cic.fr

With close to 18 million additional visits, overall site traffic increased by 12% to 162 million visits. Payment requests were up by 15%, with a total of 22 million transactions being carried out, while use of the "Web relevé" online statement facility rose by 41% to 2.1 million statement checks.

cic.fr was further enhanced for personal banking clients, self-employed professionals and corporates: secure messaging, confirmation codes, interconnection between remote banking contracts, Smartphone applications, mobile Internet, trade services, etc.

(1) Calculation rules fine-tuned in 2010, 2009 figures restated accordingly.

> Personal banking clients

New clients

The number of clients increased by 2.1% to reach 3,635,585.

This was achieved partly thanks to the recovery in real estate lending.

Client deposits

Overall Savings Books balances fell by 1.1% to €14.9 billion. However the regulated tax-free "Livret A" Savings Books continued their ascent, rising by 22.5% to €2.3 billion.

Changes in the interest rate curve over the course of the year led to the launch of the "Compte évolutif" flexible sliding-scale account, which resulted in a rapid fall in term deposits (to €2.6 billion as at December 31).

Real estate savings plans rose by 7.8% to €5.8 billion and sight deposits by 9.9% to €8.2 billion.

Managed savings

Assets under management grew by 7.1%, with the increase in custody of other securities (up by 16.3%) and life insurance (up 9.8%) more than offsetting the 9.9% fall in group mutual funds.

Lending

The sustained revival in new home loans which started in the latter part of 2009 was confirmed in 2010, reaching €9.4 billion (up by 55.9%), leading to a 5.2% increase in loan outstandings.

In consumer lending, outstandings reached €3.8 billion (up by 1.1%), with new lending slowing by 8.3% to €1.7 billion in spite of the availability of the Standby Credit facility to a growing number of clients.

Service contracts

The total number of contracts increased by 7% to 1,038,262.

A web-based option now makes it possible to obtain a reduction in monthly subscription fees by opting to receive statements via *cic.fr*.

Remote banking

Thanks to enriched content, and marketing through personal contracts, 90,930 new clients signed up for Filbanque, bringing the total number of contracts to 1,165,633, an increase of 8%.

Cards

The total number of cards increased further, by 2.2% to 2,033,048 including 289,727 high-end or prestige cards, representing 14.3% of the total. The *Deferred plus* service contributed to the success of "trading up" campaigns.

Mobile telephony

The range of options was further expanded with the Ultimate packages designed for Smartphones which accounted for 27,837 of the 100,904 sales for the year.

> Self-employed professionals

Dedicated sales force

The 2,178-strong team of professional relationship managers (up by 4%) is confirmation of CIC's determination to respond appropriately to the needs of the various market segments.

New clients

Targeted prospecting actions led to 59,003 new clients being won.

Lending

New investment loans totaled €2,752 million, with a 7.4% increase in outstandings, while new finance leases amounted to €523 million.

A total of 2,016 long-term rental finance contracts were signed.

Actions in support of entrepreneurs led to 1,714 business start-up loans being granted.

This market's contribution to total new home loans reached 18%.

Savings

Outstandings grew by €1.2 billion or 6.6% to €18.9 billion, thanks in particular to increases in savings accounts (up by €427 million or 8.7%), life insurance (up by €446 million or 14.1%) and sight deposits (up by €718 million).

Term deposits increased by €414 million or 16.5%.

Customer loyalty

Products and services were actively marketed:

- the total number of remote banking contracts increased by 15,227 or 8.3% to reach 199,754;
- the number of "Contrats professionnels" (packages of services designed to meet daily transaction needs) increased by 16,081 or 13.4% to 135,926;
- electronic payments grew by 9.3% as a result of both the increase in the number of terminals and the level of clients' activity, and commission revenue grew by 8.1%.

Employee savings management

5,937 contracts were signed, bringing the total to 25,995.

Life and health insurance

Self-employed professionals accounted for €3,597 million or 13% of total life insurance outstandings.

A total of 2,016 health insurance policies were sold to the non-salaried worker segment.

There were 3,377 new signings for Madelin plans (pension savings plans providing a retirement annuity).

Partnerships

Further new agreements were signed with branded networks, bringing the total to 98 (95 in 2009).

Agriculture

The volatility of the agricultural and agrifood markets was an unsettling factor, despite which the division won 2,826 new clients, bringing the total to 25,645, and granted €397 million in loans, bringing total outstandings to €1,577 million – an increase of 9.9%. Savings balances reached €805 million.

As regards sales and marketing activity, the highlight was the launch of a harvest insurance product providing protection against weather-related risks.

Communication

Sales actions were backed up by a radio campaign aimed at the liberal professions and CIC took part in several events designed for the self-employed professionals market.

> Associations

CIC, which primarily targets so-called management associations such as those in the healthcare, social, charitable and humanitarian sectors and training and private education institutions, now has 66,451 clients in this segment.

Loan outstandings rose by €449 million or 9.2% to €490 million.

Savings balances amounted to €4.9 billion (up by 3.8%), of which €850 million (up 53.7%) in balances held with the bank, notably thanks to an increase of 83.9% in term deposits, which reached €403 million.

> Corporates

New clients

CIC's sales model for this market is based on the proximity and responsiveness of its 140 branch managers and 617 specialist account executives. By making good use of the wide range of attractive products and services on offer and the group business centers' expertise and capacity for innovation, this sales force won 9,302 new SME and LME clients in 2010.

Lending

CIC continued to support businesses and to take determined action in the field of lending.

Total loan outstandings, at €26,941 million, were up by 5.4%, with outstandings on investment loans growing by 13.4% to €12,635 million. New finance leases for equipment totaled €870 million and new real estate lease financing came to €306 million, representing an increase of 49%.

With businesses' requirements for working capital finance remaining low, outstandings under this heading declined by 4.8%.

Treasury management and financial investment

With the newly revised offering enabling performance, security and transparency requirements to be met, total savings increased by 16.9% to €24,080 million; bank savings (essentially term deposits) were up by 88.4% at €6,540 million.

Cash management

The year was marked by the introduction of SEPA (Single Euro Payments Area) formats.

The launch of *Hub Transferts*, a comprehensive file management solution, confirmed the group's capabilities in developing innovative banking interface services suited to different types of business organizations which can choose any type of protocol – HTTPS, EBICS T, EBICS TS – to transfer their data with an interoperable SWIFTNet signature certificate.

Filbanque's services were enhanced by new functionalities for secure and paperless transactions, such as secure messaging which offers the main functionalities of an electronic messaging system.

The total volume of merchant electronic payments handled increased by 9.3% to €21,222 million and the number of cards held by self-employed professionals rose by 6.2%.

International operations

CIC continued to pursue its policy of supporting its clients in international markets. It retained the lead position, which it has held since launch, in finance for businesses' international development backed up by insurance for export sales prospecting. The foreign representative offices and CM-CIC Aidexport play key roles in this.

The group's association with Banco Popular boosts its support capabilities in Spain and Portugal in the fields of cash management and financing.

Employee benefits schemes

CIC offers a comprehensive set of tools (health, personal protection, retirement plans and employee savings plans) to help management in guiding their compensation policy and motivating their employees while at the same time controlling personnel and tax expenses.

In 2010, 2,535 employee savings contracts were signed.

Support services

Insurance

Sales growth in 2010, at 11.1%, outperformed the market, which grew by 3.8% according to the French Federation of Insurance Companies, in all areas: property and casualty, personal and life insurance.

Commissions amounted to €284 million, compared with €260 million in 2009, an increase of 9.2%.

Property and casualty insurance

The auto and home insurance portfolios each increased by 5.5% to reach 344,063 and 443,695 policies respectively.

A special rate has been introduced for motorists driving less than 6,000 kilometers a year. An offer for two-wheelers over 50 c.c. was launched for clients with a car already insured with CIC. Fleet insurance evolved to meet the needs of self-employed professionals, covering vehicles used for sales, commercial or industrial purposes.

The banking offering was rounded out with civil liability insurance for self-employed entrepreneurs. It covers their activity and their working equipment in a policy tailored to their status.

In home insurance, adjustments were made to coverage, with a view to differentiating products from those of the competition.

A new range of insurance products for pleasure craft was introduced.

The branch network, supported by the telephone claims handling platforms, went into action to cater to the influx of claims arising from meteorological disasters, particularly storm Xynthia. A whole department was set up to simplify procedures and speed up compensation.

Personal insurance

The individual protection portfolio reached 583,510 policies, representing an increase of 3.9%. Prior to the coming into force of the reform of borrowers' insurance on September 1, 2010, the range was extended.

Individual health insurance grew strongly, reaching 139,178 policies, an increase of 45%, thanks to the *Assur Hospi* offering of hospital cover (35,031 subscribers at year-end 2010).

Health Insurance cover was extended so as to offer better quality optical and dental treatment. In the field of information and prevention, the "quality of vision guide" was distributed to all new policy holders.

Utilization of the *CB Avance Santé* card, which obviates having to pay expenses up front, intensified, with more than 76% of these cards being used.

Life insurance

Sales rose by 11.5% to €2,865 million, €410 million of which was taken in by CIC Banque Privée branches and wealth advisers for *Sérénis Vie* policies – 28.5% more than in the previous year.

Plan Assurance Vie, launched at the end of 2009, has become the major vehicle, with 56,587 policies and sales of €1,235 million. It adapts to the needs of all categories of clients, by allowing them to switch between its three modes – *Essentiel, Avantage* and *Privilège* – without changing policies.

Year-end saw the launch of the *Plan Capitalisation*, a policy constructed on the same principle, with three evolving options.

The fall in rates of return in 2010 was kept in check by the quality of financial management, with net rates ranging from 3.20% for the *Livret Assurance* (for amounts under €15,000) to 3.75% for *Privilège Plan Assurance Vie*.

Online insurance services

The past year saw the renewal of the insurance space on the CIC website, applications for which have been available to all Filbanque subscribers since the beginning of 2011: online quotations and subscription for auto, home, health, life and personal protection insurance.

CIC Insurance: key figures for 2010

Sales (€ millions)	**2010**	2010/2009
Property and casualty	207.7	+10%(1)
Personal	456.4	+9.3%(1)
Life	2,865	+11.5%
Number of policies		
TOTAL	**6,668,095**	**+6.1(1)**
Of which: Property	*2,621,352*	*+3.5%(1)*
Personal	*3,265,506*	*+7.4%(1)*
Life	*781,237*	*(+5.5%)*

(1) Changes take into account restatements of the number of policies in 2009 for auto, personal protection and individual health insurance.

Investment funds

In adverse conditions CM-CIC Asset Management, the core of the Crédit Mutuel-CIC group's asset management business, continued to strive to redirect its offering toward longer-term products. Drawing on expertise in long-term bond, flexible and equity funds produced encouraging results, particularly for equity funds.

At the end of 2010, assets under management stood at €58 billion spread over 618 funds. CM-CIC AM also provided accounting services to 62 asset management companies covering 273 mutual funds.

The most notable feature of the year was the fall in treasury mutual funds, disaffection for which is in phase with the market and is essentially connected to banks' policy of re-intermediation in order to meet the new regulatory constraints. In bond funds, assets contracted as a result of concerns linked to sovereign debt in Europe. European equity markets developed unevenly and their still considerable volatility did not benefit national markets outside that of Germany.

The rigor of CM-CIC AM's management processes was endorsed by new awards, notably three trophies from *Le Revenu*, including the *Grand Trophée d'Or* (Grand Gold Trophy) for the overall performance of all its funds over ten years and two Bronze Awards from the magazine Investir.

Sales activity continued to be rolled out.

In the Crédit Mutuel and CIC networks, a sales aid tool called "financial rendezvous" was developed with the group. Its completion in 2011 should facilitate selling of managed savings and winning over wealth management clients. This past year also saw the launch of numerous formula funds. In contrast, renewal of the large volumes of funds reaching maturity proved difficult. A net outflow was recorded on the profiled funds in the *Stratigestion* range offered as quasi mandates. However, despite adverse conditions, several funds saw strong net inflows, notably *CM-CIC Or et Mat* and *CM-CIC Pays Emergents*.

For external client groups, the emphasis placed on private banks and investors gave rise to a large number of product presentations.

Revenues amounted to €272.3 million and net income to €6.7 million.

Employee savings management

CM-CIC Epargne Salariale, the core of this business line for CIC and Crédit Mutuel, represented at year-end 2010:

- €5,350 million in assets under management (up by 14.3%);
- 52,213 corporate clients (up by 14.5%);
- 1,392,858 employees' savings under management.

The year was characterized by a sales dynamic that enabled symbolic thresholds to be crossed in terms of assets under management and the number of corporate clients.

The inflow of funds was boosted by payments on new contracts and transfers from the competition. New business written increased by 37.7%: by number of contracts, it remained at 2009 levels, confirming the vitality of the business.

In order to support this growth, CM-CIC ES has set up an administrative center in Angers, the purpose of which is to support the professional account executives in selling employee savings management contracts and to act as the back-up for the employee call center at the Cergy site.

ISO 9001-2008 certification was renewed for a further three years.

Revenue associated with employee savings for the Crédit Mutuel and CIC networks (placement commissions and subscription fees) increased by 10%.

The pension reform passed in 2010 will offer business growth opportunities in 2011 as regards PERCO (*Plan d'Epargne Retraite Collectif*) employee retirement savings schemes.

Factoring

One of the main events of 2010 was the group's taking 100% control of Factocic.

The factoring market returned to growth – up by 19.4% after having shrunk by 3.6% in 2009 (source: French Association of Finance Companies).

Factocic succeeded in performing well on two fronts:

- the volume of invoices purchased increased by 23.3% to €12.6 billion, entailing an increase in market share;
- new business exceeded €4 billion, with 1,024 new contracts signed.

This achievement was based:

- as regards volumes, on the success of the *Orféo* range, which makes specific solutions for financing and managing receivables available to large and large/medium enterprises (LEs and LMEs); a number of significant transactions, notably involving syndication among factoring companies, were carried out;
- as regards the number of contracts, on the online product *Factoflash* designed for self-employed professionals and VSEs (very small enterprises).

Growth in export business was also noteworthy, with the volume of invoices purchased reaching €763 million (up by 39%).

In a still vigorous competitive environment, commission revenue grew by 7.2%. However, operating income was affected by lower financial income as a result of persistently low key interest rates.

Operating costs were kept well under control.

The cost of risk returned to levels habitually seen in the profession, following an exceptionally favorable year in 2009.

Net income came in at €13.5 million.

In 2011 Factocic will be further integrated with the group and cooperation with CM-CIC Laviolette Financement will be intensified so as to form a real center of expertise in receivables.

Receivables purchasing

CM-CIC Laviolette Financement, the specialized center of expertise for the purchasing of assigned business receivables, continued to grow with all its partner banks.

In 2010 business and profitability rebounded sharply.

With good risk management and sustained levels of new business, the year ended with:

- a 14% increase in activity to €1,609 million in inflows, for 288,000 invoices processed;
- 11% growth in net banking income, to €23.5 million;
- overall profitability of €11.5 million (up by 25%);
- payment of fees to partner banks in the amount of €9.3 million (81% of overall profitability).

Net income, at €1.4 million, was practically unchanged from 2009.

Real estate

CM-CIC Participations immobilières

By working with real estate developers through the acquisition of interests in SCI (non-trading real estate company) consortia for the financing of residential real estate throughout France, in 2010 CM-CIC Participations Immobilières, acting as the group's vehicle, invested €2 million of capital in seven new projects, representing 513 homes, for a sales turnover of €92.5 million.

Net accounting income was €1.3 million.

CM-CIC Agence immobilière

CM-CIC Agence Immobilière, which is licensed to do business as a realtor under the Hoguet law, acts as an intermediary in the sale of new residential properties on behalf of the Crédit Mutuel and CIC networks including CIC Banque Privée. This group vehicle's primary targets are investors and first-time buyers. The programs marketed are approved in advance by a committee composed of representatives of the lending, asset management and sales teams.

In 2010, 5,446 lots were reserved for an amount of €973 million, which should generate €45.8 million in fees and €42 million in rebates to the network.

CM-CIC Lease

Business interest in financing professional real estate through leasing revived in 2010, largely as a result of exceptional tax measures aimed at facilitating real estate leasing transactions, which have been extended until the end of 2012.

Accordingly, new CM-CIC group finance agreements amounted to €630 million (up by 7.4% on 2009) for 283 properties.

Policies to improve methods for competitive bidding processes, offering shorter lead times for signing deeds while at the same time ensuring high quality legal and planning services, were further pursued.

Finance outstandings showed growth of 13% to nearly €2.7 billion, 75% of which is composed of industrial and commercial properties and warehouses, in almost equal proportions.

CM-CIC Lease paid €11.8 million in commissions to various group networks (24% more than last year). Thanks to the reduction in general expenses and the reversal of risk provisions no longer required, it posted net income of €8.9 million, 9.9% up on the previous year.

Equipment leasing

In a slightly growing market, CM-CIC Bail posted an 18% increase in new business volumes for 2010, driven by sustained activity in the large corporates sector in France as well as in Belgium and Germany.

A total of 97,488 leases were written (up by 25%).

The various sales channels all contributed to the final result and enabled the range of services offered to be expanded.

Following the setting up of the Belgian and German subsidiaries and the agreements signed with Banco Popular covering Spain and Portugal, a branch was opened in the Netherlands.

The *Bail Prestige* offering was developed strongly through *Bail Marine* financing (up 14%) and the financing of several works of art. The total number of vehicles on *Auto Confort* long-term rental rose by 20%.

Support for construction contractors was enhanced by means of an Internet tool being made available to them and to dealers in the agricultural equipment market.

The consolidated financial margin increased by 6.6% to reach €105 million. After substantial rebates of commissions to the various networks, and thanks to a low cost of risk, net income grew to €12.8 million.

In merging with SODELEM, the leasing subsidiary of a number of Crédit Mutuel federations from Western France, CM-CIC Bail entered a new phase which was followed by the establishment of a sixth regional center in La Roche-sur-Yon and by the complete reorganization of the company, which has 175 employees. This is part of the "2013 Challenge" action plan which together with "service attitude" aims to improve customer satisfaction.

Financing and capital markets activities

In 2010 net banking income from financing grew by 4% to €405 million, and pre-tax profit grew by 79% to €296 million.

The overall volume of risk associated with capital markets activities was further reduced. Net banking income came in at €555 million compared with €945 million in 2009, a year which had seen substantial reversals of provisions for securities affected by the crisis of 2008, in which year the result had been a negative €394 million.

Financing and capital markets activities: key figures (€ millions)	2010	2009	Change
Net banking income	960	1,336	-28.1%
General operating expenses	(241)	(244)	-1.2%
Operating income before provisions	719	1,092	-34.2%
Cost of risk	(171)	(377)	-54.6%
Income before tax	548	715	-23.4%
Net income attributable to group	433	493	-12.2%

Source: consolidated financial statements.

Financing

Key figures *(€ millions)*	**2010**	2009	Change
Net banking income	**405**	391	3.6%
General operating expenses	**(77)**	(71)	8.5%
Operating income before provisions	**328**	320	2.5%
Cost of risk	**(32)**	(155)	-79.4%
Income before tax	**296**	165	79.4%
Net income attributable to group	**207**	111	86.5%

Source: consolidated financial statements.

Large corporates and institutional investors

In 2010, in an economic and financial environment that was still impaired and which scarcely favored borrowing, CIC's commitments (excluding counter-guarantees received) remained stable at €22.3 billion: on-balance sheet outstandings fell by 15.6% from €7 billion to €5.9 billion; off-balance sheet financing (the undrawn portion of committed lines) increased by 7.6% from €9.6 billion to €10.4 billion; off-balance sheet guarantees (sureties) confirmed the trend of the preceding years by crossing the €6 billion threshold (up by 3.1%).

At year-end 2010, 48.9% of lines granted to large corporates and institutional investors were spread among some twenty groups, the three biggest ones accounting respectively for just 5.1%, 4.1% and 4% of total exposure.

The quality of the portfolio improved, 78.4% of commitments being classified as investment grade as against 74.2% in 2009. The rating tool used for decision-making was fine-tuned. Cost of risk for the year was €12.5 million, down by 16.4% on the year before.

The market for syndicated loans became more active, and CIC took part in 26 corporate loan syndications (20 in 2009), in eight of them as Mandated Lead Arranger. We would point out that 62% of these transactions concerned refinancing of existing lines.

The inflow of resources, which is a major growth driver, brought outstandings to €4.1 billion (an increase of €1.6 billion) of which €2.8 billion in the form of term deposits and €1.3 billion in sight balances, in addition to €7 billion invested in money market mutual funds managed by CM-CIC Asset Management and €0.8 billion in certificates of deposit.

In the field of cash management, another priority, CIC responded to 17 requests for proposals, winning five, with eight awaiting reply. The ISO 9001 certification obtained in 2008 by "banking services, large accounts" contributed to these successes, which confirm CIC's know-how and role as a major player in the fields of electronic payments, cyber-validation and communication and data exchange protocols (SWIFTNet *"service bureau"*, "Plug and Play", etc.).

Net banking income amounted to €159.7 million, compared with €187.5 million for the previous year. This 14.8% decrease was due mainly to the impact of reduced loan outstandings on the interest margin, the overall volume of commissions holding steady at its 2009 level of €74 million.

This net banking income does not include transactions passed to other operating units of the CM-CIC group (cross-selling) for the promotion of whose products and services "large accounts" is responsible.

Specialized financing

In 2010 net banking income grew by more than 15% and operating income before provisions by more than 14%.

The cost of risk was reduced by more than 75% to 0.3% of average outstandings. Financing of acquisitions was the subject of a net reduction in provisions, the cost of risk for asset and project finance being negative.

Recurring operating income increased threefold.

Financing of acquisitions

The CM-CIC group supports its clients in their plans for business transfers and external growth and development by contributing its expertise and know-how in structuring and financing best suited to each type of transaction.

Business activity was sustained, with the economic situation improving as the year progressed. This overall market situation made it possible to carry out new transactions offering attractive risk/reward ratios. The group was careful to maintain a balanced positioning across the different types of transactions (corporate acquisitions, transactions with a financial sponsor, family and wealth transfers) and diversification among segments, with regard to both the scale of its involvement and to geographical location.

The recovery in counterparties' operational performances was also reflected in an appreciable improvement in the quality of the assets in the portfolio. The cost of risk accordingly fell sharply, contributing to a rebound in operating results.

Asset finance

In terms of new business, the level of activity was good in the traditional business lines, evenly spread among the New York, Singapore and Paris offices, despite the return of the international banks to the fray. The overall market situation made it possible to continue to carry out transactions with an improved risk/return profile despite reduced spreads on the best counterparties.

The teams received an international distinction from Jane's Transport Finance: Asia Pacific Tax Deal of the Year for a structured finance deal with China Southern Airlines for ten Airbuses, combining a French tax lease with export credit financing.

Project finance

In 2010, 13 new projects were approved: seven as arranger (of which four with the additional role of agent), and six as participant. In a lackluster syndication market, banking pools were of the "club deal" type, thus limiting the risks.

The breakdown of new business written by sector in 2010 was as follows: electricity 72%, infrastructures 14% and telecommunications 14%. For projects approved, the breakdown was: infrastructures 44.8%, electricity 41.7%, natural resources 9% and telecommunications 4.5%.

By geographical region, 43.2% of projects are located in Europe, 31.4% in the Middle East, 11.2% in the USA and 14.2% in Australia. For authorizations the split is: 63.2% in Europe, 15.4% in the Middle East, 11.4% in North America, 8% in Asia-Pacific, 1.1% in Africa and 0.9% in South America.

The team responded to requests for proposals and informal calls for tender by major CM-CIC corporate customers and lent its support to corporate customers of the regional banks.

In terms of cost of risk, 2010 was a good year, with one project giving rise to a partial write-back, leading to a negative cost of risk (€0.8 million). Changes in internal ratings comprised eight upgrades and seven downgrades.

International

The main focus of CIC's international strategy is to support clients in their international development, with a diversified offering tailored to companies' needs.

Through CIC Développement International, CIC provides an innovative range of services to SMEs, including market studies, arranging sales visits, and prospecting for partnerships and locations. These services are delivered with the backing of CM-CIC Aidexport, its specialist international consulting subsidiary, and of its foreign branches and representative offices. They are promoted on an ongoing basis by the branch network and at special events such as one-day seminars and country-specific discussion forums.

CIC also offers its investment clients a research service that analyzes the credit risk of major French and international bond issuers and the main sectors of the European and global economies.

Financing activity in 2010, including documentary transactions and issues of guarantees for both import and export, was geographically diversified and characterized by the return of significant buyer credits on major countries.

Thanks to agreements with partner banks, CIC boasts competitive offerings in the area of international transaction processing, particularly cash management and opening accounts abroad.

CIC also offers its French and foreign customer banks a broad range of products and services.

Managed by a single ISO 9001 certified business unit, processing of international transactions is spread over five regional centers so as to provide services close to home in tandem with the corporate banking branches.

Support for clients abroad is underpinned notably by strategic partnerships with the Bank of East Asia in China, with Banque Marocaine du Commerce Extérieur and Banque de Tunisie in North Africa, with Banca Popolare di Milano in Italy and Banco Popular in Spain.

Foreign branches and representative offices around the world

London

The main activities are the provision of financing to companies, particularly the UK subsidiaries of French groups, specialized financing, advisory services to French SME and LME clients wishing to enter the UK market, and obtaining refinancing for the group.

In a still uncertain environment, these business lines continued to perform satisfactorily thanks to improving margins and a cost of risk that was kept well under control. Additionally, the prepayment of certain loans was reflected in a high level of commissions.

The branch's net income for 2010 was €15.9 million.

New York

Fiscal 2010 was characterized by economic recovery, despite the still damaged real estate sector, and by a clear improvement in corporate profitability.

For the financing of acquisitions and corporate finance, satisfactory results were achieved thanks to a more sustained level of activity and a sharp reduction in the cost of risk. The asset finance business also continued to grow, with a diversified portfolio, steadily increasing net banking income and loan structures designed to protect against risk.

Capital markets activities benefited from a market rebound. Additional provisioning was made for the portfolio of residential mortgage-backed securities.

The branch posted net income of €81.4 million for the year.

Singapore, Hong Kong and Sydney

The branch provides support for corporate customers of the French network by relying on CIC's international offering. In a positive business environment it adhered to its strategy of specialization by product, giving preference to the most stable countries in the region and being highly selective as regards risks.

Specialized financing had a dynamic year, notably for asset and project finance, with outstandings well under control, net banking income on the rise, and zero cost of risk.

Private banking grew in terms of assets under management and was thus able to improve its results relative to 2009, once more approaching breakeven.

Capital markets activities, centered on serving institutional and private clients, remained profitable, albeit slightly down on the previous year.

The branch posted net income of €12.7 million for the year.

Representative offices

CIC's 36 representative offices around the world place their expertise and their knowledge of regional markets at the disposal of the group's clients and specialized business lines, thus contributing to the development of its international business.

Capital markets activities

Key figures *(€ millions)*	**2010**	2009	Change
Net banking income	555	945	-41.3%
General operating expenses	(164)	(173)	-5.2%
Operating income before provisions	391	772	-49.4%
Cost of risk	(139)	(222)	-37.4%
Income before tax	252	550	-54.2%
Net income attributable to group	226	382	-40.8%

Source: consolidated financial statements.

CM-CIC Marchés

CM-CIC Marchés performs the CM5-CIC group's medium/long-term proprietary trading, commercial and refinancing business lines.

CM-CIC Marchés serves both as a vehicle for refinancing its own business development and a trading room for its various client segments, including corporates, local governments and large accounts, and private banking and institutional clients interested in the innovative products developed by its proprietary trading teams.

These activities are carried on mainly in France, but also by the New York, London, Frankfurt and Singapore branches.

In 2010 money and financial markets were affected by:

- a shortening of the duration of investments carried out by French and international money-market funds, a trend that will continue in 2011 as a result of the imposition of new regulatory constraints which encourage managers to give even greater preference to liquidity in their assets;
- a financial market worried by public indebtedness of euro zone countries and hence extremely selective, to the detriment of the weakest countries and their banking systems;
- the gradual adoption of the new liquidity rules, which will have to be applied definitively between 2015 and 2018, and which oblige banks to keep a better balance between deposits and lending, reducing the extent to which they can transform the former into the latter.

Business development

With sales teams based in Paris and the main regional cities for French and other European network clients and large corporates, the trading room offers advisory services and quotations on forex, interest-rate and investment products.

The business line also includes an original and competitive range of investment products such as *Libre Arbitre* and *Stork* that are the direct result of its proprietary trading expertise.

Refinancing

The CM5-CIC group continued to pursue its policy of diversifying and internationalizing its sources of refinancing. This was reflected in:

- varied securities programs (euro commercial papers, London CDs, BFCM EMTNs and CM-CIC covered bonds);
- extension of the integrated refinancing platform to the Singapore branch (New York branch scheduled for 2011), as had already been done for London and Frankfurt;
- acceptance of the BFCM name by the main euro zone and UK investors in the markets. The group presentation will be extended to other geographical areas, namely USA, Asia, Australia and Canada, meetings having been held with a number of investors from these regions in late 2010.

Stress was also placed on:

- reducing the need for market resources (-2.4%) by increasing customer deposits, a drive which will be maintained for the networks in 2011;
- gradual adaptation of the composition of the group's liquidity buffer to the known requirements of the future LCR (liquidity coverage ratio), while at the same time giving preference to ECB-eligible assets;
- appreciable lengthening of the maturity of market resources taken in.

BFCM and CM-CIC Covered Bonds carried out eleven public bond issues. Altogether, €15.5 billion in market resources at medium and long term were raised in 2010 (of which €9.4 billion at maturities of five years and more), i.e. €2.6 billion more than the amount repaid in 2010 (€12.9 billion).

Proprietary trading

In 2010 the financial markets mainly focused on the issue of countries' – and particularly European countries' – excessive indebtedness. The impact of this situation on proprietary trading results was limited, since outstandings on the countries most exposed to widening risk premiums were modest.

The performance of alternative management products offered to clients and originating from proprietary trading showed a positive trend.

Brokerage and custodial activities and financial transactions

Acting as a broker-dealer, clearing agent and custodian, CM-CIC Securities meets the needs of institutional investors, private asset management companies and corporates.

As a member of ESN LLP, a "multi-local" network of nine brokers operating in eleven European countries (Germany, the Netherlands, Belgium, United Kingdom, Ireland, Italy, Spain, Portugal, Greece, Cyprus and France), and as majority shareholder of ESN North America (USA, Canada), CM-CIC Securities is able to trade for its clients on all European and North American equity markets.

Covering 800 European companies, ESN has a research team of 120 analysts and strategists and 200 salespeople and traders spread throughout Europe.

For its part, CM-CIC Securities has 26 analysts and strategists based in France, 29 salespersons in Paris, Lyon and Nantes, four in London (branch opened in 2010) and seven in New York (ESN North America). It also has four salespersons for index-linked and equity derivative products and eight salespersons and traders for traditional and convertible bonds.

Furthermore, CM-CIC Securities has a quality research facility for US and Canadian equities at its disposal thanks to exclusive distribution agreements for Europe signed between ESN North America and on the one hand Needham & Co, an independent US investment bank based in New York, and on the other Valeurs Mobilières Desjardins, a subsidiary of Caisse Desjardins, Canada's sixth largest bank.

CM-CIC Securities organizes over 300 company presentations, road shows and seminars a year in France and abroad. Among those held in 2010 were:

- "Perspectives": a seminar at which the analyst team presented to its clients its selection of the best investment ideas for the coming year;
- "European Small & Mid Cap Seminar" which twice brought together in London 40 mid-cap companies from 15 European countries, chosen by ESN based on their quality;
- "Horizon strategy clubs" which tackled topical subjects (Solvency II, the digital economy, pension reform, etc.) with addresses by leading personalities in their fields;
- Thematic seminars: "Online gaming", with ten European gaming companies including PMU; and "Cleantech" with ten international companies including Total, Veolia Eau, EDF Energies Nouvelles and Iberdorla Renovables.

As a securities custodian, CM-CIC Securities serves 106 asset management companies, administers 33,812 personal investor accounts and 245 mutual funds, representing €17 billion in assets.

CM-CIC Securities, though its issuance department CM-CIC Emetteur, is the group's business line center for financial transactions. It relies on the expertise of the teams specializing in capital structuring and specialized financing and benefits from the commercial coverage of "large accounts" and the network, including CIC Banque Privée. Partnership agreements with all ESN members have extended its stock market operations and merger and acquisition activities throughout Europe.

In 2010 it took part as placement syndicate member, in a number of important classic bond issues including Rexel, Klépierre and Technip and exchangeable bond issues (Misarte/PPR), as well as handling the delisting of Adenclassifieds on behalf of the Figaro Group.

Lastly, issuer services (financial communication, liquidity contracts and stock buybacks, financial secretarial and securities services) are provided by the teams of CM-CIC Emetteur.

Net banking income of CM-CIC Securities for 2010 was €55.4 million.

Private Banking

In 2010, the commercial performance of wealth management activities was satisfactory and net banking income of the specialized subsidiaries grew.

CIC Private Banking covers all private banking business lines of Crédit Mutuel-CIC worldwide, and particularly in Europe and Asia.

Internationally, the group has operations, some of them long-established, in countries and areas where private banking offers growth potential: Luxembourg, Switzerland, Belgium and Asia. Its brands offer nearly 200,000 clients a wide range of high value added services.

With more than €100 billion in assets under management, and 1,900 employees, CIC Private Banking's contribution to CIC's 2010 results was nearly €90 million.

France

There are two major players involved:

- CIC Banque Privée, a business arm integrated with the CIC network, which mainly targets senior executives;
- CIC Banque Transatlantique, whose tailor-made services, aimed largely at French nationals living abroad, include private banking and stock options.

CIC Banque Privée

With 352 employees spread among 54 towns and cities, CIC Banque Privée assists high net worth individuals and supports senior executives, particularly at key stages in the life of their companies: broadening their capital base, growth through acquisitions and family transfers.

Working together with financial and wealth engineers, its 182 private banking managers meet senior business executives to identify and advise on their problems and establish appropriate business and wealth strategies. All the skills of the CM-CIC group, notably in the international field, are mobilized around them to propose the best solutions.

In 2010, in a newly calm financial environment, CIC Banque Privée further widened and deepened its inflows of funds, making good use of its close-up expertise and selecting the best banking and financial offerings in the market. Managed savings reached €13 billion.

The *Sélection F* multi-management offering designed by CM-CIC Gestion saw strong growth, particularly in advisory services on switching life insurance policies.

Private banking: key figures
(€ millions)

	2010	2009	Change
Net banking income	404	397	+1.8%
General operating expenses	(320)	(303)	+5.6%
Operating income before provisions	84	94	-10.6%
Cost of risk	(15)	1	NS
Income before tax	70	95	-26.3%
Net income attributable to group	47	55	-14.5%

Source: consolidated financial statements.

CIC Banque Transatlantique

The bank ended 2010 with a good performance. Net banking income was up by 13.3% at €63 million, with financial fees up by 21.9% and the net intermediation margin up by 7.3%.

Costs were kept well under control and recurring income increased by 13.4%.

All entities in the CIC Banque Transatlantique group, in France and abroad, saw improved results, and assets under management grew to €11.6 billion.

Banque Transatlantique Belgium

In a damaged local banking environment characterized by restructuring of most of the players in the sector, BT Belgium's assets under management, which had shown very substantial growth in 2009, continued to grow.

Net banking income amounted to €8.7 million (up by 35%). This fifth fiscal year closed with income before tax doubling to €5.1 million and net income increasing by 48% to €3.6 million.

Banque Transatlantique Luxembourg

This past year saw the initiation of a number of new quality account relationships, both in private banking and wealth management, and the number of accounts over one million euros grew by 20%.

Assets under management increased by 34.9%.

The wealth management department made a strong contribution to this performance, thanks to synergies with the Paris and London entities.

Net banking income amounted to €6 million (up by 3.5%).

Transatlantique Gestion and GPK Finance

BLC Gestion and Transatlantique Finance were merged during 2010, adopting the name Transatlantique Gestion.

In a turbulent market, the company continued to grow and to win new mandates from individual and institutional investors.

Net banking income, at €13.9 million, was 22% up on that of the two entities combined for 2009, giving net income of €4.6 million (up by 24%).

GPK Finance also saw significant growth, with net banking income of €4.6 million and net income of €1.4 million.

A plan to merge Transatlantique Gestion and GPK Finance is under way. It will bring total assets under mandates of this subsidiary to €2.6 billion.

Dubly-Douilhet

Dubly-Douilhet is an investment company specializing in discretionary portfolio management for high net worth clients in northern and eastern France.

In 2010, while remuneration of cash suffered the effects of lower interest rates, sales activity saw a recovery.

Assets in custody amounted to €886 million.

The company posted net income of €1.1 million, compared with €0.9 million in 2009 (an increase of 22%). Its equity stands at €9 million.

CIC Private Banking network

Banque de Luxembourg

In 2010 Banque de Luxembourg's private banking and asset management activities developed favorably, as did its services to asset management and fund professionals. Client deposits (including custody) increased by 15.7% to €60.5 billion and net income was up by 3.1% at €64.9 million.

Its experience in wealth management, its employees' skills and a state-of-the-art information system enabled it to strengthen its positioning and to win new market share. Beyond Luxembourg and its immediate neighbors, the bank also initiated new relationships in growth areas such as Latin America and Central Europe. With the opening of a branch in Belgium, it aims to respond to the demands of local investors seeking a quality banking alternative.

Banque de Luxembourg's investment policy is guided by protection of capital and regularity of performance in the long term, as witness the performances of its funds and the numerous awards received by its asset management teams.

A tailor-made offering responds to the needs of an institutional clientele composed of promoters of investment funds, independent investment managers and insurance companies. The bank also extended its range of services to players in microfinance and social venture capital, thus becoming one of the first to be involved in this market in Luxembourg.

CIC Private Banking – Banque Pasche

In 2010 CIC Private Banking – Banque Pasche, which is active in more than 70 countries with an offering constructed on the open architecture principle, demonstrated the appropriateness of its business model. The quality of its service and of its performances enabled it to consolidate its positions.

The bank added to its international network with the opening of a *Serficom Family Office* in São Paulo and successfully developed its Dubai-based operation.

Being close to its clients means the bank is able to react quickly and appropriately to their needs, thus confirming its positioning as a player in private banking.

Banque CIC (Suisse)

In 2010 the bank continued to grow, serving private clients but also corporates. Its long-standing presence, with eight establishments, enabling it to cover the main Swiss business areas, gives it the ability to combine quality and proximity, while at the same time benefiting from the group's skills and strength.

Customer lending reached CHF3 billion (up by 10%) and deposits amounted to CHF7 billion.

During fiscal 2010, CIC Suisse made a significant investment, in adopting the CM-CIC international private banking entities' common IT platform, which will enable it to improve its service still further and in particular to expand its product range.

CIC Singapore Branch and CICIS Limited Hong Kong

CIC carries on private banking activities in Asia from Singapore (the world's number three center for wealth management) and Hong Kong.

Salient points of 2010 were:

- clients' renewed interest in markets with strong potential, such as equities and high-yield bonds, which helped to restore margins;
- CIC's determination to strengthen its teams with experienced financial advisers.

Private equity

In 2010 CIC Finance, CIC Banque de Vizille and IPO saw a sharp rebound in their level of business and profitability.

In the second half of 2010 Crédit Mutuel-CIC reorganized its capital structuring activities, creating a single area for private equity and financial advisory services and engineering. In carrying out this major reorganization, the group's objectives were to preserve and develop its strong regional roots while strengthening its national and international dimensions.

In this framework, CIC Finance rationalized its subsidiaries by absorbing CIC Investissement Alsace, while CIC Investissement did likewise with the venture capital companies CIC Investissement Nord and CIC Investissement Est. Lastly, on December 29, 2010 CIC Finance acquired 97.7% of the capital of CIC Banque de Vizille.

The new organization should be finalized in the first half of 2011 once the last legal transactions have been completed. On February 2, 2011 CIC Finance changed its name to CM-CIC Capital Finance. This company, which acts as the holding company for the new group, will position itself in private equity as France's second biggest bank-owned operator, with €2.6 billion under management, more than 500 equity holdings for its own account and over 100 employees.

With a comprehensive offering that includes venture capital, private equity, buyout capital and advice on financial engineering, the Crédit Mutuel-CIC group will thus be even better placed to support its clients in their development in France and internationally, by means of equity participations ranging from €1 million to €100 million.

Private equity: key figures *(€ millions)*	2010	2009	Change
Net banking income	191	49	+289.8%
General operating expenses	(35)	(28)	+25%
Operating income before provisions	156	21	+642.9%
Cost of risk	0	0	
Income before tax	156	21	+642.9%
Net income attributable to group	152	15	+913.3%

Source: consolidated financial statements.

CIC Banque de Vizille

For more than twenty years CIC Banque de Vizille has been engaged in the full range of investment bank activities. Based in Lyon, it has 43 people and some €700 million in IFRS equity.

Despite the fragile economic and financial context, it improved its performance in 2010: net banking income increased from €52.5 million to €55 million and net income before exceptional charges increased from €36.6 million to €38.5 million.

Capital gains on sales reached €63.1 million (€64 million in 2009) as a result of exits from fifteen equity positions.

Investments were up by 39% at €102.3 million, of which 70% in minority private equity, 15% in technological venture capital and 14% in buyout capital.

Notable among new equity stakes were Advini/Jeanjean, Axelliance, Charles Faraud, Deck/Wichard, Huttopia, Icosmeceuticals, Innova and PND/Durance, and the reorganization of the capital of Agta Record.

Fee revenue increased by 50% thanks to four major transactions including the Tarmac acquisition and Setelem disposal mandates.

Net income based on IFRS was €37 million (€55 million on a consolidated CNC French standards basis).

IPO

IPO has been present throughout western France for more than 30 years and in the southwest since 2005. With 16 people in Nantes and Bordeaux, in 2010 IPO managed a consolidated portfolio of €366 million (€295 million at cost price) invested in equity in 158 companies in the regions belonging to 150 SME groups.

The year was characterized by a sharp rebound in the level of investment, to €50.6 million for 20 transactions, the main ones concerning Maisonneuve, Home & Furniture, Fiabila, GPdis, Sarafruits, Intercycles, Coveris, Idena and CBM.

The volume of exits (disposals and repayments) was also satisfactory at €76.2 million at sale price (€48.5 million at cost price), thus more than financing the investment activity.

In the context of the reorganization of the private equity business line in the CM-CIC group, the 100% holding in Société Financière Voltaire (SFV) acquired from CIC Ouest in March 2008 was sold in its entirety to CM-CIC Capital Finance.

Consolidated net income based on IFRS (excluding SFV) was €36 million, compared with €15.3 million in 2009 (€27.6 million compared with €7.5 million for the company based on French CNC standards).

CIC Finance

CIC Finance, with 46 employees in Paris, Lille and Strasbourg, is both an investor in and an adviser on mergers and acquisitions. The investment business (€1.4 billion in assets) is carried out for own account through its wholly-owned subsidiary CIC Investissement and, for third parties, with funds managed by CM-CIC Capital Privé (24 FIP investment funds/FCPI innovation funds) and CIC LBO Partners (two CIC LBO mid-cap funds dedicated to majority LBOs).

Fiscal 2010 was characterized by sustained recovery, particularly in investment for own account (€83 million), the main equity stakes being taken in Doris Engineering, Go Voyages and Foir'Fouille. Portfolio rotation increased, with disinvestments of €123 million at sale price, notably concerning Beaba and Etablissements Sogal. The total amount invested at year-end stood at €676 million, representing 252 lines (including marketable securities).

In third-party management, CM-CIC Capital Privé completed a new round of FIP-FCPI fund subscriptions for €45 million, positioning itself as one of the leaders in this market in France.

CIC Finance posted net income of €82.1 million based on IFRS (€40 million on a consolidated CNC French standards basis).

Regional and international directory

Regional banks

CIC

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www.cic.fr
Chairman of the Supervisory Board: Etienne Pflimlin
President of the Executive Board: Michel Lucas
Vice-President of the Executive Board: Alain Fradin
Members of the Executive Board: Michel Michenko
Jean-Jacques Tamburini
Philippe Vidal – Rémy Weber

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Deputy Chief Operating Officers: Eric Cotte – Bernard Duval

CIC Ouest

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Chairman and Chief Executive Officer: Michel Michenko
Deputy Chief Operating Officers: Michel David – Laurent Métral

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Chairman and Chief Executive Officer: Philippe Vidal
Chief Operating Officers: Luc Dymarski – Pierre Jachez
Deputy Chief Operating Officer: Thierry Marois

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Chairman and Chief Executive Officer: Rémy Wéber
Deputy Chief Operating Officers: Isabelle Bourgade – Yves Manet

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Chief Operating Officer: Pascale Ribault
Deputy Chief Operating Officer: Jean-François Lagraulet

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Paul Kwek


Corporate
governance

Supervisory Board

Members appointed by the Annual General Meeting of Shareholders:

Etienne Pflimlin Chairman	Honorary Chairman, Confédération Nationale du Crédit Mutuel, Crédit Mutuel Centre Est Europe and Banque Fédérative du Crédit Mutuel
Gérard Cormorèche Vice-chairman	Chairman, Crédit Mutuel du Sud-Est
Banque Fédérative du Crédit Mutuel	*represented by* **Christian Klein** - Manager
Gérard Bontoux	Chairman, Crédit Mutuel Midi-Atlantique
Luc Chambaud	CEO, Crédit Mutuel Normandie
Maurice Corgini	Director, Banque Fédérative du Crédit Mutuel
François Duret	Chairman, Crédit Mutuel du Centre
Pierre Filliger	Chairman, Crédit Mutuel Méditerranéen
Jean-Louis Girodot	Chairman, Crédit Mutuel Ile-de-France
Daniel Leroyer	Chairman, Crédit Mutuel Maine-Anjou, Basse-Normandie
Massimo Ponzellini	Chairman, Banca Popolare di Milano
Jean-Luc Menet	CEO, Crédit Mutuel Océan
André Meyer	Representative, Crédit Mutuel Centre Est Europe
Albert Peccoux	Chairman, Crédit Mutuel Savoie-Mont Blanc
Paul Schwartz	Representative, Crédit Mutuel Centre Est Europe
Alain Têtedoie	Chairman, Crédit Mutuel Loire-Atlantique et Centre-Ouest
Philippe Vasseur	Chairman, Crédit Mutuel Nord Europe
Jean-Claude Martinez	Employee, CIC Est, representing employee shareholders

Members elected by employees:

Linda Corneau-Pattyn	Private client adviser with CIC Ouest
Nathalie Jolivet	Private client adviser with CIC Ouest
Jean-Pierre Van den Brocke	Head of employee benefits schemes at CIC Nord Ouest

The following also attend Board meetings:

Stéphane Marché	CIC Works Council Representative
Gilles Le Noc	CIC Company Secretary, Secretary to the Supervisory Board

Composition of the Supervisory Board

Statutory framework

The composition of the Supervisory Board is regulated by Article 12 of the company bylaws.

The Supervisory Board is composed of not less than 15 and not more than 18 members appointed by the Annual General Meeting of Shareholders, and of employee representatives.

Three members of the Supervisory Board are elected by employees and one member of the Supervisory Board is designated by the Annual General Meeting of Shareholders from among the employee shareholders or employees who are members of the Supervisory Board of an FCPE fund holding shares in CIC (Article 12 of the bylaws, § I B).

The age limit is 70. This is applied such that no-one over the age of 70 can be appointed if his appointment has the effect of bringing the number of members over 70 to more than one third of the total number of members.

The term of office for members of the Supervisory Board is five years. The functions of members other than those elected by employees come to an end upon adjournment of the Ordinary General Meeting of Shareholders held to ratify the accounts of the preceding financial year and held in the year in which their term of office expires. The term of office of members elected by employees expires on the fifth anniversary of their election.

The Annual General Meeting of Shareholders of May 12, 2009 resolved to abolish the requirement that every member of the Supervisory Board own one share in CIC, either directly or through a company mutual fund (FCPE).

Guiding principles

As well as the law and the company bylaws, two guiding principles are applied in determining the composition of the Supervisory Board.

As regards "independent" members within the meaning of the applicable regulations, their status derives from a number of recommendations regarding corporate governance. To the extent that corporate governance procedures have to be adapted to each company's particular situation, CIC has to take account of two parameters:

- on the one hand, Banque Fédérative du Crédit Mutuel holds 91.96% of the company's shares (directly and indirectly);
- on the other hand the Supervisory Board mainly comprises representatives, often Chairmen, of Crédit Mutuel federations. Chairmen of Crédit Mutuel federations on the Supervisory Board number ten, out of a total of 18 members appointed by the general meeting of shareholders. They all come from the non-banking business world. Of the ten federations concerned, five are neither in the chain of shareholder control of CIC nor in the group constituted by the five associated federations belonging to CM5 (1). They can thus be considered genuinely "independent", if not according to the letter, at least according to the spirit of the recommendations referred to.

Further to an exchange of letters of intent, signed on December 20, 2002, which established the basis for the projected partnership between the CM-CIC group and Banca Popolare di Milano, followed by another exchange of letters on April 11, 2003 regarding the scope of application of the project, the Chairman of Banca Popolare di Milano was appointed as a member of the CIC Supervisory Board at the Ordinary Shareholders' Meeting of May 15, 2003. At the same time Mr Jean-Jacques Tamburini, a member of the CIC Executive Board, was appointed as a Director of Banca Popolare di Milano.

Changes during financial year 2010

There was only one change:

- On January 21, 2010 Ms Nathalie Jolivet replaced Mr Yannick Ardaine, who had resigned, as member elected by employees, for the remainder of the term of office, i.e. until October 30, 2013.

The dates of first appointment and expiry of term of office of members of the Supervisory Board are shown in the summary table on page 37.

Workings of the Supervisory Board

The workings of the Supervisory Board are governed by Articles 13 to 18 of the company's bylaws, though these do not contain any stipulations additional to those provided for by law.

Chairmanship

A meeting of the Supervisory Board held immediately following the Annual General Meeting of Shareholders on May 22, 2008, renewed the appointments of:

- Mr Etienne Pflimlin, as Chairman of the Supervisory Board;
- Mr Gérard Cormorèche, as Vice-Chairman of the Supervisory Board.

These appointments were made for the duration of the terms of office of the persons concerned.

Board committees

Remuneration committee

The Supervisory Board has established a specialized five-member committee, the purpose and composition of which were reviewed during the Board meeting of December 10, 2009 in order to take account of the order of November 3, 2009 amending regulation no. 97-02 concerning internal control. The committee's responsibilities are, on the one hand to examine the statutory situation and the remuneration of members of the Executive Board and make any relevant proposals, and on the other hand to prepare the Board's deliberations concerning the principles of the remuneration policy for personnel whose activities are likely to have an effect on CIC's risk exposure, to formulate an opinion on the proposals of the Executive Board on these matters and on their implementation, and to carry out an annual review of this policy and report on it to the Board.

In its meeting of December 10, 2009, the Supervisory Board appointed or re-appointed Messrs:

- Etienne Pflimlin;
- André Meyer;
- Paul Schwartz;
- Gérard Bontoux;
- Albert Peccoux.

(1) The CM5 grouping comprises the following five federations: Crédit Mutuel Centre Est Europe, Crédit Mutuel du Sud-Est, Crédit Mutuel Ile-de-France, Crédit Mutuel Savoie-Mont Blanc and Crédit Mutuel Midi-Atlantique. Effective January 1, 2011, CM5 became CM10 with the arrival of five new federations: Crédit Mutuel du Centre, Crédit Mutuel de Normandie, Crédit Mutuel de Loire-Atlantique et du Centre-Ouest, Crédit Mutuel Méditerranéen and Crédit Mutuel Dauphiné-Vivarais.

Group audit committee

With a view to responding to the new requirements arising from the transposition, by Prescription No. 2008-1278 of December 8, 2008, of European Directive 2006/43/EC concerning the legal auditing of annual company and consolidated accounts, and to those arising from Regulation 97-02 of February 21, 1997 as amended, concerning internal control of credit institutions and investment undertakings, a group audit and accounts committee (GAAC) was put in place at CM5-CIC level in June 2009. It performs its role in two areas.

In the area of internal control, the GAAC:

- is informed of the conclusions of inspections undertaken by the periodic control systems and of the results and work of permanent control and compliance systems;
- takes note of the conclusions of external controls, particularly of any changes recommended by the supervisory authorities;
- is informed of actions taken to follow up on the main recommendations made in internal and external control reports;
- is responsible for assessing the effectiveness of the internal control systems;
- proposes, when appropriate, to the various deliberative bodies, such improvements as it deems necessary in view of the findings of which it has been made aware.

In the area of financial reporting, the GAAC:

- is responsible for monitoring the process for preparing financial information;
- supervises the statutory audit of the annual company and consolidated accounts;
- participates in the selection of statutory auditors, and has free access to them to enquire about their work schedule, to satisfy itself that they are capable of carrying out their audit, and to discuss the conclusions of their work with them;
- examines the annual company and consolidated accounts;
- assesses the manner in which they have been drawn up and satisfies itself as to the appropriateness and consistency of the accounting principles and methods applied.

The Supervisory Board is represented on this committee by two of its members, appointed during its meeting of May 22, 2008, namely Messrs:

- Pierre Filliger;
- Daniel Leroyer.

In its meeting of December 9, 2010, the Supervisory Board appointed a new representative to replace Mr Daniel Leroyer, namely Mr:

- Jean-Louis Girodot.

They are required to submit a report on the execution of their responsibilities to the Board.

Group risk monitoring committee

This committee has been set up at CM5-CIC level. It is composed of members of the deliberative bodies, and meets half-yearly to examine strategic issues in terms of risk. It proposes to the group's deliberative bodies, in light of its findings, any decisions of a prudential nature that are applicable group-wide. Committee meetings are led by the chief risk officer, who is also responsible for presenting the files opened on the various risk areas. General Management is also invited to the committee meetings, and the committee may also invite the heads of business lines involved in the agenda items.

The Supervisory Board is represented on this committee by two of its members, appointed during its meeting of May 22, 2008, namely Messrs:

- Gérard Bontoux;
- François Duret.

They are required, with the assistance of the chief risk officer, to submit a report on the execution of their responsibilities to the Board.

Other aspects

The Supervisory Board has not drawn up any internal regulations. The assessment of its work is documented in the general report it presents every year to the Ordinary General Meeting of Shareholders (page 177) and in the report of the Chairman of the Supervisory Board to the AGM on the preparation and organization of the Board's work (page 178).

The Supervisory Board met four times during financial year 2010. Its members' attendance rates varied from 67% to 81%.

The Annual General Meeting of Shareholders did not approve any Directors' attendance fees, so the Supervisory Board did not allocate any fees to its members.

In its meeting of February 26, 2009, the Supervisory Board took note of the agreement signed with the government by Mr Etienne Pflimlin on behalf of the entire Crédit Mutuel group, on October 23, 2008, in the framework defined by Amendment No. 2008-1061 to the Finance Act, dated October 16, 2008, and in particular of the commitments contained in this agreement concerning governance as regards policy on Directors' remuneration and an end to concurrent directorships and employment contracts. The Board confirmed the commitment to adhere to these principles as regards CIC, and checked that the mechanisms in place covered this commitment. This policy was ratified by the General Meeting of Shareholders of May 12, 2009.

The Meeting also adopted the overall remuneration policy for financial market professionals, pursuant to the ministerial order of November 3, 2009, concerning "remuneration of personnel whose activities are likely to have an effect on credit institutions' and investment undertakings' exposure to risks", and amending Regulation no. 97-02 concerning internal control. This policy also gives effect to the professional standards drawn up in the course of 2009. The order of December 13, 2010 amending Regulation 97-02 transposed the provisions of Directive 2010/76/EU of November 24, 2010 (the so-called CRD III) and amended a certain number of provisions concerning the remuneration of employees referred to as forming part of the "regulated population", whose professional activities have a material impact on institutions' risk profile. This order thus necessitated adjustments to the policy adopted, which were ratified by the Supervisory Board in its meeting of February 24, 2011.

Executive Board

From left to right: **Alain Fradin,** Vice-President **– Rémy Wéber,** Chairman and CEO, CIC Lyonnaise de Banque
Michel Lucas, President **– Philippe Vidal,** Chairman and CEO, CIC Est **– Michel Michenko,** Chairman and CEO, CIC Ouest
Jean-Jacques Tamburini, Chairman and CEO, CIC Sud Ouest.

Composition of the Executive Board

The composition of the Executive Board is governed by Article 10 of the bylaws, which stipulates that it shall have from three to seven members.

The term of office is five years.

The age limit for Executive Board members is set at 70; however the Supervisory Board has the power to extend this by up to two years.

The dates of members' first appointment and the dates on which their terms of office expire are summarized in the table on page 37.

On the occasion of the new mandate granted to members of the Executive Board by the Supervisory Board in 2007, applying new case law according to which the notion of "executive officer" can be dissociated from that of "corporate officer", as mentioned in its 2004 annual report and its statement of September 19, 2005, CECEI simply reappointed the five retiring Executive Board members as executive officers responsible for effectively determining the overall business strategy of the bank and of the CIC group within the meaning of Article 17 of French Act No. 84-46 of January 24, 1984 concerning the activity and supervision of credit institutions. This decision has no effect on the composition of the Board, with six members, nor on the way in which the Board operates in accordance with French company law.

Workings of the Executive Board

The Executive Board is vested with the broadest of powers.

Transactions requiring the approval of the Supervisory Board are set out in Article 11 of the bylaws, which sets ceilings of €8 million or €16 million, depending on the case, for acquisitions and disposals of real estate or equity interests on which the Executive Board can decide, and of €16 million for granting security interests to guarantee commitments for the bank's own account, other than those relating to banking activities, without the approval of the Supervisory Board.

The Executive Board meets as often as necessary.

CIC's Company Secretary acts as secretary to the Executive Board.

Information concerning members of the Executive Board and the Supervisory Board

Relations with the business

CIC complies with the regulations in force concerning corporate governance.

To the best of CIC's knowledge, there are no conflicts of interest between the obligations of the members of the Supervisory Board or of the Executive Board toward CIC and their personal interests or other obligations.

Apart from regulated agreements and the exception referred to on page 33 relating to the reciprocal representation of CIC and Banca Popolare di Milano on each other's Boards, no arrangements or agreements have been entered into with the main shareholders, clients, suppliers or others pursuant to which a member of the Executive Board or a member of the Supervisory Board has been nominated.

There are no service agreements linking members of the Executive Board or the Supervisory Board with any of the group's companies. In particular, Banque Fédérative du Crédit Mutuel, which controls CIC and holds a seat on its Supervisory Board, does not receive any management fees.

To the best of CIC's knowledge, there are no family relationships between Executive Board and Supervisory Board members.

Supervisory and Executive Board members are reminded on a regular basis of the rules applicable to persons holding privileged information. They are also informed that they must disclose any trading in CIC shares on the stock exchange by them or persons closely linked to them to the AMF (French Financial Markets Authority) and to CIC. No such transactions have been reported.

The Executive Board and Supervisory Board members have each declared that:

1. during the last five years they have not been:
   - convicted of fraud,
   - associated with the bankruptcy, receivership or liquidation of a legal entity in which they were a member of an administrative, management or supervisory body or of which they were the chief executive officer,
   - subject to disciplinary sanctions imposed by the administrative bodies responsible for supervising CIC,
   - subject to an administrative or court order which prevents them from acting as members of an administrative, management or supervisory body or from participating in the management or operations of a company;
2. there are no potential conflicts of interest between their obligations toward CIC and their own personal interests;
3. they have not, either directly or through a third party, entered into an arrangement or agreement with any of the main shareholders, clients, suppliers or subsidiaries of CIC pursuant to which they are granted special benefits by virtue of their position in CIC.

The originals of these declarations are held in the Company Secretary's office.

Summary table, group management

	Date of first appointment	Date of expiry of current term of office	Main position held in the company	Main positions held outside the company[1]
Executive Board				
Michel Lucas	June 17, 1998	At the Supervisory Board Meeting held immediately following the AGM ratifying the accounts for 2011	President of the EB	Chairman, CM Centre Est Europe, BFCM and Confédération Nationale du CM
Alain Fradin	June 17,1998		Vice-President of the EB	CEO, CM Centre Est Europe, Confédération Nationale du CM, CM du Sud-Est and CM Antilles-Guyane
Michel Michenko	May 31, 2007		Member of the EB	-
Jean-Jacques Tamburini	June 17, 1998		Member of the EB	-
Philippe Vidal	May 30, 2002		Member of the EB	-
Rémy Wéber	May 30, 2002		Member of the EB	-
Supervisory Board				
Etienne Pflimlin	June 17, 1998	At the AGM ratifying the accounts for 2012	Chairman of the SB	Honorary Chairman, Confédération Nationale du CM, CM Centre Est Europe and BFCM
Gérard Cormorèche	June 17, 1998		Vice-Chairman of the SB	Chairman, CM du Sud-Est
Gérard Bontoux	March 7, 2002		Member of the SB	Chairman, CM Midi-Atlantique
Luc Chambaud	Dec. 16, 2004		Member of the SB	CEO, CM Normandie
Maurice Corgini	June 17, 1998		Member of the SB	Director, BFCM
François Duret	Feb. 22, 2007		Member of the SB	Chairman, CM du Centre
Pierre Filliger	June 17, 1998		Member of the SB	Chairman, CM Méditerranéen
Jean-Louis Girodot	Dec. 19, 2001		Member of the SB	Chairman, CM Ile-de-France
Christian Klein (representing BFCM)	June 17, 1998		Member of the SB	Manager with BFCM
Daniel Leroyer	May 19, 2005		Member of the SB	Chairman, CM Maine-Anjou, Basse Normandie
Massimo Ponzellini	Aug. 3, 2009		Member of the SB	Chairman, Banca Popolare di Milano
Jean-Luc Menet	Dec. 13, 2007		Member of the SB	CEO, CM Océan
André Meyer	June 17, 1998		Member of the SB	-
Paul Schwartz	June 17, 1998		Member of the SB	-
Alain Têtedoie	Sept. 7, 2006		Member of the SB	Chairman, CM Loire-Atlantique et Centre-Ouest
Philippe Vasseur	May 30, 2001		Member of the SB	Chairman, CM Nord-Europe
Albert Peccoux	May 11, 2006	AGM ratifying accounts for 2010	Member of the SB	Chairman, CM Savoie-Mont Blanc
Jean-Claude Martinez	April 28, 2004	AGM ratifying accounts for 2013	Employee, CIC Est	-
Nathalie Jolivet	Jan. 21, 2010	October 30, 2013	Employee, CIC Ouest	-
Linda Corneau-Pattyn	Oct. 30, 2008	October 30, 2013	Employee, CIC Ouest	-
Jean-Pierre Van den Brocke	Oct. 30, 2008	October 30, 2013	Employee, CIC Nord Ouest	-

CM: Crédit Mutuel.
EB: Executive Board
SB: Supervisory Board.
(1) The remaining mandates and positions are listed on pages 40-48.

Executive remuneration

Guiding principles

The Crédit Mutuel group has signed the standard agreement with the government regarding various measures for the refinancing of credit institutions. In this framework, the group has made certain commitments regarding the development of credits, and also regarding the status, remuneration and commitments of its corporate officers. Some resolutions were passed on this subject by the Board of BFCM in its meeting of December 19, 2008. The Supervisory Board of CIC took note of these resolutions in its meeting of February 26, 2009. In its meeting of December 18, 2009, the Board of BFCM also adopted the recommendations relating to professional standards concerning remuneration policy for financial market professionals. The Supervisory Board of CIC adopted them in turn in its meetings of February 25, 2010 and February 24, 2011.

Implementation

Remuneration received by the group's key executives is detailed in the table below.

In the context of regulatory developments, particularly as regards Regulation CRBF 97-02, and in line with professional recommendations, the group's deliberative bodies, and more particularly the Board of Directors of BFCM, have made commitments regarding market professionals' remuneration and also corporate officers' remuneration.

These commitments have been reported to the AMF (*Autorité des Marchés Financiers*, the French securities regulator) and published on the institution's website.

Remuneration received by BFCM group executives in 2010 includes a portion relating to work done for Crédit Mutuel and CIC.

For each of these activities, remuneration comprises a fixed portion and a variable portion.

This remuneration is established by the deliberative bodies of BFCM and CIC based on the proposals of the respective remuneration committees. The fixed part is determined taking into account the usual standards for positions of comparable responsibility. The variable part is determined on a discretionary, all-in basis.

The group's key executives also benefited in 2010 from the arrangements for group insurance and complementary pension schemes in place for all group employees.

On the other hand, group key executives did not receive any other specific benefits.

They have not been awarded any BFCM or CIC shares, stock options or similar instruments. Furthermore, they are not entitled to attendance fees relating either to their positions in group companies or to those in other companies by reason of their positions in the group.

The group's key executives may also hold assets with, and take loans from, the group banks on the same terms as those offered to employees in general. Total outstanding principal on loans taken out by the group's key executives amounted to €980,655 as of December 31, 2010.

The Annual General Meeting of Shareholders did not approve any Directors' attendance fees. Consequently the Supervisory Board did not allocate any fees to its members in 2010.

Remuneration paid to the group's senior executives

2010 *Amounts in euros (a)*	**Source**	**Fixed portion**	**Variable portion (b)**	**Benefits in kind (c)**	**Social benefits**	**Total**
Supervisory Board						
Etienne Pflimlin	Crédit Mutuel	620,000	0	3,650	6,491	**630,141**
Executive Board						
Michel Lucas	Crédit Mutuel CIC	550,000 550,000	0 0	5,298 0	5,481 2,416	**560,779** **552,416**
Alain Fradin	CIC	472,244	0	4,966	7,789	**484,999**
Michel Michenko	CIC	450,529	0	11,100	2,926	**464,555**
Jean-Jacques Tamburini	CIC	450,529	0	4,586	2,926	**458,041**
Philippe Vidal	CIC	450,989	0	0	2,926	**453,915**
Rémy Wéber	CIC	450,529	0	4,968	2,926	**458,423**

2009 *Amounts in euros (a)*						
Supervisory Board						
Etienne Pflimlin	Crédit Mutuel	744,000	0	4,380	7,719	756,099
Executive Board						
Michel Lucas	Crédit Mutuel CIC	550,000 550,000	0 0	5,298 0	7,719 2,216	563,017 552,216
Alain Fradin	CIC	466,243	0	4,974	7,719	478,936
Michel Michenko	CIC	450,000	0	11,015	3,246	464,261
Jean-Jacques Tamburini	CIC	451,143	0	3,000	3,246	457,389
Philippe Vidal	CIC	450,716	0	0	3,246	453,962
Rémy Wéber	CIC	451,069	0	3,726	3,246	458,041

(a) Gross amounts paid by the company during the year.
(b) The variable portions are determined for BFCM by the Remuneration Committee and for CIC by the meeting of the Supervisory Board following the Annual General Meeting of Shareholders called to approve the financial statements for the year in respect of which the variable compensation is paid: the variable portion paid in year N thus relates to the financial year N-1.
(c) Company cars exclusively, except in the case of Mr Michel Michenko, who also has the use of a company apartment.

Separately, in view of the changes in corporate officers and following the definitive establishment of pension rights for Messrs Michel Lucas and Etienne Pflimlin in 2010, the Board of Directors of BFCM, in its meeting of October 22, 2010, determined that the criteria and conditions for payment of the indemnities approved by the Board in its meeting of December 19, 2008 had been met. Consequently it resolved to pay the indemnities provided for, namely €815,452 to Mr Etienne Pflimlin and €1,376,146 to Mr Michel Lucas.

Executives' terms of office

Executive Board

Michel Lucas

Born May 4, 1939, Lorient

Business address:
Crédit Industriel et Commercial
6 avenue de Provence - 75009 Paris

	Term of office started	Term of office expires
President of the Executive Board	June 17, 1998	2012

Other positions held

Chairman and CEO:		
Banque Fédérative du Crédit Mutuel	Oct. 22, 2010	2013
Carmen Holding Investissement	Nov. 7, 2008	2011
Chairman of the Board of Directors:		
Confédération Nationale du Crédit Mutuel	Oct. 13, 2010	2015
Fédération du Crédit Mutuel Centre Est Europe	Oct. 22, 2010	unlimited term
Caisse Fédérale de Crédit Mutuel	Sept. 24,2010	2011
Groupe des Assurances du Crédit Mutuel	Feb. 24, 1993	2011
Assurances du Crédit Mutuel Vie SA	June 29, 1993	2011
Assurances du Crédit Mutuel IARD SA	March 19, 1993	2011
Assurance du Crédit Mutuel Vie SAM	June 13, 1991	2015
Banque du Crédit Mutuel Ile-de-France	Nov. 17, 2003	2015
Banco Popular Hipotecario	Oct. 28, 2010	2013
International Information Developments	Feb. 6, 2004	2013
Direct Phone Services	Feb. 6, 2004	2013
Républicain Lorrain	June 30, 2009	2015
Chairman:		
Crédit Mutuel Cartes de Paiements	May 7, 2003	2012
Europay France	May 28, 2002	2014
Chairman of the Supervisory Board:		
Banque de l'Economie, du Commerce et de la Monétique	Oct. 22, 2010	2013
Euro Information Production (GIE)	May 19, 1994	2012
Targo Deutschland GmbH	Dec. 8, 2008	2012
Targo Management AG	Dec. 8, 2008	2013
Targo Bank AG	Dec. 8, 2008	2013
Cofidis	March 17, 2009	2012
Cofidis Participations	March 17, 2009	2012
Fonds de Garantie des Dépôts	Nov. 26, 2008	unlimited term
Vice-chairman of the Supervisory Board:		
CIC Iberbanco	June 5, 2008	2013
Banque de Luxembourg (Luxembourg)	March 25, 2003	2011
Safran	April 15, 2009	2011
Member of the Board of Directors:		
ACMN IARD	July 25, 1997	2015
ASTREE (Tunis)	March 4, 2005	2011
Assurances Générales des Caisses Desjardins (Quebec)	May 12, 1993	2011
Banque de Tunisie (Tunis)	March 30, 2004	2012
Banque Marocaine du Commerce Extérieur (Casablanca)	Sept. 17, 2004	2014
CIC Banque Transatlantique	Dec. 19, 2000	2014
Banque Transatlantique Belgium (Brussels)	March 21, 2005	2015
CRCM Midi-Atlantique	May 24, 2008	2014
Caisse de Crédit Mutuel "Grand Cronenbourg"	May 11, 1985	2013
Crédit Mutuel Paiements Electroniques	March 19, 2003	2012
CIC Finance	Dec. 20, 2000	2016
CIC Lyonnaise de Banque	July 6, 1999	2014
SOFEDIS	June 5, 2000	2012
Member of the Supervisory Board:		
CM-CIC Asset Management	Sept. 28, 1992	2012
Manufacture Beauvillé	Feb. 14, 2000	2012
CM-CIC Services (GIE)	May 7, 2008	2014
Member of the Management Committee:		
Euro Information	June 14, 2002	2014
Euro Information Développement	June 14, 2002	2014
EBRA	Feb. 24, 2006	2013

Positions held in the last five financial years

CEO:		
Confédération Nationale du Crédit Mutuel	Jan. 21, 1998	2010
Member of the Board of Directors and CEO:		
Fédération du Crédit Mutuel Centre Est Europe	April 6, 2001	2010
Caisse Centrale du Crédit Mutuel	Feb. 18, 1998	2006
Banque Fédérative du Crédit Mutuel	June 14, 2002	2010
Caisse Fédérale de Crédit Mutuel	April 6, 2001	2010
Vice-chairman of the Supervisory Board:		
Mastercard Europe Région (Brussels)	Sept. 30, 1992	2008
Member of the Board of Directors:		
Suravenir	June 18, 1996	2005
Banque de l'Economie du Commerce et de la Monétique	May 15, 1992	2010
CIC Capital Développement	Dec. 20, 2000	2006
CIC Information	April 2, 2001	2006
CIC Banque SNVB	Dec. 20, 2007	2007
Banque Régionale de l'Ouest	Aug. 1, 1999	2006
Member of the Supervisory Board:		
Société Alsacienne de Publications "L'Alsace"	June 2, 2004	2007
GIE CIC Production	July 28, 1999	2006
CIC Investissement	Dec. 20, 2000	2010
Safran	Oct. 30, 2002	2009

Alain Fradin

Born May 16, 1947, Alençon

Business address:
Crédit Industriel et Commercial
6 avenue de Provence - 75009 Paris

	Term of office started	Term of office expires
Vice-President of the Executive Board	June 17, 1998	2012

Other positions held

Chairman and CEO:		
CM-CIC Bail	July 20, 1999	2011
CIC Migrations	Nov. 26, 1999	2015
Chairman of the Board of Directors:		
Groupe Républicain Lorrain Communication	May 4, 2007	unlimited term
Chairman of the Supervisory Board:		
CIC Iberbanco	June 5, 2008	2015
CEO:		
Confédération Nationale du Crédit Mutuel	Nov. 17, 2010	unlimited term
Caisse Centrale du Crédit Mutuel	Jan. 1, 2010	unlimited term
Fédération du Crédit Mutuel Centre Est Europe	Oct. 20, 2010	unlimited term
Caisse Fédérale de Crédit Mutuel	Sept. 24, 2010	2013
Fédération du Crédit Mutuel Antilles-Guyane	May 30, 1998	unlimited term
Caisse Fédérale du Crédit Mutuel Antilles-Guyane	May 30, 1998	unlimited term
Fédération des Caisses du Crédit Mutuel du Sud-Est	June 21, 2001	unlimited term
Caisse de Crédit Mutuel du Sud-Est	June 21, 2001	unlimited term
Member of the Board of Directors:		
Boréal	Oct. 14, 2002	2013
CM-CIC Titres	Feb. 18, 1994	2012
Groupe Sofémo	May 30, 1997	2014
Banque du Crédit Mutuel Ile-de-France	Nov. 17, 2003	2014
Banco Popular Hipotecario	Oct. 28, 2010	2013
Member of the Management Committee:		
Euro Information	May 3, 2006	2013
Bischenberg	Sept. 30, 2004	2011
NRJ Mobile	Feb. 1, 1999	unlimited term
Member of the Supervisory Board:		
GIE CM-CIC Service	May 7, 2008	2014
Eurafric Information	May 28, 2008	2011
Targo Deutschland GmbH	Dec. 8, 2008	2012
Targo Management AG	Dec. 8, 2008	2013
Targo Bank AG	Dec. 8, 2008	2013
Cofidis	March 17, 2009	2012
Cofidis Participations	March 17, 2009	2012

Permanent Representative:

CCCM (Director, CM-CIC AM)	Dec. 15, 2010	2012
CCM Sud-Est (Director, ACM Vie SA)	May 4, 2005	2011
CIC (Management Committee Euro GDS)	Dec. 19, 2003	2016
CIC Participations (Director, CIC Ouest)	May 15, 2003	2014
CIC Participations (Director, CIC Nord Ouest)	Dec. 26, 1990	2014
Groupement des Assurances du Crédit Mutuel (Director, Sérénis Vie)	July 16, 2002	2012

Positions held in the last five financial years

Chairman:

SOLODIF	June 1, 2007	2008
Le Républicain Lorrain	April 12, 2007	2009

Deputy CEO:

Fédération du Crédit Mutuel Centre Est Europe	Feb. 14, 1998	2010
Caisse Fédérale de Crédit Mutuel (CFCMCEE)	Feb. 14, 1998	2010

Member of the Board of Directors - Member of the Bureau:

Confédération Nationale du Crédit Mutuel	Sept. 12, 2001	2010

Permanent Representative:

CF de CM (Vice-chairman of Caisse Centrale du Crédit Mutuel)	Jan. 3, 2001	2010
CIC (Director, CIC Information)	April 2, 2001	2006
CIC Participations (Director, CIC Banque CIN)	Dec. 26, 1990	2006

Michel Michenko

Born November 18, 1947, Nancy

Business address: Crédit Industriel et Commercial 6 avenue de Provence - 75009 Paris	Term of office started	Term of office expires
Member of the Executive Board	May 31, 2007	2012

Other positions held

Chairman and CEO:

CIC Ouest	April 22, 2004	2014

Vice-chairman of the Supervisory Board:

CM-CIC Lease	Jan. 12, 2005	2011

Director:

IPO (Institut de Participation de l'Ouest)	April 12, 2005	2011

Member of the Supervisory Board:

SCPI CM-CIC Pierre Investissement	June 6, 2005	2011
GIE CM-CIC Services	May 7, 2008	2016

Permanent Representative:

CIC Ouest (member of the supervisory board of CM-CIC Asset Management)	Dec. 31, 2004	2012
CIC (Director, CM-CIC Participations Immobilières)	Jan. 12, 2001	2012
Groupe des Assurances du Crédit Mutuel (Director, ACM Vie)	May 4, 2005	2011

Member of the Management Committee:

CM-CIC Agence Immobilière (SAS)	March 7, 2002	2014

Chairman of the Executive Committee:

Fondation Audencia	June 10, 2009	2011

Chairman:

Ecole de Design de Nantes	June 26, 2008	unlimited term

Associate Member:

Chambre de Commerce et d'Industrie de Nantes	Dec. 10, 2004	2016

Vice-chairman and Treasurer:

Union pour la Valorisation du Patrimoine	May 19, 2008	2011

Treasurer:

Fondation de Thérapie Génique	May 10, 2004	unlimited term

Positions held in the last five financial years

Chairman and CEO:

Banque Régionale de l'Ouest	Feb. 24, 1998	2006

Member of the Supervisory Board:

GIE CIC Production	July 28, 1999	2010

Permanent Representative:

CIC Banque CIO-BRO (Director, Bail Ouest)	April 22, 2004	2006
CIO Banque CIO-BRO (Director, Financière Ar Men)	April 22, 2004	2008
CIC Banque CIO-BRO (Director, Financière Voltaire)	April 22, 2004	2008

Member of the Management Committee:

Euro Information SAS	July 27, 1999	2006

Jean-Jacques Tamburini

Born December 9, 1947, Chambéry

Business address: Crédit Industriel et Commercial 6 avenue de Provence - 75009 Paris	Term of office started	Term of office expires
Member of the Executive Board	June 17, 1998	2012

Positions held within the group

Chairman and CEO:

CIC Sud Ouest	May 12, 2004	2014

Chairman:

CIC Participations SAS	June 3, 2002	2014
Adepi SAS	May 30, 2002	2014
Valimar 3 SAS	June 1, 2007	2013

Chairman of the Board of Directors:

S.F.F.P.	Feb. 18, 2009	2014

Chairman of the Supervisory Board:

CM-CIC Capital Privé	June 29, 2001	2013

Vice-chairman of the Supervisory Board:

CM-CIC Asset Management	Dec. 31, 2004	2012

Director:

S.F.A.P.	Feb. 18, 2009	2016
CIC Finance	Dec. 20, 2000	2011
IPO (Institut de Participation de l'Ouest)	April 12, 2005	2011
Banca Popolare di Milano (listed in Milan)	Dec. 20, 2002	2012
Banca di Legnano (Milan)	June 27, 2004	2011

Member of the Audit Committee:

Banque Marocaine du Commerce Extérieur (listed in Casablanca)	Sept. 17, 2004	unlimited term

Permanent Representative:

CIC Participations (Director, CIC Est)	June 5, 1989	2014
Banque Fédérative du Crédit Mutuel (Director, ACM IARD SA)	May 4, 2005	2011

Positions held outside the group

Permanent Representative:

S.F.F.P. (Director, TV7 Bordeaux)	Dec. 10, 2004	2013

Positions held in the last five financial years

Director:

CIC Investissement	June 30, 2000	2010

Member of the Supervisory Board:

CIC Production (GIE)	June 21, 2004	2010

Permanent Representative:

Banque Fédérative du Crédit Mutuel (Director, Banque de Tunisie, Tunis)	May 26, 2009	2010
CIC (Director, Banque de Tunisie, Tunis)	March 31, 2000	2009
CIC Société Bordelaise (Director, SFAP)	Aug. 3, 1999	2009
CIC (Director, Banque de Vizille)	Sept. 11, 2002	2007
CIC Participations (Director, CIC Banque CIAL)	Jan. 1, 1990	2007
CIC Participations (Director, CIC Lyonnaise de Banque)	July 1, 1989	2007

Philippe Vidal

Born August 26, 1954, Millau

Business address: Crédit Industriel et Commercial 6 avenue de Provence - 75009 Paris	Term of office started	Term of office expires
Member of the Executive Board	May 30, 2002	2012

Positions held within the group

Chairman and CEO:		
CIC Est	Dec. 5, 2007	2014
Chairman of the Board of Directors:		
CM-CIC Gestion	Feb. 24, 2006	2013
Banque de Luxembourg (Luxembourg)	March 30, 2010	2011
Banque CIC (Switzerland)	May 7, 2007	2011
Cigogne Management (Luxembourg)	July 6, 2004	2012
Chairman:		
Fund Market Courtage SAS	July 4, 2001	2014
Vice-chairman of the Board of Directors:		
CM-CIC Bail	July 20, 1999	2015
Director:		
Banque Transatlantique Belgium (Brussels)	March 21, 2005	2016
CM-CIC Titres	May 4, 2004	2016
CM-CIC Covered Bonds	April 16, 2007	2013
Permanent Representative:		
CIC (Director, Dubly-Douilhet)	Oct. 24, 2003	2015
CIC Est (Member of the Supervisory Board of CM-CIC Asset Management)	May 20, 2008	2012
Adepi (Director, ACM Vie)	May 4, 2005	2011

Positions held outside the group

Director:		
Saint-Gobain PAM	March 17, 1994	2013
Member of the Supervisory Board:		
Foncière des Régions (listed in Paris)	April 2, 2001	2013

Positions held in the last five financial years

Chairman and CEO:		
CIC Banque CIAL	April 29, 1999	2007
Chairman of the Board of Directors:		
CIC Banque SNVB (now CIC Est)	Jan. 7, 1994	2007
CIAL Invest	May 28, 2004	2007
Vice-chairman of the Board of Directors:		
Banque de Luxembourg (Luxembourg)	March 28, 2000	2010
Director:		
SNVB Financements	Dec. 28, 1993	2008
Member of the Supervisory Board:		
Est Gestion (now CM-CIC Gestion)	April 30, 2002	2006
GIE CIC Production	July 28, 1999	2010
Permanent Representative:		
CIC Banque SNVB (Member of the Management Committee of CIC Information)	July 15, 2002	2006
CIAL Invest (Director, CIAL Equipement)	May 10, 1999	2006
CIC Banque CIAL (Member of the Supervisory Board of CM-CIC Asset Management)	Dec. 31, 2004	2007
Member of the Management Committee:		
SAS SNVB Participations	Aug. 26, 2002	2006
SAS Finances et Stratégies	Aug. 27, 2002	2006

Rémy Wéber

Born November 18, 1957, Strasbourg

Business address: Crédit Industriel et Commercial 6 avenue de Provence - 75009 Paris	Term of office started	Term of office expires
Member of the Executive Board	May 30, 2002	2012

Positions held within the group

Chairman and CEO:		
CIC Lyonnaise de Banque	July 17, 2002	2013
Chairman of the Supervisory Board:		
CIC Banque de Vizille	Sept. 11, 2002	2012
Chairman:		
Gesteurop SAS	June 30, 2006	2014
Director:		
Euro P3C	May 16, 2001	2016
Member of the Management Committee:		
Euro Information	May 17, 2000	2014
Permanent Representative:		
CIC (Director, SOFEMO)	May 7, 2003	2015
CIC Lyonnaise de Banque (Member of the Supervisory Board of CM-CIC Asset Management)	Dec. 31, 2004	2012
CIC Lyonnaise de Banque (Director, Factocic)	Feb. 17, 2009	2012
CIC Lyonnaise de Banque (Director, UVP)	May 2, 2000	2015
Groupe des Assurances du Crédit Mutuel (Director, ACM IARD SA)	May 4, 2005	2011

Positions held outside the group

Permanent Representative:		
CIC Lyonnaise de Banque (Chairman of the Executive Committee of Danifos SAS)	June 18, 2008	unlimited term
CIC Banque de Vizille (Director, Descours et Cabaud)	Sept. 18, 2002	2013

Positions held in the last five financial years

Chairman of the Board of Directors:		
CIC Bonnasse Lyonnaise de Banque	May 11, 2007	2008
Member of the Supervisory Board:		
CIC Production (GIE)	June 24, 2002	2010
Member of the Executive Committee:		
Danifos SAS	July 17, 2002	2008
Permanent Representative:		
Gesteurop (Director, Factocic)	Aug. 26, 1992	2009
CIC Lyonnaise de Banque (Member of the Management Committee of CIC Information)	May 24, 2002	2006
CIC Lyonnaise de Banque (Director, CIC Bonnasse Lyonnaise de Banque)	Sept. 13, 2002	2007
Vice-chairman:		
CIC Banque Pasche (Geneva)	Nov. 16, 2001	2010

Supervisory Board

Etienne Pflimlin

Born October 16, 1941, Thonon-les-Bains

Business address:
Crédit Industriel et Commercial
6 avenue de Provence - 75009 Paris

	Term of office started	Term of office expires
Chairman of the Supervisory Board	June 17, 1998	2013

Other positions held

Chairman of the Board of Directors:		
Caisse de Crédit Mutuel "Strasbourg Esplanade"	May 16, 1991	2013
Le Monde Entreprises	June 23, 1988	2013
Chairman of the Supervisory Board:		
Société d'Etudes et de Réalisation pour les Equipements Collectifs (SODEREC)	June 20, 1988	2012
Éditions Coprur	July 2, 1987	2013
Director:		
Fimalac	May 30, 2006	2015
Member of the Supervisory Board:		
Le Monde S.A.	Nov. 5, 2001	2013
Le Monde et Partenaires Associés	May 31, 1995	2013
Société Editrice du Monde	Nov. 5, 2001	2013
Permanent Representative:		
Caisse Centrale du Crédit Mutuel (Director, Maison Europe des Coopératives - MEC)	Feb. 5, 2008	2013
Fédération du Crédit Mutuel Centre Est Europe (Director, SOFEDIS)	Nov. 24, 1994	2014
Fédération du Crédit Mutuel Centre Est Europe (Member of the Management Committee Of Euro Information)	June 14, 2002	2014
CIC (Director, CIC Est)	Dec. 20, 2007	2014
CIC (Director, CIC Nord Ouest)	June 13, 1990	2014
CIC (Director, CIC Ouest)	Dec. 26, 1990	2014
CIC (Director, CIC Sud Ouest)	July 5, 1994	2014

Positions held in the last five financial years

Chairman of the Supervisory Board:		
Banque de l'Economie du Commerce et de la Monétique*	Sept. 29, 1992	Oct. 22, 2010
Chairman of the Board of Directors:		
Confédération Nationale du Crédit Mutuel*	Dec. 16, 1987	2010
Caisse Centrale du Crédit Mutuel*	May 18, 1988	2010
Fédération du Crédit Mutuel Centre Est Europe*	June 25, 1985	2010
Caisse Fédérale du Crédit Mutuel Centre Est Europe*	Sept. 29, 1992	2010
Banque Fédérative du Crédit Mutuel*	Sept. 29, 1992	2010
Permanent Representative:		
CIC (Director, CIC Banque CIAL)	Jan. 1, 1999	2007
Member of the Management Committee:		
EBRA	Feb. 24, 2006	2007

*Named honorary chairman in 2010.

Gérard Cormorèche

Born July 3, 1957, Lyon

Business address:
Crédit Mutuel du Sud-Est
8-10 rue Rhin et Danube - 69266 Lyon Cedex 09

	Term of office started	Term of office expires
Vice-Chairman and Member of the Supervisory Board	June 17, 1998	2013

Other positions held

Chairman:		
Fédération du Crédit Mutuel du Sud-Est	April 27, 1995	2011
Caisse de Crédit Mutuel du Sud-Est	April 27, 1995	2013
Cecamuse	Dec. 2, 1991	2012
Caisse Agricole du Crédit Mutuel	April 14, 2004	2016
Caisse de Crédit Mutuel de Neuville-sur-Saône	April 15, 1993	2013
Vice-chairman:		
CMAR	1997	2015
Member of the Board of Directors:		
Confédération Nationale du Crédit Mutuel	Oct. 5, 1995	2014
Banque Fédérative du Crédit Mutuel	May 16, 2001	2013
Caisse Fédérale de Crédit Mutuel	June 22, 1995	2013
Société des Agriculteurs de France	n/a	n/a
Cautionnement Mutuel de l'Habitat	Feb. 11, 2010	2014
MTRL	2007	2011
Manager:		
SCEA Cormorèche Jean-Gérard	July 1, 1982	unlimited term
SARL Cormorèche	Jan. 1, 2002	unlimited term
Permanent Representative:		
Caisse de Crédit Mutuel du Sud-Est (Director, ACM Vie)	May 19, 1999	2015

Positions held in the last five financial years

Non-voting board member:		
ACM IARD	Oct. 4, 1999	2005
Groupe des Assurances du Crédit Mutuel SA	Oct. 4, 1999	2005

Banque Fédérative du Crédit Mutuel

34 rue du Wacken - 67000 Strasbourg

	Term of office started	Term of office expires
Member of the Supervisory Board	June 17, 1998	2013

Other positions held

Chairman:		
Bischenberg	Sept. 30, 2004	2015
Vice-chairman:		
Crédit Mutuel Paiements Electroniques	March 19, 2003	2012
Director:		
Assurances du Crédit Mutuel SFM	May 4, 2005	2015
Assurances du Crédit Mutuel Vie SA	May 4, 2005	2011
Assurances du Crédit Mutuel IARD SA	May 4, 2005	2011
Banque de Tunisie	May 26, 2009	2012
Boréal	Jan. 25, 1991	2012
Caisse Centrale du Crédit Mutuel	Sept. 17, 1969	2011
Caisse de Refinancement de l'Habitat	Oct. 12, 2007	2013
CM-CIC Covered Bonds	April 16, 2007	2013
CM-CIC Epargne Salariale	May 21, 2008	2014
CM-CIC Securities	Dec. 31, 1999	2011
CM-CIC Participations Immobilières	Sept. 17, 1981	2015
CM-CIC SCPI Gestion	Jan. 30, 1990	2014
Crédit Mutuel Cartes de Paiements	March 17, 1983	2012
Crédit Mutuel Habitat Gestion	March 20, 1990	2014
Critel	Nov. 24, 1989	2014
Fédération du Crédit Mutuel Centre Est Europe	Sept. 29, 1992	unlimited term
Groupe des Assurances du Crédit Mutuel	Feb. 4, 1994	2011
Groupe SOFEMO	Nov. 19, 1986	2014
CM-CIC Aménagement Foncier	April 23, 1981	2015
SAEM Mirabelle TV	Nov. 30, 2009	2013
SAEM Locusem	Dec. 16, 2010	2011
SEM Action 70	Oct. 1, 1990	2011
SEM Destination 70	Oct. 1, 1990	2014
SEM CAEB-Bischheim	Nov. 27, 1997	2015
SEM CALEO - Guebwiller	June 24, 2005	2013
SEM Euro Moselle Développement	March 15, 1991	2011
SEM Micropolis	July 24, 1997	2012
SEM Nautiland	May 25, 1987	2014
SEM pour la promotion de la ZAC Forbach Sud (banking pool)	Feb. 24, 1989	2017
SEM Semibi Biesheim	Nov. 14, 1984	2011
SIBAR	May 27, 1999	2015
Société Fermière de la Maison de L'Alsace	Jan. 1, 1977	2011
Société Française d'Édition de Journaux et d'Imprimés Commerciaux "L'Alsace"	June 2, 2004	2016
SOFEDIS	Nov. 24, 1994	2012
Ventadour Investissement.	May 24, 1991	2013
Member of the Management Committee:		
Euro Information	June 14, 2002	2014
Euro Protection Surveillance	June 27, 1992	2014
Euro TVS	Nov. 27, 1979	2014
Euro Information Direct Service	June 14, 2002	2014

Member of the Supervisory Board:		
Batigère	March 22, 1996	2012
CM-CIC Asset Management	Dec. 31, 2004	2012
SAEM Mulhouse Expo	Feb. 16, 2005	2012
Société d'Etudes et de Réalisation pour les Equipements Collectifs (SODEREC)	May 30, 1978	2012
STET - Systèmes Technologiques d'Échanges et de Traitement	Dec. 8, 2004	2011
Non-voting board member:		
SAFER d'Alsace	May 30, 2006	2012
SEM E Puissance 3 - Schiltigheim	March 7, 1991	2011

Positions held in the last five financial years

Director:		
SEMDEA (banking pool)	Jan. 2, 1976	2006
CIC Banque de Vizille	March 12, 1991	2006
Parcus (banking pool)	May 26, 1982	2006
Crédit Mutuel Participations	Sept. 10, 1988	2007
CM-CIC Agence Immobilière	April 17, 2001	2008
Institut Lorrain de Participations	May 30, 1997	2010
SA d'HLM Habitat des Salariés d'Alsace	May 4, 2005	2010
UES PACT ARIM	Nov. 17. 1994	2010
SEM Patinoire Les Pins	Oct. 1, 1990	2010
Member of the Supervisory Board:		
SCPI Crédit Mutuel Habitat 2	Sept. 13, 1990	2008
SCPI Crédit Mutuel Habitat 3	Sept. 18, 1991	2009
SCPI Crédit Mutuel Habitat 4	Oct. 13, 1993	2009
SCPI Finance Habitat 1	April 29, 1998	2010
SCPI Finance Habitat 2	June 18, 1997	2010

Christian Klein

Born January 9, 1951, Metz

Business address:
Banque Fédérative du Crédit Mutuel
34 rue du Wacken - 67000 Strasbourg

	Term of office started	Term of office expires
Representative of Banque Fédérative du Crédit Mutuel, Member of the Supervisory Board	June 17, 1998	2013

Other positions held

Chairman of the Board of Directors:		
CM-CIC Covered Bonds	April 16, 2007	2013
Member of the Board of Directors:		
Cigogne Management SA (Luxembourg)	July 6, 2004	2012
ESN North America (New York)	n.a.	n.a.
Investessor	Oct. 15, 2004	2013
Société de Financement de l'Economie Française - SFEF	Oct. 17, 2008	2014
Member of the Board of Directors - Deputy CEO:		
Carmen Holding Investissement	Nov. 7, 2008	2011
Member of the Supervisory Board:		
CIC Iberbanco	June 5, 2008	2015
Permanent Representative:		
Banque Fédérative du Crédit Mutuel (Director, CM-CIC Securities)	May 25, 2005	2011
Banque Fédérative du Crédit Mutuel (Director, CM-CIC Aménagement Foncier)	May 27, 1998	2015
Banque Fédérative du Crédit Mutuel (Director, SOFEMO Group)	April 29, 1997	2014
Banque Fédérative du Crédit Mutuel (Director, BOREAL)	June 8, 2004	2012
Banque Fédérative du Crédit Mutuel (Member of the Supervisory Board of CM-CIC Asset Management)	April 12, 2004	2012
Sofinaction (Director, CM-CIC Bail)	April 13, 2004	2016
Sofinaction (Director, CM-CIC Lease)	Jan. 12, 2005	2011
Cicoval (Director, CIC Lyonnaise de Banque)	Dec. 9, 1998	2014

Positions held in the last five financial years

Co-manager:		
CM Akquisitions GmbH	June 30, 2008	2008
Member of the Board of Directors:		
Sicav Gestion 365	June 26, 1984	2006

Gérard Bontoux

Born March 7, 1950, Toulouse

Business address:
Crédit Mutuel Midi-Atlantique
6 rue de la Tuilerie - 31132 Balma Cedex

	Term of office started	Term of office expires
Member of the Supervisory Board	March 7, 2002	2013

Other positions held

Chairman:		
Fédération du Crédit Mutuel Midi-Atlantique	Oct. 24, 1994	2014
Caisse Régionale du Crédit Mutuel Midi-Atlantique	Oct. 24, 1994	2014
Director:		
Confédération Nationale du Crédit Mutuel	Nov. 16, 1994	2015
Caisse Fédérale de Crédit Mutuel	May 6, 2009	2012
Banque Fédérative du Crédit Mutuel	May 6, 2009	2012
Caisse de Crédit Mutuel de Toulouse Saint-Cyprien	April 29, 1996	2014
Member of the Supervisory Board:		
Banque de l'Economie du Commerce et de la Monétique	May 6, 2009	2012
Permanent Representative:		
Caisse Régionale du Crédit Mutuel Midi-Atlantique (to the Board of Groupe des Assurances du Crédit Mutuel)	May 4, 2005	2011
Marsovalor (to the Board of CIC Sud Ouest)	Feb. 18, 2009	2014

Positions held in the last five financial years

Permanent Representative:		
Caisse Régionale du Crédit Mutuel Midi-Atlantique (Board of Directors, Caisse Centrale du Crédit Mutuel)	1999	2009

Luc Chambaud

Born March 24, 1956, Angoulême

Business address:
Crédit Mutuel de Normandie
17 rue du 11 Novembre - 14052 Caen

	Term of office started	Term of office expires
Member of the Supervisory Board	Dec. 16, 2004	2013

Other positions held

Vice-chairman of the Board of Directors:		
NORFI	June 25, 2004	n.a.
CEO:		
Caisse Fédérale de Crédit Mutuel de Normandie	Jan. 1, 2003	n.a.
Fédération du Crédit Mutuel de Normandie	Jan. 1, 2003	n.a.
Director:		
SA Euro-P3C	May 12, 2010	2016
CM-CIC Covered Bonds	July 15, 2008	2013
Member of the Supervisory Board:		
Euro Information Production (GIE)	May 2009	2015
CM-CIC Services - CCS	June 5, 2009	2015
Permanent Representative:		
Caisse Fédérale de Crédit Mutuel de Normandie (Director, Assurances du Crédit Mutuel Vie SA)	Jan. 29, 2003	2011
Caisse Fédérale de Crédit Mutuel de Normandie (Member of the Management Board of Euro Information SAS)	May 7, 2008	2014
Caisse Fédérale de Crédit Mutuel de Normandie (Member of the Management Board of Euro GDS)	May 12, 2010	2016

Positions held in the last five financial years

Director:		
SAS CLOE	Jan. 1, 2003	2008
Member of the Supervisory Board:		
Banque de l'Economie du Commerce et de la Monétique	May 3, 2006	2009

Permanent Representative:		
Banque Fédérative du Crédit Mutuel (member of the Supervisory Board of Batigère SAS)	June 20, 2006	2009
Caisse Fédérale de Crédit Mutuel de Normandie (Director, GIE CLOE Services)	Jan. 1, 2003	2010

Maurice Corgini

Born September 27, 1942, Baume-Les-Dames

Business address: Fédération du Crédit Mutuel Centre Est Europe 34 rue du Wacken - 67000 Strasbourg	Term of office started	Term of office expires
Member of the Supervisory Board	June 17, 1998	2013

Other positions held

Chairman of the Board of Directors:		
Caisse de Crédit Mutuel de Baume-Valdahon-Rougemont	May 10, 1981	2012
Union des Caisses de Crédit Mutuel du District de Franche-Comté Sud	April 20, 1995	2014
Director:		
Fédération du Crédit Mutuel Centre Est Europe	April 20, 1995	2014
Banque Fédérative du Crédit Mutuel	June 22, 1995	2012
Caisse Agricole Crédit Mutuel	Feb. 20, 2004	2014
Co-manager:		
Cogit'Hommes Franche-Comté	March 1, 2005	unlimited term

François Duret

Born March 18, 1946, Chartres

Business address: Crédit Mutuel du Centre - Place de l'Europe 105 rue du Faubourg Madeleine 45920 Orléans Cedex 9	Term of office started	Term of office expires
Member of the Supervisory Board	Feb. 22, 2007	2013

Other positions held

Chairman of the Supervisory Board:		
Caisse Fédérale de Crédit Mutuel du Centre	1999	n.a.
Chairman of the Board of Directors:		
Fédération Régionale des Caisses de Crédit Mutuel du Centre	2000	n.a.
Caisse de Crédit Mutuel Agricole du Centre	1998	n.a.
Caisse de Crédit Mutuel Agricole d'Auneau	1997	n.a.
Vice-chairman:		
Syndicat Agricole du Dunois	2006	n.a.
Director:		
Confédération Nationale du Crédit Mutuel	2000	n.a.
CICM	2007	n.a.
Permanent Representative:		
Caisse Fédérale de Crédit Mutuel du Centre (Director, Caisse Centrale de Crédit Mutuel)	2000	2010
Caisse Fédérale de Crédit Mutuel du Centre (Director, ACM Vie SAM)	2005	2011
Caisse Fédérale de Crédit Mutuel du Centre (Member of the Supervisory Board of SODEREC)	2000	2014
Caisse Fédérale de Crédit Mutuel du Centre (Member of the Supervisory Board of SODELEM)	2005	n.a.
Caisse de Crédit Mutuel Agricole du Centre (Director, Fédération du Crédit Mutuel Agricole et Rural)	1997	n.a.
Manager:		
EARL de la Marée de Sermonville	2000	n.a.

Positions held in the last five financial years

Chairman:		
SAS CLOE	n.a.	Dec. 31, 2005
Permanent Representative:		
SAS CLOE (Director, Banque Fédérative du Crédit Mutuel)	n.a.	Dec. 31, 2005

Pierre Filliger

Born November 27, 1943, Rixheim

Business address: Crédit Mutuel Méditerranéen 494 avenue du Prado - 13267 Marseille Cedex 08	Term of office started	Term of office expires
Member of the Supervisory Board	June 17, 1998	2013

Other positions held

Chairman:		
Fédération du Crédit Mutuel Méditerranéen	1995	2014
Caisse Régionale du Crédit Mutuel Méditerranéen	1996	2014
Caisse de Crédit Mutuel Marseille-Prado	1981	2013
Caisse Méditerranéenne de Financement (CAMEFI)	2008	2011
Director:		
Confédération Nationale du Crédit Mutuel	Oct. 1, 1992	2012

Positions held in the last five financial years

Chairman of the Executive Board:		
Caisse Méditerranéenne de Financement (CAMEFI)	1987	2008
Vice-chairman Caisse Fédérale du Crédit Mutuel Agricole et Rural Provence-Languedoc	2001	2008
Director:		
France Luxembourg Invest Advisory (Luxembourg)	1989	2008
Crédit Mutuel Evasion SA	2007	2009
ACTIMUT SA	1997	2009
CAMEFI Banque	2002	March 25, 2010
Caisse Interfédérale du Crédit Mutuel Sud Europe Méditerranée	2006	Dec. 31, 2010

Jean-Louis Girodot

Born February 10, 1944, Saintes

Business address: Crédit Mutuel Ile-de-France 18 rue de La Rochefoucault - 75439 Paris Cedex 9	Term of office started	Term of office expires
Member of the Supervisory Board	Dec. 19, 2001	2013

Other positions held

Chairman of the Board of Directors:		
Fédération du Crédit Mutuel Ile-de-France	1995	2012
Caisse Régionale Crédit Mutuel Ile-de-France	1995	2012
Caisse de Crédit Mutuel "Paris-Montmartre Grands Boulevards"	1975	2013
Chairman:		
SAS CODLES	1980	legal age
Comité Régional pour l'Information Economique et Sociale - CRIES	2009	2013
Vice-chairman:		
Chambre Régionale de l'Economie Sociale et Solidaire d'Ile-de-France - CRESS	1986	2011
AUDIENS	2002	2012
Fédération Nationale de la Presse Spécialisée (FNPS)	1979	2012
Bureau Member:		
Conseil Economique et Social d'Ile-de-France	1989	2013
Director:		
Confédération Nationale du Crédit Mutuel	1995	2012
Banque Fédérative du Crédit Mutuel	2002	2011
Caisse Fédérale de Crédit Mutuel	2003	2012
Coopérative d'Information et d'Edition Mutualiste	1985	2013
PEMEP	1997	2011
MEDIAFOR	1995	2013
Member of the Supervisory Board:		
EI Production	1995	2016
Member:		
Groupe Aprionis	1999	2011
Permanent Representative:		
Caisse Régionale de Crédit Mutuel Ile-de-France (to the Board of ACM Vie SFM)	2005	2015
CRESS IDF à la Conférence Nationale des CRES	1988	2011
FNPS à la Commission Paritaire des Publications et Agences de Presse	1994	2012

Daniel Leroyer

Born April 15, 1951, Saint-Siméon

Business address:
Crédit Mutuel Maine-Anjou, Basse-Normandie
43 boulevard Volney - 53083 Laval Cedex 9

	Term of office started	Term of office expires
Member of the Supervisory Board	May 19, 2005	2013

Other positions held

Chairman of the Board of Directors:		
Fédération du Crédit Mutuel de Maine-Anjou, Basse-Normandie	2003	2014
Caisse Fédérale du Crédit Mutuel Maine-Anjou, Basse-Normandie	2003	2013
Caisse Générale de Financement (CAGEFI)	2003	2011
Créavenir (association)	2004	2014
Caisse de Crédit Mutuel du Pays Fertois	1998	2011
Caisse de Crédit Mutuel Solidaire de Maine-Anjou, Basse-Normandie	2007	2013
Director:		
SAS Assurances du Crédit Mutuel Maine-Anjou-Normandie (ACMAN)	2002	2014
Confédération Nationale du Crédit Mutuel	2003	2014
Permanent Representative:		
Fédération du Crédit Mutuel de Maine-Anjou, Basse-Normandie (Director, GIE CLOE Services)	2003	n.a.
Caisse Fédérale du Crédit Mutuel de Maine-Anjou et Basse-Normandie dans la SAS Volney Développement	1999	n.a.
Caisse Fédérale du Crédit Mutuel de Maine-Anjou et Basse-Normandie (Director, Groupe des Assurances du Crédit Mutuel)	2005	n.a.

Positions held in the last five financial years

Chairman of the Board of Directors:		
Caisse de Crédit Mutuel Enseignant Maine-Anjou, Basse-Normandie	2006	2007
Caisse de Crédit Mutuel Enseignant Saint-Lô	2007	2008
SAS CLOE	2008	2009
Crédit Mutuel Solidaire de Maine-Anjou, Basse-Normandie (association)	2007	2010
Member of the Supervisory Board:		
Société de Réassurance Lavalloise (SOCREAL) SA	1998	2010
Permanent Representative:		
Société de Réassurance Lavalloise (Director, Groupe des Assurances du Crédit Mutuel)	2003	2005

Jean-Luc Menet

Born February 2, 1951, Nantes

Business address:
Crédit Mutuel Océan
34 rue Léandre-Merlet
85001 La Roche-sur-Yon Cedex 27

	Term of office started	Term of office expires
Member of the Supervisory Board	Dec. 13, 2007	2013

Other positions held

CEO:		
Caisse Fédérale du Crédit Mutuel Océan	Nov. 1, 2007	n.a.
Société Coopérative de Crédit C.M.A.R. Océan	Nov. 1, 2007	n.a.
Director:		
S.A.S. Océan Participations	Oct. 26, 2007	2012
Confédération Nationale du Crédit Mutuel	Oct. 4, 2007	2011
Permanent Representative:		
Caisse Fédérale du Crédit Mutuel Océan (Chairman, SAS ANTEMA)	Sept. 24, 2009	2011
Caisse Fédérale du Crédit Mutuel Océan (Director, SAS Volney Développement)	Jan. 1, 2009	2012
Caisse Fédérale du Crédit Mutuel Océan (Member of the Supervisory Board of SAS Euro Information)	May 6, 2009	2015
Caisse Fédérale du Crédit Mutuel Océan (Director, SA Tourisme Océan)	Oct. 24, 2007	2013
Caisse Fédérale du Crédit Mutuel Océan (Director, ACM IARD SA)	Oct. 11, 2007	2011
Caisse Fédérale du Crédit Mutuel Océan (Director, Caisse Centrale du Crédit Mutuel)	Dec. 19, 2007	2013
Caisse Fédérale du Crédit Mutuel Océan (Director, SAS Crédit Mutuel Cartes de Paiements)	Nov. 1, 2007	2012
Caisse Fédérale du Crédit Mutuel Océan (Director, SAS Crédit Mutuel Paiements Electroniques)	Nov. 1, 2007	2012
Caisse Fédérale du Crédit Mutuel Océan (Director, SAEM SEMIS)	March 14, 2002	2017
Caisse Fédérale du Crédit Mutuel Océan (Member of the Supervisory Board of CIC Asset Management)	March 22, 2007	2012

Positions held in the last five financial years

Chairman and CEO:		
SA Tourisme Océan	n.a.	Oct. 24, 2007
Chairman of the Supervisory Board:		
SA SODELEM	Sept. 26, 2007	2012
Chairman:		
SAS Auto Euro Location	Jan. 5, 2009	unlimited term
Permanent Representative:		
Caisse Fédérale du Crédit Mutuel Océan (Director, SAS CMO Gestion)	Sept. 25, 2005	June 22, 2007
Caisse Fédérale du Crédit Mutuel Océan (Director, SAS Vendée Logement)	June 23, 2005	April 25, 2007
Caisse Fédérale du Crédit Mutuel Océan (Director, SA FINANCO)	Nov. 30, 2000	Sept. 18, 2009
Caisse Fédérale du Crédit Mutuel Océan (Chairman, LLD Participations)	Dec. 20, 2008	unlimited term

André Meyer

Born March 31, 1934, Stotzheim

Business address:
Fédération du Crédit Mutuel Centre Est Europe
34 rue du Wacken - 67000 Strasbourg

	Term of office started	Term of office expires
Member of the Supervisory Board	June 17, 1998	2013

Other positions held

Member of the Local Board:		
Caisse de Crédit Mutuel de l'Ungersberg	March 4, 2005	2013
Member of the Board and Honorary Chairman:		
Union des Caisses de Crédit Mutuel du district de Sélestat	Oct. 8, 2002	2014
Member of the Supervisory Board:		
Editions Coprur	July 1, 1998	2013
Permanent Representative:		
ACM (Director, Fédération du Crédit Mutuel Centre Est Europe)	Dec. 13, 2002	unlimited term
Manager:		
SCI Binnweg	Nov. 6, 2003	n.a.

Positions held in the last five financial years

Director:		
Confédération Nationale du Crédit Mutuel	1998	2008

Albert Peccoux

Born November 2, 1939, Saint-Martin-Bellevue

Business address:
Fédération du Crédit Mutuel Savoie-Mont Blanc
99 avenue de Genève - 74054 Annecy Cedex

	Term of office started	Term of office expires
Member of the Supervisory Board	May 11, 2006	2011

Other positions held

Chairman of the Board of Directors:		
Fédération du Crédit Mutuel Savoie-Mont Blanc	June 2, 1998	2013
Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc	Jan. 1, 2000	2013

Director:		
Confédération Nationale du Crédit Mutuel	June 17, 1998	2014
Banque Fédérative du Crédit Mutuel	May 3, 2006	2012
Caisse Fédérale de Crédit Mutuel	May 3, 2006	2012
Centre International du Crédit Mutuel	2003	2012
Caisse de Crédit Mutuel d'Annecy-les-Fins	March 17, 1973	2012
SICA Haute-Savoie (Société Civile Coopérative d'Intérêt Collectif Agricole)	July 1, 2009	2012
Permanent Representative:		
Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc (Director, ACM Vie SAM)	May 4, 2005	2014

Positions held in the last five financial years

Chairman:		
SICA Haute-Savoie (Société Civile Coopérative d'Intérêt Collectif Agricole)	Nov. 29, 1989	2009

Massimo Ponzellini

Born August 9, 1950, Bologna, Italy

Business address:
Banca Popolare di Milano
Piazza Meda 4 - 20121 Milan (Italy)

	Term of office started	Term of office expires
Member of the Supervisory Board	Aug. 3, 2009	2013

Other positions held

Chairman:		
Banca Popolare di Milano (Milan)	April 25, 2009	2012
Impregilo Spa	May 7, 2007	2013
Deputy Chairman:		
INA Assitalia Spa	April 20, 2009	2012
Member of the Executive Committee:		
ABI (Italian Bankers Association)	May 25, 2009	2012
Member of the Board of Directors:		
ABI (Italian Bankers Association)	May 25, 2009	2012
Istituto Europeo di Oncologia	Sept. 29, 2009	2011
Fondazione Teatro alla Scala	Nov. 18, 2009	2013
Member of the Honorary Committee:		
PlaNet Finance (France)	Oct. 13, 1998	unlimited term

Paul Schwartz

Born January 29, 1937, Bitche

Business address:
Fédération du Crédit Mutuel Centre Est Europe
34 rue du Wacken - 67000 Strasbourg

	Term of office started	Term of office expires
Member of the Supervisory Board	June 17, 1998	2013

Other positions held

Honorary Chairman:		
Union des Caisses de Crédit Mutuel du District de Sarreguemines	Oct. 25, 2006	2014
Director:		
Caisse de Crédit Mutuel de Bitche	March 3, 2010	2012
Banque Transatlantique Luxembourg (Luxembourg)	July 24, 1998	2014
Permanent Representative:		
Banque Fédérative du Crédit Mutuel (Director, Société de Participations Immobilières)	Sept. 8, 1993	2015
Caisse Fédérale de Crédit Mutuel (Director, Groupe des Assurances du Crédit Mutuel)	Feb. 4, 1994	2011
Banque de l'Economie du Commerce et de la Monétique (Director, Fédération du Crédit Mutuel Centre Est Europe)	Dec. 8, 2006	unlimited term

Positions held in the last five financial years

Chairman:		
Union des Caisses de Crédit Mutuel du District de Sarreguemines	Nov. 24, 1984	2006
Honorary Chairman:		
Caisse de Crédit Mutuel de Bitche	May 22, 1971	2010
Member of the Board of Directors:		
Confédération Nationale du Crédit Mutuel	Oct. 6, 1999	2008
Banque Fédérative du Crédit Mutuel (Director, Caisse Centrale du Crédit Mutuel)	Nov. 9, 1999	2008
Non-voting board member:		
Banque de l'Economie du Commerce et de la Monétique	Dec. 15, 2006	2009

Alain Têtedoie

Born May 16, 1964, Loroux-Bottereau

Business address:
Crédit Mutuel de Loire Atlantique et du Centre-Ouest
46 rue du Port Boyer - 44326 Nantes Cedex 3

	Term of office started	Term of office expires
Member of the Supervisory Board	Sept. 7, 2006	2013

Other positions held

Chairman of the Board of Directors:		
Caisse Fédérale de Crédit Mutuel de Loire-Atlantique et du Centre-Ouest	May 23, 2006	2014
Fédération du Crédit Mutuel de Loire-Atlantique et du Centre-Ouest	May 23, 2006	2014
Chairman:		
FITEGA (SAS)	Dec. 9, 1994	2015
FITERRA (SAS)	2008	2014
Chairman of the Supervisory Board:		
Pfalzeurop GmbH (Harthausen)	Aug. 31, 2007	2013
CM-CIC Services	May 7, 2008	2012
CEO:		
Nanteurop (SAS)	July 31, 2007	2011
Vice-chairman of the Board of Directors:		
Caisse de Crédit Mutuel de Saint-Julien de Concelles	2003	2012
Director:		
Confédération Nationale du Crédit Mutuel	2004	2013
Banque Fédérative du Crédit Mutuel	2006	2012
Ataraxia (SAS)	May 3, 2004	2013
Member of the Supervisory Board:		
Suravenir	Oct. 27, 2004	2011
Permanent Representative:		
Caisse Fédérale CMLACO (Director, Groupe des Assurances du Crédit Mutuel)	2006	2011
Caisse Fédérale CMLACO (Director, Atlancourtage Entreprise)	May 2010	2015
Fédération du CMLACO (Chairman, Investlaco SAS)	2006	unlimited term
EFSA (Director, CIC Ouest)	2006	2013
Ufigestion 2 (Director, CM-CIC Bail)	2010	2016

Positions held in the last five financial years

Vice-chairman of the Supervisory Board:		
Banque Commerciale pour le Marché de l'Entreprise	2006	June 2010
Member of the Supervisory Board:		
Infolis (SAS)	Oct. 26, 2004	June 27, 2008
Non-voting board member:		
Suravenir Assurances Holding (SAS)	Oct. 26, 2004	June 27, 2008
Permanent Representative:		
Caisse Fédérale CMLACO (Director, Swiss Life Prévoyance et Santé)	2005	July 31, 2006
Suravenir Assurances Holding (Director, Suravenir Assurances)	Oct. 26, 2004	June 27, 2008
Caisse Fédérale CMLACO (Member of the Supervisory Board of SODELEM)	2006	Sept. 2010

Philippe Vasseur

Born August 31, 1943, Le Touquet

Business address:
Crédit Mutuel Nord Europe
4 place Richebé - 59011 Lille Cedex

	Term of office started	Term of office expires
Member of the Supervisory Board	May 30, 2001	2013

Other positions held

	Term of office started	Term of office expires
Chairman:		
Caisse Fédérale du Crédit Mutuel Nord Europe	May 26, 2000	2012
Caisse de Crédit Mutuel Lille Liberté	March 29, 2005	2012
Société de Développement Régional de Normandie (SA)	May 29, 2001	2013
Crédit Mutuel Nord Europe Belgium (SA-Belgium)	Sept. 11, 2000	2016
BKCP (SCRL - Belgium)	Dec. 21, 2001	2016
Chairman of the Supervisory Board:		
Banque Commerciale du Marché Nord Europe (SA)	May 26, 2000	2012
Groupe UFG (SA)	May 29, 2006	2012
Nord Europe Assurances (SA)	June 1, 2006	2013
Director:		
Groupe Eurotunnel (SA)	June 20, 2007	n.a.
Holder (SAS)	2005	n.a.
Caisse Solidaire du Crédit Mutuel Nord Europe	Sept. 27, 2005	2012
Bonduelle (SA)	2008	n.a.
BKCP Securities (SA-Belgium)	March 31, 2005	2012
Crédit Professionnel (SA-Belgium)	May 11, 2000	2016
UFG-LFP Private Bank (SA-Luxembourg)	July 10, 2003	2016
Normandie Partenariat SA	May 7, 2009	2015
Confédération Nationale du Crédit Mutuel	2008	2013
Permanent Representative:		
CMNE Belgium (Director, Alverzele - SA-Belgium)		2013
CMNE BELGIUM (Director, Mobilease - SA-Belgium)		2013
Caisse Fédérale du Crédit Mutuel Nord Europe (Non-voting board member of LOSC Lille Métropole SA)	2005	2012
Caisse Fédérale du Crédit Mutuel Nord Europe (Director, Groupe des Assurances du Crédit Mutuel SA)	May 4, 2005	2011

Positions held in the last five financial years

Chairman:		
Crédit Mutuel Nord Europe France	Dec. 18, 1999	June 8, 2007
BKCP Wallonie (SCRL)	Oct. 21, 2008	May 26, 2009
Crédit Professionnel Interfédéral (SCRL-Belgium)	Nov. 22, 2000	Oct. 21, 2008
Member of the Supervisory Board:		
Saint Louis Sucre	2000	2007
Director:		
Heineken France	n.a.	June 30, 2006
BKCP Noord (SCRL - Belgium)	June 30, 2006	May 26, 2009
Middenstands Deposito En Kredietkantoor (SCRL - Belgium)	2005	June 30, 2006
Non-voting board member:		
Crédit Mutuel Nord Immobilier	March 28, 2002	Oct. 23, 2006
Permanent Representative:		
Crédit Mutuel Nord Europe France (Director, Groupe des Assurances du Crédit Mutuel SA)	June 8, 2007	2007
Société de Développement Régional de Normandie (Director, Normandie Partenariat)	March 18, 2008	May 7, 2009
Crédit Mutuel Nord Europe Belgium SA (Vice-chairman, Federal Kas voor het Beroepskrediet - SCRL - Belgium)	March 25, 2004	May 26, 2009
Crédit Mutuel Nord Europe Belgium SA (Vice-chairman, BKCP Noord - SCRL - Belgium)	June 30, 2006	May 26, 2009
Crédit Mutuel Nord Europe Belgium SA (Vice-chairman, BKCP Wallonie SCRL - Belgium)	Oct. 21, 2008	May 26, 2009
Crédit Mutuel Nord Europe Belgium SA (Director, Crédit Professionnel Interfédéral - SCRL - Belgium)	Nov. 22, 2000	Oct. 21, 2008
Crédit Mutuel Nord Europe Belgium SA (Director, BKCP Brabant SCRL - Belgium)	Dec. 21, 2001	Oct. 21, 2008

Jean-Claude Martinez

Born November 6, 1949, Oran, Algeria

Business address:
CIC Est
7 avenue Foch - 90000 Belfort

	Term of office started	Term of office expires
Representing employee shareholders, Member of the Supervisory Board	April 28, 2004	2014

Other positions held

Chairman of the Supervisory Board:		
FCPE ACTICIC	March 19, 2004	2011
Vice-chairman:		
Caisse de retraite du groupe CIC	Sept. 21, 2001	2011

Linda Corneau-Pattyn

Born June 1, 1979, Paris

Business address:
CIC Ouest
25 quai Saint-Paul - 44420 La Turballe

	Term of office started	Term of office expires
Member of the Supervisory Board, Representing employees	Oct. 30, 2008	2013

Nathalie Jolivet

Born July 11, 1965, Cholet

Business address:
CIC Ouest
5 rue du Maréchal Foch - 49600 Beaupreau

	Term of office started	Term of office expires
Member of the Supervisory Board, Representing employees	Jan. 21, 2010	2013

Jean-Pierre Van den Brocke

Born February 25, 1953, Suresnes

Business address:
CIC Nord Ouest
6 rue Albert Kastler - 14054 Caen Cedex 4

	Term of office started	Term of office expires
Member of the Supervisory Board, Representing employees	Oct. 30, 2008	2013

Variable remuneration of professionals forming part of the "regulated population"

Regulatory developments

The financial crisis of 2008 led governments to take a number of measures regarding the remuneration of financial market professionals.

Among them, Regulation CRBF 97-02 of the French Committee for Banking and Financial Regulation, regarding banks' internal controls, was amended on January 14, 2009 and now includes an obligation to ensure that remuneration policy is linked to objectives in terms of risk management and control.

At the Pittsburgh summit of September 24 and 25, 2009, G20 member states adopted the standards announced by the Financial Stability Board.

Additionally, the ministerial order of November 3, 2009 outlined mechanisms for the remuneration of personnel whose activities are likely to have a material impact on credit institutions' and investment undertakings' risk exposure.

All these provisions concerning governance and the remuneration of financial market professionals were incorporated into the professional standards of the FBF (French Banking Federation) issued on November 5, 2009.

The order of December 13, 2010 amending Regulation 97-02 transposed the provisions of Directive 2010/76/EU of November 24, 2010 (the so-called CRD III) and amended a certain number of provisions concerning the remuneration of employees referred to as forming part of the "regulated population", whose professional activities have a material impact on institutions' risk profile.

Rules of governance

The Supervisory Board consults the remuneration committee, which is composed of members who are independent and competent to analyze the policies and practices concerning all relevant principles, including the company's risk policy.

This committee checks with general management to make sure that the risk and compliance divisions have been consulted on the definition and implementation of the remuneration policy for these professionals.

Within the framework of principles thus defined, general management establishes the rules governing remuneration.

The principles covering variable remuneration require the basis for the variable elements of remuneration to be consistent with the financial and non-financial objectives explicitly established for individual employees and teams of employees. These principles are in line with the institution's risk policy and provide in particular for costs attributable to the results of these professionals' activities, notably the cost of risk and liquidity, to be deducted.

Over a certain threshold, payment is deferred.

At least 40% of total variable remuneration is deferred, over three financial years, and subject to clawback clauses. For those with the highest variable remuneration, as much as 80% is deferred.

Actual payment of the deferred portion is subject to certain conditions involving the results of the business line, the achievement of a certain level of RoE (return on equity) and the employees still being effectively employed at the date of payment.

Deferred remuneration may thus be substantially reduced, or even not paid at all in the event of a failure to manage and control risks entailing losses.

An annual report on remuneration policy and practices is submitted to the ACP (*Autorité de Contrôle Prudentiel* or Prudential Control Authority) in accordance with Article 43-1 of Regulation 97-02. Similarly, a report containing detailed amounts and information on items of variable remuneration is published prior to the General Meeting of Shareholders called to ratify the annual accounts.

Shareholders' meetings

Composition

(summary of Articles 20 to 27 of the bylaws)

All shareholders are entitled to attend Shareholders' Meetings.

There are no double voting rights.

Except as stipulated in the section below on disclosure thresholds, access to Shareholders' Meetings is not restricted and shareholders are not required to hold a minimum number of CIC shares to exercise the rights conferred upon them by law.

The Combined Ordinary and Extraordinary General Meeting of shareholders and holders of voting rights certificates of June 17, 1998:

- authorized shareholders to hold their "A" series ordinary shares in either bearer or registered form (Article 7 (1) of the bylaws);
- authorized the company to obtain details of identifiable holders of shares and securities from Euroclear France (Article 7 (3) of the bylaws);
- added mandatory disclosure thresholds (Article 9 (6) of the bylaws).

Disclosure thresholds

(summary of Article 9 of the bylaws)

In addition to statutory requirements, the bylaws require disclosure of any changes in ownership that result in shareholdings exceeding or falling below 0.5% of the share capital or any multiple thereof. If a shareholder fails to comply with this requirement, the shares held in excess of the disclosure threshold may be stripped of voting rights for a period of two years following notification of a motion tabled by one or more shareholders holding shares or voting rights at least equal to the smallest proportion of share capital or voting rights requiring disclosure. Such motion shall be duly noted in the minutes of the Annual General Meeting of Shareholders.


Sustainable
Development

Ethics and compliance

Code of ethics

CIC applies the provisions of the CM5-CIC group's common code of ethics, which outlines the rules of good conduct to be adhered to by all employees, especially with respect to client relations, and is based on the following general principles:

- the client's interests are our priority;
- the rules of confidentiality must be followed rigorously;
- duties should be performed to the highest standard of professionalism;
- integrity is at the core of our business operations.

It also lays down provisions to be adhered to by employees holding "sensitive positions" who may be exposed to conflicts of interest or who have access to confidential or privileged information. Specific ethical rules are developed for capital markets activities, financial transactions, the management of securities portfolios and financial analysis.

Management is responsible for ensuring compliance with these principles, the application of which is subject to regular controls by the permanent control and compliance departments.

More broadly, CIC adheres to the rules of professional ethics of the overall Crédit Mutuel group and its employees.

Combating money laundering and the financing of terrorism

Anti-money laundering mechanisms have been considerably strengthened over the last few years throughout the CM5-CIC group, in France as well as in its foreign establishments. Measures put in place are aimed at learning more about our clients, with a view to detecting any suspicious transactions and, where necessary, avoiding all dealings with clients whose identity or activities cannot be adequately determined. These measures fall within the scope of recommendations issued by the Financial Action Task Force and the European directives and regulations transposed into French law, notably the legal and regulatory provisions contained in the French Monetary and Financial Code.

In this context, CIC focuses on:

- knowing its clients and their transactions as well as possible and assessing the risks of money laundering;
- exercising watchfulness in proportion to these risks regarding the origin of funds deposited and/or account movements in order to detect any unusual or irregular transactions;
- ensuring compliance with legal requirements and internal standards by carrying out the necessary controls and establishing standard procedures;
- involving all employees in the fight against money laundering, through regular training and awareness-raising initiatives.

The control process and its various components (periodic, permanent and compliance controls) are designed to ensure that procedures are consistently implemented and properly applied, and that they cover the risks involved. The control processes rely in particular on the designated in-house Tracfin correspondents (Tracfin being the French Finance Ministry division tasked with combating money laundering). In each group entity, these correspondents carry out permanent monitoring of transactions, handle the necessary regulatory filings, and work to make all those involved more watchful.

The employees and control departments involved in this work have an extensive range of group-wide tools that enable them to detect transactions or situations requiring their attention, record their observations and inform their management teams. The tools are frequently upgraded and adapted to keep pace with regulatory changes.

In 2010 the system was further enhanced by updated procedures and new tools developed as part of the work done to adapt to legislation transposed from the third EU money laundering directive. This work will be continued in 2011.

Internal control

The CM5-CIC group has rolled out, throughout all consolidated companies, consistent mechanisms which are fully integrated within its organizational structure, in order to ensure compliance with regulatory provisions and professional standards, good control of risks, operational security, and improved performance.

These mechanisms meet banking and financial regulatory requirements and comply with the working principles established by the group's deliberative bodies. Overall coherence is ensured by a control and compliance committee chaired by a member of the executive body. This committee in turn reports to the Audit and Accounts Committee, representing the group's deliberative bodies.

CIC's internal control mechanisms, which are fully integrated, comprise the functions of periodic control, permanent control, and compliance. Functions are split into two structures, one dealing with the retail banking network and the other with the business lines – major corporate accounts, capital markets activities, asset management, financial services, cash management, etc.

Throughout France, the group implements control tools, internal control portals which facilitate the standardization and structuring of controls in accordance with predefined formats and frequencies and the remote presentation of findings to the permanent control and compliance departments. The resultant mappings enable remedial actions in response to any dysfunctions detected to be better targeted. Their international roll-out in 2011 will strengthen the mechanisms overall and improve their effectiveness and quality.

In addition to the systems for monitoring all kinds of risks, other methods have been developed, more specifically for preventing the risk of non-compliance, designed to identify changes in the law, regulations or professional standards so as to assess their impact and check that they are implemented, in particular for the sale of products offered to clients. The specific business lines such as capital markets activities or asset management are also subject to extra controls which round out the mechanisms with specialized tools and teams.

Report of the Chairman of the Supervisory Board on internal control procedures

In accordance with Article L.225-68 of the French Commercial Code (Code de Commerce), as amended by the law of July 3, 2008, "…In companies offering savings facilities to the public, the Chairman of the Supervisory Board shall give an account, in a report attached to the report referred to in the foregoing paragraph and in Articles L.225-102, L.225-102-1 and L.233-26… of the internal control and risk management procedures put in place by the Company, with details in particular of those relating to the preparation and processing of the accounting and financial information used for the company accounts and, where applicable, for the consolidated accounts."

CIC's internal control and risk management system is integrated into that of the CM5-CIC group. The CM5-CIC group is led by entities governed by a single collective banking license – the mutual banks Crédit Mutuel Centre Est Europe, Crédit Mutuel Ile-de-France, Crédit Mutuel du Sud-Est, Crédit Mutuel Savoie-Mont Blanc, and Crédit Mutuel Midi Atlantique – and includes all subsidiaries and consolidated companies, including CIC Ile-de-France and the CIC regional banks.

The purpose of internal control and risk management work is to ensure compliance with all rules defined by supervisory authorities for the conduct of the group's operations, by using the internal and professional standards, tools, guidelines and procedures put in place to that end. This report was approved by the Supervisory Board of CIC in its meeting of February 24, 2011 in accordance with regulatory provisions.

CM5-CIC group-level internal control and risk monitoring process

General framework

Internal control and risk management are an integral part of the group's organization, and an internal control system has been implemented at Company and group level with the aim of complying with legal requirements and ensuring proper risk control and operational security, as well as improved performance.

A shared process

The group constantly seeks to ensure that the mechanisms it has put in place match its size, the nature of its operations and the scale of risks to which it is exposed.

Internal control and risk measurement systems rely on common methods and tools to:

- completely cover the full range of the group's operations;
- list, identify, assess and track risks at both Company and group levels, in a consistent manner;
- ensure compliance with applicable laws and regulations, internal standards, and instructions and guidelines established by executive management;
- ensure that in-house processes are running satisfactorily, assets are secure, and financial information is reliable.

More broadly, the processes in place are aimed at helping to ensure proper control of operations while at the same time improving the effectiveness of control work carried out.

A structured process

One of the key purposes of the organization set up is to verify the quality and completeness of the internal control system. Both for itself and the businesses it controls, the group ensures that the internal control system is underpinned by a set of procedures and operational limits that match regulatory requirements and applicable internal and professional standards.

The identification, control and monitoring of key risks by means of benchmarks, risk mapping and appropriate exposure limits, formal procedures and dedicated tools are constant objectives for the control departments. Analytical tools and tracking dashboards make it possible to regularly review the various risks to which the group is exposed through its operations, including counterparty, market, asset-liability management or operational risks. In accordance with regulatory requirements, the group issues an annual report on internal control and on risk measurement and oversight, in view of which a detailed review of control processes is carried out. This report uses the template recommended by the ACP (French Prudential Control Authority).

The group constantly seeks to strike an appropriate balance between the objectives assigned to internal control and the resources at its disposal.

An independent process

To ensure the necessary independence of controls, those who perform them work in dedicated internal control structures, have no operational responsibilities and report to a level of management that preserves their freedom of judgment and assessment.

Internal control processes

The internal control processes of the CM5-CIC group have a twofold objective:

- to separate the periodic, permanent and compliance controls into distinct functions in accordance with regulatory requirements;
- to harmonize internal control work throughout the group by creating a common organization relying on standardized methods and tools.

Organization of controls

Breakdown by type of control

In addition to the controls performed by management teams as part of their daily work, controls are performed by:

- periodic controls staff, for in-depth, audit-style assignments, carried out in control cycles spanning several years;
- permanent controls staff, for all work of a recurring nature, particularly that which uses remote control applications;
- compliance staff, notably for the application of regulations and internal and professional standards.

The periodic control department is responsible for ensuring the overall quality of the internal control system, its effective workings and oversight of risks, as well as the smooth workings of the permanent and compliance controls.

Split between network and business lines

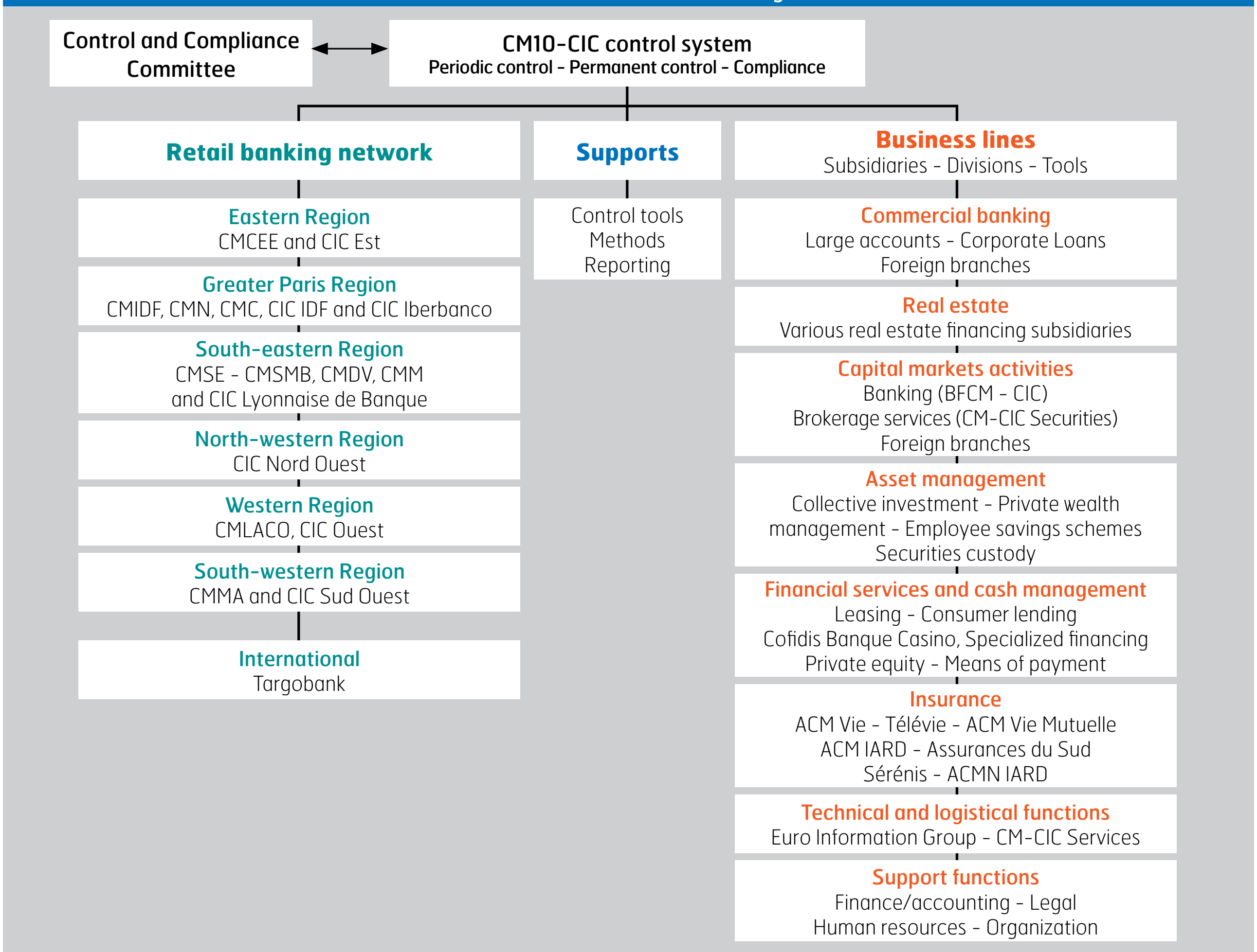
Control functions have been split into two structures, one dealing with the retail banking network and the other with the business lines of corporate clients, capital markets activities, asset management, financial services, cash management, etc. For each business line, managers are appointed who report to the CM5-CIC group.

A common support unit for the various kinds of control

The periodic control, permanent control and compliance functions are assisted by a common support unit which is responsible for:

- developing the tools necessary for effective control, and keeping them up to date and in good working order;
- preparing the reporting tools needed for monitoring control operations and assignments, and centralizing information for the management bodies, at central and local (regional and subsidiary) levels;
- ensuring that control tools are complementary between the various control functions so as to provide optimal cover of group risks.

Overall framework of internal control organization



Oversight of internal control processes

Group Control and Compliance Committee

Chaired by the Vice-Chairman of the Executive Board of CIC, the Compliance Committee regularly brings together group leaders in charge of periodic, permanent and compliance controls and risk management, with the following objectives:

- coordinating the entire control process and ensuring that the work and assignments of the various parties involved are complementary, such that all risks are covered;
- establishing control plans and reviewing the outcomes of assignments carried out by the periodic control units as well as the work done by the permanent control and compliance functions and proposing any improvements that might be required to the executive body;
- analyzing the conclusions of external inspections, in particular those carried out by the supervisory authorities;
- monitoring implementation of the recommendations made to the various group entities following these controls.

The Control and Compliance Committee is also called upon to review a certain number of activities and documents that serve as points of reference for the group. In 2010, the committee gave its opinion on new control tools and procedures. It reports on its work to the group Audit and Accounts Committee.

Group Audit and Accounts Committee

In order to meet the new requirements stemming from the transposition of European Directive 2006/43/EC concerning the legal control of the annual company accounts and consolidated accounts by order No. 2008-1278 of December 8, 2008, and rules of governance, an Audit and Accounts Committee has been set up at CM5-CIC level. It is composed of nine voluntary, independent administrators from the group's mutual base. Two of its members have particular skills in accounting and finance. In addition to the members designated by the deliberative boards, the executive body, the control departments and the finance division are also represented.

This committee examines the provisional internal control schedule, is informed of the conclusions of inspections carried out by the periodic control function and of the results of the permanent and compliance controls, and takes due note of the conclusions of external controls, particularly of any recommendations made by the supervisory authorities. The committee is informed of actions carried out to give effect to the main recommendations issued in internal and external control reports. It assesses the effectiveness of the internal control systems, and proposes to the various deliberative bodies such improvements as it deems necessary in view of the findings of which it has been made aware.

In the area of financial reports, the committee, which is responsible for monitoring the process for preparing financial information, examines the annual company and consolidated accounts, assesses the manner in which they have been drawn up, and satisfies itself as to the appropriateness and consistency of the accounting principles and methods applied. It participates in the selection of statutory auditors and supervises the statutory audit of the accounts.

The group Audit and Accounts Committee met three times during the past financial year, on February 22, April 30 and September 13. Minutes of its meetings were drawn up and sent to the deliberative bodies of the various federations and of CIC. The group audit and accounts committee examined the financial statements for the year ended December 31, 2010 in its meeting of February 21, 2011. There were no particular observations.

Risk oversight procedures

Group risk department

The Risk Department is responsible for analyzing and reviewing all types of risks on a regular basis with regard to allocated regulatory capital. The Department's role is to help the group expand and improve its profitability while monitoring the quality of its risk control procedures. In 2010, as well as implementing the risk oversight system as newly defined in CRBF Regulation 97-02, the risk department also undertook a review of the means of remuneration of financial market professionals in light of the recent regulatory provisions.

Group risk monitoring committee

This committee is made up of members from the deliberative bodies and meets twice a year to examine the group's strategic issues in terms of risks. It proposes to the group's deliberative bodies, in light of its findings, any decisions of a prudential nature that are applicable group-wide.

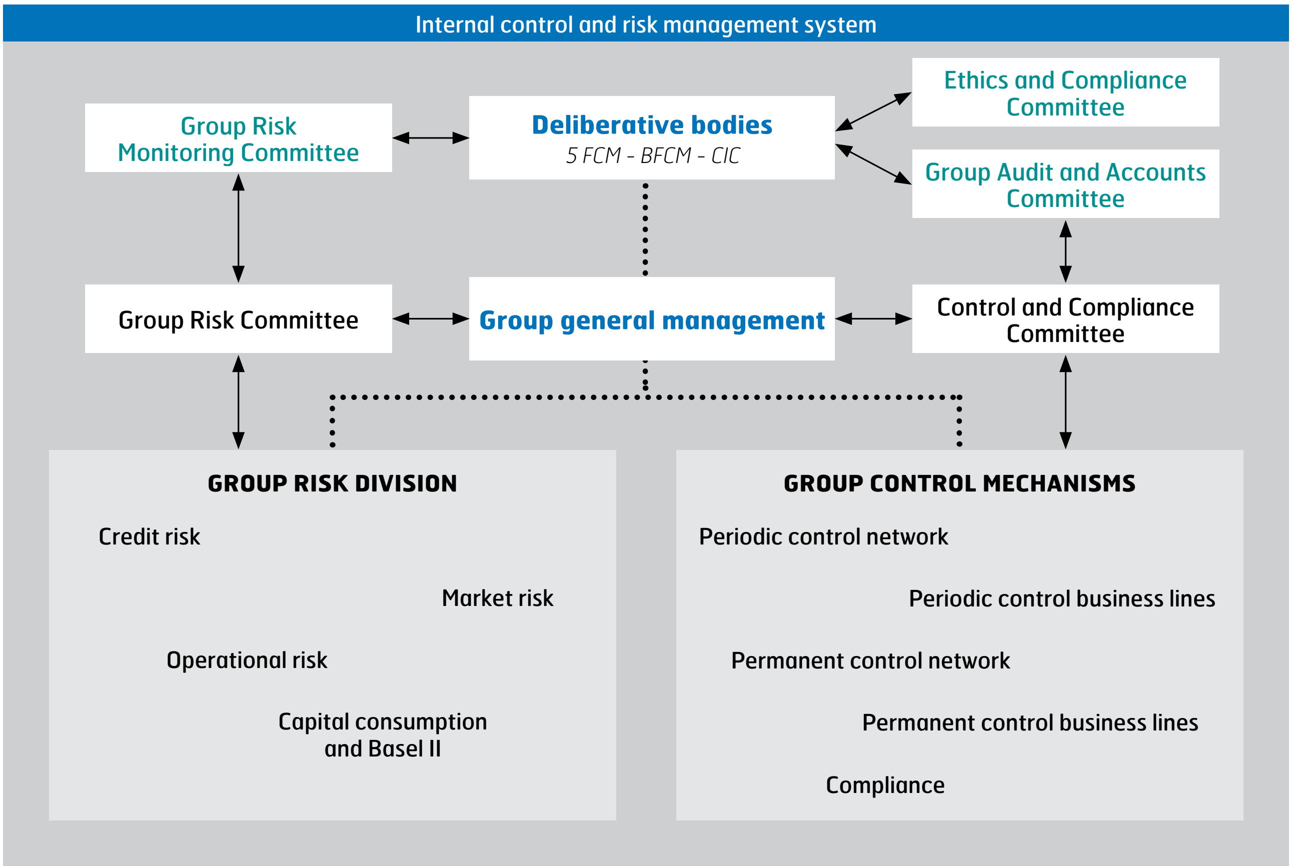
Committee meetings are led by the chief risk officer who is also responsible for presenting the files opened on the various risk areas. General management is also invited to the committee meetings, and the committee may also invite the heads of business lines involved in the agenda items.

Group risks committee

This committee, meeting quarterly, brings together the operational managers, namely the chief risk officer, and the heads of the business lines and functions concerned (commitments, capital markets, finance, retail banking, financing and investment, real estate, and private equity) in the presence of general management. It exercises overall oversight of risks, both existing and prospective.

Operational risks coordination committee

This committee, set up in 2010 and meeting four times a year, brings together the risk department and the group heads of the permanent control and compliance functions. It is responsible in particular for proposing and coordinating actions to protect against and reduce risks arising from any operational dysfunctions detected.



CIC's risk control and monitoring procedures

This section mentions only CIC's in-house oversight bodies, but CIC must also report on its operations, on a company basis, to the supervisory authorities, which regularly conduct on-site audits.

Control mechanisms

General structure

Supervisory Board

In accordance with regulatory requirements, a report on internal control work is submitted to the Supervisory Board of CIC twice a year, and in particular the CIC annual internal control report is submitted to it.

Levels of control

The various levels of controls are identical to those set up at group level. Leaders have been appointed to head periodic, permanent and compliance controls at CIC.

CIC teams not only perform controls within the bank, but also take part in work and assignments throughout the CM5-CIC group.

Control work

Control work is carried out in all areas in which the bank operates, drawing on group level methods and tools as well as formal procedures. The results of these controls are used to generate recommendations, implementation of which is monitored.

2010 saw the continuation of work at group level on the Basel II project and the implementation of new tools designed to perfect the mechanisms for controlling and monitoring risk.

Basel II project

In conjunction with the Confédération Nationale du Crédit Mutuel, an organization is now in place within the group that enables regular control of the system. A procedural framework details the distribution of tasks among the various entities involved.

In the course of an inspection of the consolidated risk management, the ACP (*Autorité de Contrôle Prudentiel*, the French Prudential Control Authority) noted that the group had made significant progress in the past few years. Also, at the beginning of 2010 the ACP authorized CM5-CIC to use the advanced approach for managing operational risks.

Common methods and tools

The harmonization of internal control and risk management methods and tools was further pursued. In its control work, CIC benefits from the common tools developed by the group support center. In particular these include functionalities dedicated to oversight.

Periodic control tools

These are aimed at providing a mapping of network risks, by consolidating all types of assignments based on a common catalog of points of control. They are regularly updated. Access to all information necessary for carrying out the controls is provided by means of the computerized permanent application. In view of the group's growth, a project has been launched to make available a tool for monitoring the implementation of recommendations made by the group periodic control during their assignments and of those made by the supervisory authorities.

Permanent control tools

Permanent controls on the branch network are performed remotely, essentially by using data from the information system. They complement the first level controls carried out on a daily basis by the heads of the operational units and regional coordination, assistance and control functions. They find expression in the "internal control portals" which plan and structure the various tasks to be carried out with regard to hedging risks. The automated detection of cases in "risk alert" status, in accordance with predetermined anomaly criteria, is an essential part of good risk management. Other types of controls allow the quality of results obtained to be assessed so that resources can be deployed or inspections guided accordingly.

Compliance tools

Work continued on the implementation of systems for legal and regulatory surveillance and monitoring of non-compliance risk. The compliance area also has its own control "portals" allowing it to check that regulatory provisions are being applied, notably for the control of business and professional ethics, the performance of investment services and the combating of money laundering and financing of terrorism. On this latter point, in 2010 the system was further enhanced by updated procedures and new tools developed as part of the work done to adapt to legislation transposed from the third EU money laundering directive. This work will be continued in 2011.

Procedures

The procedures applicable within CIC, particularly with regard to risk control, are posted on the corporate intranet and may be accessed at all times by employees with the help of search engines. The control tools refer to them, and links have been created to make it easier to look up and apply the procedures. Framework procedures have been established at group level in a number of areas that relate to compliance in particular. These procedures are taken from CIC.

Risk oversight system

Risk management

Credit risk management is organized into two structures: one focuses on the granting of loans, while the other deals with measuring risk and monitoring commitments.

A reference base of group commitments has been in place since 2008. Its purpose is to summarize all the internal procedures arising from the practices of the lending arm of CM5-CIC in the framework of applicable statutory, organizational and regulatory provisions. It describes in particular the systems for granting loans, for measuring and overseeing commitments and for managing total assets at risk. It contains attachments relating to capital markets activities as well as to the subsidiaries directly concerned.

Liquidity and interest rate risk management for the CM5-CIC banks is totally centralized (decisions of the Executive Board of CIC and the Board of Directors of BFCM). Hedging is applied to the entities concerned, according to their needs. They are no longer authorized to take hedging decisions individually.

Overall measurement of market risk is based on the regulatory framework. Capital market activities are monitored in accordance with procedures that are formally recorded and independent in terms of organization and control.

The management of operational risk is performed and controlled in accordance with group procedures, coordinated by dedicated units. In particular the security of the information systems and the putting in place of business continuity plans form part of the work carried out in this area. Operational risk is dealt with in detail in the Basel II project (see above).

Risk oversight

This is carried out by dedicated, independent teams, which have at their disposal a set of tools designed on the one hand to provide a comprehensive aggregated overview of commitments, and on the other to carry out ongoing monitoring of risk, notably by means of an advance detection system for any anomalies, monitoring of adherence to limits as well as changes in internal ratings.

Information enabling an assessment to be made of trends in credit, market, ALM and operational risks is provided regularly to the management bodies and other responsible persons concerned. The risk department carries out general management with regard to the regulatory capital consumed by each activity by reference to the risks incurred and the return obtained on them.

Accounting data and control at CIC and group levels

CM5-CIC's Finance Department, which is responsible for producing and validating the financial statements, is organized into two functional sections – networks and specialized businesses. The latter deals with financial accounting and consolidation, as well as accounting controls.

The information used for financial reporting is produced and validated by this Department before being presented to the audit and accounts committee.

Controls on the bank's financial statements

Accounting system

Accounting architecture

This is based on an IT platform shared throughout 13 Crédit Mutuel federations and CIC's regional banks, and includes accounting and regulatory features, in particular for:

- the chart of accounts, whose structure is identical for all institutions of the same type managed through this platform;
- automated templates and procedures shared by all the banks (means of payment, deposits and credits, day-to-day transactions, etc.);
- reporting tools (BAFI, consolidation software input, etc.) and oversight tools (management control).

Administration of the shared accounting information system is handled by the "accounting procedures and templates" divisions, which form independent units, either within the "network" Finance Department or the "specialized businesses" Finance Department.

More specifically, the latter are responsible for:

- managing the shared chart of accounts (creating accounts, defining the characteristics of the accounts, etc.);
- defining shared accounting procedures and templates, in accordance with tax and regulatory requirements; if necessary, the division concerned consults the Tax Department, and templates are validated by various operational managers.

The "accounting procedures and templates" divisions do not report to, nor are they linked to, the departments that handle the actual accounting production. As such, the divisions involved in designing and administering the system architecture are separate from the other operational departments.

All accounts within CIC must be allocated to an operational department, which is responsible for maintaining and verifying the accounts. Therefore, an account cannot be "unallocated," and responsibility for monitoring must be clearly determined.

The organization and the procedures in place provide compliance with CRBF (French Banking and Financial Regulations Committee) regulation 97-02 and ensure that there is an audit trail.

Chart of accounts

This is divided into two major types of captions: third-party captions showing payables and receivables for individual third parties, and the general accounting captions.

Thus the use of dedicated accounts for third party deposits and loans enables them to be monitored. For custody of negotiable securities, a "substance" accounting system distinguishes between securities owned by third parties and those owned by the bank. The chart of accounts for all the credit institutions using the shared IT platform contains unique identifiers and is managed by the "accounting procedures and templates" divisions.

The chart of accounts defines the following account properties:

- regulatory characteristics (link to the official chart of accounts of credit institutions (PCEC), link to the item in the publishable financial statements, etc.);
- certain tax aspects (VAT position, etc.);
- management characteristics (whether presence is required or not, link with the consolidated chart of accounts, length of time online transactions are stored, presence at headquarters/branch, etc.).

Processing tools

The accounting information processing tools rely primarily on internal applications designed by the group's IT service divisions. These tools also include a number of specialized internal and external applications, particularly production software for management reporting, balances or reports, a file query processing utility, consolidation, regulatory report processing, property and equipment management and filing of tax declarations.

Procedure for data aggregation

In accordance with the model defined by CM5-CIC, accounting data are aggregated for the following entities:

- groups (e.g. CIC);
- federations made up of one or more banks or other legal entities;
- banks belonging to a federation.

All bank operations (head office and field operations) are broken down into branches, which represent the base unit of the accounting system. It is at this level that accounting entries are recorded.

Accounting consistency of management data

Each branch comprises an external section that records financial accounting data and an internal one that records cost accounting data. At the individual branch level, the figures used for management accounting purposes are obtained by combining the internal and external data. Final outputs are derived by adding together the resulting balances for the various branches.

Links are established between financial accounting captions and the codes attributed to the products marketed by the bank.

Cost accounting data are used to determine the results by business segment that are needed to prepare the consolidated financial statements.

Control methods

Automated controls

A series of automated controls are carried out when accounting records are processed and before transactions are allocated to ensure that records are balanced and valid, and to update the audit trail of the captions affected by the transaction.

In-house tools are used to control accounting transactions on a daily basis and detect any discrepancies.

Closing process controls

At each closing date, financial accounting results are compared with forecast cost accounting data and those from the previous year, for purposes of validation. The forecast cost accounting data are generated by the Management Accounting Department and the Budget Control Department, both of which are independent from the production of financial statements.

This reconciliation of financial accounting data to cost accounting forecasts particularly concerns:

- interest margins: for interest-rate instruments, including deposits, loans and off-balance-sheet transactions, the Management Accounting Department calculates expected yields and costs based on average historical data. These are then compared to the actual recorded interest rates, for validation business segment by business segment;
- commission levels: based on business volume indicators, the Management Accounting Department estimates the volume of commissions received and payable, compared to recorded data;
- overheads (personnel costs and other general operating expenses);
- net additions to provisions for loan losses (provisioning levels and recorded losses).

Procedures put in place

Accounting procedures and templates are documented. For the network, procedures are posted on the bank's Intranet.

Levels of control

Daily accounting controls are performed by the appropriate staff within each branch.

The Accounting Control Departments (controls/procedures and "specialized businesses" management accounting) also perform more general responsibilities, including mandatory controls for regulatory purposes, verification of the supporting evidence for internal accounting data, monitoring of branch-related data, control of the foreign exchange position, and of net banking income by business segment, agreement of accounting procedures and templates with CM5, and assurance of the interface between back offices and the auditors for the half-yearly and annual closes.

Furthermore, the Control Departments (periodic, permanent, compliance) are called on to perform accounting work. A dedicated accounting control portal has been put in place, and is in the process of being extended throughout the entire group.

Performing controls

Automated accounting controls

An automated daily control procedure based on the bank's daily balance allows the verification of balance sheet and off-balance sheet positions, asset/liability balances by branch and by currency, and the monitoring of technical accounts.

This procedure is also applied to the general ledger at the end of each month.

Evidencing the accounts

All balance sheet accounts are evidenced either by means of an automated control or by the department responsible for them. Reports by department evidencing accounts contain the results of checks carried out.

Controls on the consolidated financial statements

Accounting principles and methods

Adapting to changes in regulations

The system is periodically upgraded in response to changes in regulations (IFRS) or to improve the reliability of financial statement preparation.

IFRS compliance

IFRS compliance took effect within group entities on January 1, 2005. The consolidated financial statements include a summary of key IFRS principles.

CIC and CM5 jointly define the French (CNC) and international (IFRS) accounting principles and methods to be applied by all group entities in their statutory financial statements. Foreign subsidiaries use this information to restate their local accounts in accordance with French and international accounting standards in their consolidation packages and for financial reporting purposes. The accounting principles used to consolidate the accounts comply with the group accounting principles of the Confédération Nationale du Crédit Mutuel.

The accounting managers of the various CM5-CIC entities meet twice a year to prepare the half-yearly and annual closes.

The statutory financial statements under international accounting standards (IFRS) are prepared for the entities using the central IT platform and the same organization and team as those for the statutory financial statements under French (CNC) standards.

Reporting and consolidation

Consolidation process

The group has a consolidation chart of accounts. Within the shared information system, each caption within the chart of accounts is linked into the consolidation chart of accounts, in an identical way for all companies using the shared chart.

The consolidated accounts are prepared in accordance with a timetable distributed to all the subsidiaries and the Statutory Auditors, which includes, where applicable, changes in procedures and standards to be incorporated. Each consolidated subsidiary has one person in charge of its closing process and another in charge of the reporting with respect to intercompany transactions of fully consolidated companies.

The auditors in charge of consolidation also give the Statutory Auditors of the consolidated companies instructions, which help ensure that the subsidiary complies with various standards, in accordance with their professional standards.

A dedicated software package, one of the main standard tools on the market, is used to consolidate the accounts. Reporting for the consolidation software (consolidation package) is partially automated, using an interface developed on the accounting information system. This system makes it possible to automatically retrieve balances, thus ensuring that statutory and consolidated data are consistent.

Reporting and data control

Companies cannot submit their consolidation package until a number of consistency checks that are programmed into the entry software have been carried out. These rules for controls (currently more than 600), established by the consolidation departments, involve a large number of items (changes in shareholders' equity, provisions, fixed assets, cash flows, etc.). The outcome of controls can result in "blocking," which prevents a package from being transmitted by the subsidiary and can only be overridden by the central consolidation departments.

Consistency checks with statutory data are also performed by the Consolidation Department upon receipt of the consolidation packages (level of results, profit and loss account intermediate balances, etc.).

Finally, automatic reconciliation statements for statutory and consolidated data are generated for shareholders' equity and profit or loss. This process, which illustrates the consistency of the transition between the statutory and consolidated checks, is carried out without using the consolidation software, thus leading to validation of the consolidated data.

Analysis of accounting and financial information

The consolidated financial statements are analyzed in relation to the previous year, to the budget and to quarterly accounting and financial reporting. Each analysis covers a specific area, such as provisions for loan losses, trend in outstanding loans and deposits, etc. Observed trends are corroborated by the departments concerned, such as the Lending Department and Management Control of the various entities. Each entity's contribution to the consolidated financial statements is also analyzed.

Each time a closing involves the publication of financial data, this information is presented to CIC's Executive Board and Supervisory Board by the Finance Department, which explains the breakdown of income, the balance sheet position and CIC's current business situation, including the reconciliation of non-accounting data (rates, average capital, etc.).

The accounting work gives rise to a regular presentation to the group audit and accounts committee, which is responsible in particular for examining the process for drawing up the accounts and the financial information provided. In 2010, reports concerned the overall process for drawing up the group's financial statements (IT tools used, administration of the accounting information system, workflow implemented, etc.); accounting choices made (e.g. scope, provisions for equity holdings) with regard to applicable IFRS; consolidated results and in-depth analysis of same (analysis of the various management suspense accounts, sectoral analyses by business line); and changes in the items used to calculate the solvency ratio (capital and risks).

Conclusion

Supported by common methods and tools, CIC's internal control and risk oversight mechanism fits into CM5-CIC's system of controls, forming a coherent whole, suited to the different activities carried on by the group. It meets banking and finance regulatory requirements and conforms to the operational principles established by CM5-CIC. In addition to improving risk hedging and its efficiency, which constitute ongoing objectives, 2011 will focus primarily on convergence, compatibility and consistency among organizations and control practices so as to integrate the new Crédit Mutual federations joining the enlarged CM10-CIC as it now stands.

Etienne Pflimlin
Chairman of the Supervisory Board

Human resources

Staff levels

CIC's total worldwide workforce decreased by 472 or 2.17% from 21,709 at year-end 2009 to 21,237 at the end of 2010.

This decrease was essentially due to the regional banks, whose combined workforce decreased by 480, or 2.58%, from 18,598 to 18,118. It should be pointed out that 49 people from the legal department of CIC Est were transferred to Caisse Fédérale de Crédit Mutuel.

The French subsidiaries' combined workforce on the other hand increased slightly, to 1,467 (44 more than in 2009).

Training

Training has always been a priority, and 2010 was no exception to the rule, with a budget equal to 4.79% of total payroll.

Employee relations

Several agreements were signed between employee and management representatives, covering:

- the single CIC "group" status (which had existed since the early 2000s) enabling employees to enjoy the same benefits and conditions nationwide;
- prevention of stress at work;
- salaries for 2011, with on the one hand a general increase of 1.9% subject to a minimum of €550 p.a., and on the other hand a commitment to propose a 1% increase in profit sharing for 2010 to the boards of directors of the institutions concerned.

Employee profit sharing and incentive bonuses

Results for 2009 were such as to allow the payment in 2010 of a package consisting of bonuses and profit sharing which together represented 9.77% of total payroll: 7.98% by way of bonus and 1.79% in share of profits.

No stock option plans have been established for CIC executives.

Technological capabilities

Euro Information

The group's information system is run by five cloned IT sites, highly secured and interconnected by an ultra-broadband network.

Two major projects had an impact on the organization and scope of activity in 2010:

- handling the IT aspects of the January 1, 2011 incorporation of five new Crédit Mutuel federations into the common Caisse Fédérale;
- taking over IT production and application maintenance for Targo Bank, at the Lille site from June on.

Production

As at year-end 2010 the following were connected to the production sites:

- 7,720 ATMs (+12%), including 674 Targo Bank full-service ATMs;
- 211,155 electronic payment terminals.

At constant scope (excluding Targo Bank), the group's information system handled during the year:

- nearly 42 million accounts (+3%);
- 28 billion real-time transactions (+12%);
- 3.9 billion accounting entries (+8%);
- 2.2 billion merchant transactions (+12%);
- 1.4 billion authorization requests from purchasers and issuers (+9.8%);
- 201 million letters issued (+1%).

In the field of EDM (electronic or "paperless" document management):

- 280 million documents are available online, of which 117 million produced in 2010 (+41%);
- 422,000 clients have opted to receive paperless statements online rather than in hard copy (+24% in one year);
- 96% of internal group documents are produced only in on-screen form (93% in 2009).

810 million customer contacts were conducted electronically (+12%), half of them via the Internet (404 million log-ins, up by 16%):

- 58.5 million payment transfers were carried out from Filbanque and Cybermut (+23%) and security was strengthened by means of an extra confirmation code which is now sent by e-mail or SMS at the time of the transaction;
- the MailTiers application, which allows e-mails to be automatically assigned to customer files on merchants' workstations, processed 10.4 million messages (+106%).

Equipment

In order to cater to the growth in business volumes:

- the capacity of the central sites was increased by 18%; the Lyon and Lille sites were equipped with the latest generation computers, which are more powerful and offer significant opportunities for further development;
- the overall available storage volume, covering both mainframes and open systems, grew by 21%.

Automated decision-making activity was centralized in two sites instead of three as before in order to process requests over a larger area and to improve the service provided to the group.

Networks

IP telephony was introduced at 1,241 new points of sale, and now covers 4,175 sites with a total of 38,189 telephones.

Workstations

As of year-end 2010 more than 90% of branches had been equipped with Vista and Office 2007, while the deployment of unified communication services continued; a click-to-call facility for customers to use from within applications will be rolled out in 2011.

As regards EDM, the group now has a total of 5,394 photocopiers and 31,232 individual scanners.

Self-service banking

1,640 new ATMs were installed in 2010. The in-house solution, which conforms to international technical standards and is based on a functional platform and a user interface that can be personalized in seven languages, is operational on all full-service ATMs in France and worldwide.

Security equipment

In the field of video surveillance, upgrading of the network continued, with the installation of 688 Sécuvision systems (5,260 cameras and 3,451 monitors), bringing the total number of systems to 4,443.

A new line covering branch safe-deposit boxes was started in 2010.

New developments

Additional services were rolled out, aimed at providing the best possible service to clients while at the same time simplifying work in the branches. Notable examples are:

- the creation of an Insurance area on the website for online quotations and subscriptions;
- mobile applications for smartphones and iPad and similar tablets;
- *CIC Mobile Famille, Frontaliers* and other mobile phone packages;
- online sign-up for cards, with a choice of PIN code;
- contactless payment by mobile phone, undergoing trials in Nice;
- Trade Services, handling of documentary credits through Filbanque;
- incorporation of EDM in credit instructions;
- in-branch access to properties on offer from CM-CIC Agence Immobilière real estate agency;
- new portal for handling loans, single point of access for all transactions;
- double-sided printing at branches;
- manual exchange and currency management applications.

Client relations

Ease of access, client relationship tools and quality assurance

With 40 new points of sale opened in 2010, CIC continued to strengthen its coverage, in line with the objective of its concerted development plan first embarked upon four years ago.

At the same time, with a view to extending an ever more pleasant and personalized welcome to its clients, investment in upgrading branches increased, with 177 major renovations being carried out (124 in 2009).

Personalized relations between clients and account executives were facilitated and strengthened, by taking account of preferred modes of contact and additionally through:

- direct client access to their account executive's diary for making appointments;
- a secure messaging service enabling exchanges to take place between client and account executive in strict confidence.

As part of the ongoing quest for service quality, simplification and responsiveness, electronic document management (EDM) is now almost universally deployed. With EDM and Filbanque's online service, clients now have round-the-clock access to:

- their documents online (stored for ten years), making it easier to check them while at the same time contributing to a reduction in the use of paper;
- an electronic safe in which to store their personal documents securely and confidentially.

As regards customer contracts, nearly 37 million pages were made paperless in 2010.

Lastly, in 2010 CIC completed the process of making practically all its in-house management reports paperless, now representing more than 23 million pages thus processed each year.

Ombudsman

The ombudsman can be called upon by clients to examine any disputes that fall within his remit and issue an opinion, which is considered binding.

In 2010, he received 1,813 requests, of which 54% were within his remit.

More than 90% of replies were given in less than a month, and more than 60% of them were partly or wholly in clients' favor.

Shareholder relations

Financial communication

The Executive Board of CIC plans to approve the financial statements for the first half of 2011 and submit them to the Supervisory Board on July 28. A press release will be published at this time in the financial press. The financial statements for 2011 should be ready in February 2012.

The Executive Board organizes regular meetings with the press and specialist banking sector financial analysts in order to present the group's results and to respond to their questions. These results are then reported and commented on in the specialist press and the national daily newspapers.

Every six months CIC produces a newsletter for its individual shareholders. With a print run of 25,000 it is distributed widely, notably among employee shareholders, including those who have chosen to contribute their shares to a collective employee investment fund. Persons wishing to receive this letter can request it by calling +33 (0)1 45 96 77 40.

Shareholders are thus regularly informed of the company's results and significant events affecting or involving it.

CIC's website (www.cic.fr) carries all the group's publications under the headings "institutional" and "shareholders and investors". The latter section contains all the financial information: general information (financial calendar, the group's ratings by the rating agencies, stock prices and volumes, publications like the letter to CIC shareholders and the annual information document), regulatory information required by the so-called Transparency Directive and issuance programs required by the Prospectus Directive.

The regulatory information and the issuance programs are also available online, from the website of the AMF (*Autorité des Marchés Financiers*, the French securities regulator) (www.amf-france.org) under the heading "Decisions and disclosures", sub-heading "Search", then "Prospectuses and disclosures".

Documents available to the public

During the period of validity of the registration document, the following documents can be viewed:

- Memorandum and Articles of Association of the issuer (see "General Information" on page 202);
- all reports (see above, CIC and AMF websites);
- historical financial information (see above, CIC and AMF websites).

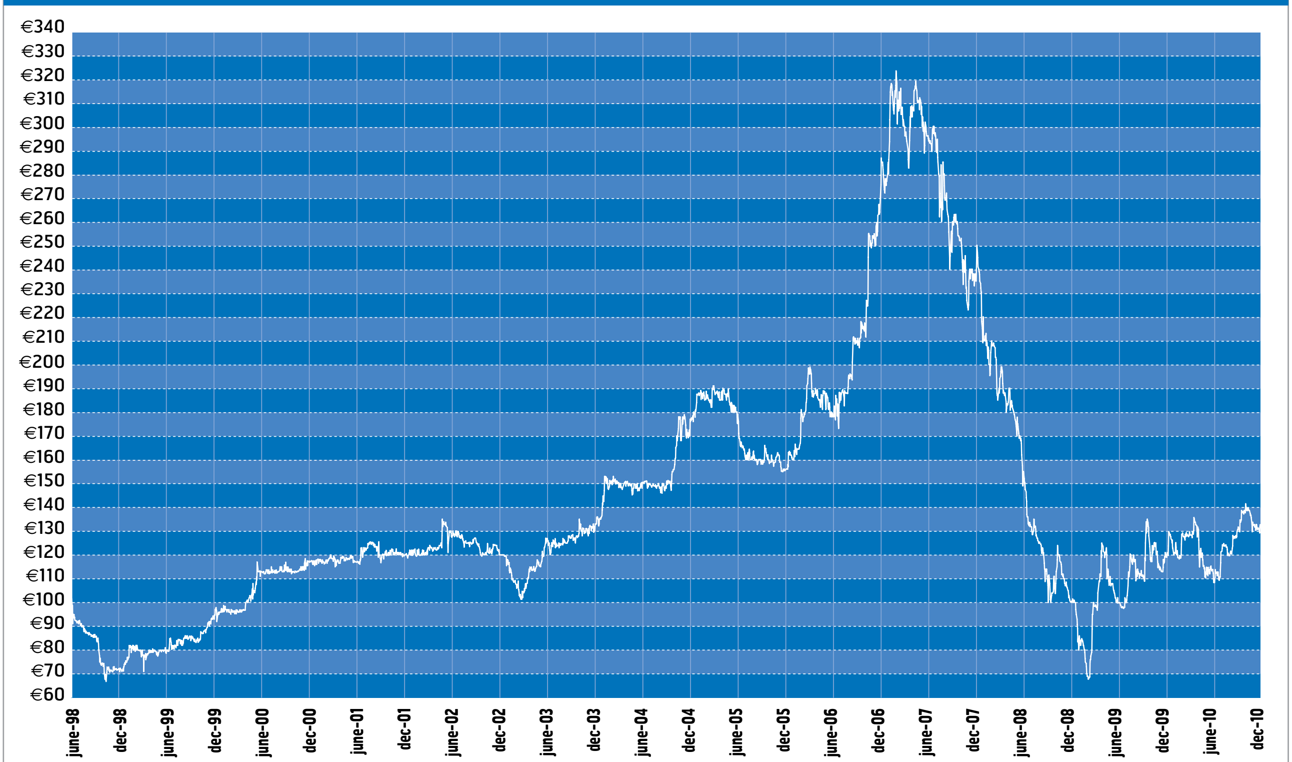
Share performance

While the Paris stock market saw a slight decline in 2010, CIC's share price rose by 9.9% to reach €132.99 as at December 31, compared with €121 at year-end 2009.

After starting at €120 on January 4, the stock was subject to appreciable fluctuations, its price ranging from a low of €108.60 on July 2 to a high of €141.80 on November 4. The average price for the year was €125.27.

In 2010, 150,304 shares were traded on the Paris stock exchange, for an amount of €18.9 million.

CIC SHARE PRICE 1998-2010



Financial Information

Consolidated financial statements

Executive Board report on the consolidated financial statements

> 2010, a year of normalization

Whilst 2009 was a year of transition from both an economic and financial perspective, in 2010 progress was made towards normalization. A double-dip recession was avoided, although major, on-going concerns over the sovereign debt of European countries forced their governments and monetary authorities to take urgent action. The United States focused on its policy of providing liquidity to the holders of U.S. debt. Against this backdrop, both the equity and bond financial markets rose. At the same time, the excess liquidity available at times pushed up commodity prices artificially.

The recovery: the main dimension of normalization

Economies around the world continued their recovery thanks to actions taken to increase inventory levels, interest rates remaining low in the major countries, an upturn in confidence outside Europe and the continuing adoption of very flexible monetary policies in the developed economies.

U.S. growth withstood the impact of the withdrawal in the second quarter of measures to stimulate the property market and reached a little under 3%. The Fed complied to the letter with its dual mandate: boost activity to combat unemployment and contain inflation at around 2%. It therefore took preventative action by implementing monetary support measures, announcing in August that it would introduce a new, unconventional program (Quantitative Easing 2, or QE2), starting in November, to pump USD 600 billion into the economy (in addition to the reinvestment of assets previously acquired and repaid by their issuers). The impact will become obvious in 2011 of the cohabitation between a Democrat President and a House of Representatives that passed into the hands of the Republicans following the November 2010 elections, and the difficulties Barack Obama had in managing the influence of the conservative wing strengthened by the emergence of the Tea Party.

The emerging economies remained the locomotives, by continuing to focus on exports to the developed economies, by promoting trade between themselves, and by encouraging their domestic consumption. China was the driver, with growth of close to 10%. This acceleration was not welcomed by all, however – Asian countries and certain Latin American countries attempted to limit it due to fears that the emerging inflationary trend would jeopardize domestic demand. In fact, the U.S. QE2 program caused the price of a large number of commodities to rise sharply as from the summer (oil and the CRB index rose by between 10% and 15% over the year as a whole and by around 25% in the second six months).

Europe, overall, held up better than expected, if growth is weighted by the size of its economies. Germany's significant exposure (around 30% of eurozone GDP) to exports to the emerging economies and its industry, which is particularly well tailored to their equipment requirements, resulted, as from the summer, in a continuing improvement in the outlook for its economy and, by way of a knock-on effect, that of the EU as a whole.

Impact of European sovereign risks

Growth in Europe occurred against a backdrop of a change in the spread of risk between countries (widening of the spreads between Germany and most other countries) and at the price of the gulf widening between the outlook for the various economies.

The accumulation of deficits led to unsustainable levels of public debt (greater than 80% of GDP at end-2010), significantly exceeding the criteria authorized by the Stability Pact and EU growth (notably the thresholds of 3% for GDP for deficits and 60% for debt).

This caused disruption in the eurozone throughout the year due to problems in January and April with the Greek economy and in the autumn with the Irish economy (undermined by an insolvent banking system). There is now concern about Portugal, and even Spain. The EU's reaction was slow over Greece but has since speeded up.

The European authorities have set up a number of support funds, the most significant of which, the European Financial Stability Facility, remains in force until June 2013 (representing an overall package that could total €750 billion). Its aim is to reassure investors and guarantee all members access to adequate finance, albeit at dissuasive rates. Since Germany (for internal policy reasons) and the ECB (for mandate reasons) did not want to find themselves in the position of lender of last resort, a transition phase was negotiated until 2013, at which point private creditors can be called upon should a country default.

In the event, the rating agencies took these differing outlooks into account and regularly reduced the credit ratings of the weaker countries, to the point of downgrading Greece's rating to "junk" in the spring, with an increased risk for neighboring countries.

The withdrawal of liquidity: the next challenge for economies and the financial markets

Most asset classes (equity and bond markets and commodities) rose in parallel in 2010, due to a resurgence of confidence outside Europe and excess liquidity.

The rise in equity markets worldwide contributed, even more so in the United States than in Europe, to the creation of a wealth effect which boosted household consumption and contributed to the resurgence in confidence. This was particularly strong in Germany where, in 2010, consumers began spending again. The same trend was observed in the U.S. in the fourth quarter, leading economists to increase their forecasts for the region, for both 2010 and 2011.

Confidence in world growth, temporarily undermined by the need for China to increase its interest rates (in October and then again at the end of December), was also reflected in the unexpected change in interest rates in the most stable countries, which rose sharply as from November (U.S. ten-year rates rose 80 points to 3.4% and German ten-year rates rose 60 points to around 3%).

These movements also take into account the worsening outlook concerning the U.S. deficit, with the extension of tax exemptions and the adoption of new stimulus measures totaling USD858 billion over two years. They also reflect the perception that Germany will have to bear part of the financial expense when the debt of the highest risk countries in the EU is rescheduled, or even restructured.

These difficulties to come (in 2011 and 2012) have already driven EU member states to greater budgetary restraint (Germany, the UK and Spain are in the lead in this regard) and will limit the adoption of excessively extravagant monetary policies which would ultimately result in a steep rise in interest rates and would kill growth.

Do these prospects open a way, albeit narrow, out of the crisis?

> Business performance and results

Accounting principles

Pursuant to regulation (EC) 1606/2002 on the application of international accounting standards and regulation (EC) 1126/2008 on the adoption of said standards, the consolidated financial statements for the year ended December 31, 2010 have been drawn up in accordance with IFRS as adopted by the European Union at December 31, 2010. These standards include IAS 1 to 41, IFRS 1 to 8 and any SIC and IFRIC interpretations adopted at that date. Standards not adopted by the European Union have not been applied. The financial statements are presented in accordance with CNC recommendation 2009-R.04.

All IAS and IFRS were updated on November 3, 2008 by regulation 1126/2008, which replaced regulation 1725/2003. The entire framework is available on the European Commission's website at: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The disclosures relating to risk management required by IFRS 7 are set out in a separate section of the management report.

Changes in consolidation scope

The changes occurring during the year were the acquisition and full consolidation of the Luxembourg companies Divhold and Diversified Debt Securities SICAV – SIF, CIC Banque Transatlantique Singapore Private Ltd, Serficom Brasil Gestao de Recursos Ltda and Sodelem, an equipment leasing company which merged with CM-CIC Bail.

Analysis of the consolidated statement of financial position

The main changes in consolidated statement of financial position items were as follows:

- customer loans, including lease financing but excluding resale agreements, amounted to €127.5 billion at December 31, 2010, up 5.6% compared with the previous year end;
- customer deposits, excluding repurchase agreements, increased by 18.7% to €91.3 billion and customer funds invested in savings products(1) reached €220.2 billion, up 4.9% from the previous year end;
- total shareholders' equity and reserves attributable to equity holders of the parent company increased from €8,613 million to €9,568 million at December 31, 2010. The resulting Tier 1 capital totaled €10.8 billion. The Tier 1 capital adequacy ratio came to 10.8% compared with 10.2% a year earlier.

(1) Amount outstanding at month end including financial securities issued.

Analysis of the consolidated income statement

CIC's net income increased from €838 million in 2009 to €1,144 million in 2010.

Net banking income remained stable at €4,637 million compared with €4,687 million in 2009.

General operating expenses came to €2,826 million, up 2% compared with the previous year.

Net additions to/reversals from provisions for loan losses totaled €441 million compared with €861 million in 2009. Net additions to/reversals from provisions for loan losses in relation to outstanding loans came to 0.34% at December 31, 2010.

The group reported income before tax of €1,491 million compared with €1,151 million in 2009.

Return on equity (attributable to equity holders of the parent company) came to 13.2% and earnings per share for the year reached €29.94.

CIC, a subsidiary of BFCM, has a long-term rating of A+ from Standard & Poor's, Aa3 from Moody's and AA- from Fitch Ratings.

> Business performance

Description of business segments

CIC's business segments reflect its organizational structure (see chart on page 8).

The retail banking core business of CIC comprises all the banking and specialized activities whose products are distributed via the network of regional banks organized into five territorial divisions and the CIC network in the greater Paris region. These include life insurance and property-casualty insurance, equipment leasing, real estate leasing, factoring, fund management, employee savings plan management and real estate.

Financing encompasses credit facilities for large corporates and institutional customers, specialized financing (export financing, project and asset financing, etc.), international operations and foreign branches.

Capital markets comprises, in general, customer and proprietary transactions involving interest rate instruments, foreign currencies and equities, including brokerage services.

Private banking offers a broad range of finance and private asset management expertise to entrepreneurs and private investors.

Private equity includes equity investments, M&A advisory and financial and capital markets engineering.

Headquarters and holding company services includes all activities that cannot be attributed to a specific business segment and units that provide solely logistical support, and whose expenses are, in principle, fully recharged to other entities. They include intermediate holding companies and business premises held by specific companies.

> Results by business segment

Retail banking

(in € millions)	2010	2009	Change 2010/2009
Net banking income	3,280	3,028	8.3%
Operating income before provisions	1,105	887	24.6%
Income before tax	955	507	88.4%
Net income attrib. to equity holders of the parent	655	346	89.3%

Retail banking in France constitutes the core business of CIC. It further improved the quality of its network with 44 new points of sale, giving it a total of 2,117 branches. The commitment of all staff members ensured that the bank was able to better serve its clientele comprising individuals, associations, self-employed professionals and companies.

Over the year, the group's expansion resulted in:

- the number of customers increasing by 88,166 to a total of 4,369,747 (+2.1%);
- a 5.4% increase in the banking network's lending (including increases of 7.6% for home loans and 8.8% for investment loans);
- 18.6% growth in the banking network's deposits;
- increased momentum in the property and casualty insurance business (number of policies in issue up 6.9% to 2,717,076);
- expansion in services businesses (remote banking up 8.1% to 1,438,736 contracts, telephone banking up 41.7% to 232,526 contracts and electronic monitoring up 11% to 54,927 contracts).

Net banking income for the retail banking business came to €3,280 million compared with €3,028 million in 2009 (+8%).

General operating expenses increased by 2% compared with 2009.

Operating income before provisions was up 24.6%.

Net additions to/reversals from provisions for loan losses came to €267 million compared with €470 million in 2009.

Income before tax totaled €955 million compared with €507 million in 2009.

Financing and capital markets

With net banking income of €960 million compared with €1,336 million in 2009, income before tax totaled €548 million compared with €715 million.

Corporate banking

(in € millions)	2010	2009	Change 2010/2009
Net banking income	405	391	3.6%
Operating income before provisions	328	320	2.5%
Income before tax	296	165	79.4%
Net income attrib. to equity holders of the parent	207	111	86.5%

Corporate banking reported growth of 4% in its net banking income to €405 million.

Net additions to/reversals from provisions for loan losses decreased from €155 million in 2009 to €32 million in 2010.

Income before tax increased by 79% to €296 million.

The lending book totaled €12.8 billion.

Capital markets activities

(in € millions)	2010	2009	Change 2010/2009
Net banking income	555	945	- 41.3%
Operating income before provisions	391	772	- 49.4%
Income before tax	252	550	-54.2%
Net income attrib. to equity holders of the parent	226	382	-40.8%

Net banking income for the capital markets activities totaled €555 million compared with €945 million in 2009, which was an exceptionally high year. Net additions to/reversals from provisions for loan losses fell to €139 million compared with €222 million in 2009. Net income before tax fell from €550 million to €252 million.

Private banking

(in € millions)	2010	2009	Change 2010/2009
Net banking income	404	397	1.8%
Operating income before provisions	84	94	- 10.6%
Income before tax	70	95	- 26.3%
Net income attrib. to equity holders of the parent	47	55	- 14.5%

Net banking income increased from €397 million in 2009 to €404 million in 2010.

Net income attributable to equity holders of the parent company for the private banking business came to €47 million.

Private equity

(in € millions)	2010	2009	Change 2010/2009
Net banking income	191	49	289.8%
Operating income before provisions	156	21	642.9%
Income before tax	156	21	642.9%
Net income attrib. to equity holders of the parent	152	15	913.3%

Net banking income increased from €49 million in 2009 to €191 million in 2010.

Net income attributable to equity holders of the parent company reached €152 million compared with €15 million in 2009.

The remeasured portfolio totaled €1.63 billion at December 31, 2010.

CIC has a stake in almost 500 French companies via a portfolio of 519 investments.

Headquarters and holding company services

(in € millions)	2010	2009	Change 2010/2009
Net banking income	(198)	(123)	n/a
Operating income before provisions	(253)	(177)	n/a
Income before tax	(238)	(187)	n/a
Net income attrib. to equity holders of the parent	(172)	(108)	n/a

Net banking expense in 2010 includes:

- equity impairment losses of €14 million;
- the cost of negative working capital together with holding company expenses amounting to €193 million;
- dividends from equity interests totaling €9 million.

Recent developments and outlook

CIC is focusing on:

- the commercial development of its network;
- enhancing its range of products and services across all its markets;
- meeting its objective of providing the best possible service to its customers, be they private individuals, associations, self-employed professionals or corporates;
- supporting economic activity so as to provide the closest possible match to its customers' needs.

Executive remuneration

(See Corporate governance on page 39).

Financial market professionals' variable remuneration

(See Corporate governance on page 49).

Risk management

This section sets out the information required by IFRS 7 regarding risk exposures arising from financial instruments.

The figures provided in this section have been audited, except for those specifically marked with an asterisk(*), which have been checked for accuracy and consistency as stipulated in Article L.823-10 of the French Commercial Code, as has the rest of the management report.

The periodic and permanent control functions and the compliance function provide strict oversight of processes across all business activities.

The risk management department consolidates overall risk control and optimizes risk management as regards the regulatory capital allocated to each business and return on equity.

Credit risk

a - Organization of the lending unit

In accordance with applicable regulations, the lending unit is organized mainly around the two following mechanisms:

- loan origination procedures;
- risk monitoring and control and management of at-risk items.

The lending unit and exposure management are organized based on a single set of guidelines that prescribes the rules and practices applicable within the group.

Loan origination procedures

Loan origination draws on know-your-client, risk assessment and credit approval procedures.

Know-your-client

The close ties that have been formed with the economic environment are the basis for obtaining information about existing and prospective customers. Customer segments have been defined and risk-profiled, which determines the targeting of marketing efforts. A loan file is prepared as evidence to support the credit approval process.

Risk assessment

Risk assessment draws on various analyses performed at different stages in the lending cycle including, in particular:

- customer ratings;
- risk groups;
- the weighting of products in accordance with the type of risk involved and collateral and guarantees pledged.

Employees concerned receive regular refresher training on risk supervision and oversight.

Customer ratings

In accordance with the applicable regulations, the rating is at the heart of the group's credit risk procedures: approval, payment, pricing and monitoring. As such, all approval powers are based on the counterparty's rating.

The internal system for rating the group's customers is based on the following principles:

- uniformity: a single calculation method is used for the entire group;
- exhaustiveness: all counterparties identified in the information system are rated;
- automation of the network: the information system automatically calculates a monthly initial rating that is updated daily through the transmission of risk warnings to determine the final rating;
- uniformity of the rating: the same algorithms are used throughout the group and are based on a market segmentation that is defined within the information system;
- standard reporting levels for all market segments (9 categories of performing customer loans and 3 categories of customer loans in default);
- recognition of risk groups.

The risk department's specialist staff are responsible for ensuring, as often as required, that the algorithms are relevant. Generally speaking, the lending unit approves the internal ratings of all loan files that it handles.

Risk groups (counterparties)

Article 3 of CRBF regulation 93-05 states that individuals or legal entities that are related in such a manner that it is likely that if one of them encounters financial problems, the other would also encounter repayment difficulties, are considered as a single beneficiary.

The risk groups are established based on a procedure that incorporates the provisions of the above regulation.

Product and guarantee weightings

When assessing the counterparty risk, a weighting of the nominal commitment may be applied, which is based on a combination of the loan type and the nature of the guarantee.

Credit approval procedure

This is essentially based on:

- a formalized risk analysis of the counterparty;
- the rating applied to the counterparty or group of counterparties;
- approval levels;
- the principle of dual review;
- rules for setting maximum discretionary lending limits in proportion to the lending bank's equity;
- remuneration adapted to the risk profile and capital consumption.

Management of the decision-making circuit is automated and is conducted in real-time: immediately upon completion of a loan application, the electronic dossier is transmitted to the decision maker at the appropriate level.

Approval levels

The customer relationship manager is responsible for ensuring the exhaustiveness, quality and reliability of the information collected. In accordance with Article 19 of CRBF regulation 97-02, he compiles loan files intended to formalize all qualitative and quantitative information on each counterparty. He checks the reliability of the information gathered either with customers or using any external means (sector studies, annual reports, legal information and rating agencies) or internal means at his disposal. Each customer relationship manager is responsible for any decisions he takes or causes to be taken and is endowed with personal approval powers.

For loan files whose amount exceeds the personal approval powers, the decision falls to a Credit Approval Committee whose operating rules are covered by procedures.

Approval powers reflect a range of commitment caps based on:

- the rating;
- the total amount of commitments for a given counterparty or risk group, weighted where relevant according to the type of loan concerned or the eligible guarantees;
- any specific exclusions.

Role of the lending unit

Each regional bank has a lending team that reports to the division's Executive Management and is independent of the operational departments. It has two key roles and is therefore split into two independent teams, whose responsibilities are as follows:

- one team is responsible for checking that the loan origination decisions are appropriate based on the dual review principle while verifying that the expected return is commensurate with the risk taken;
- the other team is responsible for prudential oversight and credit risk assessment arrangements, and also performs permanent controls.

Risk assessment, commitment monitoring procedures and management of at-risk items

In accordance with the prevailing regulations, commitments are monitored by national and regional entities.

Risk measurement
CIC uses an array of tools that provide an aggregated, static and dynamic view of:

- the exposure to a given counterparty or group of counterparties;
- new and existing loans, based on elements adapted to suit the business lines concerned (rating, market, lending products, business segments, return, etc.).

Each commercial entity uses information systems enabling it to check compliance on a daily basis with the caps assigned to each of its counterparties.

Commitment monitoring
Together with other interested parties, the lending unit contributes to the quarterly, formalized monitoring of the quality of the credit risk of each business line.

Its monitoring mechanism operates, independently from the loan origination process, in addition to and in coordination with the actions taken mainly by first-level control, permanent control and the risk department. The objective is to identify as early as possible at-risk situations using specific criteria for each customer segment, either through software applications or through the relevant operations and commitments managers.

The "major risks" limits, determined based on the bank's capital under CRBF regulation 93-05 in the case of regulatory limits, and based on capital and internal counterparty ratings in the case of internal limits, are monitored in accordance with the methods (including those covering frequency) defined in the procedures.

Breaches and abnormal movements in accounts are monitored by using advanced risk detection tools (management of debtors/sensitive risks/automatic transfer to the out-of-court collections unit), based on both external and internal criteria, in particular ratings and account histories. These criteria help to systematically flag loans for special handling as early as possible. This identification is automated, systematic and exhaustive.

Permanent controls on commitments
Second-level controls, performed by dedicated teams independent from the lending function, identify anomalies according to specific criteria and analyze at-risk loans each month; the appropriate remedial action is determined as a result.

An automatic analysis of some 20 ratios allows the bank to identify each month branches experiencing difficulties in managing their commitments and to take the appropriate timely action.

This adds an additional layer of security to the credit risk management mechanism.

Management of at-risk items

Identification of at-risk items

The process involves identifying all receivables to be placed on credit watch and then allocating them to the category corresponding to their situation: sensitive (not downgraded to non-performing), non-performing or in litigation. All receivables are subject to an automatic monthly identification process using internal and external indicators that have been parameterized in the information system. Downgrading, in accordance with the prevailing regulatory criteria, is carried out automatically.

Transfer to non-performing, provisioning and reclassification as performing

Adjustments associated with the transfer to non-performing, provisioning and the reclassification as performing comply with the prevailing prudential rules and are processed automatically monthly, which ensures the process is exhaustive.

Management of customers downgraded to non-performing or in litigation

The manner in which the counterparties concerned are managed depends on the severity of the situation: at the branch by the customer relationship manager or by specific, specialized staff, by market, counterparty type or collection method.

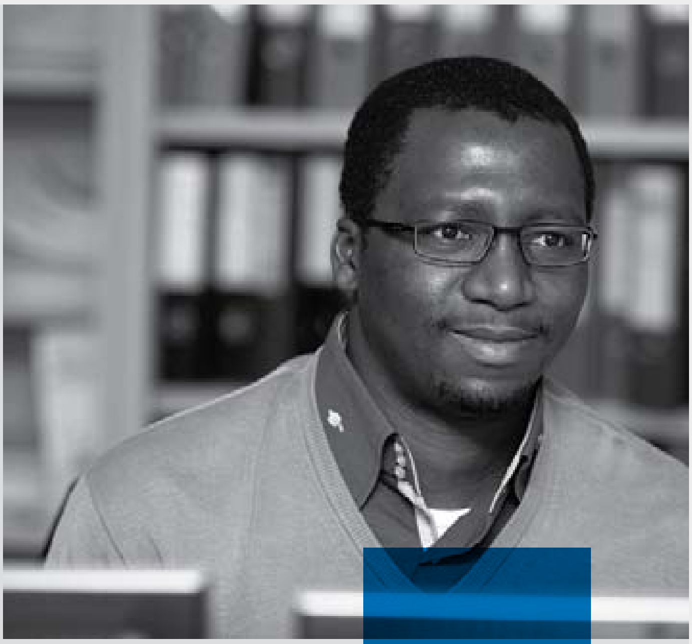
Reporting

Group Risk Committee

In accordance with the provisions of CRBF regulation 97-02, the various bodies concerned, notably the Group Risk Committee, are informed of changes in lending commitments at least once every quarter. In addition, they are informed of and participate in decisions on revisions to the various credit management measures.

Information provided to management

Detailed information on credit risks and related procedures is provided to management. This information is also submitted to a Group Risk Monitoring Committee that is responsible for examining the strategic challenges faced by CIC in terms of risks, in compliance with the provisions of the prevailing regulations.



b - Quantified data

Customer loans

2010 was characterized by a 5.5% increase in customer loans and by a reduction in net additions to/reversals from provisions for loan losses.

Lending

At December 31, 2010, customer loans totaled €129.3 billion, up 5.5% compared with one year earlier, most of the increase relating to medium- and long-term loans (which increased by 8.3%).

Customer loans

In € millions (year-end principal balances)	2010	2009
Short-term loans	**28,100**	**28,716**
Current accounts - debit	4,711	4,504
Commercial loans	3,530	3,261
Treasury facilities	19,571	20,734
Export credits	287	217
Medium- and long-term loans	**96,269**	**88,870**
Capital asset financing	22,805	20,358
Home loans	60,182	55,880
Finance leases	7,965	7,358
Other	5,317	5,274
Total performing customer loans	**124,369**	**117,568**
Non-performing loans	4,636	4,724
Accrued income	270	258
Total customer loans	**129,275**	**122,568**

Exposure

In € millions (year-end principal balances)	2010	2009
Loans and receivables		
Credit institutions	41,516	26,305
Customers	129,275	122,568
Gross exposure	**170,791**	**148,873**
Impairment provisions		
Credit institutions	(349)	(261)
Customers	(2,748)	(2,691)
Net exposure	**167,695**	**145,921**

Exposure on commitments given

In € millions (year-end principal balances)	2010	2009
Financing commitments given		
Credit institutions	1,198	1,032
Customers	26,286	23,425
Guarantee commitments given		
Credit institutions	4,231	3,364
Customers	7,445	11,022
Provision for risks on commitments given	**127**	**128**

Loan book quality

The loan book is of high quality: based on the group's 12 internal credit ratings, customers rated in the top eight categories represent 97% of outstandings.

Breakdown of performing customer loans by internal rating

	2010	2009
A+ and A-	29.98%	28.72%
B+ and B-	31.66%	30.91%
C+ and C-	24.78%	24.70%
D+ and D-	11.05%	12.50%
E+	2.53%	3.17%

Home loans

Home loans increased by 7.5% over the year and represented 46.6% of gross customer loans in the statement of financial position. Given their nature, these loans are split amongst a very large number of customers and are backed by real estate collateral or first-rate guarantees.

In € millions (year-end principal balances)	2010	2009
Home loans	60,182	56,001
Of which with Crédit Logement guarantee	*21,062*	*17,563*
Of which with a mortgage or similar, highly-rated guarantee	*33,017*	*31,903*
Of which with other guarantees[(1)]	*6,103*	*6,535*

(1) Junior mortgages, pledges, etc.

Breakdown of loans by customer type

	2010	2009
Retail	67%	65%
Corporates	25%	25%
Large corporates	5%	6%
Specialized financing and other	3%	4%

The breakdown of loans by customer type is based on all of CIC's French entities.

Geographic risk

Some 97% of the total country risks identified relate to Europe.

Apart from some marginal exceptions, the portfolio's country risk exposure stems from France and other OECD countries.

Geographic breakdown of risks on customer loans

	2010	2009
France	92%	93%
Europe excluding France	5%	4%
Other countries	3%	3%

Concentration risk

At December 31, 2010, the top ten customer loans accounted for less than 6% of total on- and off-statement of financial position outstandings.

Customer risk concentration

In € millions	2010	2009
Commitments in excess of €300m		
Number of counterparty groups	24	20
Total commitments	15,446	11,366
Statement of financial position	*5,096*	*4,388*
Off-statement of financial position (guarantee and financing commitments)	*9,790*	*6,978*
Total credit balances (current accounts, securities)	7,647	5,584
Commitments in excess of €100m		
Number of counterparty groups	90	53
Total commitments	26,503	17,487
Statement of financial position	*9,635*	*6,612*
Off-statement of financial position (guarantee and financing commitments)	*16,579*	*10,875*
Total credit balances (current accounts, securities)	13,227	7,805

Sector risk

Industry breakdown*

	2010	2009
K - Financial and insurance activities	19.10%	22.27%
L - Real estate	19.09%	18.62%
C - Manufacturing	11.30%	12.43%
G - Car and motorbike repairs	11.88%	11.45%
M - Professional, scientific and technical activities	9.44%	9.02%
F - Construction	8.75%	8.37%
I - Accommodation and food services	3.06%	2.83%
H - Transport and storage	2.76%	2.80%
N - Administrative and support services	2.25%	2.55%
J - Information and communication	1.42%	2.14%
A - Agriculture, forestry and fishing	1.71%	1.33%
D - Gas and electricity production and distribution	1.58%	1.31%
Q - Human health and social work	3.80%	1.29%
Sub-total	**96.12%**	**96.40%**
NACE codes (first level) < 1% of total NACE	**3.88%**	**3.60%**
TOTAL	**100.00%**	**100.00%**

** Breakdown based on INSEE segmentation of NACE codes.*

Sovereign risks

At December 31, 2010, the bank's exposure comprised the following net risks: Italy (€5.7 billion), Greece (€0.6 billion), Portugal (€0.4 billion), Spain (€0.3 billion) and Ireland (€0.1 billion).

At-risk items and net additions to /reversals from provisions for loan losses

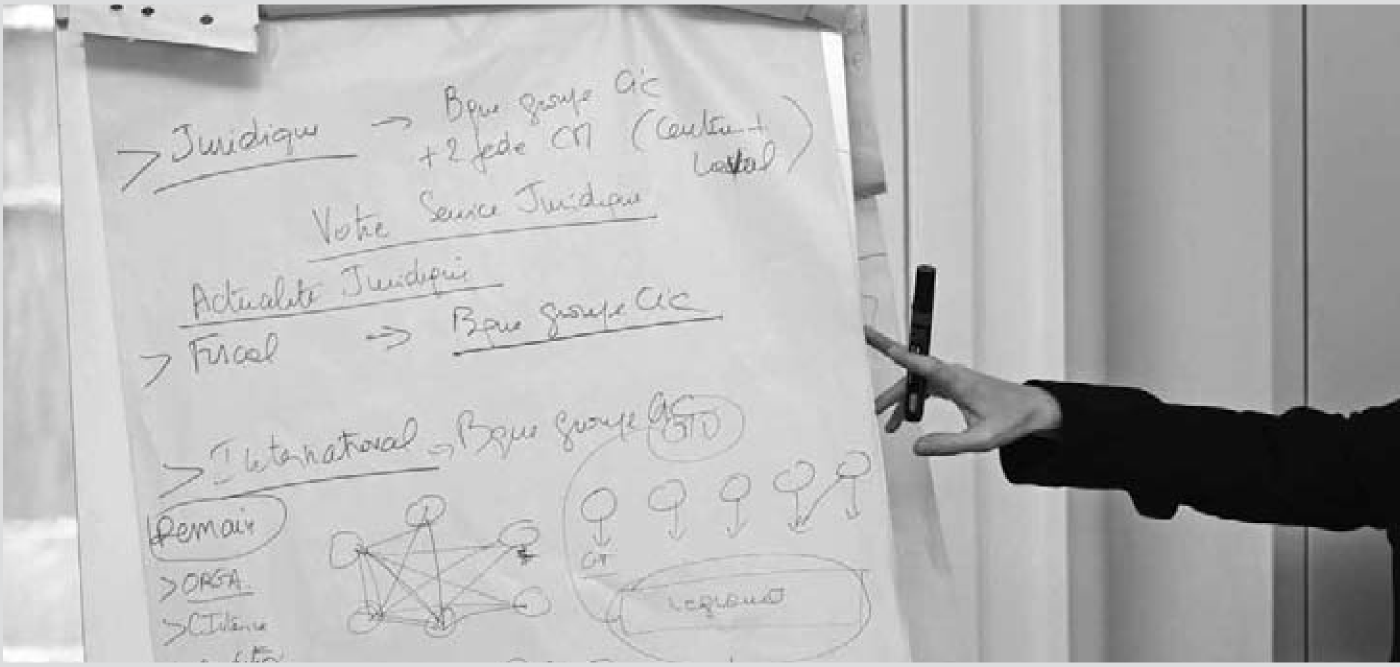
Non-performing loans and loans in litigation fell by 1.9% to €4,636 million at December 31, 2010 compared with €4,724 million at December 31, 2009.

They represented 3.6% of total customer loans at end-December 2010 compared with 3.9% one year earlier.

At December 31, 2010, the cost of specific customer risk represented 0.21% of gross outstanding loans compared with 0.47% at December 31, 2009.

Quality of risks arising on customer loans and receivables

In € millions (year-end principal balances)	2010	2009
Individually-impaired loans and receivables	4,636	4,724
Provision for individual impairment	(2,593)	(2,510)
Provision for collective impairment	(155)	(181)
Coverage ratio	**59.3%**	**57.0%**
Coverage ratio (individual impairment provision only)	**56.0%**	**53.1%**



Analysis of unpaid installments on customer loans that were not classified as non-performing

2010 *In € millions*	< 3 months	> 3 months ≤ 6 months	> 6 months ≤ 1 year	> 1 year	Total
Debt instruments [1]	**0**	**0**	**0**	**0**	**0**
Loans and receivables	**1,666**	**18**	**3**	**1**	**1,689**
Central governments	*5*	*0*	*0*	*0*	*5*
Credit institutions	*12*	*0*	*0*	*0*	*12*
Non-financial institutions	*9*	*0*	*0*	*0*	*9*
Large corporates	*254*	*5*	*1*	*0*	*260*
Retail customers	*1,386*	*13*	*2*	*1*	*1,402*
Other assets	**67**	**2**	**0**	**0**	**69**
TOTAL	**1,733**	**20**	**3**	**1**	**1,757**

2009					
Debt instruments [1]	**0**	**0**	**0**	**0**	**0**
Loans and receivables	**1,998**	**14**	**0**	**1**	**2,013**
Central governments	*3*	*0*	*0*	*0*	*3*
Credit institutions	*17*	*0*	*0*	*0*	*17*
Non-financial institutions	*1*	*0*	*0*	*0*	*1*
Large corporates	*318*	*1*	*0*	*0*	*319*
Retail customers	*1,659*	*13*	*0*	*1*	*1,673*
TOTAL	**1,998**	**14**	**0**	**1**	**2,013**

(1) Available-for-sale or held-to-maturity debt securities.

Interbank loans

Interbank loans by geographic area

	2010	2009
France	18.2%	17.2%
Europe excluding France	44.3%	42.9%
Other countries	37.5%	39.9%

The breakdown of interbank loans is based on the country of the parent company.

At the end of 2010, exposures related mainly to European banks (in France, Germany and the United Kingdom in particular). The reduction in exposure to the most sensitive European banking systems continued. Exposures in respect of other countries mainly concerned major North American banks.

Interbank loans by internal rating

Internal rating	Equivalent external rating	2010	2009
A+	AAA/AA+	0.5%	1.7%
A-	AA/AA-	36.2%	4.2%
B+	A+/A	41.8%	47.2%
B-	A-	7.2%	23.7%
C and below (excluding default ratings)	BBB+ and below	11.9%	21.6%
Not rated		2.4%	1.6%

The structure of CIC's interbank exposures by internal rating changed substantially in 2010, with a significant increase in outstandings rated A- (external equivalent AA/AA-) and a reduction in outstandings rated B- (external equivalent A-) or below. This is directly related to the upgrading of the ratings of several major OECD banks following the recovery in or stabilization of their fundamentals. Nearly 86% of outstandings are rated in the B or A tranches, i.e. an equivalent external rating of not less than A-, compared with 77% the previous year.

Debt securities, derivatives and repurchase agreements

The securities portfolios relate primarily to capital markets activities and to a lesser extent to asset-liability management.

In € millions (year-end principal balances)	2010 Carrying amount	2009 Carrying amount
Debt securities	34,500	42,569
Government securities	*14,239*	*19,820*
Bonds	*20,261*	*22,449*
Derivatives	2,520	4,063
Repurchase agreements and securities lending	11,125	16,670
Gross exposure	**48,145**	**63,002**
Provisions for impairment of securities	**(16)**	**(2)**
Net exposure	**48,129**	**63,000**

Asset-liability management (ALM) risk

Organization

The CM5-CIC group's asset-liability management functions, which were previously organized on a decentralized basis, are being gradually centralized.

The decision-making committees for matters concerning risk and interest rate management are as follows:

- the ALM technical committee, which manages risk in accordance with the risk limits applied within the group. The committee comprises the heads of the businesses concerned (finance department, asset-liability management, refinancing and treasury, risk) and meets at least once every quarter. The following indicators are compiled at consolidated level and by entity: static and dynamic liquidity gaps, static interest rate gaps and the sensitivity of net banking income and of net asset value;
- the ALM monitoring committee, composed of the group's senior executives, which examines changes in asset-liability management risk and approves the risk limits.

Hedging decisions are aimed at maintaining the risk indicators within the limits set for CM5-CIC as a whole and for each of its component entities. The hedges are assigned to the entities concerned, in accordance with their needs.

The various asset-liability management risk indicators are also presented each quarter to the group risk committee.

Asset-liability management:

- its key objectives are to shelter lending margins from the effects of interest and exchange rate fluctuations and to ensure that the bank has sufficient liquidity to meet its obligations and protect it from a liquidity crisis;
- does not operate as a profit center but as a function that serves the bank's profitability and development strategy, as well as the management of liquidity risk and interest rate risk arising from the activity of the network;
- helps to define the bank's sales and marketing policy in terms of lending criteria and rules governing internal transfer rates and is in constant contact with the sales teams throughout the network.

Group conventions for the management of risk and the setting of risk limits are published in a set of group guidelines for asset-liability management that are used throughout CM-CIC.

Interest rate risk management*

Interest rate risk arising on the group's commercial operations stems from interest rate differentials and differences in benchmark lending and borrowing rates. Analysis of this risk also takes into account the volatility of outstandings on products with no contractual maturity date and embedded options (early repayment and roll-over options for loans and confirmed credit line drawdowns, etc.).

The management of interest rate risk arising on all operations connected with the banking network's business is analyzed and hedged overall based on the residual position in the statement of financial position using so-called macro-hedges. In addition, specific hedges may be established for customer loans involving a material amount or an unusual structure.

Risk limits are set in relation to the annual net banking income of each bank and each group. The technical committee decides on the hedges to be put in place and allocates them pro rata to the needs of each entity.

Interest rate risk is analyzed based on the main indicators below, which are updated each quarter:

1 - The static fixed-rate gap, corresponding to items in the statement of financial position, both assets and liabilities, whose cash flows are considered to be certain over a horizon of 1 to 10 years, governed by limits from 3 to 7 years, measured by a net banking income ratio.

2 - The static inflation gap over a horizon of 1 to 10 years.

3 - The sensitivity of the net interest margin, calculated based on national scenarios and subject to limits. It is measured in annual steps, over a two-year horizon and is expressed as a percentage of each entity's net banking income.

Four scenarios are calculated:

- a 1% increase in market interest rates and a 0.33% increase in inflation (core scenario);
- a 1% increase in market interest rates and stable inflation;
- a 2% increase in market interest rates and a 0.66% increase in inflation;
- a 3% increase in short interest rates, a 1% decline in long rates and stable inflation (stress scenario).

CIC's net interest income is exposed to a decline in interest rates: -2.85% at 1 year (i.e. a decline of €104.2 million in absolute terms). This sensitivity has risen slightly compared with September 2010 (-2.52%). At 2 years, sensitivity to a decline in interest rates stands at -3.23% (i.e. a decline of €124 million in absolute terms), which is higher than it was in September 2010 (-2.98%).

Indicators based on a rise in interest rates:

Sensitivity as a % of NBI	1 year	2 years
Scenario 1	2.85%	3.23%
Scenario 2	3.79%	4.55%
Scenario 3	5.52%	6.30%
Scenario 4	5.71%	2.51%

4 - The sensitivity of net asset value that arises when using the standard calculation for the Basel II indicator (a uniform shift of 200bp applied to the entire statement of financial position, as an increase or decrease) enables the change in the discounted value of items in the statement of financial position according to the various scenarios to be measured as a percentage of total equity.

Sensitivity of net asset values	As a percentage of total equity
Sensitivity +200bp	-1.00%
Sensitivity -200bp	+2.80%

Liquidity risk management

The liquidity risk management mechanism is operated in close conjunction with BFCM, which handles the group's long-term refinancing, and is based on the following procedures:

- compliance with the 1-month liquidity ratio, which is representative of the short-term liquidity situation (calculated by weighting each bank's ratios by its total assets) and which at December 31, 2010 came to between 103% and 191% depending on the group's individual entities compared with a regulatory capital requirement of 100%;
- establishing the static liquidity gap, based on contractual and agreed maturities and incorporating off-statement of financial position commitments; transformation ratios (sources/applications of funds) are calculated at maturities ranging from three months to seven years and are subject to target levels in order to lock in and optimize the refinancing policy;
- calculating the dynamic liquidity gap over five years, incorporating new loans granted, thereby facilitating measurement of future financing needs associated with the development of commercial activity;
- reviewing the impact of a stress scenario on the static gap and on the transformation ratios, notably involving a 30% decline in sources of funds and an increased drawdown of confirmed credit lines;
- the ALM technical committee decides on the liquidity hedges to be put in place in light of all these indicators. These hedges are allocated pro rata to the cumulative needs.

Breakdown of the statement of financial position by residual maturity of contractual cash flows (capital)

Interest is not included in this table.

2010 *In € millions*	Contractual residual maturities (a) ≤ 1 month	> 1 month ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	(b) No fixed maturity	**Total**
Assets								
Financial assets held for trading	661	690	3,082	3,171	4,586	4,922	1,166	18,278
Financial assets at fair value through profit or loss	3,913	3,050	1,483	2	1,226	1	648	10,323
Available-for-sale financial assets	529	235	827	2,876	7,749	7,373	933	20,522
Loans and receivables (including finance leases)	41,163	10,520	11,846	13,084	32,206	59,558	1,994	170,371
Held-to-maturity investments	7	0	3	5	36	40	0	91
Liabilities								
Central bank deposits	11	7	24	2	0	0	0	44
Financial liabilities held for trading	636	120	795	689	2,896	1,875	0	7,011
Financial liabilities at fair value through profit or loss	9,919	8,049	7,218	0	0	0	0	25,186
Derivatives used for hedging purposes (liabilities)	5	1	24	172	744	911	0	1,857
Financial liabilities carried at amortized cost	**87,263**	**35,241**	**15,682**	**12,485**	**24,197**	**10,739**	**3,652**	**189,259**
Of which, debt securities, including bonds	*7,057*	*16,187*	*4,990*	*360*	*1,829*	*1,204*	*0*	*31,627*
Of which, subordinated debt	*1*	*0*	*198*	*63*	*1,179*	*36*	*2,243*	*3,720*
2009								
Assets								
Financial assets held for trading	2,783	1,051	3,193	3,363	5,559	5,944	322	22,216
Financial assets at fair value through profit or loss	7,818	5,137	2,147	23	1,247	1	670	17,044
Available-for-sale financial assets	680	319	2,029	1,676	10,662	9,851	607	25,824
Loans and receivables (including finance leases)	26,265	7,915	11,554	13,759	30,342	55,520	2,262	147,617
Held-to-maturity investments	1	0	13	3	25	39	0	81
Liabilities								
Central bank deposits	260	0	1,004	0	0	0	0	1,265
Financial liabilities held for trading	801	212	807	931	2,726	3,819	8	9,303
Financial liabilities at fair value through profit or loss	15,870	14,293	7,993	0	0	0	0	38,155
Derivatives used for hedging purposes (liabilities)	3	2	39	47	1,801	236	1,000	3,129
Financial liabilities carried at amortized cost	**76,884**	**28,163**	**19,908**	**7,668**	**18,636**	**10,771**	**4,765**	**166,795**
Of which, debt securities, including bonds	*7,654*	*16,801*	*2,471*	*875*	*1,054*	*1,990*	*4*	*30,849*
Of which, subordinated debt	*55*	*0*	*47*	*198*	*702*	*558*	*2,244*	*3,804*

(a) Including accrued interest and securities given/received under repurchase and reverse repurchase agreements.
(b) Including undated debt securities, equities, non-performing and loans in litigation, and impairment losses. For marked-to-market financial instruments, also includes differences between fair value and redemption value.

Currency risk

The foreign currency positions of each CIC entity are automatically centralized by the holding company and by BFCM. This centralization is performed daily for commercial transfers and for cash flows, both income and expenses, denominated in foreign currencies.

Any unrealized foreign currency gains and losses are translated into euros at the end of each month and the resulting foreign currency position is also centralized by the holding company.

As such, with the exception of certain long-term foreign currency private equity transactions, no group entity bears any currency risk at its own level. The holding company is responsible for clearing foreign currency positions daily and monthly via the market.

A specific foreign currency position limit is assigned only to the activities of CM-CIC Marchés and is managed by the entity itself.

The structural foreign currency positions arising from foreign currency advances made to foreign branches are not hedged.

The foreign exchange gain or loss is recognized in the asset or liability translation accounts and therefore does not pass through the income statement.

The profits or losses of the foreign branches are retained in the branches and thus add to the structural foreign currency position.

Equity risk

CIC has exposure to various types of equity risks.

Assets measured at fair value through profit or loss

Equities held in the trading portfolio amounted to €1,171 million at December 31, 2010 compared with €2,241 million at December 31, 2009 and solely concerned CIC's capital markets business (see note 5b to the consolidated financial statements).

Equities accounted for using the fair value option through profit or loss related mainly to the private equity business and amounted to €1,745 million (see note 5a to the consolidated financial statements).

Available-for-sale financial assets

Equities classified as available-for-sale and various equity investments amounted to €181 million and €788 million respectively (see note 7 to the consolidated financial statements).

Long-term investments mainly comprised:

a) investments in non-consolidated companies totaling €233 million, including Banca di Legnano (€80 million) and Foncières des Régions (€78 million);

b) other long-term securities totaling €372 million, including Veolia Environnement (€222 million).

Impairment losses recognized in the income statement totaled €21 million in 2010 compared with €22 million in 2009. At December 31, 2010, the purchase cost of impaired equities totaled €721 million with a corresponding impairment of €304 million. Their market value came to €417 million.

Private equity

CIC's private equity business comprises dedicated private equity entities whose portfolios are all accounted for under the fair value option.

The portfolios comprise around 500 investment lines, relating mainly to small- and medium-sized enterprises.

Risks arising on the private equity business

Assets invested	2010	2009
Number of listed investment lines	67	77
Number of unlisted investment lines	449	436
Number of funds	32	38
Proprietary portfolio (€ millions)	1,638	1,641
Funds managed on behalf of third parties (€ millions)	723	704

Market risk

General structure

CM-CIC Marchés combines all the capital markets activities of BFCM and CIC in France and those of the branches in Frankfurt (BFCM), London, New York and Singapore (CIC).

They are organized around three business lines: refinancing (transactions which are mainly recognized on BFCM's statement of financial position), commercial, and proprietary operations (recognized on CIC's statement of financial position).

Refinancing

A dedicated treasury management team is responsible for refinancing retail banking operations and subsidiaries, corporate and specialized financing, and proprietary transactions carried out by CM-CIC Marchés. It seeks to diversify its investor base in Paris, Frankfurt and London and its refinancing tools, including CM-CIC Covered Bonds.

The products concerned consist mainly of monetary instruments and futures used to hedge interest rate and exchange rates.

In addition to the pure refinancing positions, this business also has a liquidity portfolio of available-for-sale securities, essentially comprising bonds issued by financial institutions and assigned a good credit rating (at least investment grade).

Commercial

The sales teams working out of Paris or within the regional banks use a wide range of standardized tools and products. A dedicated technical desk responsible for designing, match funding and reversing positions ("CAR") has been set up to optimize prices, preserve commercial margins and reverse positions on exchange rate and interest rate instruments.

The business also involves the sale of investment products such as Libre Arbitre or Stork (commercial own account), which is aimed at corporates within CM-CIC's various networks as well as retail investors.

Proprietary operations

This business line is organized into four teams – equities/hybrid instruments, credit spreads, fixed income and volatility. These are called upon to create value in a disciplined risk environment and to drive commercial development.

Internal control structures

In 2010, the internal control function pressed ahead with its drive to improve its organization and monitoring methodologies. It amended its procedures to take into account a unified system of limits incorporating the market activities of the branches, present a risk measurement in VaR/stress-tests in addition to the regulatory risk measurement (CAD and European Capital Adequacy under Basel II standards) and monitor warnings by specialty and activity.

A set of methodologies is formalized in a "body of rules". Regular updates throughout the year have included new products and improved the monitoring of risk measurement.

CIC's capital markets activities are organized as follows:

- they are under the responsibility of a member of the Executive Board, who reports to CIC's Executive Board and BFCM's Board of Directors;
- the front-office units that execute transactions are segregated from those responsible for the monitoring of risks and results (control function) and from those in charge of transaction validation, settlement and recording (back-office function);
- internal control teams operate under the responsibility of the group's risk division, which compiles management reports summarizing risk exposures and has BFCM's Board of Directors and CIC's Executive Board validate the level of capital allocated/consumed;
- the permanent controls system is based on first-level controls performed by three internal control teams:
  - the risks and results team validates production, monitors results on a daily basis and ensures compliance with limits,
  - a team in charge of accounting and regulatory issues is responsible for reconciling accounting and economic results, for providing oversight on regulatory matters, and the control of operational risks,
  - a CM-CIC Marchés team covering legal compliance is responsible for first-level legal issues;
- second-level controls organized around:
  - capital markets businesses' permanent controls (CPMM), which reports to the permanent control department, supervises first-level permanent controls carried out by CM-CIC Marchés and conducts its own direct controls on activities,
  - CIC's lending department, which monitors at-risk outstandings for each counterparty group,
  - CIC's legal and tax department, which works with the CM-CIC Marchés capital markets legal team,
  - CIC's finance department, which supervises accounting procedures and templates and is responsible for accounting and regulatory controls;
- the CM5-CIC group's periodic controls team, which intervenes with specialist auditors to carry out periodic controls and compliance checks in respect of capital markets activities.

A Market Risk Committee that meets monthly is responsible for monitoring the strategy, results and risks of CM-CIC Marchés (in France and in the branches) in relation to the limits prescribed by CIC's Executive Board and BFCM's Board of Directors.

Chaired by the head of CM-CIC Marchés, it comprises the Vice President of CIC's Executive Board, the front office, post-market, back office and accounting and regulatory control managers, and the manager of the risk department and the group permanent control department.

Risk management

The system used to set exposure limits for market risk is based on:

- an overall limit for regulatory capital (CAD/European capital adequacy) and for VaR;
- internal rules and scenarios (CAD risks, historical VaR and stress tests), which convert exposures into potential losses.

The limits set are intended to cover various types of market risk (interest rate, currency, equity and counterparty risks). The aggregate limit is broken down into sub-limits for each type of risk and for each desk.

Risks are monitored based on first-tier indicators such as sensitivity to various market risk factors (mainly for traders), and second-tier indicators such as potential losses, to provide an accessible overview of capital markets exposures for decision-makers.

Regulatory capital allocated to proprietary operations and commercial businesses in metropolitan France was reduced by 14% in 2010, as planned in 2009.

The capital consumed by the RMBS business conducted in the New York branch fell in line with the amortization of the portfolio securities managed on a run-off basis. Trading activities are maintained within reduced limits under the supervision of CM-CIC Marchés.

CM-CIC Marchés' overnight treasury position must not exceed a certain limit with an intermediate warning limit, the two limits being set by the department and approved by the Executive Board. The refinancing period for portfolio assets is also subject to monitoring and limits.

The principal trading desk risks are as follows:

1 - hybrids : hybrid instruments: opening at €100 million in January, risk capital consumption ended the year at €75 million due to the steady fall in exposures during the period, accentuated by the reductions in banking portfolio positions. Convertible bond holdings thus stood at €2.8 billion at December 31, 2010 (compared with €3 billion one year earlier);

2 - credit: these positions correspond to either securities/CDS arbitrages or to credit correlation positions (ItraXX/CDX tranches) or asset backed securities. CAD consumption of risk capital remained stable at around €24 million on the credit arbitrage portfolio during the first half, before easing to €17 million in December. The decline in credit risk (European capital adequacy) reflects the unwinding of certain positions classified as available for sale. As such, the European capital adequacy requirement eased to €19.5 million. The ABS portfolio followed the same trend with CAD consumption of risk capital around €49 million during the first half, followed by a fall to €38 million at the year end. As regards the credit correlation business, exclusively based on Itraxx/CDX tranches, risk fluctuated slightly; CAD capital requirements, which began the year at €10 million, rose to €14 million in December.

3 - M&A and miscellaneous equities: CAD equity risk consumption totaled €32 million at December 31, 2010. M&A outstandings totaled €283 million at end-December compared with €271 million one year earlier;

4 - fixed income: positions relate to yield-curve arbitrage, typically with an underlying, mainly European government security. There are also arbitrage transactions involving OECD government securities with identical maturities but different issuers, or with the same issuers but with different maturities. At year end, capital consumption based on the CAD measurement came to €51 million. Government securities totaled €9.5 billion at December 31, 2010 compared with €12.6 billion one year earlier.

Credit derivatives

These products are used by CM-CIC Marchés and are recognized in its trading portfolio.

Trading desks are subject to exposure limits by issuer or counterparty for all types of products. Outstanding amounts are monitored on a daily basis and exposure limits are reviewed periodically by the Lending Committees and Capital Markets Risk Committees.

Capital adequacy ratio*

Since January 1, 2008, CIC has been subject to the capital adequacy ratio defined by the ministerial decree of February 20, 2007 (Basel II). As such, weighted risks must be equal to at least 80% of the risks calculated in accordance with CRBF regulations 91-05 and 95-02 (Basel I).

The overall capital adequacy ratio must be more than 8%. The regulatory ratios to which the group is subject were all met as at December 31, 2010.

Capital adequacy ratio = regulatory capital / weighted net risks

Principal amount in € millions	2010	2009
a) Credit risk		
• Central governments and central banks	146	219
• Credit institutions	5,244	6,679
• Corporates	52,444	54,391
• Retail customers	15,459	15,645
• Equities	8,557	8,700
• Securitizations	1,388	1,542
• Other assets	3,412	3,409
b) Market risk	3,780	3,638
c) Operational risk	7,143	6,752
Supplement in case of minimum requirement	2,292	
Supplement in case of minimum requirement for total ratio	686	
TOTAL WEIGHTED RISKS	**100,551**	**100,975**
Regulatory capital		
Tier 1 capital	11,673	10,988
Deduction from Tier 1 capital	(575)	(693)
Deduction from total Tier 1 capital	(284)	
Supplementary Tier 2 capital	1,397	1,595
Deduction from supplementary Tier 2 capital	(575)	(693)
Deduction from total Tier 2 capital	(822)	(1,014)
TOTAL CAPITAL (TIER 1 + TIER 2)	**10,815**	**10,182**
Capital adequacy ratio - Tier 1	10.83%	10.20%
Capital adequacy ratio - Total	10.76%	10.08%

Operational risk*

In the context of the Basel II capital adequacy regulations, the CM-CIC group has implemented a comprehensive operational risk management system under the responsibility of senior management. Group-wide guidelines describe the risks concerned and the quantitative evaluation methods to be used.

The group has an overall operational risk management function that is clearly identified and split in practice between the national function and the regional functions. This function covers operational risk, disaster recovery plans and insurance taken out to cover these risks.

The system in place for measuring and monitoring operational risk is based on a common platform applied throughout the CM-CIC group using an approach for identifying and modeling risks, whose aim is to calculate the level of capital required to be held in respect of operational risk.

Since January 1, 2010, CM-CIC has been authorized to use its advanced measurement approach to calculate its capital adequacy requirements in respect of operational risk, with the exception of the deduction of expected losses from its capital adequacy requirement and the taking into account of insurance, for the consolidated group excluding the foreign subsidiaries and Factocic.

Main objectives

The operational risk management policy being set up by the group is designed:

- to contribute to the group's effective management by controlling risks and the associated costs;
- from a human perspective, to protect staff, develop responsibility, autonomy and control, and leverage skills group wide;
- from an economic standpoint, to protect margins by effectively managing risk across all activities, ensure returns on the investments made to achieve compliance with banking regulations, optimize capital allocated in respect of risk and adapt insurance policies to the risks identified;
- from a regulatory standpoint, to respond effectively to Basel II capital requirements and supervisory authorities, develop a reliable system of internal control (CRBF 97.02), optimize disaster recovery plans for mission-critical operations and adapt financial reporting (Third Pillar of Basel II).

Role and position of the management function

The national operational risk management function coordinates and consolidates the entire procedure through deploying a dedicated team and also assists the operational risk managers in the regional groups.

The regional operational risk management function implements the risk procedure and verifies that it is consistent with the national risk management policy.

Measurement and control procedure

For modeling purposes, the group relies mainly on the national database of internal losses, based on an external database and on scenarios developed within the context of mappings and statistical work, performed in accordance with common procedures and regulatory requirements.

Risk maps broken down by business line and by risk type and objects have been drawn up for all activities, with probability-based models culled from the work of outside experts. These are validated by the Operational Risk Technical Committee. Capital adequacy requirements are calculated at national level and are then split at regional level.

Operational risk mitigation techniques include:

- preventative actions identified during the mapping process and implemented directly by operational or permanent control staff;
- safeguard initiatives, which focus on the widespread implementation of disaster recovery plans, logistics and IT solutions for all mission-critical operations in order to limit the seriousness of any incident in the event of a crisis.

A consistent crisis management process, linked to the system for interbank operations, covers crisis communication and the three phases of disaster recovery plans: emergency, business continuity and back-on-track plans.

Reporting and general oversight

Application of the operational risk management policy and risk profile is monitored using key indicators, thresholds and warnings covering the assessment of potential risks, changes in loss experience and the effectiveness of risk-reduction and financing measures. The group's executive and governance bodies are regularly provided with information on this risk data, including the requirements of CRBF 97-02.

Documentation and procedures

The group consistently applies a set of procedures that are approved by the managing bodies and are regularly updated, covering:

- governance: procedures dealing with the roles and responsibilities of the various managing, decision-making and supervisory bodies, and of the national function, the frequency and recipients of reports, the scope for the monitoring of group entities, and the methodology for the consolidation of subsidiaries;
- collection of incident information: procedures laying down the rules for collecting information and controlling internal losses;
- measurement system: procedures concerning, in particular, modeling that is probability based and drawn from the work of experts, the rules for gathering Key Risk Indicators (KRI), the basis for the allocation of capital adequacy requirements and COREP reports.

Disaster recovery plans

Disaster recovery plans are part of the back-up measures put in place by the group to limit any losses resulting from operational risk.

Disaster recovery plan guidelines, which have been drawn up for use by Crédit Mutuel-CIC, may be consulted by all teams concerned and are applied at the level of the regional groups.

Plans are classified into two categories:

- business-specific disaster recovery plans relate to a given banking function that is associated with one of the business lines identified in accordance with Basel II;
- cross-functional disaster recovery plans relate to activities that constitute business support services (logistics, HR and IT issues).

Plans can be split into three components:

- emergency plan: this is triggered immediately and involves measures designed to handle emergencies and institute solutions for operating in a weakened environment;
- business continuity plan: this involves resuming business under adverse conditions in accordance with predefined procedures;
- back-on-track plan: this is prepared shortly after the business continuity plan kicks in.

Crisis management and its organization

Crisis management procedures at the level of the group and the regions cover the most efficient organization and communications systems for handling these three phases: emergency, business continuity and back-on-track plans.

These procedures are based on:

- a Crisis Committee, chaired by the CEO of the bank at regional level or by the group CEO at national level, that takes the key decisions, prioritizes action plans and handles the internal and external reporting of events;
- a crisis unit that pools information, implements the decisions and provides follow-up;
- a crisis liaison team for each business line, responsible for coordinating operations on the ground together with the crisis unit. The main focus of the team's work is putting in place a disaster recovery plan until business gets back to normal.

Insurance deducted from equity

Operational risk financing programs are reviewed as and when the results of the assessments of net risks are available, after the application of risk-mitigation techniques, and are based on the following principles:

- insurance is taken out for insurable serious or major risks and self-insurance stepped up for losses below excess levels and for intragroup risks;
- insurance is taken out for frequency risks when appropriate, or such risks are financed by withholding amounts on the operating account;
- serious risks that cannot be insured and the residual uninsured risk are recognized in the regulatory capital reserve;
- major risks arising from interbank exchange and payment systems are covered by liquidity reserves set up and allocated on an individual system basis.

CIC has a series of insurance policies covering in particular damage to goods, specific banking risks and fraud, and professional third-party liability, which it aims to utilize to reduce the consumption of regulatory capital in respect of operational risks.

Training

Each year, the group provides operational risk training for the network managers, internal auditors and operations staff responsible for monitoring these risks.

CIC's operational risk loss experience in 2010

The total amounted to €61.6 million in 2010, including €50.9 million of actual losses and €10.7 million of provisions.

This total is analyzed as follows:

- fraud: €19.5 million;
- industrial relations: €2.2 million;
- human/procedural error: €10.6 million;
- legal issues: €27.4 million;
- natural disasters and systems malfunctions: €1.9 million.

Other risks

Legal risks

Legal risks are incorporated into operational risks and concern, amongst other things, the exposure to fines, penalties and damages for faults by the business in respect of its operations.

Industrial and environmental risks

Industrial and environmental risks are incorporated into operational risks and are analyzed from the perspective of systems malfunctions and the occurrence of natural disasters (100-year events, floods, earthquakes, pollution, etc.), their impact on the business and means of prevention and protection to be put in place, notably crisis management and disaster recovery plans.

Financial statements

Consolidated statement of financial position

Assets

(in € millions)	Notes	**2010**	2009
Cash and amounts due from central banks	4	**5,403**	5,142
Financial assets at fair value through profit or loss	5	**28,601**	39,260
Derivatives used for hedging purposes	6	**127**	1,144
Available-for-sale financial assets	7	**20,522**	25,824
Loans and receivables due from credit institutions	4	**42,909**	26,898
Loans and receivables due from customers	8	**127,462**	120,719
Remeasurement adjustment on portfolios hedged for interest rate risk	9	**601**	524
Held-to-maturity financial assets	10	**91**	81
Current tax assets	11	**504**	507
Deferred tax assets	12	**767**	687
Accruals and other assets	13	**11,660**	11,547
Investments in affiliates	14	**1,375**	1,172
Investment property	15	**23**	22
Property and equipment and finance leases (lessee accounting)	16	**1,606**	1,627
Intangible assets	17	**299**	271
Goodwill	18	**86**	172
TOTAL		**242,036**	**235,597**

Liabilities and shareholders' equity

(in € millions)	Notes	2010	2009
Due to central banks	19	44	1,265
Financial liabilities at fair value through profit or loss	20	32,197	47,458
Derivatives used for hedging purposes	6	1,857	3,129
Due to credit institutions	19	62,586	55,208
Due to customers	21	91,326	76,933
Debt securities	22	31,627	30,849
Remeasurement adjustment on portfolios hedged for interest rate risk	9	(801)	(711)
Current tax liabilities	11	181	171
Deferred tax liabilities	12	149	136
Accruals and other liabilities	23	8,191	7,484
Provisions	24	1,080	875
Subordinated notes	25	3,720	3,804
Shareholders' equity		9,879	8,996
Attributable to equity holders of the parent company		*9,568*	*8,613*
- Capital stock		*608*	*591*
- Additional paid-in capital		*1,088*	*983*
- Consolidated reserves		*7,133*	*6,525*
- Unrealized or deferred gains and losses	*26a*	*(376)*	*(287)*
- Net income for the year		*1,115*	*801*
Non-controlling interests		*311*	*383*
TOTAL		**242,036**	**235,597**

Consolidated income statement

(in € millions)	Notes	2010	2009
Interest income	28	9,575	8,989
Interest expense	28	(6,531)	(6,263)
Commission income	29	2,171	2,057
Commission expense	29	(507)	(470)
Net gain/(loss) on financial instruments at fair value through profit or loss	30	(49)	480
Net gain/(loss) on available-for-sale financial assets	31	133	(34)
Income from other activities	32	137	99
Expense on other activities	32	(292)	(171)
Net banking income		**4,637**	**4,687**
Payroll costs	33a	(1,663)	(1,613)
Other general operating expenses	33c	(985)	(988)
Depreciation and amortization	34	(178)	(170)
Operating income before provisions		**1,811**	**1,916**
Net additions to/reversals from provisions for loan losses	35	(441)	(861)
Operating income after provisions		**1,370**	**1,055**
Share of income/(loss) of affiliates	14	116	84
Net gain/(loss) on disposals of other assets	36	5	12
Income before tax		**1,491**	**1,151**
Corporate income tax	37	(347)	(313)
Net income		**1,144**	**838**
Non-controlling interests		29	37
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**1,115**	**801**
Basic earnings per share (in €)	38	29.94	21.92
Diluted earnings per share (in €)	38	29.94	21.92

Statement of comprehensive income

(in € millions)	Notes	2010	2009
Net income		**1,144**	**838**
Translation adjustments		0	(0)
Remeasurement of available-for-sale financial assets		(141)	831
Remeasurement of hedging derivatives		(0)	0
Remeasurement of non-current assets			
Actuarial differences on defined benefit plans			
Share of unrealized or deferred gains and losses of affiliates		2	63
Total gains and losses recognized directly in shareholder's equity	26b	**(139)**	**894**
Net income and gains and losses recognized directly in shareholder's equity		**1,005**	**1,732**
Attributable to equity holders of the parent company		1,027	1,684
Non-controlling interests		(22)	48

Headings relating to gains and losses recognized directly in shareholders' equity are presented net of tax.

Consolidated statement of changes in shareholders' equity

	Equity attributable to equity holders of the parent company									Non-controlling interests	Total consolidated shareholders' equity
						Unrealized or deferred gains and losses					
(in € millions)	Capital stock	Additional paid-in capital	Elimination of treasury stock	Reserves[1]	Cumulative translation adjustment	on AFS financial assets[2]	on hedging instruments	Net income for the year	Total		
Equity at Jan. 1, 2009	**586**	**960**	**(55)**	**6,484**	**(44)**	**(1,159)**	**(12)**	**170**	**6,930**	**434**	**7,364**
Appropriation of prior-year earnings				170				(170)			
Dividends paid				(36)					(36)	(18)	(54)
Capital increase	5	23							28		28
Sub-total: movements arising from shareholder relations	**5**	**23**		**134**				**(170)**	**(8)**	**(18)**	**(26)**
Consolidated net income for the year								801	801	37	838
Changes in fair value of AFS financial assets[2]						832	2		834	11	845
Sub-total						**832**	**2**	**801**	**1,635**	**48**	**1,683**
Translation adjustments					10				10		10
Restructuring and internal asset sales				(1)					(1)		(1)
Impact of changes in group structure				1		50			51	(80)	(29)
Other movements				(4)					(4)	(1)	(5)
Equity at Dec. 31, 2009	**591**	**983**	**(55)**	**6,614**	**(34)**	**(277)**	**(10)**	**801**	**8,613**	**383**	**8,996**
Equity at Jan. 1, 2010	**591**	**983**	**(55)**	**6,614**	**(34)**	**(277)**	**(10)**	**801**	**8,613**	**383**	**8,996**
Appropriation of prior-year earnings				801				(801)			
Dividends paid				(159)					(159)	(22)	(181)
Capital increase	17	105							122		122
Sub-total: movements arising from shareholder relations	**17**	**105**		**642**				**(801)**	**(37)**	**(22)**	**(59)**
Consolidated net income for the year								1 115	1 115	29	1 144
Changes in fair value of AFS financial assets[2]						(89)			(89)	(51)	(140)
Sub-total						**(89)**		**1 115**	**1,026**	**(22)**	**1,004**
Translation adjustments					46				46	7	53
Restructuring and internal asset sales				(1)					(1)		(1)
Impact of changes in group structure				(30)					(30)	(71)	(101)
Other movements				(49)					(49)	36	(13)
Equity at Dec. 31, 2010	**608**	**1,088**	**(55)**	**7,176**	**12**	**(366)**	**(10)**	**1,115**	**9,568**	**311**	**9,879**

(1) At December 31, 2010, reserves comprised the legal reserve for €59 million, the special long-term capital gains reserve for €287 million, retained earnings for €2,436 million, other CIC reserves for €320 million and post-acquisition retained earnings for €4,074 million.
(2) AFS: Available for sale.
At December 31, 2010, CIC's capital stock comprised 38,027,493 shares with a par value of €16 each, including 229,741 treasury shares.

The Executive Board will propose to the Shareholders' Meeting to be held on May 19, 2011 that a dividend of €8.80 per share be paid, compared with €4.35 per share paid in respect of the previous year.

Consolidated statement of cash flows

(in € millions)	**2010**	2009
Net income	1,144	838
Corporate income tax	347	313
Income before tax	**1,491**	**1,151**
Net depreciation/amortization expense on property and equipment and intangible assets	177	170
Impairment of goodwill and other non-current assets	1	
Net additions to provisions and impairment	183	498
Share of income/loss of affiliates	(116)	(84)
Net loss/gain from investing activities	(13)	(11)
(Income)/expense from financing activities		
Other movements	287	354
Non-monetary items included in income before tax and other adjustments	**519**	**927**
Cash flows relating to interbank transactions	2,752	(8,030)
Cash flows relating to customer transactions	7,510	7,250
Cash flows relating to other transactions affecting financial assets or liabilities	678	(6,888)
Cash flows relating to other transactions affecting non-financial assets or liabilities	214	(713)
Taxes paid	(284)	(178)
Net decrease/(increase) in assets and liabilities from operating activities	**10,870**	**(8,559)**
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	**12,880**	**(6,481)**
Cash flows relating to financial assets and investments	**(87)**	**2 454**
Cash flows relating to investment property	**(3)**	**(7)**
Cash flows relating to property and equipment and intangible assets	**(155)**	**(242)**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	**(245)**	**2,205**
Cash flows relating to transactions with shareholders (1)	**(60)**	**(3)**
Other net cash flows relating to financing activities (2)	**206**	**342**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	**146**	**339**
IMPACT OF MOVEMENTS IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)	**127**	**19**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**12,908**	**(3,918)**
Net cash flows from (used in) operating activities (A)	12,880	(6,481)
Net cash flows from (used in) investing activities (B)	(245)	2,205
Net cash flows from (used in) financing activities (C)	146	339
Impact of movements in exchange rates on cash and cash equivalents (D)	127	19
Cash and cash equivalents at beginning of year	**7,378**	**11,296**
Cash accounts and accounts with central banks	3,877	6,606
Demand loans and deposits - credit institutions	3,501	4,690
Cash and cash equivalents at end of year	**20,286**	**7,378**
Cash accounts and accounts with central banks	5,359	3,877
Demand loans and deposits - credit institutions	14,927	3,501
CHANGE IN CASH AND CASH EQUIVALENTS	**12,908**	**(3,918)**

(1) Cash flows relating to transactions with shareholders comprise:
- *€160 million in dividends paid by CIC to its shareholders in respect of 2009;*
- *€22 million in dividends paid to minority shareholders;*
- *CIC's €122 million capital increase (comprising €17 million in capital stock and €105 million in additional paid-in capital) following the exercise of the option to receive payment of the dividend in shares.*

(2) Other net cash flows relating to financing activities comprise:
- *the issue and redemption of bonds representing a net amount of €304 million;*
- *the redemption of subordinated notes amounting to €98 million.*

> Notes to the consolidated financial statements

The notes are expressed in millions of euros (€ millions).

Information required by IFRS 7 regarding the exposure to risks on financial instruments is provided in the risk section of the management report.

Note 1 - Summary of significant accounting policies and valuation and presentation methods

Pursuant to regulation (EC) 1606/2002 on the application of international accounting standards and regulation (EC) 1126/2008 on the adoption of said standards, the consolidated financial statements for the year ended December 31, 2010 have been drawn up in accordance with IFRS as adopted by the European Union at December 31, 2010. These standards include IAS 1 to 41, IFRS 1 to 8 and any SIC and IFRIC interpretations adopted at that date. Standards not adopted by the European Union have not been applied. The financial statements are presented in accordance with CNC recommendation 2009-R.04.

All IAS and IFRS were updated on November 3, 2008 by regulation 1126/2008 that replaced regulation 1725/2003. The entire framework is available on the European Commission's website at: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

Standards and interpretations	Date of application in the EU	Consequences of application
New accounting standards applied with effect from January 1, 2010		
New standards		
IAS 27: Consolidated and Separate Financial Statements, and IFRS 3R: Business Combinations	06/15/2009 and 07/01/2009	Prospective application with effect from January 1, 2010
IFRS 1: First Time Adoption of IFRS	11/29/2009	No impact
Amendments to existing standards		
Improvements to IFRS	03/27/2010	No impact
IFRS 2: Group Cash-settled Share-based Payment Transactions	03/27/2010	No impact
IFRS 1: Additional Exemptions for First-Time Adopters	06/27/2010	No impact
Interpretations		
IFRIC 12: Service Concession Arrangements	03/29/2009	No impact
IFRIC 15: Agreements for the Construction of Real Estate	07/26/2009	No impact
IFRIC 16: Hedges of a Net Investment in a Foreign Operation	06/08/2009	No impact
IFRIC 17: Distributions of Non-cash Assets to Owners	11/30/2009	No impact
IFRIC 18: Transfers of Assets from Customers	12/04/2009	No impact
Standards and interpretations adopted by the European Union and not yet applied		
Amendments to existing standards		
IAS 24 R: Related party disclosures	Mandatory application with effect from 01/01/2011	No material impact
IAS 32: Financial Instruments: Presentation	Mandatory application with effect from 01/01/2011	The amendment relates to the classification of issue rights: not relevant to CIC
Interpretations		
IFRIC 14: Amendment: Prepayments of a Minimum Funding Requirement	Mandatory application with effect from 01/01/2011	Not relevant to CIC
IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments	Mandatory application with effect from 01/01/2011	Not relevant to CIC

Information on risk management is provided in the management report.

Use of estimates in the preparation of the financial statements

Preparation of the financial statements may require the use of assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the statement of financial position, and in the disclosure of information in the notes to the financial statements.

This requires managers to draw upon their judgment and experience and make use of the information available at the date of preparation of the financial statements when making the necessary estimates. This applies in particular to:

- the impairment of debt and equity instruments;
- the use of calculation models when valuing financial instruments that are not listed on an active market and are classified in "Available-for-sale financial assets", "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss";
- the assessment of the active nature of certain markets;
- calculation of the fair value of financial instruments that are not listed on an active market and are classified in "Loans and receivables" or "Held-to-maturity financial assets" for which this information must be provided in the notes to the financial statements;
- impairment tests performed on intangible assets;
- measurement of provisions, including retirement obligations and other employee benefits.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and which are not intended at the time of their acquisition or grant to be sold. They include loans granted directly by the group or its share in syndicated loans, purchased loans and debt securities that are not listed on an active market. Loans and receivables are measured at fair value, which is usually the net amount disbursed at inception. They are subsequently carried at amortized cost using the effective interest rate method.

The interest rates applied to loans granted are deemed to represent market rates, since they are constantly adjusted in line with the interest rates applied by the vast majority of competitor banks.

The fair value of loans and receivables is disclosed in the notes to the financial statements at the end of each reporting period and corresponds to the net present value of future cash flows estimated using a zero-coupon yield curve that includes an issuer cost inherent to the debtor.

Commissions received or paid that are directly related to setting up the loan and are treated as an additional component of interest are recognized over the life of the loan using the effective interest rate method and are shown under interest items in the income statement.

Impairment of loans and receivables, financing commitments and financial guarantees given and available-for-sale or held-to maturity debt instruments

Individual impairment of loans

Impairment is recognized when there is objective evidence of a measurable decrease in value as a result of an event occurring after inception of a loan or group of loans, and which may lead to a loss. Loans are tested for impairment on an individual basis at the end of each reporting period. The amount of impairment is equal to the difference between the carrying amount and the present value of the estimated future cash flows associated with the loan, discounted at the original effective interest rate. For variable-rate loans, the last known contractual interest rate is used.

Loans on which one or more installments are more than three months past due (six months in the case of real estate loans and nine months for local authority loans) are deemed to represent objective evidence of impairment. Likewise, an impairment loss is recognized when it is probable that the borrower will not be able to repay the full amount due, when an event of default has occurred, or where the borrower is subject to court-ordered liquidation.

Impairment charges and provisions are recorded in net additions to/reversals from provisions for loan losses. Reversals of impairment charges and provisions are recorded in net additions to/reversals from provisions for loan losses for the portion relating to the change in risk and in net interest for the portion relating to the passage of time. Impairment provisions are deducted from the asset in the case of loans and receivables and the provision is recorded under provisions in liabilities for financing and guarantee commitments.

Loan losses are recorded in losses and the corresponding impairments and provisions are written back.

Collective impairment of loans (portfolio-based impairment)

Customer loans that are not individually impaired are risk-assessed on the basis of loans with similar characteristics. This assessment draws upon internal and external rating systems, the estimated probability of default, the estimated loss rate, and the amount of loans outstanding. Portfolio-based impairment is deducted from the carrying amount of the assets concerned, while any movements in impairment are included in "Net additions to/reversals from provisions for loan losses" in the income statement.

Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

An operating lease is a lease other than a finance lease.

Finance leases – lessor accounting

In accordance with IAS 17, finance lease transactions with non-group companies are included in the consolidated statement of financial position in an amount corresponding to the net investment in the lease.

In the lessor's financial statements, the analysis of the economic substance of the transaction results in the recognition of a financial receivable due from the customer. This amount is reduced in line with lease payments received, which are broken down between principal repayments and interest.

Finance leases – lessee accounting

In accordance with IAS 17, assets acquired under finance leases are included in property and equipment and an obligation in the same amount is recorded as a liability. Lease payments are broken down between principal repayments and interest.

Financial guarantees and financing commitments given

Financial guarantees are treated like an insurance policy when they provide for specified payments to be made to reimburse the holder for a loss incurred because a specified debtor fails to make payment on a debt instrument on the due date.

In accordance with IFRS 4, these financial guarantees are still measured using French GAAP, pending an addition to the standards to enhance the current mechanism. Consequently, these guarantees are subject to a provision in liabilities in the event of a likely outflow of resources.

By contrast, financial guarantees that provide for payments in response to changes in a financial variable (price, credit rating or index, etc.) or a nonfinancial variable, provided that in this event the variable is not specific to one of the parties to the agreement, fall within the scope of application of IAS 39. These guarantees are thus treated as derivatives.

Financing commitments that are not regarded as derivatives within the meaning of IAS 39 are not shown in the statement of financial position. However, a provision is made in accordance with IAS 37.

Purchased securities

Securities held by the group are classified in one of the three categories defined in IAS 39: financial instruments at fair value through profit or loss, held-to-maturity financial assets, and available-for-sale financial assets.

Held-to-maturity financial assets

Classification

Held-to-maturity financial assets are non-derivative financial assets listed on an active market, with fixed or determinable payments that the group has the positive intention and ability to hold to maturity, other than those that the group has designated at fair value through profit or loss or as available for sale. The positive intention and ability to hold to maturity are assessed at the end of each reporting period.

Basis for recognition and measurement of related income and expenses

Held-to-maturity investments are recognized at fair value upon acquisition. Transaction costs are deferred and included in the calculation of the effective interest rate. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest rate method, which builds in amortization of premiums and discounts (corresponding to the difference between the purchase price and redemption value of the asset).

Income earned from this category of investments is included in "Interest income" in the income statement.

Should a credit risk arise, impairment on held-to-maturity financial assets is calculated in the same way as for loans and receivables.

Available-for-sale financial assets

Classification

Available-for-sale financial assets are financial assets that have not been classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value through profit or loss.

Basis for recognition and measurement of related income and expenses

Available-for-sale financial assets are carried at fair value until disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account. On disposal or recognition of an impairment in value, the unrealized gains and losses recorded in equity are transferred to the income statement. Purchases and sales are recognized at the settlement date.

Income derived from fixed-income available-for-sale securities is recognized in the income statement under "Interest income", using the effective interest method. Dividend income relating to variable-income available-for-sale securities is taken to income under "Net gain/ (loss) on available-for-sale financial assets".

Impairment of available-for-sale debt instruments
Impairment losses are recognized in "Net additions to/reversals from provisions for loan losses" and are reversible. In the event of impairment, any unrealized or deferred gains or losses are written back to the income statement.

Impairment of available-for-sale equity instruments
An equity instrument is impaired when there exists objective evidence of impairment, either in the event of:

a) a significant or lasting decline in the fair value to below cost; or

b) the existence of information on significant changes that have a negative impact and have arisen in the technological environment prevailing in the economic or legal market in which the issuer operates and which indicates that the cost of the investment may not be recovered.

In the case of an equity instrument, the loss of at least 50% of its value compared with its acquisition cost or a loss of value lasting more than 36 consecutive months implies an impairment. Such instruments are analyzed on a line-by-line basis. Judgment must also be exercised for securities that do not meet the above criteria but for which it is considered that recovery of the amount invested in the near future cannot reasonably be expected.

Impairment is recognized under "Net gain/ (loss) on available-for-sale financial assets" and is irreversible so long as the instrument is carried in the statement of financial position. Any subsequent impairment is also recognized in the income statement. In the event of impairment, any unrealized or deferred gains or losses are written back to the income statement.

Financial instruments at fair value through profit or loss

Classification
Financial instruments at fair value through profit or loss comprise:

a) Financial instruments held for trading purposes, consisting mainly of instruments that:

- were acquired or incurred principally for the purpose of selling or repurchasing them in the near term; or
- are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- represent derivatives not classified as hedges.

b) Financial instruments designated at inception as at fair value through profit or loss in accordance with the option provided by IAS 39, for which application guidance was given in the amendment published in June 2005. This option is designed to help entities produce more relevant information, by enabling:

- certain hybrid instruments to be measured at fair value without separating out embedded derivatives whose separate measurement would not have been sufficiently reliable;
- a significant reduction in accounting mismatches regarding certain assets and liabilities;
- a group of financial assets and/or liabilities to be managed and monitored for performance in accordance with a documented risk management or investment strategy on a fair value basis. This category mainly includes all securities held in the private equity portfolio.

Basis for recognition and measurement of related income and expenses
Financial instruments included in this category are recognized in the statement of financial position at fair value up to the date of their disposal. Changes in fair value are taken to the income statement under "Net gain/ (loss) on financial instruments at fair value through profit or loss". Income earned on fixed-income securities in this category is included in the income statement under "Interest income". Purchases and sales of securities at fair value through profit or loss are recognized on the settlement date. Any changes in fair value between the transaction date and settlement date are taken to income. Fair value also incorporates an assessment of counterparty risk on these securities.

Fair value
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The fair value of an instrument upon initial recognition is generally its transaction price.

If the instrument is traded on an active market, the best estimate of fair value is the quoted price.

The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price, and for an asset to be acquired or liability held, the ask price.

When the bank has assets and liabilities with offsetting market risks, the net position is valued at the bid price for a net asset held or a net liability to be issued and at the ask price for a net asset to be acquired or liability held.

A market is deemed to be active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions in very similar instruments carried out on an arm's length basis.

If the market for a financial instrument is not active, fair value is established using a valuation technique.

Derivatives are remeasured based on available observable market data such as yield curves to which the bid/ask price is then applied.

A multi-criteria approach is adopted to determine the value of securities held in the private equity portfolio, backed by historical experience of valuing unlisted companies.

Financial instruments at fair value through profit or loss - derivatives

A derivative is a financial instrument:

a) whose fair value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, credit rating or credit index, or other variable – sometimes called the "underlying";

b) which requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts exhibiting a similar response to changes in market factors;

c) which is settled at a future date.

Derivatives are classified as financial instruments held for trading except when they are part of a designated hedging relationship.

Derivatives are recorded in the statement of financial position under financial instruments at fair value through profit or loss. Changes in fair value and interest accrued or payable are recognized in "Net gain/ (loss) on financial instruments at fair value through profit or loss".

Derivatives qualifying for hedge accounting in accordance with IAS 39 are classified as fair value hedges or cash flow hedges, as appropriate. All other derivatives are classified as trading items, even if they were contracted for the purpose of hedging one or more risks.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Embedded derivatives are separated from the host contract and accounted for as a derivative at fair value through profit or loss provided that they meet the following three conditions:

- the hybrid instrument is not measured at fair value through profit or loss;
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- the separate measurement of the embedded derivative is sufficiently reliable to provide useful information.

Financial instruments at fair value through profit or loss - derivatives - structured products

Structured products are products created by bundling basic instruments – generally options – to exactly meet client needs. CIC offers various categories of structured products based on plain vanilla options, binary options, barrier options, Asian options, lookback options, options on several assets and index swaps.

There are three main methods of valuing these products: methods consisting of solving a partial differential equation, discrete time tree methods and Monte Carlo methods. CIC uses the first and third methods. The analytical methods used are those applied by the market to model the underlyings.

The valuation parameters applied correspond to observed values or values determined using a standard observed values model at the end of the reporting period. If the instruments are not traded on an organized market, the valuation parameters are determined by reference to the values quoted by the most active dealers in the corresponding products or by extrapolating quoted values. All these parameters are based on historical data. The parameters applied to measure the value of unquoted forward financial instruments are determined using a system that provides a snapshot of market prices. Every day, at a fixed time, the bid and ask prices quoted by several market players, as displayed on the market screens, are recorded in the system. A single price is fixed for each relevant market parameter.

Certain complex financial instruments – mainly customized equity barrier options with single or multiple underlyings presenting low levels of liquidity and long maturities – are measured using internal models and valuation inputs such as long volatilities, correlations, and expected dividend flows where no observable data can be obtained from active markets. Upon initial recognition, these complex financial instruments are recorded in the statement of financial position at their transaction price, which is deemed to be the best indication of fair value even though the result of the model-based valuation may differ. The difference between the price at which a complex instrument is traded and the value obtained from internal models, which generally represents a gain, is known as "day one profit". IFRS prohibit the recognition of a margin on products valued using models and parameters that are not observable on active markets. The margin is therefore deferred. The margin realized on options with a single underlying and no barrier is recognized over the life of the instrument. The margin on products with barrier options is recognized upon maturity of the structured product, due to the specific risks associated with the management of these barriers.

Reclassification of debt instruments

Fixed-income securities or debt instruments classified at fair value through profit or loss may be reclassified in other categories as follows:

a) held-to-maturity, only in rare cases, in the event of a change in the management intention, and provided that they satisfy the eligibility conditions for this category;

b) loans and receivables in the event of a change in the management intention, the capacity to hold the security for the foreseeable future or until maturity and provided that they satisfy the eligibility conditions for this category;

c) available for sale in rare cases.

Fixed-income securities or available-for-sale debt instruments may be reclassified in other categories as follows:

a) held-to-maturity in the event of a change in the management intention or capacity, and provided that they satisfy the eligibility conditions for this category;

b) loans and receivables if there is the intention and capacity to hold the financial asset for the foreseeable future or until maturity and provided that they satisfy the eligibility conditions for this category.

In the event of a transfer, the fair value of the financial asset on its reclassification date becomes its new cost or amortized cost. Gains or losses recognized prior to the transfer date cannot be reversed.

In the event of a transfer from the "available-for-sale" category into either the "held-to-maturity" or "loans and receivables" category of debt instruments with a fixed maturity date, unrealized gains and losses previously deferred into equity are amortized over the asset's residual life. In the event of a transfer of debt instruments with no fixed maturity date into loans and receivables, unrealized gains and losses previously deferred are maintained in equity until the securities are sold.

Fair value hierarchy of financial instruments

There are three levels of fair value of financial instruments, as defined by IFRS 7:

- level 1: prices quoted on active markets for identical assets or liabilities;
- level 2: data other than the level 1 quoted prices, which are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. data derived from prices);
- level 3: data relating to the asset or liability that are not based on observable market data (non-observable data).

Hedge accounting

IAS 39 permits three types of hedging relationship. The hedging relationship is selected on the basis of the type of risk being hedged. A fair value hedge is a hedge of the exposure to changes in fair value of a financial asset or liability and is mainly used to hedge the interest rate risk on fixed-rate assets and liabilities and on demand deposits, as permitted by the European Union. A cash flow hedge is a hedge of the exposure to variability in cash flows relating to a financial asset or liability, firm commitment or highly probable forecast transaction. Cash flow hedges are used in particular for interest rate risk on variable-rate assets and liabilities, including rollovers, and for foreign exchange risk on highly probable foreign currency revenues. Hedges of a net investment in a foreign operation are a special type of cash flow hedge.

At the inception of the hedge, the group documents the hedging relationship, i.e. that between the item being hedged and the hedging instrument. This documentation describes the management objectives of the hedging relationship, as well as the type of risk covered, the hedged item and hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

Hedge effectiveness is assessed at the inception of the hedge and subsequently at least at the end of each reporting period.

The ineffective portion of the hedge is recognized in the income statement under "Net gain/ (loss) on financial instruments at fair value through profit or loss".

Fair value hedges

In a fair value hedge, changes in the fair value of the derivative instrument are taken to income under "Interest income/expense – derivatives used for hedging purposes" symmetrically with the change in interest income/expense of the hedged item.

In a fair value hedging relationship, the derivative instrument is measured at fair value through profit or loss under "Net gain/ (loss) on financial instruments at fair value through profit or loss" symmetrically with the remeasurement of the hedged item to reflect the hedged risk. This rule applies when the hedged item is recognized at amortized cost or is classified as available-for-sale. If the hedging relationship is fully effective, any changes in the fair value of the hedging instrument will offset changes in the fair value of the item hedged.

Hedges must be deemed to be highly effective to qualify for hedge accounting. The change in the fair value or cash flows of the hedging instrument must offset the change in the fair value or cash flows of the item hedged within a range of 80% to 125%.

If the hedging relationship is broken or no longer fulfills the hedge effectiveness criteria, hedge accounting is discontinued on a prospective basis. The related derivatives are transferred to the trading book and accounted for using the treatment applied to this asset category. The carrying amount of the hedged item in the statement of financial position is no longer adjusted to reflect changes in fair value and the cumulative adjustment recorded in respect of the hedging transactions is amortized over the remaining life of the item hedged. If the hedged item no longer appears in the statement of financial position, in particular due to early repayments, the cumulative adjustment is taken immediately to income.

Fair value hedge accounting for a portfolio hedge of interest-rate risk

In October 2004, the European Union amended IAS 39 to allow demand deposits to be included in portfolios of liabilities contracted at fixed rates. This method is applied by the group.

At the end of each reporting period, CIC verifies that the hedging contracted for each portfolio of assets and liabilities is not excessive.

The maturity of the liability portfolio is modeled by Asset-Liability management.

Changes in the fair value of a portfolio hedge of interest-rate risk are recognized on a specific line of the statement of financial position, under "Remeasurement adjustment on interest-rate risk hedged portfolios", with the offsetting entry in income.

Cash flow hedges

In the case of cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity under "Unrealized or deferred gains and losses on cash flow hedges", while the ineffective portion is included in "Net gain/ (loss) on financial instruments at fair value through profit or loss".

The amounts recognized in equity are reclassified into profit and loss under "Interest income/expense" in the same period or periods during which the cash flows attributable to the hedged item affect profit or loss. The hedged items continue to be accounted for using the treatment applicable to the asset category to which they belong.

If the hedging relationship is broken or no longer fulfills the hedge effectiveness criteria, hedge accounting is discontinued. The cumulative amounts recognized in equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts income, or until the transaction is no longer expected to occur, at which point they are transferred to the income statement.

Regulated savings

Home savings accounts (*comptes d'épargne logement* – "CEL") and home savings plans (*plans d'épargne logement* – "PEL") are government-regulated retail products sold in France. Account holders receive interest on amounts paid into these accounts over a certain period (initial savings phase), at the end of which they are entitled to a mortgage loan (secondary borrowing phase). For the distributing establishment, they generate two types of obligation:

- to pay interest in the future on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest payable on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as a variable rate);
- to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data. A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable to the bank, i.e., where the bank offers different interest rates than those on similar non-regulated products. This approach is managed based on generations of regulated PEL savings products with similar characteristics. The impact on income is included in interest paid to customers.

Debt securities

Debt securities are initially recognized at fair value – which is generally the net amount received – and subsequently measured at amortized cost using the effective interest method.

Certain "structured" debt instruments may contain embedded derivatives. These are isolated from the host contract when they meet the criteria for separate recognition and can be measured reliably.

The host contract is subsequently measured at amortized cost. Fair value is based on quoted market prices or valuation models.

Property and equipment and intangible assets

Property and equipment and intangible assets shown in the statement of financial position comprise assets used in operations and investment property. Assets used in operations are those used in the provision of services or for administrative purposes. They include assets other than property leased under operating leases. Investment property comprises assets held to earn rentals or for capital appreciation, or both. Investment property is accounted for at cost, in the same way as assets used in operations.

Property and equipment and intangible assets are recognized at acquisition cost plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs incurred in the construction or adaptation of property assets are not capitalized.

Subsequent to initial recognition, property and equipment and intangible assets are measured at amortized cost, which represents cost less accumulated depreciation, amortization and any accumulated impairment losses.

The depreciable amount is cost less residual value, net of costs to sell. Property and equipment and intangible assets are presumed not to have a residual value as their useful lives are generally the same as their economic lives.

Depreciation and amortization is calculated on a straight-line basis over the estimated useful life of the assets, based on the manner in which the economic benefits embodied in the assets are expected to be consumed by the entity.

Intangible assets that have an indefinite useful life are not amortized.

Depreciation and amortization on property and equipment and intangible assets is recognized in "Depreciation, amortization and impairment" in the income statement.

Where an asset consists of a number of components that may require replacement at regular intervals, or that have different uses or different patterns of consumption of economic benefits, each component is recognized separately and depreciated using a depreciation method appropriate to that component. CIC has adopted the component approach for property used in operations and investment property. These items are depreciated over the following useful lives:

- 40-80 years for the shell;
- 15-30 years for structural components;
- 10-25 years for equipment;
- 10 years for fixtures and fittings.

Leasehold rights paid are not amortized but are tested for impairment. New occupancy fees paid to the owner are amortized over the life of the lease as additional rent. Other intangible items (e.g. acquired customer contract portfolios) are amortized over a period of nine or ten years.

Depreciable and amortizable assets are tested for impairment when evidence exists at the end of the reporting period that the items may be impaired. Non-depreciable and non-amortizable non-current assets are tested for impairment at least annually.

If there is an indication of impairment, the recoverable amount of the asset is compared with its carrying amount. If the asset is found to be impaired, an impairment loss is recognized in income, and the depreciable amount is adjusted prospectively. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment is recognized under "Depreciation, amortization and impairment" in the income statement.

Gains and losses on disposals of non-current assets used in operations are recognized in the income statement in "Net gain/ (loss) on disposals of other assets".

Gains and losses on disposals of investment property are shown in the income statement under "Income from other activities" or "Expense on other activities".

Corporate income tax

This item includes all current or deferred income taxes.

Current income tax is calculated based on applicable tax regulations.

Deferred taxes

In accordance with IAS 12, deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax basis, except for goodwill and fair value adjustments on intangible assets that cannot be sold separately from the acquired business.

Deferred taxes are calculated using the liability method, based on the latest enacted tax rate applicable to future periods.

Net deferred tax assets are recognized only in cases where their recovery is considered highly probable.

Current and deferred taxes are recognized as tax income or expense, except deferred taxes relating to unrealized or deferred gains and losses, which are taken directly to equity.

Non-recoverable taxes payable on probable or certain dividend payments by consolidated companies are taken into account.

Provisions

A provision is recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of the amount of the obligation. The amount of such obligations is discounted in order to determine the amount of the provision.

Movements in provisions are classified by nature under the corresponding income/expense caption. The cumulative provision is recognized as a liability in the statement of financial position.

Employee benefits

Employee benefits are accounted for in accordance with IAS 19. Where appropriate, a provision is set aside for such benefits, recognized within "Provisions". Any movements in the provision are taken to income within "Payroll costs".

Post-employment benefits covered by defined benefit plans

These relate to retirement, early retirement and supplementary retirement plans for which the group has a legal or constructive obligation to provide certain benefits to its employees.

These obligations are calculated using the projected unit credit method, which consists in attributing benefits to periods of service in line with the plan's benefit formula, which is then discounted based on demographic and financial assumptions. The group uses the following assumptions to calculate its employee benefit obligations:

- a discount rate determined by reference to the market yield on long-term bonds issued by top-tier corporates at the end of the reporting period;
- the expected salary inflation rate, measured based on a long-term estimate of inflation and actual salary increases;
- employee turnover, calculated for each age band;
- retirement age, estimated separately for each individual based on the actual or estimated date on which employment first commenced and by reference to assumptions related to the law on pension reform, with a maximum age of 67 at retirement;
- the INSEE TH/TF 00-02 life expectancy table.

The effect of changes in these assumptions and experience adjustments (the effects of differences between the previous assumptions and actual outcomes) gives rise to actuarial gains and losses.

Plan assets are measured at fair value and the expected return on these assets is recognized in the income statement. The difference between the expected return on plan assets and the actual return gives rise to an actuarial gain or loss.

The group has chosen to immediately recognize actuarial gains and losses in the current-year income statement in the form of provisions, with no deferral over the remaining active lives of employees.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized in the income statement when the curtailment or settlement occurs.

Supplementary pensions covered by pension funds

Under the terms of the AFB transitional agreement dated September 13, 1993, the banking industry pension schemes were discontinued and bank employees joined the government-sponsored ARRCO and AGIRC schemes effective from January 1, 1994. The four pension funds to which CIC group banks contributed were merged. They pay the various benefits covered by the transitional agreement. In the event that fund assets are not sufficient to cover these benefit obligations, the banks are required to make additional contributions. The average contribution rate for the next ten years is capped at 4% of the payroll. The pension fund formed by the merger was converted into an IGRS, a French supplementary pension management institution, in 2009. It does not have an asset shortfall.

Other post-employment benefits covered by defined benefit plans

Provisions are set aside in the financial statements of the individual group companies for obligations in relation to retirement bonuses and supplementary pensions (including special retirement regimes). They are measured on the basis of the vested benefit entitlements of active employees. Staff turnover rates taken into account in the calculation correspond to the rates observed in each individual group entity. Account is also taken of projected future salary levels and the related payroll taxes. At least 60% of the obligations of the group's French banks relating to retirement bonuses are covered by insurance taken out with ACM Vie, a Crédit Mutuel group insurance company which is consolidated by CIC under the equity method.

Defined contribution post-employment benefits

Group entities pay into a number of retirement schemes managed by third parties. Under these schemes, group entities have no legal or constructive obligation to pay further contributions, in particular where plan assets are inadequate to fund future obligations.

As these schemes do not represent an obligation for the group, no provision is recorded and the related expenses are recognized in the income statement in the period in which the contribution is due.

Other long-term benefits

Other long-term benefits are employee benefits (other than post-employment benefits and termination benefits) which fall due more than 12 months after the end of the period in which the employees render the related services, such as long-service awards or time savings accounts.

The group's obligation in respect of other long-term benefits is measured using the projected unit credit method. However, actuarial losses are taken to the income statement as and when they arise as the corridor approach is not permitted.

Employees are granted long-service awards after 20, 30, 35 and 40 years of service. A provision is set aside for these awards.

Termination benefits

These benefits are granted by the group following the decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for such benefits. The related provisions are discounted when payment falls due more than twelve months after the end of the reporting period.

Short-term employment benefits

Short-term employee benefits are employee benefits (other than termination benefits) which fall due wholly within twelve months of the end of the reporting period, such as wages and salaries, social security contributions and certain bonuses.

An expense is recognized in respect of these benefits in the period in which the services giving rise to the benefits were provided to the entity.

Debt-equity distinction

Financial instruments issued by the group are classified as debt instruments when the group has a contractual obligation to deliver cash to holders of the instruments and when the remuneration of these instruments is not discretionary. This is the case with subordinated notes issued by the group.

Translation of assets and liabilities denominated in a foreign currency

Assets and liabilities denominated in a currency other than the local currency are translated at the year-end exchange rate.

Monetary financial assets and liabilities: foreign currency gains and losses on the translation of such items are recognized in the income statement under "Net gain/ (loss) on financial instruments at fair value through profit or loss".

Non-monetary financial assets and liabilities: foreign currency gains and losses on the translation of such items are recognized in the income statement if the items are classified at fair value through profit or loss under "Net gain/ (loss) on financial instruments at fair value through profit or loss", or under "Unrealized or deferred gains and losses" if they are classified as available-for-sale.

When consolidated investments denominated in a foreign currency are financed by a loan taken out in the same currency, the loan concerned is covered by a cash flow hedge.

Differences arising from the retranslation at the year-end rate of the opening capital stock, reserves and retained earnings are recorded as a separate component of shareholders' equity, under "Cumulative translation adjustment". The income statements of foreign subsidiaries are translated into euros at the average exchange rate for the year, and the resulting translation differences are recorded under "Cumulative translation adjustment". On liquidation or disposal of some or all of the interests held in a foreign entity, the corresponding portion of this cumulative translation adjustment is recognized through the income statement.

Insurance company contracts

The accounting policies and measurement methods specific to assets and liabilities arising on insurance contracts, including reinsurance contracts issued or subscribed, and financial contracts with a discretionary participation feature (under which policyholders are entitled to a share in the financial income generated in addition to guaranteed remuneration) are applied in accordance with IFRS 4.

Other assets held and liabilities issued by fully consolidated insurance companies are accounted for in accordance with the rules applicable to the group's other assets and liabilities. Accordingly, financial assets representing technical provisions related to unit-linked business are shown in "Financial assets at fair value through profit or loss", and the corresponding assets and liabilities are stated at the realizable value of the underlying items at the end of the reporting period.

Contracts falling within the scope of IFRS 4 continue to be recorded and consolidated in accordance with French GAAP, and are recognized and measured according to the same rules. However, a number of adjustments are made, in particular regarding the elimination of regulatory claims equalization provisions and the recognition of the deferred policyholders' surplus reserve in line with French regulations applicable to asset valuation differences. The deferred policyholders' surplus reserve relates mainly to unrealized gains and losses recognized in respect of assets in accordance with IAS 39. This corresponds to "shadow accounting" within the meaning of IFRS 4, since in order to reflect the share in these unrealized gains and losses, the discretionary participation feature is recognized in full under provisions rather than equity.

Besides movements in provisions reflected in liabilities, other transactions arising on these contracts are recognized and measured using the same rules. These include mainly policy acquisition costs, receivables and payables arising on the contracts, advances on policies and subrogations resulting from insurance and reinsurance contracts.

At the end of the reporting period, an adequacy test is performed on the liabilities recognized on these contracts (net of related other assets and liabilities such as deferred acquisition costs and acquired portfolios). This test ensures that the recognized insurance liabilities are adequate to cover estimated future cash flows under insurance contracts. If the test reveals that the technical provisions are inadequate, the deficiency is recognized in the income statement. It may subsequently be reversed, where appropriate.

A capitalization reserve is set up in the individual financial statements of the group's French companies on the sale of amortizable securities in order to defer part of the net realized gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, this capitalization reserve is eliminated. Changes during the year impacting the capitalization reserve and recorded in the income statement in the individual financial statements, are eliminated in the consolidated income statement. In accordance with IAS 12, a deferred tax liability is recognized in respect of the reclassification of the capitalization reserve within equity. However, when it is highly probable that this amount will be attributed to policyholders, notably in order to take account of policyholders' rights under certain insurance portfolios held by a number of group entities, a deferred policyholders' surplus is recorded following the restatement of the capitalization reserve.

Non-current assets held for sale and discontinued operations

A non-current asset (or group of assets) is classified in this category if it is held for sale and it is highly probable that the sale will occur within twelve months of the end of the reporting period.

The related assets and liabilities are shown separately in the statement of financial position, on the lines "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". Items in this category are measured at the lower of their carrying amount and fair value less costs to sell, and are no longer depreciated/amortized.

When assets held for sale or the associated liabilities become impaired, an impairment loss is recognized in the income statement.

Discontinued operations include operations that are held for sale or which have been shut down, and subsidiaries acquired exclusively with a view to resale. All gains and losses related to discontinued operations are shown separately in the income statement, on the line "Post-tax gain/ (loss) on discontinued operations and assets held for sale".

Basis of consolidation

Goodwill

In accordance with IFRS 3R, when CIC acquires a controlling interest in a new entity, said entity's identifiable assets, liabilities and contingent liabilities that meet the criteria for recognition under IFRS are measured at fair value at the acquisition date, with the exception of non-current assets classified as assets held for sale, which are recognized at fair value net of selling costs. IFRS 3R permits the recognition of full goodwill or partial goodwill and the choice of method is made separately for each business combination. In the case of full goodwill, non-controlling interests are measured at fair value, whereas in the case of partial goodwill, they are measured based on their share of the values attributed to the assets and liabilities of the acquired entity. If goodwill is positive, it is recognized as an asset and, if negative, it is recognized immediately in the income statement under "Positive net effect of business combinations".

If the group's stake in an entity it already controls increases/ decreases, the difference between the acquisition cost/selling price of the shares and the portion of consolidated equity that said shares represent on the acquisition/sale date is recognized within equity.

Goodwill is presented on a separate line of the statement of financial position when it relates to fully-consolidated companies and under the heading "Investments in affiliates" when it relates to equity-accounted companies.

Goodwill does not include direct expenses associated with acquisitions, which are required to be expensed under IFRS 3R.

Goodwill is tested for impairment regularly and at least once a year. The tests are designed to identify whether goodwill has suffered a prolonged decline in value. If the recoverable amount of the cash-generating unit (CGU) to which goodwill has been allocated is less than its carrying amount, an impairment loss is recognized for the amount of the difference. These impairment losses on goodwill – which are recognized through the income statement – cannot be reversed. In practice, cash-generating units are defined on the basis of the group's business lines.

Fair value adjustments

At the date of acquisition of a controlling interest in a new entity, the related assets, liabilities and contingent liabilities used in operations are measured at fair value. Fair value adjustments, corresponding to the difference between the carrying amount and fair value, are recognized in the consolidated financial statements.

Intercompany transactions and balances

Intercompany transactions and balances as well as gains on intercompany sales are eliminated whenever the amounts involved are material with regard to the consolidated financial statements.

Intercompany receivables, payables, reciprocal commitments, and income and expenses between fully or proportionally consolidated companies are also eliminated.

Foreign currency translation

The statements of financial position of foreign subsidiaries are translated into euros at the official year-end exchange rate. Differences arising from the retranslation at the year-end rate of the opening capital stock, reserves and retained earnings are recorded as a separate component of equity, under "Cumulative translation adjustment". The income statements of foreign subsidiaries are translated into euros at the average exchange rate for the year, and the resulting differences are recorded under "Cumulative translation adjustment". On liquidation or disposal of some or all of the interests held in a foreign entity, these amounts are recognized through the income statement.

As allowed by IFRS 1, the balance of cumulative translation adjustments was reset to zero in the opening statement of financial position.

Non-controlling interests

Non-controlling interests correspond to interests that do not confer control as defined by IAS 27 and include partnership interests that entitle their holders to a share in the net assets in the event of liquidation and other equity instruments issued by subsidiaries that are not held by the group.

Consolidation scope

Companies that are controlled exclusively by CIC are fully consolidated. Exclusive control is considered as being exercised in cases where the group holds a majority of the shares, directly or indirectly, and either the majority of the voting rights or the power to appoint the majority of members of the board of directors, management board or supervisory board, or when the group exercises a dominant influence.

Special purpose entities (SPE) are consolidated if they meet the conditions for consolidation set out in SIC 12 (where the activities are conducted exclusively on behalf of the group; the group has the decision-making powers to obtain the majority of the benefits of the activities of the SPE; the group has rights to obtain the majority of benefits; the group retains the majority of the risks related to the SPE).

Entities controlled exclusively by the group are included in the consolidation scope when their full consolidation individually affects at least 1% of the main consolidated statement of financial position and income statement items. Subsidiaries that are not consolidated must represent on aggregate less than 5% of the main consolidated statement of financial position and income statement items. However, smaller entities may be included in the consolidated group if (i) CIC considers they represent a strategic investment; (ii) one of their core businesses is the same as that of the group; or (iii) they hold shares in consolidated companies.

Companies over which the group exercises significant influence are accounted for using the equity method (affiliates). Significant influence is considered as being exercised in cases where CIC holds at least 20% of the voting rights, directly or indirectly.

Companies that are 20%-50% owned by the group's private equity businesses and over which the group has joint control or exercises significant influence are excluded from the scope of consolidation and accounted for under the fair value option.

Note 2 - Analysis of assets, liabilities and income statement items by business segment and geographic area

Principles used to analyze the bank's activities:

- Retail banking covers:

  a) the banking network comprised of the regional banks and CIC's network in the greater Paris region (Ile-de-France);

  b) the specialist business lines whose products are distributed via the banking network. These include equipment leasing, real estate leasing, factoring, third party fund management, employee savings plans and real estate. The insurance business – which is accounted for using the equity method – is included in this business segment.

- Financing and capital markets comprises:

  a) credit facilities for large corporates and institutional customers, specialized financing and international operations;

  b) capital markets operations, spanning customer and proprietary transactions, including brokerage services.

- Private banking encompasses all banks engaged primarily in wealth management, both within and outside France.
- Private equity conducts proprietary transactions and includes financial engineering services via dedicated entities. The entire portfolio is accounted for under the fair value option.
- Headquarters and holding company services comprise all unallocated activities.

Each consolidated company is included in only one business segment, corresponding to its core business in terms of contribution to CIC results, with the exception of CIC, whose individual accounts are allocated on a cost accounting basis.

Analysis of assets and liabilities by business segment

Assets

December 31, 2010	Retail banking	Financing and capital markets	Private banking	Private equity	HQ and holding company	Total
Cash and amounts due from central banks	322	3,978	449		654	5,403
Financial assets at fair value through profit or loss	100	26,729	113	1,653	6	28,601
Derivatives used for hedging purposes	35	84	8			127
Available-for-sale financial assets	363	14,755	4,818	3	583	20,522
Loans and receivables due from credit institutions (1)	2,597	12,697	7,155	6	20,454	42,909
Loans and receivables due from customers	106,940	13,881	6,063		578	127 462
Held-to-maturity financial assets	68	17	6			91
Investments in affiliates	1,374		1			1,375

(1) Of which €24,534 million due from BFCM.

December 31, 2009	Retail banking	Financing and capital markets	Private banking	Private equity	HQ and holding company	Total
Cash and amounts due from central banks	313	4,150	679			5,142
Financial assets at fair value through profit or loss	116	37,221	111	1,682	130	39,260
Derivatives used for hedging purposes	1,045	81	18			1,144
Available-for-sale financial assets	328	18,844	5,682	2	968	25,824
Loans and receivables due from credit institutions	2,674	11,405	9,967	1	2,851	26,898
Loans and receivables due from customers	100,122	15,220	4,760		617	120,719
Held-to-maturity financial assets	48	27	6			81
Investments in affiliates	1,171		1			1,172

Liabilities

December 31, 2010	Retail banking	Financing and capital markets	Private banking	Private equity	HQ and holding company	Total
Due to central banks			44			44
Financial liabilities at fair value through profit or loss	6	32,015	162		14	32,197
Derivatives used for hedging purposes	20	1,415	421		1	1,857
Due to credit institutions (1)	36,934	7,178	2,903	402	15,169	62,586
Due to customers	67,859	6,763	14,216		2,488	91,326
Debt securities	4,372	27,223	32			31,627

(1) Of which €44,400 million due to BFCM.

December 31, 2009	Retail banking	Financing and capital markets	Private banking	Private equity	HQ and holding company	Total
Due to central banks			1,265			1,265
Financial liabilities at fair value through profit or loss	13	47,339	94		12	47,458
Derivatives used for hedging purposes	1,046	1,638	445			3,129
Due to credit institutions	38,858	10,604	4,974	61	711	55,208
Due to customers	56,887	6,427	13,472		147	76,933
Debt securities	4,906	25,893	50			30,849

Analysis of income statement items by business segment

2010	Retail banking	Financing and capital markets	Private banking	Private equity	HQ and holding company	Total
Net banking income/(expense)	**3,280**	**960**	**404**	**191**	**(198)**	**4,637**
General operating expenses	(2,175)	(241)	(320)	(35)	(55)	(2 826)
Operating income/(loss) before provisions	**1,105**	**719**	**84**	**156**	**(253)**	**1,811**
Net additions to/reversals from provisions for loan losses	(267)	(171)	(15)		12	(441)
Net gains on disposals of other assets [1]	117		1		3	121
Income before tax	**955**	**548**	**70**	**156**	**(238)**	**1,491**

2009						
Net banking income/(expense)	**3,028**	**1,336**	**397**	**49**	**(123)**	**4,687**
General operating expenses	(2,142)	(244)	(303)	(28)	(54)	(2,771)
Operating income/(loss) before provisions	**886**	**1,092**	**94**	**21**	**(177)**	**1,916**
Net additions to/reversals from provisions for loan losses	(470)	(377)	1		(15)	(861)
Net gains on disposals of other assets [1]	91				5	96
Income before tax	**507**	**715**	**95**	**21**	**(187)**	**1,151**

(1) Including net income from affiliates (companies accounted for using the equity method) and impairment losses on goodwill.

Breakdown of assets and liabilities by geographic area

Assets

	December 31, 2010				December 31, 2009			
	France	**Europe excluding France**	**Other countries [1]**	**Total**	France	Europe excluding France	Other countries [1]	Total
Cash and amounts due from central banks	977	450	3,976	5,403	3,409	679	1,054	5,142
Financial assets at fair value through profit or loss	26,807	208	1,586	28,601	38,774	109	377	39,260
Derivatives used for hedging purposes	117	9	1	127	1,111	30	3	1,144
Available-for-sale financial assets	13,646	5,635	1,241	20,522	19,268	5,670	886	25,824
Loans and receivables due from credit institutions	32,606	7,257	3,046	42,909	13,889	10,005	3,004	26,898
Loans and receivables due from customers	117 371	7,014	3,077	127 462	111 495	6,349	2,875	120 719
Held-to-maturity financial assets	85	6	0	91	75	6	0	81
Investments in affiliates	1,254	121	0	1,375	1,052	120	0	1,172

Liabilities

Due to central banks	0	44	0	44	0	1,265	0	1,265
Financial liabilities at fair value through profit or loss	30,400	1,607	190	32,197	42,957	4,306	195	47,458
Derivatives used for hedging purposes	1,411	423	23	1,857	2,680	445	4	3,129
Due to credit institutions	50,634	8,069	3,883	62,586	44,528	8,547	2,133	55,208
Due to customers	77,513	12,900	913	91,326	63,538	12,542	853	76,933
Debt securities	13,837	9,985	7,805	31,627	14,395	11,403	5,051	30,849

(1) USA and Singapore.

Breakdown of income statement items by geographic area

	2010				2009			
	France	Europe excluding France	Other countries[1]	Total	France	Europe excluding France	Other countries[1]	Total
Net banking income/(expense)	3,931	376	330	4,637	4,011	375	301	4,687
General operating expenses	(2,512)	(254)	(60)	(2,826)	(2,470)	(247)	(54)	(2,771)
Operating income/(loss) before provisions	1,419	122	270	1,811	1,541	128	247	1,916
Net additions to/reversals from provisions for loan losses	(236)	(25)	(180)	(441)	(564)	(23)	(274)	(861)
Net gains on disposals of other assets [2]	119	2	(0)	121	87	9	(0)	96
Income before tax	1,302	99	90	1,491	1,064	114	(27)	1,151

(1) USA and Singapore.
(2) Including net income from affiliates (companies accounted for using the equity method) and impairment losses on goodwill.

Note 3 - Consolidation scope

Newly consolidated companies:

- Divhold;
- Diversified Debt Securities SICAV - SIF;
- Banque Transatlantique Singapore Private Ltd;
- Serficom Brasil Gestao de Recursos Ltda;
- Sodelem.

Mergers/absorptions:

- Transatlantique Finance with BLC Gestion;
- CIC Investissement Alsace with CIC Finance;
- CIC Investissement Est with CIC Investissement;
- CIC Investissement Nord with CIC Investissement;
- Sodelem with CM-CIC Bail.

Change of name:

- CIC Société Bordelaise became CIC Sud Ouest;
- BLC Gestion became Transatlantique Gestion;
- Serficom Family Office Ltda Rio became Serficom Family Office Brasil Gestao de Recursos Ltd.

Company	Currency		2010 Percentage Voting rights	2010 Percentage Interest	2010 Method *	2009 Percentage Voting rights	2009 Percentage Interest	2009 Method *
Consolidating company: CIC (Crédit Industriel et Commercial)								
A. Banking network								
Regional banks								
CIC Est		(i)	100	100	FC	100	100	FC
CIC Lyonnaise de Banque		(i)	100	100	FC	100	100	FC
CIC Nord Ouest		(i)	100	100	FC	100	100	FC
CIC Ouest		(i)	100	100	FC	100	100	FC
CIC Sud Ouest		(i)	100	100	FC	100	100	FC
B. Banking network subsidiaries								
Banca Popolare di Milano			5	5	EM	5	5	EM
CM-CIC Asset Management			24	24	EM	24	24	EM
CM-CIC Bail		(i)	99	99	FC	99	99	FC
CM-CIC Epargne salariale		(i)	100	100	FC	100	100	FC
CM-CIC Gestion		(i)	100	100	FC	100	100	FC
CM-CIC Laviolette Financement		(i)	100	100	FC	100	100	FC
CM-CIC Lease			54	54	FC	54	54	FC
CM-CIC Leasing Benelux			100	99	FC	100	99	FC
CM-CIC Leasing GMBH			100	99	FC	100	99	FC
Factocic			85	85	FC	51	51	FC
Saint-Pierre SNC		(i)	100	100	FC	100	100	FC
Sofim		(i)	100	100	FC	100	100	FC

Company	Currency		2010 Percentage Voting rights	2010 Percentage Interest	2010 Method *	2009 Percentage Voting rights	2009 Percentage Interest	2009 Method *
C. Financing and capital markets								
Cigogne Management			60	54	FC	60	54	FC
CM-CIC Securities	(i)		100	100	FC	100	100	FC
Diversified Debt Securities SICAV - SIF			100	72	FC	-	-	NC
Divhold			100	72	FC	-	-	NC
D. Private banking								
Agefor SA Genève	CHF		70	70	FC	70	70	FC
Alternative Gestion SA Genève	CHF		45	62	EM	45	62	EM
Banque de Luxembourg			72	72	FC	72	72	FC
Banque Pasche	CHF		100	100	FC	100	100	FC
Banque Pasche (Liechtenstein) AG	CHF		53	53	FC	53	53	FC
Banque Pasche Monaco SAM			100	100	FC	100	100	FC
Banque Transatlantique Belgium			100	98	FC	100	98	FC
Banque Transatlantique Luxembourg			60	60	FC	60	60	FC
Banque Transatlantique Singapore Private Ltd	SGD		100	100	FC	-	-	NC
Calypso Management Company	USD		70	70	FC	70	70	FC
CIC Banque Transatlantique		(i)	100	100	FC	100	100	FC
CIC Suisse	CHF		100	100	FC	100	100	FC
Dubly-Douilhet			63	63	FC	63	63	FC
GPK Finance			100	100	FC	89	89	FC
LRM Advisory SA	USD		70	70	FC	70	70	FC
Pasche Bank & Trust Ltd	CHF		100	100	FC	100	100	FC
Pasche Finance SA	CHF		100	100	FC	100	100	FC
Pasche Fund Management Ltd	USD		100	100	FC	100	100	FC
Pasche International Holding Ltd	CHF		100	100	FC	100	100	FC
Pasche SA Montevideo	UYU		100	100	FC	100	100	FC
Serficom Brasil Gestao de Recursos Ltda	BRL		52	52	FC	-	-	NC
Serficom Family Office Brasil Gestao de Recursos Ltda	BRL		52	52	FC	52	52	FC
Serficom Family Office Inc	USD		100	100	FC	100	100	FC
Serficom Family Office SA, Genève	CHF		100	100	FC	100	100	FC
Serficom Investment Consulting (Shanghaï) Ltd	RMB		100	100	FC	100	100	FC
Serficom Maroc Sarl	MAD		100	100	FC	100	100	FC
Transatlantique Finance		(i)	-	-	MER	100	100	FC
Transatlantique Gestion		(i)	100	100	FC	100	100	FC
Valeroso Management Ltd	USD		100	100	FC	45	62	EM
E. Private equity								
CIC Banque de Vizille			98	98	FC	94	94	FC
CIC Finance		(i)	100	100	FC	100	100	FC
CIC Investissement			100	100	FC	100	100	FC
CIC Investissement Alsace			-	-	MER	100	100	FC
CIC Investissement Est			-	-	MER	100	100	FC
CIC Investissement Nord			-	-	MER	100	100	FC
IPO			100	100	FC	100	100	FC
IPO Ingénierie			100	100	FC	100	100	FC
Financière Voltaire			100	100	FC	100	100	FC
Sudinnova			63	62	FC	57	54	FC
Vizille Capital Finance			100	98	FC	100	94	FC

Company	Currency		2010 Percentage Voting rights	Interest	Method *	2009 Percentage Voting rights	Interest	Method *
Vizille Capital Innovation			100	98	FC	100	94	FC
Vizille de Participations			100	98	FC	100	97	FC
F. HQ, holding company services and logistics								
Adepi		(i)	100	100	FC	100	100	FC
CIC Migrations		(i)	100	100	FC	100	100	FC
CIC Participations		(i)	100	100	FC	100	100	FC
Cicor		(i)	100	100	FC	100	100	FC
Cicoval		(i)	100	100	FC	100	100	FC
Efsa		(i)	100	100	FC	100	100	FC
Gesteurop		(i)	100	100	FC	100	100	FC
Gestunion 2		(i)	100	100	FC	100	100	FC
Gestunion 3		(i)	100	100	FC	100	100	FC
Gestunion 4		(i)	100	100	FC	100	100	FC
Impex Finance		(i)	100	100	FC	100	100	FC
Marsovalor		(i)	100	100	FC	100	100	FC
Pargestion 2		(i)	100	100	FC	100	100	FC
Pargestion 4		(i)	100	100	FC	100	100	FC
Placinvest		(i)	100	100	FC	100	100	FC
Sofiholding 2		(i)	100	100	FC	100	100	FC
Sofiholding 3		(i)	100	100	FC	100	100	FC
Sofiholding 4		(i)	100	100	FC	100	100	FC
Sofinaction		(i)	100	100	FC	100	100	FC
Ufigestion 2		(i)	100	100	FC	100	100	FC
Ugépar Service		(i)	100	100	FC	100	100	FC
Valimar 2		(i)	100	100	FC	100	100	FC
Valimar 4		(i)	100	100	FC	100	100	FC
VTP1		(i)	100	100	FC	100	100	FC
VTP5		(i)	100	100	FC	100	100	FC
G. Insurance companies								
Groupe des Assurances du Crédit Mutuel (GACM)**			21	21	EM	21	21	EM

** Method: FC = full consolidation; EM = equity method; NC = not consolidated; MER = merged.*
*** Based on the consolidated financial statements.*
(i) = Members of the tax consolidation group set up by Crédit Industriel et Commercial.

Notes to the statement of financial position - Assets

Note 4 - Cash, amounts due from central banks and loans and receivables due from credit institutions

	Dec. 31, 2010	Dec. 31, 2009
Cash and amounts due from central banks		
Central banks	5,062	4,794
Of which, mandatory reserves	*667*	*1,761*
Cash	341	348
TOTAL	**5,403**	**5,142**
Loans and receivables due from credit institutions		
Current accounts	8,163	6,201
Loans	26,125	11,604
Other receivables	1,433	1,623
Securities not quoted on an active market	4,449	5,590
Resale agreements	1,742	854
Individually-impaired receivables	1,267	1,219
Accrued interest	79	68
Provisions	(349)	(261)
TOTAL	**42,909**	**26,898**
Including non-voting loan stock	*159*	*215*
Including subordinated loans[1]	*762*	*763*

(1) Including a €750 million perpetual subordinated loan to BFCM.

Note 5 - Financial assets at fair value through profit or loss

	Dec. 31, 2010	Dec. 31, 2009
Financial assets at fair value through profit or loss by option	10,323	17,044
Financial assets held for trading	18,278	22,216
TOTAL	**28,601**	**39,260**

Note 5a - Financial assets accounted for under the fair value option

	Dec. 31, 2010	Dec. 31, 2009
Securities		
Government securities	9	33
Bonds and other fixed-income securities		
- Quoted	121	268
- Not quoted	0	0
Equities and other variable-income securities[1]		
- Quoted	202	257
- Not quoted	1,543	1,511
Derivatives held for trading	0	0
Other financial assets		
- Resale agreements	8,448	14,974
- Other loans and term deposits	0	1
TOTAL	**10,323**	**17,044**

(1) Securities relating to the private equity business are measured at fair value through profit or loss and represent almost all of this line.

Note 5b - Financial assets held for trading

	Dec. 31, 2010	Dec. 31, 2009
Securities		
Government securities	2,766	4,755
Bonds and other fixed-income securities		
- Quoted	11,948	12,301
- Not quoted	0	0
Equities and other variable-income securities		
- Quoted	1,171	2,241
- Not quoted	0	0
Derivatives held for trading	2,393	2,919
TOTAL	**18,278**	**22,216**

Financial assets held for trading relate to financial assets held in connection with capital markets activities.

Note 5c - Analysis of derivative instruments

	Dec. 31, 2010			Dec. 31, 2009		
	Notional amount	**Assets**	**Liabilities**	Notional amount	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
- Swaps	274,792	1,585	3,473	274,660	1,705	3,809
- Futures and forward contracts	9,489	4	0	10,597	24	1
- Options	47,824	187	182	59,216	321	321
Foreign currency derivatives						
- Swaps	184,422	39	85	169,015	21	43
- Futures and forward contracts	16,068	83	67	11,263	111	91
- Options	15,909	166	166	14,284	152	152
Other derivatives						
- Swaps	22,289	276	347	23,699	289	231
- Futures and forward contracts	3,598	0	0	6,045	0	3
- Options	1,613	53	67	14,366	296	142
Sub-total	**576,004**	**2,393**	**4,387**	**583,145**	**2,919**	**4,793**
Derivatives used for hedging purposes						
Derivatives designated as fair value hedges						
- Swaps	13,847	125	1,838	24,041	1,143	3,117
- Futures and forward contracts	0	0	0	0	0	0
- Options	2	0		14	1	
Derivatives designated as cash flow hedges						
- Swaps	0	2	19	86	0	12
- Futures and forward contracts	0			0		
- Options	0	0		0	0	
Sub-total	**13,849**	**127**	**1,857**	**24,141**	**1,144**	**3,129**
TOTAL	**589,853**	**2,520**	**6,244**	**607,286**	**4,063**	**7,922**

Note 5d - Fair value hierarchy

	Dec. 31, 2010			
	Level 1	Level 2	Level 3	Total
Financial assets				
Available for sale (AFS)				
- Government securities and similar instruments	11,464	0	0	11,464
- Bonds and other fixed-income securities	6,783	1,109	197	8,089
- Equities, portfolio activity securities and other variable-income securities	152	0	24	176
- Investments and other long-term securities	425	7	174	606
- Investments in affiliates	0	24	163	187
Trading / Fair value by option				
- Government securities and similar instruments - Trading	2,634	132	0	2,766
- Government securities and similar instruments - Fair value by option	9	0	0	9
- Bonds and other fixed-income securities - Trading	8,924	1,455	1,569	11,948
- Bonds and other fixed-income securities - Fair value by option	118	3	0	121
- Equities and other variable-income securities - Trading	1,157	0	14	1,171
- Equities and other variable-income securities - Fair value by option	178	0	1,567	1,745
- Loans and receivables due from credit institutions - Fair value by option	0	4,076	0	4,076
- Loans and receivables due from customers - Fair value by option	0	4,372	0	4,372
- Derivatives and other financial assets - Trading	30	2,271	92	2,393
Derivatives used for hedging purposes	3	122	2	127
TOTAL	**31,877**	**13,571**	**3,802**	**49,250**

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Trading / Fair value by option				
- Due to credit institutions - Fair value by option	0	23,562	0	23,562
- Due to customers - Fair value by option	0	1,151	0	1,151
- Debt securities - Fair value by option	0	473	0	473
- Subordinated notes - Fair value by option	0	0	0	0
- Derivatives and other financial liabilities - Trading	2,659	4,311	41	7,011
Derivatives used for hedging purposes	3	1,835	19	1,857
TOTAL	**2,662**	**31,332**	**60**	**34,054**

Level 1: use of market price – for capital markets activities, this concerns debt securities that are quoted by at least three contributors and derivatives quoted on an organized market.

Level 2: use of valuation techniques based mainly on observable data – includes, for capital markets activities, debt securities that are quoted by two contributors and over-the-counter derivatives not included in level 3.

Level 3: use of valuation techniques based mainly on non-observable data – includes unquoted equities and, for capital markets activities, debt securities that are quoted by a single contributor and derivatives valued mainly using non-observable parameters.

The definition of the levels was fine-tuned during 2009, resulting in immaterial reclassifications between levels 2 and 3. Similarly, available-for-sale financial assets have been included this year.

Breakdown of level 3 - Equities and other variable-income securities - Fair value by option

	Jan. 1, 2010	Purchases	Sales	Gains and losses recorded in profit and loss	Other movements	Dec. 31, 2010
Equities and other variable-income securities - Fair value by option	1,536	262	(387)	168	(12)	**1,567**

	Dec. 31, 2009			
	Level 1	Level 2	Level 3	Total
Financial assets				
Available for sale (AFS)				
- Government securities and similar instruments	15,032	0	0	15,032
- Bonds and other fixed-income securities	7,143	1,630	1,025	9,798
- Equities, portfolio activity securities and other variable-income securities	202	0	0	202
- Investments and other long-term securities	418	75	130	623
- Investments in affiliates	0	56	113	169
Trading / Fair value by option				
- Government securities and similar instruments - Trading	4,658	97	0	4,755
- Government securities and similar instruments - Fair value by option	33	0	0	33
- Bonds and other fixed-income securities - Trading	8,312	3,548	440	12,300
- Bonds and other fixed-income securities - Fair value by option	135	117	16	268
- Equities and other variable-income securities - Trading	2,225	0	16	2,241
- Equities and other variable-income securities - Fair value by option	232	0	1,536	1,768
- Loans and receivables due from credit institutions - Fair value by option	0	7,363	0	7,363
- Loans and receivables due from customers - Fair value by option	0	7,612	0	7,612
- Derivatives and other financial assets - Trading	281	2,472	167	2,920
Derivatives used for hedging purposes	0	1,144	0	1,144
TOTAL	**38,671**	**24,114**	**3,443**	**66,228**
Financial liabilities				
Trading / Fair value by option				
- Due to credit institutions - Fair value by option	0	27,293	0	27,293
- Due to customers - Fair value by option	0	7,192	0	7,192
- Debt securities - Fair value by option	0	3,670	0	3,670
- Subordinated notes - Fair value by option	0	0	0	0
- Derivatives and other financial liabilities - Trading	4,617	4,664	22	9,303
Derivatives used for hedging purposes	0	3,119	10	3,129
TOTAL	**4,617**	**45,938**	**32**	**50,587**

Note 6 - Derivatives used for hedging purposes

	Dec. 31, 2010		Dec. 31, 2009	
	Assets	**Liabilities**	Assets	Liabilities
Derivatives designated as cash flow hedges	2	19	0	12
Of which, changes in value recognized in equity	*2*	*19*	*0*	*12*
Of which, changes in value recognized in income				
Derivatives designated as fair value hedges	125	1 838	1,144	3,117
TOTAL	**127**	**1,857**	**1,144**	**3,129**

A fair value hedge is a hedge of the exposure to changes in the fair value of a financial instrument attributable to a specific risk. Changes in the fair value of the hedging instrument and the hedged item, for the portion attributable to the risk being hedged, are taken to income.

Note 7 - Available-for-sale financial assets

	Dec. 31, 2010	Dec. 31, 2009
Government securities	11,321	14,861
Bonds and other fixed-income securities		
- Quoted	7,672	9,428
- Not quoted	372	312
Equities and other variable-income securities		
- Quoted	118	143
- Not quoted	63	64
Long-term investments		
- Investments in non-consolidated companies		
Quoted	160	157
Not quoted	73	74
- Other long-term securities		
Quoted	242	262
Not quoted	130	129
- Investments in affiliates		
Quoted	0	0
Not quoted	183	164
- Cumulative translation adjustment	0	0
Accrued interest	188	230
TOTAL	**20,522**	**25,824**
Of which, unrealized gains and losses on bonds and other fixed-income securities and on government securities recognized directly in equity	*(613)*	*(462)*
Of which, unrealized gains and losses on equities and other variable-income securities and on long-term investments recognized directly in equity	*112*	*102*
Of which, impairment of bonds and other fixed-income securities	*(4)*	*(2)*
Of which, impairment of equities and other variable-income securities and of long-term investments	*(304)*	*(363)*

Long-term investments mainly comprise:

- **investments in non-consolidated companies totaling €233 million,** which essentially consist of shares in Banca Di Legnano (€80 million) and Foncières des Régions (€78 million);
- **other long-term securities totaling €372 million,** which essentially consist of shares in Véolia Environnement (€222 million).

Impairment of equities

Equity holdings were reviewed in order to identify any impairment losses. Impairment provisions are raised for quoted equities in the event of a significant or prolonged decline in the share price to below its cost.

Impairment losses recognized in the income statement totaled €21 million in 2010 compared with €22 million in 2009.

At December 31, 2010, the cost of impaired equities came to €721 million and the corresponding impairment amounted to €304 million. They had a market value of €417 million.

Note 7a - List of main investments in non-consolidated companies

		% held	Shareholders' equity	Total assets	Net banking income or sales	Net income
Foncière des Régions	Quoted	< 5%	4,807	13,953	991	(464)
Veolia Environnement	Quoted	< 5%	10,131	49,817	34,551	842
Banca di Legnano [1]	Not quoted	< 10%	1,187	4,709	180	31
Crédit logement	Not quoted	< 5%	1,475	11,810	226	120

(1) Banca di Legnano is 93.51%-owned by BPM.

The figures above relate to fiscal year 2009 (except those for the percentage interest held).

Note 8 - Loans and receivables due from customers

	Dec. 31, 2010	Dec. 31, 2009
Performing loans		
Commercial loans	3,530	3,261
Of which, factoring accounts	*1,973*	*1,680*
- Other loans and receivables		
- Home loans	60,182	55,880
- Other loans and miscellaneous receivables	52,275	50,729
- Resale agreements	935	842
Accrued interest	270	258
Securities not quoted in an active market	417	358
Individually-impaired receivables	4,458	4,575
Individual impairment	(2,463)	(2,401)
Collective impairment	(155)	(181)
Sub-total	**119,449**	**113,321**
Finance leases (net investment)		
- Equipment	5,218	4,897
- Real estate	2,748	2,461
Individually-impaired receivables	177	149
Individual impairment	(130)	(109)
Sub-total	**8,013**	**7,398**
Total	**127,462**	**120,719**
Including non-voting loan stock	*7*	*6*
Including subordinated loans	*12*	*166*

Loans and receivables due from customers increased by 5.6%, comprising a rise of €4,302 million or 7.7% in home loans compared with December 31, 2009 and a rise of 3% in other loans and miscellaneous receivables.

Finance lease transactions	Jan. 1, 2010	Acquisitions	Disposals	Other	Dec. 31, 2010
Gross	7,507	1,465	(1,500)	671	8,143
Impairment of non-recoverable lease payments	(109)	(35)	25	(11)	(130)
Net	**7,398**	**1,430**	**(1,475)**	**660**	**8,013**

Maturity analysis of minimum future lease payments receivable under finance leases	1 year or less	More than 1 year and less than 5 years	More than 5 years	Total
Minimum future lease payments receivable	2,627	4,342	1,547	8,516
Present value of future lease payments	2,445	4,135	1,532	8,112
Unearned finance income	**182**	**207**	**15**	**404**

Note 9 - Remeasurement adjustment on interest rate risk hedged portfolios

	Dec. 31, 2010		Dec. 31, 2009		Change in fair value	
	Assets	Liabilities	Assets	Liabilities		
Fair value of portfolio interest rate risk	601	(801)	524	(711)	77	(90)

Note 10 - Held-to-maturity financial assets

	Dec. 31, 2010	Dec. 31, 2009
Securities		
Government securities	0	0
Bonds and other fixed-income securities	103	80
Accrued interest	0	1
TOTAL GROSS	**103**	**81**
Provisions for impairment	(12)	0
TOTAL NET	**91**	**81**

Held-to-maturity financial assets relate to securities with fixed or determinable payments and fixed maturity that the group has the intention and ability to hold to maturity.

Note 10a - Movements in provisions for impairment

	Jan. 1, 2010	Additions	Reversals	Other	Dec. 31, 2010
Loans and receivables due from credit institutions	(261)	(130)	61	(19)	(349)
Loans and receivables due from customers	(2,691)	(754)	697	(0)	(2,748)
Available-for-sale securities	(364)	(21)	80	(3)	(308)
Held-to-maturity securities	0	(12)	0	0	(12)
TOTAL	**(3,316)**	**(917)**	**838**	**(22)**	**(3,417)**

Note 10b - Financial instruments - Reclassifications

Pursuant to the revised accounting regulations and in the rare situation of a market that was in total disarray, on July 1, 2008, CIC transferred €18.8 billion of assets from the trading portfolio into the available-for-sale portfolio (€16.1 billion) and into the loans and receivables portfolio (€2.7 billion), and €5.5 billion from the available-for-sale portfolio into the loans and receivables portfolio.

	2010	2009
Carrying amount of assets reclassified	**14,642**	**20,171**
Loans and receivables portfolio	5,358	6,581
AFS portfolio	9,284	13,590
Fair value of assets reclassified	**14,362**	**19,882**
Loans and receivables portfolio	5,078	6,292
AFS portfolio	9,284	13,590

	2010	2009
Gains/(losses) that would have been recognized in the income statement at fair value if the assets had not been reclassified	140	1,468
Unrealized gains/(losses) that would have been recognized in equity if the assets had not been reclassified	(150)	(867)
Gains/(losses) recognized in income (net banking income and net additions to/reversals from provisions for loan losses) relating to reclassified assets	20	(410)

Note 10c - Exposures linked to the financial crisis

As requested by the banking supervisor and the markets regulator, an analysis is provided below of exposures linked to the financial crisis.

The portfolios were valued at market price based on external data sourced from organized markets, leading brokers or, when no price was available, based on comparable securities quoted in the market.

All balances are expressed in millions of euros.

1/ Securitization

Overall exposure	**Carrying amount Dec. 31, 2010**	**Cost Dec. 31, 2010**	Carrying amount Dec. 31, 2009
RMBS	5,579	6,197	5,387
CMBS	458	480	198
CLO	1,887	1,896	1,806
Other ABS	828	830	1,459
CLO hedged by CDS	833	972	925
Other ABS hedged by CDS	49	56	28
Liquidity lines	334		298
TOTAL	**9,968**	**10,431**	**10,101**

Unless otherwise indicated, securities are not hedged by CDS.

1-1 Residential mortgage-backed securities (RMBS) exposures

RMBS	**Carrying amount Dec. 31, 2010**	**Cost Dec. 31, 2010**	Carrying amount Dec. 31, 2009
Trading	1,819	1,828	1,067
Available For Sale	1,835	1,900	1,959
Loans	1,925	2,469	2,361
TOTAL	**5,579**	**6,197**	**5,387**
France	14	16	18
Europe excluding France	2,803	2,884	2,777
United States	2,366	2,892	2,082
Other	396	405	510
TOTAL	**5,579**	**6,197**	**5,387**
Agencies	1,075	1,064	688
AAA	2,984	3,026	3,080
AA	322	340	263
A	69	91	85
BBB	71	108	27
BB	43	51	42
B or below	1,015	1,517	1,194
Not rated	0	0	8
TOTAL	**5,579**	**6,197**	**5,387**

Exposures to RMBS issued in the United States

Breakdown of United States RMBS	**Carrying amount Dec. 31, 2010**	**Cost Dec. 31, 2010**	Carrying amount Dec. 31, 2009
Origination 2005 and earlier	461	590	529
Origination 2006	603	769	716
Origination 2007	593	820	722
Origination since 2008	709	713	115
TOTAL	**2,366**	**2,892**	**2, 082**

Guarantees received from insurance monoliners on United States RMBS

Commitments on monoline insurer	Carrying amount Dec. 31, 2010	Cost Dec. 31, 2010	Carrying amount Dec. 31, 2009
Ambac	15	15	22
MBIA	4	4	4
FGIC	21	49	35
TOTAL	**40**	**68**	**61**

1-2 CMBS (commercial mortgage-backed securities) exposures

CMBS	Carrying amount Dec. 31, 2010	Cost Dec. 31, 2010	Carrying amount Dec. 31, 2009
Trading	306	310	14
Available for sale	147	164	177
Loans	5	6	7
TOTAL	**458**	**480**	**198**
France	1	2	1
Europe excluding France	84	96	79
United States	291	293	
Other	82	89	118
TOTAL	**458**	**480**	**198**
AAA	346	351	82
AA	92	104	112
Other	20	25	4
TOTAL	**458**	**480**	**198**

1-3 ABS (asset-backed securities) exposures

1-3-1 Collateralized loan obligations (CLO)

These break down as follows:

CLO not hedged by CDS	Carrying amount Dec. 31, 2010	Cost Dec. 31, 2010	Carrying amount Dec. 31, 2009
Trading	23	22	
AFS	29	29	33
Loans	1,835	1,845	1,773
TOTAL	**1,887**	**1,896**	**1,806**
France	0	0	
Europe excluding France	889	892	801
United States	998	1,004	62
Other	0	0	943
TOTAL	**1,887**	**1,896**	**1,806**
Agencies	0	0	
AAA	1,070	1,076	1,434
AA	600	605	322
Other	217	215	50
TOTAL	**1,887**	**1,896**	**1,806**

1-3-2 Other ABS exposures

These break down as follows:

Other ABS not hedged by CDS	Carrying amount Dec. 31, 2010	Cost Dec. 31, 2010	Carrying amount Dec. 31, 2009
Trading	343	342	689
Available for sale	287	290	528
Loans	198	198	242
TOTAL	**828**	**830**	**1,459**
France	407	406	559
Europe excluding France	377	380	830
United States	0	0	
Other	44	44	70
TOTAL	**828**	**830**	**1,459**
AAA	601	598	1,180
AA	56	55	75
A	7	7	13
BBB	151	151	191
BB	13	19	
TOTAL	**828**	**830**	**1,459**

1-3-3 Exposures hedged by CDS

As at December 31, 2010, CLO outstandings hedged by CDS totaled €833 million. Other ABS hedged by CDS totaled €49 million.

1-4 Transactions with special purpose vehicles

As at December 31, 2010, the liquidity lines granted to three such funds totaled €334 million.

2/ Leveraged buy out (LBO) exposures

	Carrying amount Dec. 31, 2010	Carrying amount Dec. 31, 2009
Analysis of dedicated financing structures by country		
France	1,548	1,241
Europe excluding France	376	466
United States	127	140
Other	70	50
TOTAL	**2,121**	**1,897**
Analysis of dedicated financing structures by business segment (%)		
Industrial transport	28	10
Industrial goods and services	16	24
Health	9	13
Construction	9	10
Travel and leisure	9	10
Telecommunications	6	7
Other < 5%	23	26
TOTAL	**100**	**100**

Note 11 - Current or payable taxes

	Dec. 31, 2010	Dec. 31, 2009
Assets	504	507
Liabilities	181	171

Current income tax expense is calculated based on the tax rules and tax rates applicable in each country where the group has operations for the period in which the related revenue was earned.

Note 12 - Deferred taxes

	Dec. 31, 2010	Dec. 31, 2009
Deferred tax assets dealt with through the income statement	523	488
Deferred tax assets dealt with through equity	244	199
Deferred tax liabilities dealt with through the income statement	126	117
Deferred tax liabilities dealt with through equity	23	19

	2010		2009	
Analysis of deferred taxes (income statement) by major category	**Assets**	**Liabilities**	Assets	Liabilities
Temporary differences on:				
Provisions	302		244	
Leasing reserves		(112)		(69)
Income from flow-through entities		(4)		(3)
Remeasurement of financial instruments	603	(616)	658	(729)
Accrued expenses and accrued income	24		49	
Tax losses carried forward (1)	241		259	
Other temporary differences	1	(42)	3	(41)
Netting	**(648)**	**648**	**(725)**	**725**
Total deferred tax assets and liabilities	**523**	**(126)**	**488**	**(117)**

(1) Of which, in respect of the United States: €176 million in 2010 and €220 million in 2009.

Deferred taxes are calculated using the liability method. Tax losses are a source of deferred tax assets to the extent that they have a high probability of recovery. The deferred tax rate for the French companies is 34.43%, corresponding to the statutory tax rate.

Note 13 - Accruals and other assets

	Dec. 31, 2010	Dec. 31, 2009
Accruals		
Collection accounts	238	422
Currency adjustment accounts	13	411
Accrued income	370	337
Other accruals	1,433	1,517
Sub-total	**2,054**	**2,687**
Other assets		
Securities settlement accounts	53	70
Miscellaneous receivables	9,527	8,780
Inventories and similar	2	2
Other	24	8
Sub-total	**9,606**	**8,860**
TOTAL	**11,660**	**11,547**

Miscellaneous receivables essentially comprise the balance on interbank payment systems suspense accounts together with guarantee deposits relating to CIC trading desks.

The accruals accounts are also composed mainly of suspense accounts relating to interbank payment systems, in particular SIT.

Accrued expenses and accrued income consist of payroll costs and general operating expenses, but do not include accrued interest not yet due on loans and borrowings, which is recognized as related accrued interest.

Note 14 - Investments in affiliates - Share of net assets of affiliates

	Dec. 31, 2010			Dec. 31, 2009		
	Shareholding	**Reserves**	**Net income**	Shareholding	Reserves	Net income
Groupe ACM [(1)] - Not quoted	20.52%	1,089	113	20.52%	967	75
Banca Popolare di Milano [(1)] - Quoted	4.52%	160	1	4.52%	111	8
CM-CIC Asset Management - Not quoted	23.53%	9	2	23.52%	9	1
Alternative Gestion SA Genève - Not quoted	62.00%	1		62.00%	1	
TOTAL		**1,259**	**116**		**1,088**	**84**

(1) Comprises as from this fiscal year goodwill of €54 million for Groupe ACM and of €42 million for Banca Popolare di Milano (see note 18).

Note 15 - Investment property

	Jan. 1, 2010	Increases	Decreases	Other movements	**Dec. 31, 2010**
Historical cost	37	2	(0)	0	39
Depreciation and impairment	(15)	(1)	0	(0)	(16)
Net	**22**	**1**	**(0)**	**0**	**23**

The fair value of investment property carried at amortized cost is comparable to its carrying amount.

Note 16 - Property and equipment

	Jan. 1, 2010	Increases	Decreases	Other movements	**Dec. 31, 2010**
Historical cost					
Land used in operations	347	3	(5)	4	349
Buildings used in operations	2,176	102	(29)	10	2,259
Other property and equipment	665	43	(48)	(1)	659
TOTAL	**3,188**	**148**	**(82)**	**13**	**3,267**
Depreciation and impairment					
Land used in operations	0	0	0	0	0
Buildings used in operations	(1,080)	(112)	22	(5)	(1,175)
Other property and equipment	(481)	(40)	40	(5)	(486)
TOTAL	**(1,561)**	**(152)**	**62**	**(10)**	**(1,661)**
Net	**1,627**	**(4)**	**(20)**	**3**	1 606
Of which, property held under finance leases					
Land used in operations	45	0	(45)	0	0
Buildings used in operations	37	(1)	(36)	(0)	0
TOTAL	**82**	**(1)**	**(81)**	**0**	**0**

Note 17 - Intangible assets

	Jan. 1, 2010	Increases	Decreases	Other movements	Dec. 31, 2010
Historical cost					
Internally developed intangible assets	1	0	0	(0)	1
Purchased intangible assets	356	35	(14)	27	404
- Software	*74*	*21*	*(10)*	*9*	*94*
- Other	*282*	*14*	*(4)*	*18*	*310*
TOTAL	**357**	**35**	**(14)**	**27**	**405**
Amortization and impairment					
Internally developed intangible assets		(1)	0	(0)	(1)
Purchased intangible assets	(86)	(26)	11	(4)	(105)
- Software	*(38)*	*(10)*	*10*	*(0)*	*(38)*
- Other	*(48)*	*(16)*	*1*	*(4)*	*(67)*
TOTAL	**(86)**	**(27)**	**11**	**(4)**	**(106)**
Net	**271**	**8**	**(3)**	**23**	**299**

Note 18 - Goodwill

	Jan. 1, 2010	Increases	Decreases	Other movements (1)	Dec. 31, 2010
Gross value	172	1	0	(87)	86
Impairment	0	0	0	0	0
Carrying amount	**172**	**1**	**0**	**(87)**	**86**

(1) Other movements resulted from:
- the transfer of goodwill in respect of affiliates (Groupe ACM: €54 million and Banca Popolare di Milano: €42 million) to the carrying amount of investments in affiliates (see note 14); and
- changes in exchange rates (€8 million).

	Jan. 1, 2010	Increases	Decreases	Other movements	Dec. 31, 2010
Banca Popolare di Milano (BPM)	42			(42)	0
CIC Banque Transatlantique	6				6
CIC Private Banking - Banque Pasche	44	1		9	54
GPK Finance	5				5
Groupe ACM	54			(54)	0
IPO	21				21
TOTAL	**172**	**1**	**0**	**(87)**	**86**

Notes to the statement of financial position - Liabilities

Note 19 - Due to central banks - Due to credit institutions

	Dec. 31, 2010	Dec. 31, 2009
Central banks	44	1,265
Due to credit institutions		
Current accounts	2,738	1,691
Other borrowings [1]	55,491	51,125
Repurchase agreements	4,193	2,220
Accrued interest	164	172
TOTAL	**62,586**	**55,208**

(1) Including €44,190 million due to BFCM.

Note 20 - Financial liabilities at fair value through profit or loss

	Dec. 31, 2010	Dec. 31, 2009
Financial liabilities held for trading	7,011	9,303
Financial liabilities accounted for under the fair value option	25,186	38,155
TOTAL	**32,197**	**47,458**

Note 20a - Financial liabilities held for trading

	Dec. 31, 2010	Dec. 31, 2009
Short sales of securities		
- Government securities	1	-
- Bonds and other fixed-income securities	1,315	3,495
- Equities and other variable-income securities	548	673
Debts in respect of securities sold under repurchase agreements		
Derivatives held for trading	4,387	4,793
Other financial liabilities held for trading	760	342
- Of which, debts in respect of borrowed securities	*760*	*342*
TOTAL	**7,011**	**9,303**

Note 20b - Financial liabilities accounted for under the fair value option

	Dec. 31, 2010			Dec. 31, 2009		
	Carrying amount	Amount due on maturity	Difference	Carrying amount	Amount due on maturity	Difference
Securities issued	473	473	0	3,670	3,668	2
Subordinated notes	0	0	0	0	0	0
Interbank borrowings [1]	23,562	23,555	7	27,293	27,276	18
Amounts due to customers [1]	1,151	1,151	0	7,192	7,192	0
TOTAL	**25,186**	**25,179**	**7**	**38,155**	**38,136**	**20**

(1) The carrying amount of debt securities given under repurchase agreements came to €23,741 million at December 31, 2010 compared with €33,943 million at December 31, 2009.

Note 21 - Due to customers

	Dec. 31, 2010	Dec. 31, 2009
Regulated savings accounts		
- Demand	19,865	18,304
- Term	7,275	6,947
Accrued interest	13	18
Sub-total	**27,153**	**25,269**
Current accounts	35,190	30,490
Term deposits and borrowings	27,695	18,772
Repurchase agreements	678	1,876
Accrued interest	610	526
Sub-total	**64,173**	**51,664**
TOTAL	**91,326**	**76,933**

Note 22 - Debt securities

	Dec. 31, 2010	Dec. 31, 2009
Retail certificates of deposit	83	35
Interbank instruments and money market securities	30,473	29,758
Bonds	967	934
Accrued interest	104	122
TOTAL	**31,627**	**30,849**

Note 23 - Accruals and other liabilities

	Dec. 31, 2010	Dec. 31, 2009
Accruals		
Accounts unavailable due to recovery procedures	453	675
Currency adjustment accounts	14	12
Accrued expenses	585	478
Other accruals	5,709	5,135
Sub-total	**6,761**	**6,300**
Other liabilities		
Securities settlement accounts	63	74
Outstanding amounts payable on securities	69	113
Miscellaneous creditors	1,298	997
Sub-total	**1,430**	**1,184**
TOTAL	**8,191**	**7,484**

Further details of accruals and other liabilities are provided in Note 13.

Currency adjustment accounts correspond to exchange differences on forward exchange transactions reported in off-statement of financial position items.

Note 24 - Provisions

	Jan. 1, 2010	Additions	Reversals (utilized provisions)	Reversals (surplus provisions)	Other movements	Dec. 31, 2010
Provisions for counterparty risks						
On signature commitments	127	59	(13)	(43)	(4)	126
On financing and guarantee commitments	1	0	(0)	0	(0)	1
On country risks	0	0	0	0	0	0
Provisions for risks on miscellaneous receivables	40	8	(9)	(16)	0	23
Other provisions for counterparty risks	0	0	0	(0)	0	0
Other provisions						
Provisions for retirement costs	117	22	(11)	(9)	1	120
Provisions for claims and litigation	30	5	(5)	(2)	3	31
Provisions for home savings accounts and plans	69	2	0	(9)	0	62
Provisions for taxes	136	7	(16)	(7)	(1)	119
Provisions for miscellaneous contingencies (1)	179	160	(5)	(9)	2	327
Other provisions (2)	176	106	0	(11)	(0)	271
TOTAL	**875**	**369**	**(59)**	**(106)**	**1**	**1,080**

(1) A provision for risks was booked in respect of loans due from Lehman Brothers sold during the first half of 2010 due to the uncertainty surrounding the valuation of said loans. This amount was the main movement in provisions in 2010.
(2) Other provisions include provisions set aside in respect of economic interest groupings (EIG) totaling €189 million.

Note 24a - Retirement and other employee benefits

	Jan. 1, 2010	Additions	Reversals	Other movements	Dec. 31, 2010
Defined benefit plans not covered by retirement funds					
Retirement bonuses (1)	32	12	(14)	0	30
Top-up payments	48	6	(5)	(0)	49
Obligations for long-service awards (other long-term benefits)	27	2	(1)	0	28
Sub-total	**107**	**20**	**(20)**	**0**	**107**
Supplementary defined benefit pensions covered by group pension funds					
Provisions for pension fund shortfalls (2)	10	2	0	1	13
Sub-total	**10**	**2**	**0**	**1**	**13**
TOTAL	**117**	**22**	**(20)**	**1**	**120**

Assumptions used	**2010**	2009
Discount rate (3)	4.0%	5.0%
Salary inflation rate (4)	Minimum 1.5%	3.0%

(1) For the French banks, the provision for retirement bonuses is the difference between the commitment and the amount guaranteed by ACM, a CM5-CIC group insurance firm.
During the year, an agreement was implemented on the application within the group of the unified regime (statut unique), which resulted in an amendment to the manner in which retirement bonuses are calculated. The overall impact of this agreement was a €78 million increase in the commitment. Since it relates to past service costs, it is spread over the estimated remaining working life of the employees concerned. The charge recognized this year totaled €13 million.
(2) The provisions for pension fund shortfalls relate only to the group's foreign entities.
(3) The discount rate used is the yield on long-term bonds issued by top-tier companies, based on the IBOXX index.
(4) The annual increase in salaries is the estimated cumulative future salary inflation rate. As from this fiscal year, it is also based on the employee's age.

Movement in the provision for retirement bonuses

	Jan. 1, 2010	Impact of discounting	Financial income	Cost of services rendered	Other including past service cost	Change in actuarial differences	Payment to beneficiaries	Insurance contributions	Dec. 31, 2010
Retirement bonuses									
Commitments	**76**	3		8	78	25	(10)		180
Insurance policy	**58**		2			1	(6)	47	102
Spreading					(64)				(64)
Excess Assets/ Commitment	**1**				(1)				0
Sub-total: banks guaranteed by ACM	**19**	**3**	**(2)**	**8**	**13**	**24**	**(4)**	**(47)**	**14**
Other French entities	**5**								7
Foreign entities	**8**								9
TOTAL	**32**								**30**

Note 24b - Provisions for risks arising from commitments on home savings accounts and plans

	Dec. 31, 2010	Dec. 31, 2009
Home savings plans		
Contracted between 0 and 4 years ago	1,764	904
Contracted between 4 and 10 years ago	1,821	1,911
Contracted more than 10 years ago	2,245	2,298
TOTAL	**5,830**	**5,113**
Amounts outstanding under home savings accounts	788	783
TOTAL	**6,618**	**5,896**

Home savings loans	**Dec. 31, 2010**	Dec. 31, 2009
Balance of home savings loans giving rise to provisions for risks reported in assets	241	283

Provisions	Jan 1, 2010	Net additions	Other movements	**Dec. 31, 2010**
For home savings accounts	20	(6)		14
For home savings plans	40			40
For home savings loans	9	(1)		8
TOTAL	**69**	**(7)**	**0**	**62**
Maturity analysis				
Contracted between 0 and 4 years ago	24			21
Contracted between 4 and 10 years ago	0			7
Contracted more than 10 years ago	16			12
TOTAL	**40**			**40**

Home savings accounts ("CEL") and home savings plans ("PEL") are government-regulated retail products sold in France. Account holders receive interest on amounts paid into these accounts over a certain period (initial savings phase), at the end of which they are entitled to a mortgage loan (secondary borrowing phase). For the distributing establishment, they generate two types of obligation:

- to pay interest in the future on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as a variable rate);
- to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data.

A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable to the bank, i.e., where the bank offers different interest rates than those on similar non-regulated products. This approach is managed based on generations of regulated PEL savings products with similar characteristics. The impacts on income are included in interest paid to customers.

The fall in provisions for risks in 2010 was essentially due to the fall in expected future interest rates (determined using a Cox-Ingersoll-Ross interest rate model).

Note 25 - Subordinated debt

	Dec. 31, 2010	Dec. 31, 2009
Subordinated notes	**531**	629
Non-voting loan stock	**154**	156
Perpetual subordinated notes	**2,107**	2,107
Other debt	**902**	882
Accrued interest	**26**	30
TOTAL	**3,720**	**3,804**

Subordinated debt declined by €98 million between December 31, 2009 and December 31, 2010, due mainly to redemptions of debt that had fallen due.

Subordinated debt representing more than 10% of total subordinated debt at December 31, 2010

Main subordinated debt issues	Issue date	Amount	Currency	Rate	Maturity	Early redemption feature	Early redemption conditions
Subordinated notes	07.19.01	300M	EUR	a	07.19.2013		
Subordinated notes	09.30.03	350M	USD	b	09.30.2015		
Non-voting loan stock	05.28.85	137M	EUR	c	d		
Perpetual subordinated notes	06.30.06	400M	EUR	e			
Perpetual subordinated notes	06.30.06	1,100M	EUR	f			
Perpetual subordinated notes	12.30.08	500M	EUR	g			

a 3-month Euribor + 89.5 basis points.
b 6-month USD Libor + 55 basis points.
c Minimum 85% (TAM+TMO)/2 - Maximum 130% (TAM+TMO)/2.
d Repayable at borrower's discretion as from May 28, 1997 at 130% of the face value incremented at the rate of 1.5% for each subsequent year.
e 6-month Euribor + 167 basis points.
f 6-month Euribor + 107 basis points for the first ten years, then Euribor + 207 basis points (in the absence of early redemption).
g 3-month Euribor + 665 basis points.
e, f and g: subscribed by the parent companies BFCM and CFCM.

Payment of interest on perpetual subordinated notes, which are financial instruments reported in liabilities, may only be suspended in certain predefined situations outside the control of the issuer.

Note 26a - Unrealized or deferred gains and losses

	Dec. 31, 2010	Dec. 31, 2009
Unrealized or deferred gains and losses* relating to:		
Available-for-sale financial assets		
Equities		
- Unrealized or deferred gains	134	120
- Unrealized or deferred losses	(21)	(17)
Bonds		
- Unrealized or deferred gains	37	18
- Unrealized or deferred losses	(649)	(480)
Derivatives designated as cash flow hedges	(10)	(10)
Real estate assets (IAS 16)		
Share of unrealized gains and losses of affiliates	44	43
TOTAL	**(465)**	**(326)**
Unrealized or deferred gains and losses		
- Attributable to equity holders of the parent company	(376)	(287)
- Non-controlling interests	(89)	(39)
TOTAL	**(465)**	**(326)**

** Amounts net of tax.*

Note 26b - Additional information on movements in unrealized or deferred gains and losses

Movement in gains and losses recognized directly in equity

	Dec. 31, 2010	Dec. 31, 2009
Translation adjustments		
Reclassification in income		
Other movements	0	(0)
Sub-total	**0**	**(0)**
Remeasurement of available-for-sale financial assets		
Reclassification in income	(102)	601
Other movements	(39)	230
Sub-total	**(141)**	**831**
Remeasurement of hedging derivatives		
Reclassification in income	2	(1)
Other movements	(2)	1
Sub-total	**(0)**	**0**
Remeasurement of non-current assets	0	0
Actuarial differences on defined benefit plans	**0**	**0**
Share of unrealized or deferred gains and losses of affiliates	2	63
TOTAL	**(139)**	**894**

Movement in gains and losses recognized directly in equity

	Dec. 31, 2010			Dec. 31, 2009		
	Gross	Tax	Net	Gross	Tax	Net
Translation adjustments	0		0	(0)		(0)
Remeasurement of available-for-sale financial assets	(182)	41	(141)	1,208	(377)	831
Remeasurement of hedging derivatives	0	0	(0)	1	(1)	0
Remeasurement of non-current assets			0			0
Actuarial differences on defined benefit plans			0			0
Share of unrealized or deferred gains and losses of affiliates	2		2	63		63
TOTAL MOVEMENTS IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**(180)**	**41**	**(139)**	**1,272**	**(378)**	**894**

Note 27 - Commitments given and received

Commitments given	**Dec. 31, 2010**	Dec. 31, 2009
Financing commitments		
To credit institutions	1,198	1,032
To customers	26,286	23,425
Guarantees		
To credit institutions	4,231	3,364
To customers	7,445	11,022

Commitments received	**2010**	2009
Financing commitments		
From credit institutions	1,226	3,456
Guarantees		
From credit institutions	29,028	25,922

Notes to the income statement

Note 28 - Interest income and expense

	2010		2009	
	Income	**Expense**	Income	Expense
Credit institutions and central banks	777	(1,263)	944	(1,780)
Customers	6,956	(3,286)	6,836	(3,125)
- Of which, finance leases	*2,602*	*(2,284)*	*2,296*	*(1,972)*
Financial assets/liabilities accounted for under the fair value option	0		0	
Derivatives used for hedging purposes	1,329	(1,590)	532	(662)
Available-for-sale financial assets	511		658	
Held-to-maturity financial assets	2		19	
Debt securities		(330)		(619)
Subordinated debt		(62)		(77)
TOTAL	**9,575**	**(6,531)**	**8,989**	**(6,263)**

Note 29 - Commission income and expense

	2010		2009	
	Income	**Expense**	Income	Expense
Credit institutions	5	(3)	5	(3)
Customers	707	(7)	665	(8)
Securities transactions	512	(29)	495	(35)
Derivative instruments	5	(20)	6	(9)
Currency transactions	19	(2)	16	(3)
Financing and guarantee commitments	4	(7)	2	(4)
Services provided	919	(439)	868	(408)
TOTAL	**2,171**	**(507)**	**2,057**	**(470)**

	2010	2009
Commissions on financial assets and liabilities not carried at fair value through profit or loss (including demand accounts)	752	687
Commissions for management services provided to third parties	434	425

Note 30 - Net gain/(loss) on financial instruments at fair value through profit or loss

	2010	2009
Trading instruments	(191)	580
Instruments accounted for under the fair value option	98	(180)
Ineffective portion of hedges	(5)	21
Foreign exchange gains	49	59
TOTAL	**(49)**	**480**

Note 30a - Ineffective portion of hedges

	2010	2009
Change in fair value of hedged items	(139)	923
Change in fair value of hedging instruments	134	(902)
TOTAL	**(5)**	**21**

Note 31 - Net gain/(loss) on available-for-sale financial assets

	2010				2009			
	Dividends	Realized gains and losses	Impairment	Total	Dividends	Realized gains and losses	Impairment	Total
Government securities, bonds and other fixed-income securities		90	0	90		(77)	0	(77)
Equities and other variable-income securities	1	5	0	6	7	8	0	15
Long-term investments	47	9	(21)	35	46	(1)	(22)	23
Other	0	2	0	2	0	5	0	5
TOTAL	**48**	**106**	**(21)**	**133**	**53**	**(65)**	**(22)**	**(34)**

Note 32 - Income/expenses on other activities

	2010	2009
Income from other activities		
Investment property	1	1
Rebilled expenses	0	0
Other income	136	98
Sub-total	**137**	**99**
Expenses on other activities		
Investment property	(1)	(1)
Other expenses	(291)	(170)
Sub-total	**(292)**	**(171)**
TOTAL	**(155)**	**(72)**

Note 33 - General operating expenses

	2010	2009
Payroll costs	(1,663)	(1,613)
Other expenses	(985)	(988)
TOTAL	**(2,648)**	**(2,601)**

Note 33a - Payroll costs

	2010	2009
Wages and salaries	(1,017)	(1,001)
Social security charges	(422)	(389)
Employee benefits	(2)	(3)
Employee profit-sharing and incentive bonuses	(114)	(125)
Payroll-based taxes	(105)	(94)
Other	(3)	(1)
TOTAL	**(1,663)**	**(1,613)**

Note 33b - Average number of employees

	2010	2009
Banking staff	12,144	12,902
Managerial staff	8,584	8,740
TOTAL	**20,728**	**21,642**
Analysis by country		
France	19,223	20,124
Outside France	1,505	1,518
TOTAL	**20,728**	**21,642**

Note 33c - Other general operating expenses

	2010	2009
Other taxes and duties	(80)	(129)
External services	(923)	(878)
Rebilled expenses	18	20
Other miscellaneous expenses	(0)	(1)
TOTAL	**(985)**	**(988)**

Note 34 - Movements in depreciation, amortization and provisions for impairment of property and equipment and intangible assets

	2010	2009
Depreciation and amortization		
Property and equipment	(151)	(152)
Intangible assets	(25)	(18)
Impairment		
Property and equipment	(1)	(0)
Intangible assets	(1)	(0)
TOTAL	**(178)**	**(170)**

Note 35 - Net additions to/reversals from provisions for loan losses

	Additions	Reversals	Loan losses covered by provisions	Loan losses not covered by provisions	Recovery of loans written off in prior years	**Total**	2009
Credit institutions	(131)	62	0	(1)	0	**(70)**	(213)
Customers							
- Finance leases	(3)	2	(2)	(5)	1	**(7)**	(2)
- Other customer items	(705)	678	(215)	(35)	9	**(268)**	(613)
Sub-total	**(839)**	**742**	**(217)**	**(41)**	**10**	**(345)**	**(828)**
Held-to-maturity financial assets	(12)	0	0	0	0	**(12)**	8
Available-for-sale financial assets	0	1	(83)	(38)	0	**(120)**	(18)
Other, including financing and guarantee commitments	(66)	138	(37)	(0)	1	**36**	(23)
TOTAL	**(917)**	**881**	**(337)**	**(79)**	**11**	**(441)**	**(861)**

Note 36 - Net gain/(loss) on disposals of other assets

	2010	2009
Property and equipment and intangible assets		
Losses on disposals	(4)	(4)
Gains on disposals	9	16
TOTAL	**5**	**12**

The net gain/(loss) on disposals can be analyzed as follows:
- €2 million in net gains/(losses) on disposals of land and buildings;
- €3 million corresponding to the deferred recognition of the capital gain on properties sold under a leaseback agreement, in accordance with IAS 17.

Note 37 - Corporate income tax

	2010	2009
Current taxes	(379)	(328)
Deferred tax income and expense	15	6
Adjustments in respect of prior years	17	9
TOTAL	**(347)**	**(313)**

Including a charge of €322 million in respect of companies located in France and a charge of €25 million for companies located elsewhere.

Reconciliation between the corporate income tax recorded in the accounts and the theoretical tax charge	**2010**
Theoretical tax rate	**34.4**
Impact of preferential "SCR" and "SICOMI" rates	-4.0%
Impact of tax consolidation	-2.6%
Impact of permanent differences	1.9%
Impact of tax credits and deductions	-1.8%
Impact of reduced tax rate on long-term capital gains	-1.2%
Impact of different tax rates paid by foreign subsidiaries	-0.5%
Other	-0.9%
Effective tax rate	**25.3%**
Taxable income (1)	1,375
TAX CHARGE	**(347)**

(1) Sum of pre-tax income of fully-consolidated companies.

CIC has set up a tax group with its main subsidiaries (more than 95%-owned) and the regional banks.

Each regional bank that is part of the overall tax group forms a sub-group that includes its own subsidiaries. The companies included in the tax group are shown with an (i) in front of their name in the list of consolidated companies.

Note 38 - Earnings per share

	2010	2009
Net income attributable to equity holders of the parent	1,115	801
Number of shares at beginning of year	36,687,530	36,419,320
Number of shares at end of year	37,797,752	36,687,530
Weighted average number of shares	37,242,641	36,553,425
Basic earnings per share (in euros)	**29.94**	**21.92**
Additional weighted average number of shares assuming full dilution	0	0
Diluted earnings per share (in euros)	**29.94**	**21.92**

CIC's capital stock amounts to €608,439,888, made up of 38,027,493 shares with a par value of €16 each, including 229,741 treasury shares.

Note 39 - Fair value of financial instruments carried at amortized cost

The estimated fair values presented are calculated based on observable parameters at December 31, 2010, and are obtained by computing estimated discounted future cash flows using a risk-free yield curve. For asset items, the yield curve factors in a credit spread calculated for the CM5-CIC group as a whole, which is revised on a yearly basis.

The financial instruments discussed in this note relate to loans and borrowings. They do not include non-monetary items (e.g. equities), trade accounts payable, other asset accounts, or other liability and accrual accounts. Non-financial instruments are not discussed in this section.

The fair value of financial instruments repayable on demand and regulated customer savings deposits equals the amount that may be requested by the customer, i.e., the carrying amount.

Certain group entities may also apply assumptions whereby fair value is deemed to equal the carrying amount for those contracts indexed to a floating rate, or whose residual life is one year or less.

The reader's attention is drawn to the fact that, excluding held-to-maturity financial assets, financial instruments carried at amortized cost are not sold or are not intended to be sold prior to maturity. Accordingly, capital gains and losses are not recognized.

However, if financial instruments carried at amortized cost were to become the object of a sale transaction, their price may differ significantly from the fair value calculated at December 31, 2010.

	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Loans and receivables due from credit institutions	42,909	42,353	26,898	26,605
Loans and receivables due from customers	127,462	127,733	120,719	118,982
Held-to-maturity financial assets	91	94	81	70
Liabilities				
Due to credit institutions	62,586	62,535	55,208	54,782
Due to customers	91,326	89,891	76,933	74,710
Debt securities	31,627	31,676	30,849	30,781
Subordinated debt	3,720	4,340	3,804	4,384

Note 40 - Related party transactions

	2010		2009	
	Affiliates (accounted for using the equity method)	Parent company	Affiliates (accounted for using the equity method)	Parent company
Assets				
Loans, advances and securities				
- Loans and receivables due from credit institutions [1]	0	24,537	0	12,144
- Loans and receivables due from customers	0	50	16	49
- Securities transactions	70	0	70	0
Other assets	4	60	4	8
TOTAL	**74**	**24,647**	**90**	**12,201**
Liabilities				
Deposits				
- Due to credit institutions	0	44,489	0	34,669
- Due to customers	43	21	2	25
Debt securities	703	65	17	180
Subordinated debt	0	3,020	8	2,886
Other liabilities	0	19	0	21
TOTAL	**746**	**47,614**	**27**	**37,781**
Financing and guarantee commitments				
Financing commitments given	0	0	0	0
Guarantee commitments given	0	81	0	71
Financing commitments received	0	0	0	0
Guarantee commitments received	0	1,682	0	6,495

(1) Including a €750 million perpetual subordinated loan due from BFCM.

	2010		2009	
Income statement items related to transactions with related parties	Affiliates (accounted for using the equity method)	Parent company	Affiliates (accounted for using the equity method)	Parent company
Interest income	0	164	0	197
Interest expense	(8)	(608)	(8)	(894)
Commission income	393	34	383	35
Commission expense	0	(123)	0	(115)
Other income and expenses	25	13	24	6
General operating expenses	(98)	(301)	(61)	(289)
TOTAL	**312**	**(821)**	**338**	**(1,060)**

The parent company is BFCM, the majority shareholder of CIC, and Caisse Fédérale de Crédit Mutuel (CFCM), the entity controlling BFCM and all its subsidiaries.

Transactions carried out with the parent company mainly cover loans and borrowings taken out for the purposes of treasury management, as BFCM is the group's refinancing vehicle, as well as IT services billed with the Euro Information entities.

Companies accounted for using the equity method comprise CM-CIC Asset Management, the Assurances du Crédit Mutuel group and Banca Popolare di Milano.

Relations with the group's key executives (see Corporate governance on page 38).

Total remuneration paid to the group's key executives	Fixed salary	Variable salary	Benefits-in-kind	Sundry adjustments	**Total**
Key executives	2.8	0.0	0.0	0.0	**2.8**

The Statutory Auditors have audited the financial statements of the bank.

Executive Board report on the financial statements of CIC

The financial statements of the bank are prepared in accordance with regulation 91-01 issued by the *Comité de la réglementation bancaire* (French Banking Regulatory Committee – CRB), as amended by regulation 2000-03 issued by the *Comité de la réglementation comptable* (French Accounting Regulatory Committee – CRC), which was amended by CRC regulation 2005-04.

The first-time application of CRC regulation 2009-03 of December 3, 2009 relating to the recognition of commissions received by a credit institution and the incremental transaction costs incurred on the grant or acquisition of a loan resulted in a change of accounting method in 2010.

In this regard, commissions relating to loans, previously recognized immediately to the income statement, are now amortized on an actuarial basis over the effective term of the loan. The first-time application is retrospective, and its impact on retained earnings at December 31, 2010 was a reduction of €12.6 million. This change of accounting method had no impact on the bank's tax position.

Similarly, commissions paid to remunerate referral agents are now amortized over the term of the loan. For technical reasons, it has not been possible to estimate in an objective manner the effect as at January 1, 2010 of this change of accounting method. Therefore, for this one case, and exceptionally, the first-time application is prospective in accordance with the general rules on changes of accounting methods and had no impact on the opening statement of financial position.

In addition, as from January 1, 2010, CIC has applied regulation 2010-04 of the *Autorité des Normes Comptables* (French Accounting Standards Authority – ANC) relating to transactions between related parties and transactions not recorded on the statement of financial position as well as ANC regulation 2010-08 of October 7, 2010 relating to annual and quarterly publications.

Highlights of the financial year

Highlights of 2010 included:

- the sale, in connection with the restructuring of the CM5-CIC group's capital structuring activities, of its stake in CIC Banque de Vizille to CIC Finance, which generated a capital gain of €31 million;
- the sale, to Morgan Stanley, of all receivables due from Lehman Brothers, which resulted in the recognition of net income of €9 million in net banking income and of net income of €28 million in net (additions to) reversals of provisions for loan losses;
- the signing of an agreement on the application within the CM5-CIC group of the unified regime *(statut unique)*, which amends the calculation of retirement bonuses: the impact of this change resulted in a €19 million increase in CIC's liability for employee benefits, which is being spread over the remaining life expectancy of the employees concerned;

- payment of a €21 million fine as a result of a decision of the competition authorities relating to charges and the related terms and conditions applied by banks and financial institutions for processing checks presented for payment. CIC has appealed against this decision.

CIC greater Paris region network

The greater Paris region network was made up of 304 branches at December 31, 2010.

At that date, the number of customers totaled 667,853, including 558,811 personal banking customers.

Outstanding loans totaled €15 billion, consisting mainly of home loans (€10.9 billion).

Deposits totaled €13.4 billion and savings came to €11 billion.

Financing and capital markets

Outstanding loans in financing fell by 5% in 2010. Deposits increased significantly (+170%). Customer funds invested in savings products remained stable compared with end-2009.

2010 results

Net banking income fell from €2,307 million in 2009 to €1,344 million in 2010.

Net commission income came to €264 million.

Dividends received from subsidiaries and affiliates came to €256 million, compared with €495 million in 2009, the majority being derived from regional banks.

General operating expenses fell by 3%.

The average number of employees in 2010 was 3,825.

Operating income before provisions came to €724 million in 2010 compared with €1,668 million in 2009.

Net additions to/reversals from provisions for loan losses represented a net charge of €141 million compared with a charge of €399 million in 2009.

The net loss on disposals of non-current assets amounted to €13 million.

CIC's total tax charge includes corporate income tax payable on CIC's net income and the net benefit from tax consolidation.

The company recorded net income of €538 million in 2010 compared with net income of €1,081 in 2009.

Shareholders' equity amounted to €5,386 million at December 31, 2010.

Articles L.441-6-1 and D.441-4 of the French Commercial Code require the disclosure of specific information on the due dates of amounts due to suppliers: the amounts in question are immaterial for CIC.

Details of executive remuneration are provided on page 69 of the Executive Board report on the consolidated financial statements.

Information relating to CIC's share ownership structure as at December 31, 2010 as well as changes during the year and dividends paid is provided on pages 197 to 202 of the Legal Information section of this report, under "Additional information".

The operations of CIC's subsidiaries are described on pages 164 to 172.

Financial statements

Balance sheet

Assets

(in € millions)	Notes	**Dec. 31, 2010**	Dec. 31, 2009
Cash, central banks and postal checking accounts		**4,705**	4,205
Government securities	2	**11,810**	16,737
Interbank loans and advances	3	**52,038**	42,899
Customer transactions	4	**34,728**	37,877
Bonds and other fixed-income securities	5	**18,279**	21,412
Equities and other variable-income securities	6	**1,233**	2,285
Shares in subsidiaries and other long-term investments	7	**178**	177
Investments in affiliates	8	**3,245**	3,188
Lease financing			
Intangible assets	9	**95**	96
Property and equipment	10	**543**	553
Unpaid capital			
Own shares	11	**9**	9
Other assets	12	**9,075**	8,686
Accruals and other assets	13	**4,512**	5,037
TOTAL		**140,450**	**143,161**

Off-balance sheet items

(in € millions)	Notes	**Dec. 31, 2010**	Dec. 31, 2009
Commitments and guarantees received			
Financing commitments received			
Commitments received from credit institutions		**1,201**	3,456
Guarantees received			
Guarantees received from credit institutions		**11,510**	15,224
Securities commitments received			
Optional repurchase agreements			
Other commitments and guarantees received		**580**	527

Liabilities and shareholders' equity

(in € millions)	Notes	**Dec. 31, 2010**	Dec. 31, 2009
Central banks and postal checking accounts			
Due to credit institutions	14	**64,718**	64,353
Customer transactions	15	**24,065**	24,941
Debt securities	16	**28,327**	29,574
Other liabilities	12	**3,937**	5,749
Accruals and other liabilities	13	**9,136**	8,920
Provisions	17	**1,033**	844
Subordinated debt	18	**3,469**	3,505
General banking risks reserve	19	**379**	379
Shareholders' equity	19	**5,386**	4,896
- Capital stock		***608***	*590*
- Additional paid-in capital		***1,088***	*983*
- Reserves		***666***	*665*
- Revaluation reserve		***44***	*44*
- Untaxed provisions		***40***	*38*
- Retained earnings		***2,402***	*1,495*
- Net income for the year		***538***	*1,081*
TOTAL		**140,450**	**143,161**

Off-balance sheet items

(in € millions)	Notes	**Dec. 31, 2010**	Dec. 31, 2009
Commitments and guarantees given			
Financing commitments given			
Commitments given to credit institutions		**1,408**	1,257
Commitments given to customers		**14,454**	12,984
Guarantees given	22		
Guarantees given on behalf of credit institutions		**7,929**	7,796
Guarantees given on behalf of customers		**7,504**	7,632
Securities commitments given			
Optional resale agreements			
Other commitments and guarantees given		**678**	780

Income statement

(in € millions)	Notes	2010	2009
Interest income	27	3,762	4,028
Interest expense	27	(2,924)	(3,342)
Income from variable-income securities	28	256	495
Commission income	29	399	386
Commission expense	29	(135)	(107)
Net gains on trading account securities	30	208	843
Net gains/(losses) on available-for-sale securities	31	(13)	95
Other banking income	32	20	20
Other banking expense	32	(229)	(111)
Net banking income		**1,344**	**2,307**
Payroll costs	33	(359)	(358)
Other general operating expenses		(219)	(239)
Depreciation, amortization and impairment		(42)	(42)
General operating expenses		**(620)**	**(639)**
Operating income before provisions		**724**	**1,668**
Net additions to/reversals from provisions for loan losses	34	(141)	(399)
Operating income/(loss) after provisions		**583**	**1,269**
Net gains on disposals of non-current assets	35	(13)	(49)
Income/(loss) before non-recurring items		**570**	**1,220**
Net non-recurring items	36		
Corporate income tax	37	(29)	(131)
Net allocations to general banking risks reserve			
Net allocations to untaxed provisions		(3)	(8)
NET INCOME (LOSS)		**538**	**1,081**

Five-year financial summary

	2006	2007	2008	2009	2010
1. At December 31					
Capital stock (in €)	567,006,336	573,626,848	586,384,976	590,676,336	608,439,888
Number of shares in issue	35,437,896	35,851,678	36,649,061	36,917,271	38,027,493
“A” series common shares	35,437,896	35,851,678	36,649,061	36,917,271	38,027,493
“D” series preferred shares	-	-	-	-	-
Preferred investment certificates	-	-	-	-	-
Ordinary investment certificates	-	-	-	-	-
2. Results of operations (in € thousands)					
Banking income	6,337,241	8,813,597	9,651,017	5,866,707	4,632,388
Net income before tax, depreciation and amortization	731,047	657,102	86,775	1,662,616	781 283
Provisions and non-recurring items	-	-	-	-	-
Corporate income tax	51,383	19,951	(154,749)	130,846	29,159
Net income/(loss)	618,624	546,302	(73,083)	1,080,530	537,729
Dividends	156,990	172,088	36,649	160,590	334,642
3. Earnings per share (in €)					
Income after tax but before depreciation, amortization and provisions	21.79	18.55	6.56	41.42	19.53
Net income/(loss)	17.57	15.34	- 2.01	29.45	14.23
Dividend per “A” series share	4.43	4.80	1.00	4.35	8.80
Dividend per “D” series share and investment certificates					
4. Employee information (excluding foreign branches) (in €)					
Number of employees (average full-time equivalents)	4,365	4,223	4.097	3,759	3,498
Total payroll	229,403,784	213,077,999	193,851,371	173,519,754	175,790,924
Total benefits (social security, etc.)	113,637,482	103,361,020	89,836,051	93,886,625	65,945,942

> Notes

The notes are presented in millions of euros (€ millions).

Note 1 - Accounting policies, valuation and presentation methods

The financial statements of the bank are prepared in accordance with regulation 91-01 issued by the *Comité de la réglementation bancaire* (French Banking Regulatory Committee – CRB), as amended by regulation 2000-03 issued by the *Comité de la réglementation comptable* (French Accounting Regulatory Committee – CRC), which was amended by CRC regulation 2005-04.

The first-time application of CRC regulation 2009-03 of December 3, 2009 relating to the recognition of commissions received by a credit institution and the incremental transaction costs incurred on the grant or acquisition of a loan resulted in a change of accounting method in 2010.

In this regard, commissions relating to loans, previously recognized immediately to the income statement, are now amortized on an actuarial basis over the effective term of the loan. The first-time application is retrospective, and its impact on retained earnings at January 1, 2010 was a reduction of €12.6 million. This change of accounting method had no impact on the bank's tax position.

Similarly, commissions paid to remunerate referral agents are now amortized over the term of the loan. For technical reasons, it has not been possible to estimate in an objective manner the effect as at January 1, 2010 of this change of accounting method. Therefore, for this one case, and exceptionally, the first-time application is prospective in accordance with the general rules on changes of accounting methods and had no impact on the opening statement of financial position.

In addition, as from January 1, 2010, CIC has applied regulation 2010-04 of October 7, 2010 of the *Autorité des Normes Comptables* (French Accounting Standards Authority – ANC) relating to transactions between related parties and transactions not recorded on the balance sheet as well as ANC regulation 2010-08 of October 7, 2010 relating to annual and quarterly publications.

Use of estimates in the preparation of the financial statements

Preparation of the financial statements may require the use of assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires managers to draw upon their judgment and experience and make use of the information available at the date of the preparation of the financial statements when making the necessary estimates. This applies in particular to:

- the impairment of debt and equity instruments;
- impairment tests performed on intangible assets;
- the measurement of provisions, including retirement obligations and other employee benefits;
- the valuation of financial instruments not quoted on an organized market.

Reclassification of financial assets

With a view to standardizing accounting treatments and ensuring consistency with International Financial Reporting Standards, the CRC issued regulation 2008-17 on December 10, 2008, which amends CRB regulation 90-01 on accounting for securities transactions. This regulation consolidates the provisions of opinion 2008-19 of December 8, 2008 relating to transfers from trading securities and from available-for-sale securities.

Transfers from trading securities to held-to-maturity securities and from available-for-sale securities are now permitted in two instances:

a) when exceptional market conditions require a change of strategy;

b) when, subsequent to their acquisition, fixed income securities are no longer negotiable in an active market and if the bank has the intention and ability to hold these securities over the foreseeable future or until their maturity.

The effective date of transfers from trading securities and from available-for-sale securities may not be before July 1, 2008 and must correspond to the date at which consolidated financial statements are prepared.

Recognition of changes in accounting methods

Changes in accounting methods are applied retrospectively, that is to say as if the new methods had always been applied. The impact resulting from the first-time application of a change in accounting method is recognized directly to equity at January 1, resulting in the restatement of the opening balance sheet.

Loans

Loans are stated at their nominal value in the balance sheet.

Commissions received on the granting of a loan and those paid to referral agents are recognized in the income statement over time in accordance with a method which involves treating them as if they were interest. This actuarial amortization is recognized in the income statement within net interest income/(expense). In the balance sheet, commissions received and the incremental transaction costs which are amortized are included within the balance of the loan concerned.

Accrued interest receivable and payable are included within the balance sheet asset or liability heading to which they relate.

With regards to credit risk, a distinction is drawn between performing loans, non-performing loans and impaired non-performing loans for accounting purposes.

Reclassification of loans as non-performing or impaired non-performing loans

As required by CRC regulation CRC 2002-03, loans are reclassified as non-performing loans when exposed to a proven risk, namely if one or more installments are more than three months past due (six months in the case of real estate loans and nine months for local authority loans), if it is probable the borrower will be unable to repay the full amount due, when an event of default has occurred, or where the borrower is subject to court-ordered liquidation.

In addition to the regulatory definition, loans may be reclassified as non-performing loans when there is a risk of loss highlighted notably by financial, economic and/or legal analyses of the customer's situation or by any other information indicating the customer is exposed to a risk of insolvency.

When a loan meets the criteria for reclassification, all amounts due by the customer (or by the group to which the customer belongs) as well as amounts due by other joint account holders or by co-borrowers are considered in the same light, by all federations and all banks of the CM-CIC group.

Loans are reclassified as impaired non-performing loans if the prospects of collecting these loans have deteriorated sharply or if the write-off of the loan must be envisaged. Impaired non-performing loans are classified as a distinct component of non-performing loans. Past due interest ceases to be recognized in respect of impaired non-performing loans.

Recognition of impairment losses
Impairment is recognized when there is objective evidence of impairment as a result of an event occurring after inception of a loan or group of loans, which may lead to a loss. Loans are tested for impairment on an individual basis at each balance sheet date. The amount of impairment is equal to the difference between the carrying amount and the present value of the estimated future cash flows associated with the loan, discounted at the original effective interest rate. For variable-rate loans, the last known contractual interest rate is used.

Impairment losses in respect of the principal are recognized by way of a provision, additions and reversals being reported as a component of provisions for loan losses except for the effect of changes in the time value linked to the discounting mechanism, which is treated as interest income, and therefore as a component of net banking income. Impairment losses in respect of the interest on non-performing loans are recognized under interest received.

The impairment provision is deducted from the asset concerned when it relates to loans and reported under liabilities as a component of provisions for contingencies when it concerns financing and guarantee commitments.

Restructured loans
When non-performing loans are restructured at off-market conditions and reclassified as performing loans, a discount is recognized immediately as an expense and reversed over the term of the loan as a component of the interest margin.

Loan segmentation
In the notes to the financial statements, loans have been segmented by geographical area based on the location of the permanent CIC establishment.

Securities portfolio

Securities are accounted for in accordance with CRB regulation 90-01 as amended by CRB regulation 95-04, with CRC regulations 2000-02 and 2005-01, and with CB opinion 94-07 as amended by CB opinion 2000-12.

As required by these pronouncements, government securities, bonds and other fixed-income securities (interbank securities, negotiable debt instruments and marketable securities) are classified as trading securities, available-for-sale securities or held-to-maturity securities. Equities and other variable-income securities are classified as trading securities, available-for-sale securities, portfolio activity securities, investments in subsidiaries, investments in affiliates and other long-term investments.

Trading securities
Trading securities are securities purchased or sold for the purpose of being sold or repurchased in the near term or which are held by the bank because of its market-making activity. They are recognized at acquisition cost, excluding related costs but including any accrued interest. At each balance sheet date, trading securities are measured at their most recent mark-to-market value. Net unrealized gains or losses arising from fluctuations in market value are recognized in the income statement.

Available-for-sale securities
Available-for-sale securities are securities that have not been classified as trading securities, as held-to-maturity securities, as portfolio activity securities, as investments in subsidiaries, investments in affiliates or other long-term investments. They are recognized at acquisition cost, excluding related costs. Any discounts or premiums are spread over their residual life.

At each balance sheet date, each holding is valued separately. Bonds are grouped together by homogeneous group. When the carrying amount exceeds the estimated realizable value, an impairment loss is recognized representing the unrealized loss. This is determined for each relevant holding or homogenous group. Unrealized gains are not recorded and unrealized gains and unrealized losses are not offset. For equities quoted in Paris, the net realizable value corresponds to the average share price during the month preceding the valuation date. For equities quoted on a foreign market and for bonds, realizable value corresponds to the most recent market value preceding the valuation date.

Held-to-maturity securities
Held-to-maturity securities are debt securities which the bank has the positive intent to hold to maturity. They are recognized at acquisition cost, excluding related costs. The difference between cost and redemption value is spread over the remaining life of the security. These securities are hedged with regards to the principal or interest rate exposure.

An impairment loss is recognized if a deterioration in the financial situation of the issuer means that the securities might not be redeemed at maturity.

Portfolio activity securities
Portfolio activity securities represent investments made on a regular basis with the sole objective of generating a gain over the medium term without intervening for any length of time in the business or participating actively in its day-to-day management. These investments are made via special purpose vehicles, on a significant and permanent basis, the return on investment being generated mainly from the gains on disposal.

These securities are recognized at their cost of acquisition. At the balance sheet date, the value of each holding is determined separately. When the carrying amount exceeds the value in use, an impairment loss is recognized for the amount of the unrealized loss. Unrealized gains are not recognized. The value in issue takes into account the issuer's general prospects and the expected period of ownership. For quoted securities, the average share price over a sufficiently long period may be used.

Other long-term investments, investments in subsidiaries and investments in affiliates
Other long-term investments are made with the intention of promoting lasting business relationships with the issuer, without however influencing the issuer's management. Investments in subsidiaries are those which management judges to be useful to the group's activities over the long term, in that they enable the group to exercise influence over or to control the issuer.

They are recognized at acquisition, merger or similar cost, and may be revalued within the legal framework defined in 1976. Each investment is reassessed at the year end. If the carrying amount is more than the value in use, an impairment provision is recognized for the unrealized capital loss. Unrealized capital gains are not recognized. The value in use represents the amount the company would be willing to pay to obtain the securities in question given the objectives of the investment, and may be estimated using various criteria such as adjusted net assets, actual and prospective profitability, and recent stock market prices.

Securities sold under delivered repurchase agreements
On the balance sheet, securities sold under delivered repurchase agreements are not de-recognized as an asset whereas the liability to the transferee is recognized as such. The principles for the measurement of and recognition of income from these securities remain those of the asset category in which they are classified.

Reclassification criteria and rules
If the holding intention or ability to hold securities changes, they may be reclassified provided they satisfy the eligibility conditions and transfer rules. In the event of transfer, the securities are remeasured based on their original classification on the transfer date.

Transactions in interest-rate and currency option, futures and forward contracts

The group trades on its own account in interest-rate and currency option, futures and forward contracts on various organized and over the counter markets as part of its risk management strategy covering interest-rate and currency positions resulting from its assets and liabilities.

Transactions on organized and similar markets
Option, futures and forward contracts on organized and similar markets are measured in accordance with the rules determined by the French banking regulations committee. Contracts are remeasured at the year end based on listed prices on the applicable markets. Any resulting gain or loss is recognized through the income statement.

Transactions on over-the-counter markets
French Banking Regulatory Committee Regulation no. 90-15 is applied to all over-the-counter interest-rate instruments, which comprise in particular interest-rate and/or currency swaps, future rate agreements, and options such as caps and floors.

Pursuant to the above-mentioned Regulation, transactions are allocated on origination to the portfolios concerned (open positions, micro-hedges, overall balance sheet and off balance sheet management, specialized management).

Transactions allocated to open-position portfolios are measured at the lower of acquisition cost or market value.

Income and expenses in respect of transactions allocated to micro-hedge portfolios are recognized in the income statement symmetrically to the income and expenses in respect of the hedged item.

Income and expenses in respect of transactions allocated to overall interest-rate risk management portfolios are recognized in the income statement pro rata temporis.

Transactions allocated to specialized management portfolios are measured at market value. Changes in value are recognized in net banking income after adjustments to reflect counterparty risk and future management expenses.

Balances remaining after netting hedging derivatives are amortized over the residual term of the hedged items.

Structured products

Structured products are products created by bundling basic instruments – generally options – to exactly meet client needs. CIC offers various categories of structured products based on plain vanilla options, binary options, barrier options, Asian options, lookback options, options on several assets and index swaps.

There are three main methods of valuing these products: methods consisting of solving a partial differential equation, discrete time tree methods and Monte Carlo methods. CIC uses the first and third methods. The analytical methods used are those applied by the market to model the underlyings.

Structured products are recognized at market value. The valuation parameters applied correspond to observed values or values determined using a standard observed values model at the balance sheet date. If the instruments are not traded on an organized market, the valuation parameters are determined by reference to the values quoted by the most active dealers in the corresponding products and/or by extrapolating quoted values. All parameters used are based on historical data.

If complex models are used to determine the value of certain instruments, the market parameters used for measurement purposes are adjusted in application of the prudence concept to take into account the degree of liquidity of the markets concerned and their relevance as regards long maturities.

Measurement of unlisted forward financial instruments

These instruments are remeasured based on observable market prices using the so-called "snapshot" procedure under which bid and offer prices from a number of market players are recorded at the same time each day using market flow software. A single price is used for each market parameter concerned.

Property and equipment and intangible assets

Property and equipment and intangible assets are recognized at acquisition cost plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and may be revalued in accordance with the French Finance Acts of 1977 and 1978.

Subsequent to initial recognition, property and equipment and intangible assets are measured at amortized historical cost, which represents cost less accumulated depreciation, amortization and any accumulated impairment losses.

The depreciable amount of an asset is determined after deduction of its residual value net of costs to sell. Property and equipment and intangible assets are presumed not to have a residual value as their useful lives are generally the same as their economic lives.

Depreciation and amortization is calculated on a straight-line basis over the estimated useful life of the assets, based on the manner in which the economic benefits embodied in the assets are expected to be consumed by the entity. Assets that have an indefinite useful life are not amortized. Depreciation and amortization on property and equipment and intangible assets is recognized in "Depreciation, amortization and impairment" in the income statement.

Where an asset consists of a number of components that may require replacement at regular intervals, or that have different uses or different patterns of consumption of economic benefits, each component is recognized separately and depreciated using a method appropriate to that component. CIC has adopted the components approach for property used in operations and investment property.

These items are depreciated over the following useful lives:

- 40-80 years for the shell;
- 15-30 years for structural components;
- 10-25 years for equipment;
- 10 years for fixtures and fittings.

Leasehold rights paid are not amortized but are tested for impairment. New occupancy fees paid to the owner are amortized over the life of the lease as additional rent. Other intangible items (e.g., acquired customer contract portfolios) are amortized over a period of ten years.

Depreciable and amortizable assets are tested for impairment when evidence exists at the balance sheet date that the items may be impaired. Non-depreciable and non-amortizable assets are tested for impairment at least annually.

If there is an indication of impairment, the recoverable amount of the asset is compared with its carrying amount. If the asset is found to be impaired, an impairment loss is recognized in income, and the depreciable amount is adjusted prospectively. The impairment loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment is recognized in the income statement under "Depreciation, amortization and impairment".

Gains and losses on disposals of non-current assets used in operations are shown in the income statement under "Net gains on disposals of non-current assets".

Gains and losses on disposals of investment property are shown in the income statement under "Income from other activities" or "Expense on other activities".

Accrual accounts

For loans originated prior to December 31, 1999, issuance expenses were amortized in the year of issuance. In the case of issues subsequent to that date, issuance expenses are amortized over the term of the loan.

Bond redemption premiums are amortized on a straight-line basis over the term of loan.

Provisions

Additions to and reversals from provisions are recognized by type in the corresponding expense accounts.

Pursuant to CRC regulation 2000-06, provisions correspond to the best estimate of the outflow of resources required to extinguish the most probable amount of the corresponding obligation.

Provisions for country risk

Provisions are established to cover sovereign and emerging country risk, based on the economic position of the borrowing country. The allocated portion of such provisions is deducted from the corresponding asset.

General provisions for credit risk

Since fiscal year 2000, general provisions for credit risk have been constituted to cover risks arising but not yet recognized on performing loans and commitments given to customers. They are determined:

- for credit activities other than specialized financing, using an average provision for loan losses that may be experienced over the long term, i.e. 0.5% of performing customer outstandings;
- for specialized financing and for foreign branches, using a provision for loan losses obtained on the basis of the rating of receivables combined with an average loss given default. This method enables the lower level of risk dispersion and the relatively high materiality of individual loans – and hence the greater volatility of such loans – to be taken into account.

General provisions for credit risks are reversed if the events they are intended to cover materialize.

A general provision for major risks to which the group is exposed has been included in this category since 2003.

Regulated savings

Home savings accounts (comptes d'épargne logement – "CEL") and home savings plans (plans d'épargne logement – "PEL") are government-regulated retail products sold in France. Account holders receive interest on amounts paid into these accounts over a certain period (initial savings phase), at the end of which they are entitled to a mortgage loan (secondary borrowing phase). Home savings products generate two types of obligation for the bank:

- an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as a variable rate);
- an obligation to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

When these obligations are potentially unfavorable to the bank, they are subject to provisions calculated in accordance with CRC regulation 2007-01 that cover obligations existing on the provision calculation date; future account openings are not taken into account.

Future outstandings on home savings products are estimated on the basis of customer behavior statistics in a given interest-rate environment. PEL that are subscribed in the context of an overall offering of related products and do not meet the abovementioned behavioral laws are excluded from the projections. Provisions are constituted for at-risk outstandings as follows:

- for PEL deposits, based on the difference between probable savings balances and the minimum expected savings, the latter being determined using a 99.5% confidence interval for several thousand different interest rate scenarios;
- for loans granted in connection with home savings products, future volumes depend on the likely exercise of vested rights and on the level of current outstandings.

Future losses are assessed in relation to non-regulated rates for term savings deposits and for standard home purchase loans. This approach is managed based on generations of regulated PEL and CEL savings products with similar characteristics, with no set-off between generations. Future losses are discounted using rates derived from the average of the last 12 months' data for the zero coupon swap against 3-month Euribor rate curve. Future loss provisions are based on the average loss observed in several thousand interest-rate scenarios generated using a stochastic modeling technique. The impacts on income are included in interest paid to customers.

Assets and liabilities denominated in a foreign currency

Assets and liabilities denominated in a currency other than the local currency are translated at the official year-end exchange rate. The resulting unrealized foreign currency gains and losses are recognized in the income statement along with realized exchange gains or losses on transactions during the year.

As an exception, pursuant to CRB regulation 90-01 and Instruction 94-07 of the French Banking Commission (Commission bancaire), translation differences on investment securities and investments in non-consolidated companies and subsidiaries denominated in a foreign currency and financed in euros are not recognized in the income statement. However, if the securities are to be sold or redeemed, a provision is recognized for the amount of any unrealized foreign currency loss.

General banking risks reserve

In application of Article 3 of CRB regulation 90-02, a general banking risks reserve has been set up for prudential reasons to cover the general and indeterminate risks inherent in any banking activity. Additions to and reversals from this reserve are determined by senior management and are recognized in the income statement.

Interest, fees and commissions

Interest is recognized pro rata temporis in the income statement. Fees and commissions are recognized when received, other than those on financial transactions which are recognized on closure of the issue concerned or when billed.

Interest is not recognized as income on impaired non-performing loans.

Fees and commissions comprise income from banking operations remunerating services provided to third parties, other than income in the nature of interest, i.e. calculated as a function of the term and amount of the credit or commitment given.

Retirement and similar obligations

Retirement and similar obligations are provisioned and changes in the obligations are recognized in the income statement for the year. The assumptions used in calculating retirement and similar obligations include a discount rate determined by reference to long-term market rates applicable to highly-rated corporate bond issues at the balance sheet date. The rate of increase in salaries is assessed on the basis of an estimate of long-term inflation and of increases in actual salaries.

CNC recommendation 2003-R-01 on retirement and similar obligations has been applied since January 1, 2004.

Post-employment benefits covered by defined benefit plans

Obligations are calculated using the projected unit credit method and a range of assumptions to determine the discounted amount of the obligation and the cost of service for the fiscal year. The effect of changes in these assumptions and experience adjustments (differences between the previous actuarial assumptions and actual outcomes) give rise to actuarial gains and losses.

Plan assets are measured at fair value and the expected return on these assets is recognized in the income statement. The difference between the expected return on plan assets and the actual return gives rise to an actuarial gain or loss.

Plan reductions and liquidations give rise to a change in the obligations, which is recognized in the income statement for the year.

Supplementary pensions covered by pension funds

Under the terms of the AFB transitional agreement dated September 13, 1993, the banking industry pension schemes were discontinued and bank employees joined the government-sponsored Arrco and Agirc schemes effective from January 1, 1994. The three CIC group pension funds that pay the various benefits provided for by the transitional agreement were merged on January 1, 2008 in order to pool their reserves. Subsequent to the merger, the merged entity's reserves covered all the obligations, which had been fully reassessed during the year. To bring the merged entity into compliance with the Fillon Act of August 23, 2003 and the Social Security Financing Act 2008-1330 of December 17, 2008, in 2009 it was converted into a French supplementary pension management institution *(Institution de Gestion de Retraite Supplémentaire)* and its reserves and obligations were transferred to an insurance company.

Other post-employment benefits covered by defined benefit plans

Obligations in respect of future retirement bonuses and supplementary pensions (including special retirement regimes) are either covered by insurance policies or are provisioned for the portion not covered by such policies.

Premiums for future retirement bonuses paid annually take into account rights vested at December 31 of each year, weighted by coefficients for staff turnover and life expectancy.

The commitments are calculated using the projected unit credit method in accordance with IFRS. This method specifically takes into account life expectancy, staff turnover rates, wage increases, the rate of social security charges in stipulated cases and the discount rate.

Retirement bonuses falling due and paid to employees during the year are reimbursed by the insurer to the extent of the portion covered by the policy.

Retirement bonuses are determined based on normal retirement at the employee's initiative, when he has reached the age of 62.

Post-employment benefits covered by defined contribution plans

A collective agreement was concluded in 1994 to create a supplementary collective capitalization retirement plan for group employees, particularly those from the former CIC Paris. This plan was extended to employees of the former Union Européenne CIC when the two institutions were merged in 1999.

Other long-term benefits

Employees receive a long-service award after 20, 30, 35 and 40 years of service. This obligation is fully provisioned in the company's accounts and is measured using the principles applied to the measurement of retirement bonuses.

Presence in countries or territories that do not cooperate in efforts to combat fraud and tax evasion

The bank has no direct or indirect presence in any country or territory covered by Article L.511-45 of the French Monetary and Financial Code and included in the list drawn up in the decree of February 12, 2010.

Information concerning amounts in the balance sheet, off-balance sheet and in the income statement

The notes are presented in millions of euros (€ millions).

Note 2 - Government securities

	Dec. 31, 2010				Dec. 31, 2009			
	Trading	**Available-for-sale**	**Held-to-maturity**	**Total**	Trading	Available-for-sale	Held-to-maturity	Total
Securities held	2,766	811	8,146	11 723	4,754	78	11,794	16,626
Securities loaned								
Cumulative translation adjustment								
Accrued interest		9	78	87			111	111
Gross amount	**2,766**	**820**	**8,224**	**11,810**	**4,754**	**78**	**11,905**	**16,737**
Impairment								
Net amount	**2,766**	**820**	**8,224**	**11,810**	**4,754**	**78**	**11,905**	**16,737**
Unrealized capital gains						0		0

No held-to-maturity securities were sold before maturity in 2010.

The positive or (negative) differences between the redemption price and the purchase price for available-for-sale and held-to-maturity securities are respectively €221 million and €45 million.

Note 3 - Interbank loans and advances

	Dec. 31, 2010		Dec. 31, 2009	
	On demand	**At maturity**	On demand	At maturity
Current accounts	5,161		3,265	
Loans, amounts received under repurchase agreements	14,918	24,917	2,688	28,988
Securities received under repurchase agreements	55	6,939	48	7,823
Accrued interest		47		86
Non-performing loans and advances		9		9
Impairment provisions		(8)		(8)
TOTAL	**20,134**	**31,904**	**6,001**	**36,898**
TOTAL INTERBANK LOANS AND ADVANCES		**52,038**		**42,899**
Including non-voting loan stock		*47*		*69*
Including subordinated loans		*1,280*		*1,284*

Non-performing loans and advances do not include impaired non-performing assets.

Performing loans include €1.9 million of loans restructured at off-market terms.

Note 3b - Interbank loans and advances by geographic area

	France	U.S.A	United Kingdom	Singapore	**Total**
Total gross outstandings at Dec. 31, 2010 (1)	50,998	124	1	873	**51,996**
Including non-performing loans					
Including impaired non-performing loans	*6*				***6***
Impairment provisions					
At Dec. 31, 2009	(8)				**(8)**
Additions					
Reversals					
Cumulative translation adjustment					
At Dec. 31, 2010	(8)				**(8)**

(1) Excludes accrued interest.

Note 4 - Customer loans and receivables

	Dec. 31, 2010	Dec. 31, 2009
Commercial loans	**275**	274
Accrued interest	**0**	
Other loans and receivables		
- Loans and advances	**26,941**	26,868
- Securities received under resale agreements	**5,295**	8,439
- Accrued interest	**102**	96
Current accounts in debit	**1,698**	1,595
Accrued interest		
Non-performing loans	**831**	1,033
Impairment provisions	**(414)**	(428)
TOTAL	**34,728**	**37,877**
Including receivables eligible with the European Central Bank	***1,909***	*3,612*
Including non-voting loan stock		
Including subordinated loans	***11***	*166*

Non-performing loans include €522 million of impaired loans, for which an impairment provision of €304 million has been recognized; performing loans include €59 million of loans restructured at off-market terms.

Note 4b - Customer loans and receivables by geographic area

	France	U.S.A	United Kingdom	Singapore	**Total**
Total gross outstandings at Dec. 31, 2010 (1)	30,157	1,655	1,796	1,432	**35,040**
Including non-performing loans	*179*	*44*	*44*	*42*	***309***
Including impaired non-performing loans	*422*		*100*		***522***
Impairment provisions					
At Dec. 31, 2009	(362)	(12)	(41)	(14)	**(428)**
Additions	(84)	(9)	(17)	(0)	**(110)**
Reversals	93	10	1		**104**
Cumulative translation adjustment	24	(1)	(1)	(2)	**20**
At Dec. 31, 2010	(328)	(12)	(58)	(16)	**(414)**

(1) Excludes accrued interest.

Note 4c - Impairment provisions on non-performing loans and receivables

Assets	Dec. 31, 2009	Additions	Reversals	Other movements	Dec. 31, 2010
On interbank loans and advances	8			0	8
On customer loans and receivables	428	110	(104)	(20)	414
On finance leases and operating leases					
On bonds and other fixed-income securities	226	129	(92)	87	350
On other assets	57		(56)		1
TOTAL	**719**	**239**	**(252)**	**67**	**773**

Non-performing customer loans and receivables totaled €831 million compared with €1,033 million at December 31, 2009. They are covered by asset impairment provisions totaling €414 million, representing a coverage ratio of 49.8% compared with 41.4% one year earlier.

Impairment and other provisions for credit risk represent 1.99% of gross customer outstandings, compared with 2% in 2009.

Non-performing loans and receivables are covered by impairment provisions, with the exception of country risk provisions and general provisions for credit risk, which are based on performing loans and receivables.

Note 5 - Bonds and other fixed-income securities

	Dec. 31, 2010				Dec. 31, 2009			
	Trading	**Available-for-sale**	**Held-to-maturity**	**Total**	Trading	Available-for-sale	Held-to-maturity	Total
Securities held - quoted	11,821	1,120	3,679	16,620	12,281	1,078	6,407	19,766
Securities held - not quoted		541	83	624		497	205	702
Securities loaned								
Accrued interest	7	5	14	26	4	8	20	31
Non-performing loans (1) and other fixed-income securities (1)		122	1,265	1,387		3	1,241	1,244
Gross amount	**11,828**	**1,788**	**5,041**	**18,657**	**12,285**	**1,585**	**7,873**	**21,743**
Impairment provisions		(28)		(28)		(49)		(49)
Other provisions		(4)	(346)	(350)		(2)	(280)	(282)
Net amount	**11,828**	**1,756**	**4,695**	**18 279**	**12,285**	**1,534**	**7,593**	**21,412**
Unrealized capital gains								
Including subordinated bonds		*58*	*17*	*75*			*27*	*27*
Including securities issued by public institutions				*884*				*771*

(1) Non-performing loans comprise €122 million of impaired non-performing loans against which a provision of €3 million has been raised.

The positive or (negative) differences between the redemption price and the purchase price for available-for-sale and held-to-maturity securities are respectively (€27) million and (€55) million.

The reduction in held-to-maturity securities between 2009 and 2010 corresponds to redemptions made in 2010 as well as sales of securities generating a net loss of €27.8 million.

Trading and available-for-sale securities have been marked to market based on external data obtained from organized markets or, for over-the-counter markets, using key broker prices. If prices are not available, they have been measured based on comparable securities quoted on the market.

Note 5b - Bonds and other fixed-income securities - Monitoring of transfers made between categories in 2008 pursuant to CRC regulation 2008-17 amending CRB regulation 90-01

Due to the exceptional situation brought on by the deterioration in global financial markets, CIC transferred securities from the trading and available-for-sale categories. These reclassifications were carried out on the basis of valuations dated July 1, 2008.

Assets reclassified:	Carrying amount on the day of the transfer	Carrying amount in the closing balance sheet	Value at closing date if transfers had not occurred	Unrealized capital gain/ (loss)
From trading securities to held-to-maturity securities	18,443	8,866	9,468	602
From trading securities to available-for-sale securities	349	36	35	(1)
From available-for-sale securities to held-to-maturity securities	421	268	252	(16)
TOTAL	**19,213**	**9,170**	**9,755**	**585**

Note 6 - Equities and other variable-income securities

	Dec. 31, 2010				Dec. 31, 2009			
	Trading	**Available-for-sale**	**Portfolio activity**	**Total**	Trading	Available-for-sale	Portfolio activity	Total
Securities held - quoted	1,161	8		1,169	2,217	2		2,219
Securities held - not quoted		67		67		69		69
Securities loaned								
Accrued interest								
Gross amount	**1,161**	**75**		**1,236**	**2,217**	**71**		**2,288**
Impairment provisions		(3)		(3)		(3)		(3)
TOTAL	**1,161**	**72**		**1,233**	**2,217**	**68**		**2,285**
Unrealized capital gains		6		6		5		5

There were no transfers between portfolios during 2010.

Note 7 - Investments in subsidiaries and other long-term investments

	Dec. 31, 2009	Acquisitions Additions	Disposals Reversals	Transfers	Other movements	Dec. 31, 2010
Other long-term investments						
- Quoted	3					3
- Not quoted	89		(3)			86
Investments in subsidiaries						
- Quoted	89					89
- Not quoted	4	2	(1)		(0)	5
Sub-total	**185**	**2**	**(4)**		**(0)**	**183**
Cumulative translation adjustment						
Securities loaned						
Accrued interest						0
Calls for funds and current account advances to non-trading real estate companies (SCI)						
Gross amount	**185**	**2**	**(4)**		**(0)**	**183**
Impairment provisions						
- Quoted securities						
- Non-quoted securities	(8)		3			(5)
Sub-total	**(8)**		**3**			**(5)**
Net amount	**177**	**2**	**(1)**		**(0)**	**178**

CIC is a partner with unlimited liability in a number of non-trading real estate companies, partnerships and economic interest groupings. The bank's role concerns mainly the management of employee savings plans, asset financing, and the development of community projects within the CIC group and real estate transactions.

Note 8 - Investments in affiliates

	Dec. 31, 2009	Acquisitions Additions	Disposals Reversals	Transfers	Other movements	Dec. 31, 2010
Gross amount	3,208	731	(671)		0	3,268
Cumulative translation adjustment						
Securities loaned	0					
Accrued interest						
Calls for funds and current account advances to non-trading real estate companies (SCI)	1					1
Impairment provisions	(21)	(4)	1		0	(24)
Net amount	**3,188**	**727**	**(670)**		**0**	**3,245**
Gross carrying amount for investments in non-quoted credit institutions	2,101					1,841
Gross carrying amount for investments in quoted affiliates						
Gross carrying amount for investments in non-quoted affiliates	3,208					3,268

Transactions with affiliates	Dec. 31, 2010 Affiliates Total	Dec. 31, 2010 Affiliates Of which, subordinated	Dec. 31, 2009 Affiliates Total	Dec. 31, 2009 Affiliates Of which, subordinated
Assets				
Interbank loans and advances	37,656	1,278	31,478	1,295
Customer loans and receivables	672		651	
Bonds and other fixed-income securities	36		50	
Liabilities				
Due to credit institutions	27,553		20,073	
Due to customers	220		167	
Debt securities	3		3	
Off-balance sheet				
Commitments given				
Credit institutions [1]	270		270	
Customers	5,679		6,519	

(1) Commitments given to affiliates concern, in particular, guarantees given to banks within the group on their certificates of deposit and medium-term note issues.

Transactions with other related entities are not significant.

Related party transactions

All related party transactions were carried out on normal market terms, i.e., those normally used for transactions with third parties, such that the beneficiary of the agreement does not enjoy more advantageous terms than those granted to a third party of the company, given the terms normally adopted by companies in the same sector.

Note 9 - Intangible assets

	Dec. 31, 2009	Acquisitions Additions	Disposals Reversals	Other movements	Dec. 31, 2010
Gross amount					
Goodwill	92	2			94
Set-up costs	1				1
Research and development					
Other intangible assets	49	4	(2)	1	52
Gross amount	**142**	**6**	**(2)**	**1**	**147**
Amortization					
Goodwill	(39)	(6)			(45)
Set-up costs	(1)				(1)
Research and development					
Other intangible assets	(6)				(6)
Total amortization	**(46)**	**(6)**			**(52)**
Net amount	**96**		**(2)**	**1**	**95**

Note 10 - Property and equipment

	Dec. 31, 2009	Acquisitions Additions	Disposals Reversals	Other movements	Dec. 31, 2010
Gross amount					
Land used in operations	193	2	(0)		195
Land not used in operations	0				0
Buildings used in operations	630	19	(5)	1	645
Buildings not used in operations	1			0	1
Other property and equipment	147	6	(4)	2	151
Total gross amount	**971**	**27**	**(9)**	**3**	**992**
Depreciation					
Land used in operations					
Land not used in operations					
Buildings used in operations	(299)	(30)	3		(326)
Buildings not used in operations	(0)	(0)		(0)	(0)
Other property and equipment	(119)	(7)	4	(1)	(123)
Total depreciation	**(418)**	**(37)**	**7**	**(1)**	**(449)**
Net amount	**553**				**543**

Note 11 - Treasury stock

	Dec. 31, 2010	Dec. 31, 2009
Number of shares held	229,741	229,741
Proportion of capital stock	0.60%	0.65%
Carrying amount	9	9
Market value	31	28

CIC's treasury stock holding is derived from the CIC Banque CIAL partial asset contribution carried out in 2006.

Note 12 - Other assets and liabilities

	Dec. 31, 2010		Dec. 31, 2009	
	Assets	Liabilities	Assets	Liabilities
Option premiums	361	365	734	574
Securities settlement accounts	4		3	
Debts in respect of borrowed securities		2,620		4,498
Deferred tax				
Miscellaneous debtors and creditors	8,706	952	7,940	677
Non-performing receivables	1		64	
Accrued interest	4	0	3	0
Impairment provisions	(1)		(58)	
TOTAL	**9,075**	**3,937**	**8,686**	**5,749**

Note 13 - Accruals

	Dec. 31, 2010		Dec. 31, 2009	
	Assets	**Liabilities**	Assets	Liabilities
Collection accounts	113	167	186	257
Currency adjustment accounts and off-balance sheet	3,448	3,845	3,860	3,837
Other accruals	951	5,124	991	4,826
TOTAL	**4,512**	**9,136**	**5,037**	**8,920**

Note 14 - Due to credit institutions

	Dec. 31, 2010		Dec. 31, 2009	
	On demand	**At maturity**	On demand	At maturity
Current accounts	15,610		12,667	
Term deposits		24,627		24,652
Amounts received under resale agreements				
Securities sold under repurchase agreements	75	24,302	43	26,824
Accrued interest		104		167
TOTAL	**15,685**	**49,033**	**12,710**	**51,643**
TOTAL DUE TO CREDIT INSTITUTIONS		**64,718**		**64,353**

Note 15 - Due to customers

	Dec. 31, 2010		Dec. 31, 2009	
	On demand	**At maturity**	On demand	At maturity
Regulated savings accounts	4,474	1,139	4,065	1,091
Accrued interest		1		1
TOTAL - REGULATED SAVINGS ACCOUNTS	**4,474**	**1,140**	**4,065**	**1,092**
Other liabilities	7,921	8,980	5,803	5,423
Securities sold under repurchase agreements		1,503		8,518
Accrued interest		47		40
TOTAL - OTHER LIABILITIES	**7,921**	**10,530**	**5,803**	**13,981**
TOTAL DUE TO CUSTOMERS, ON DEMAND AND AT MATURITY		**24,065**		**24,941**

Note 16 - Debt securities

	Dec. 31, 2010	Dec. 31, 2009
Retail certificates of deposit	7	2
Interbank instruments and money market securities	27,300	28,579
Bonds	973	937
Other debt securities	2	2
Accrued interest	45	54
TOTAL	**28,327**	**29,574**

Note 17 - Provisions

	Dec. 31, 2009	Additions	Reversals	Other movements	Dec. 31, 2010
Provisions for counterparty risks					
On signature commitments	27	13	(10)		**30**
On financing and guarantee commitments				0	**0**
On country risks					
General provisions for counterparty risks	291	1	(44)	6	**254**
Other provisions for counterparty risks	21		(21)		
Provisions for losses on forward financial instruments	2	5	(1)		**6**
Provisions on subsidiaries and equity interests		15			**15**
Other provisions for contingencies and charges (excluding counterparty risks)					
Provisions for retirement costs (1)	30	1	(5)		**26**
Provisions for home savings accounts and plans	10		(2)	1	**9**
Other provisions (2)	463	265	(37)	2	**693**
TOTAL	**844**	**300**	**(120)**	**9**	**1,033**

(1) The provisions for retirement costs include the provision for retirement bonuses. This provision is the difference between the commitment and the amount guaranteed by ACM, a CM5-CIC group insurance firm. During the year, an agreement was implemented on the application within the group of the unified regime (statut unique), which resulted in an amendment to the manner in which retirement bonuses are calculated. The impact for CIC of this agreement was a €19 million increase in the commitment. Since it relates to past service costs, it is spread over the estimated remaining working life of the employees concerned. In addition, in order to harmonize the calculation parameters with those of the CM5-CIC group, the reference discount rate is now the rate of return of long-term bonds issued by leading companies, estimated using the i-Boxx index, whereas in 2009, this rate was determined by reference to the long-term market rate for leading credit institutions. This rate was 4% at December 31, 2010 compared with 5% one year earlier.

(2) At December 31, 2010, includes €274 million of provisions linked to tax consolidation temporary differences.

Note 17b - Provisions for risks on commitments in respect of home savings

	Dec 31, 2010		Dec. 31, 2009	
	Outstandings	**Provisions**	Outstandings	Provisions
Home savings plans	**950**	**6**	902	7
Home savings accounts	**81**	**2**	84	2
Home savings loans	**18**	**1**	21	1

Note 18 - Subordinated debt

	Dec. 31, 2009	ISSUES	Redemptions	Other movements	Dec. 31, 2010
Subordinated debt	1,241		(52)	19	**1,208**
Non-voting loan stock	137				**137**
Perpetual subordinated loan stock	2,107				**2,107**
Accrued interest	20			(3)	**17**
TOTAL	**3,505**		**(52)**	**16**	**3,469**

Other movements relating to subordinated debt are due to exchange rate movements on a USD 350 million liability.

Main subordinated debt issues

Issue	Issue date	Amount	Amount at year end	Rate	Maturity
Subordinated notes	07.19.01	€300m	€300m	a	07.19.2013
Subordinated notes	09.30.03	USD 350m	USD 350m	b	09.30.2015
Non-voting loan stock	05.28.85	€137m	€137m	c	d
Perpetual subordinated notes	06.30.06	€400m	€400m	e	
Perpetual subordinated notes	06.30.06	€1,100m	€1,100m	f	
Perpetual subordinated notes	12.30.08	€500m	€500m	g	

a) 3-month Euribor + 89.5 basis points.
b) 6-month USD Libor + 55 basis points.
c) Minimum 85% (TAM+TMO)/2 - Maximum 130% (TAM+TMO)/2.
d) Repayable at borrower's discretion as from May 28, 1997 at 130% of the face value incremented at the rate of 1.5% for each subsequent year.
e) 6-month Euribor + 167 basis points.
f) 6-month Euribor + 107 basis points for the first ten years, then Euribor + 207 basis points (in the absence of early redemption).
g) Variable 3-month Euribor + 665 basis points.
e), f) and g) subscribed by the parent companies BFCM and CFCM.

Note 19 - Shareholders' equity and general banking risks reserve

	Capital	Additional paid-in capital	Reserves (1)	Revaluation reserve	Untaxed provisions	Retained earnings	Net income for the year	**Total**	General banking risks reserve
Equity at Jan. 1, 2009	**586**	**960**	**664**	**44**	**29**	**1,606**	**(73)**	**3,816**	**379**
Net income for the year							1,081	1,081	
Appropriation of prior year earnings			1			(74)	73	0	
Dividends paid						(36)		(36)	
Capital increase	4	23						27	
Impact of remeasurement									
Other movements					9	(1)		8	
Equity at Dec. 31, 2009	**590**	**983**	**665**	**44**	**38**	**1,495**	**1,081**	**4,896**	**379**
Equity at Jan. 1, 2010	**590**	**983**	**665**	**44**	**38**	**1,495**	**1,081**	**4,896**	**379**
Net income for the year							538	538	
Appropriation of prior year earnings			1			1,080	(1 081)	0	
Dividends paid						(160)		(160)	
Capital increase	18	105						123	
Impact of remeasurement									
Other movements					2	(13)		(11)	
Equity at Dec. 31, 2010	**608**	**1,088**	**666**	**44**	**40**	**2,402**	**538**	**5,386**	**379**

(1) At December 31, 2010, reserves comprised the legal reserve for €59 million, the special long-term capital gains reserve for €287 million, retained earnings for €195 million, statutory reserves for €124 million and the special reserve pursuant to Article 238bis AB of the French Tax Code for €1 million.

At December 31, 2010 CIC's capital stock comprised 38,027,493 shares with a par value of €16 each.

CIC generated net income of €537,729,649.01.

The Shareholders' Meeting will be asked to appropriate the amount of €2,904.2 million, comprising the net income of €537.7 million and retained earnings of €2,402.5 million, as follows:

Dividends relating to the 2010 fiscal year	334.6
Appropriation to the legal reserve	1.8
Addition to retained earnings	2,603.8
TOTAL DISTRIBUTABLE AMOUNT	**2,940.2**

Note 20 - Breakdown of certain assets/liabilities by residual term

	Within 3 months and on demand	3 months or more, within 1 year	1 year or more, within 5 years	5 years or more	Perpetual	Accrued interest	Total
Assets							
Interbank loans and advances [1]	42,025	7,705	1,127	189	944	47	52,037
Customer loans and receivables [2]	8,044	2,618	8,005	15,580	11	102	34,360
Bonds and other fixed-income securities [3]	583	420	2,428	1,843		19	5,293
Liabilities							
Due to credit institutions	42,213	18,479	3,513	409		104	64,718
Due to customers	17,948	2,108	3,820	142		48	24,066
Debt securities							
- Retail certificates of deposit	2	5					7
- Interbank instruments and money market securities	20,331	6,278	432	260		37	27,338
- Bonds	25	517	385	45		8	981
- Other			2				2

1) Excluding non-performing loans and advances and provisions for impairment.
(2) Excluding amounts not allocated, non-performing loans and receivables and provisions for impairment.
(3) Concerns exclusively available-for-sale and held-to-maturity securities (excluding non-performing assets).

Note 21 - Equivalent value in euros of foreign currency assets and liabilities

The equivalent value in euros of foreign currency assets and liabilities at December 31, 2009 is, respectively €40,896 and €51,452.

CIC does not hold any material operational positions in foreign currency.

Note 22 - Guarantee commitments given

In connection with the CM5-CIC group's refinancing operations (mortgages and covered securities), certain customer loans granted by CIC form part of the assets given as guarantee for these refinancing operations carried by non-group entities. At December 31, 2010, they amounted to €6,623 million.

The bank obtains refinancing from Caisse de Refinancement de l'Habitat by issuing promissory notes that securitize receivables covered by Article L.313-42 of the French Monetary and Financial Code, which totaled €565 million at December 31, 2010. On the same date, home loans guaranteeing these promissory notes amounted to €690 million.

Note 23 - Commitments on forward financial instruments

Transactions in forward financial instruments (based on the concepts of micro/macro-hedging and the management of open positions/specialist management of forward commitments and options)

	Dec. 31, 2010			Dec. 31, 2009		
	Hedging	**Position management**	**Hedging**	Position management	Hedging	Total
Forward commitments						
Organized markets						
- Interest rate contracts		5,635	5,635		5,195	5,195
- Foreign exchange contracts		10	10		20	20
- Other commitments		460	460		1,899	1,899
Over-the-counter markets						
- Forward rate agreements		3,809	3,809		4,648	4,648
- Interest rate swaps	43,905	273,141	317,046	62,822	258,010	320,832
- Financial swaps	21	55,822	55,843	22	53,474	53,496
- Other commitments	14	49	63	2	89	91
- Swaps - other		696	696		1,969	1,969
Options						
Organized markets						
- Interest rate options						
• Purchased		4,591	4,591		2,725	2,725
• Sold		5,912	5,912		2,874	2,874
- Foreign exchange options						
• Purchased						
• Sold						
- Equities and other options						
• Purchased		89	89		6,461	6,461
• Sold		121	121		6,049	6,049
Over-the-counter markets						
- Interest rate caps and floors						
• Purchased	535	18,345	18,880	944	26,579	27,523
• Sold	1,605	18,159	19,764	1,478	26,352	27,830
- Interest rate, foreign exchange, equity and other options						
• Purchased		8,476	8,476		7,836	7,836
• Sold		8,366	8,366		7,859	7,859
TOTAL	**46,080**	**403,681**	**449,761**	**65,268**	**412,039**	**477,307**

Breakdown of over-the-counter interest rate instruments by portfolio type

Dec. 31, 2010	Isolated open position	Micro-hedging	Global interest rate risk	Specialist management	Total
Forward commitments					
Purchases				2,791	2,791
Sales				1,018	1,018
Swaps	10,525	42,310	1,596	262,615	317,046
Options					
Purchases	172	535		18,173	18,880
Sales	153	1,604	1	18,005	19,763
Dec. 31, 2009					
Forward commitments					
Purchases				445	445
Sales				4,203	4,203
Swaps	8,726	61,503	1,319	249,284	320,832
Options					
Purchases	77	944		26,502	27,523
Sales	76	1,477	1	26,277	27,831

There were no transfers between categories in 2010.

Note 24 - Breakdown of forward instruments by residual term

	Dec. 31, 2010			
	Within 1 year	1 year or more, within 5 years	5 years or more	Total
Interest rate instruments				
Organized markets				
- Purchases	7,223	40		7,263
- Sales	8,414	462		8,876
Over-the-counter markets				
- Purchases	9,060	10,005	2,605	21,670
- Sales	7,107	10,361	3,313	20,781
- Interest rate swaps	131,535	118,563	66,949	317,047
Foreign exchange instruments				
Organized markets				
- Purchases	5			5
- Sales	5			5
Over-the-counter markets				
- Purchases	6,621	1,307	2	7,930
- Sales	6,598	1,308	2	7,908
- Financial swaps	16,278	31,712	7,899	55,889
Other forward financial instruments				
Organized markets				
- Purchases	137			137
- Sales	534			534
Over-the-counter markets				
- Purchases	458	124		582
- Sales	438	71		509
- Swaps	390	306		696
TOTAL	**194,803**	**174,259**	**80,770**	**449,832**

Note 25 - Forward financial instruments - Counterparty risk

The counterparty risk related to forward financial instruments is estimated based on the method used for the calculation of prudential ratios

Credit risks on forward financial instruments	Dec. 31, 2010	Dec. 31, 2009
Gross exposure		
Risks on credit institutions	4,480	4,539
Risks on companies	1,436	1,294
TOTAL	**5,916**	**5,833**

	Dec. 31, 2010		Dec. 31, 2009	
Fair value of forward financial instruments	Assets	Liabilities	Assets	Liabilities
Fair value of forward financial instruments	3,829	5,637	4,267	6,330

Note 26 - Other off-balance sheet commitments

	Dec. 31, 2010	Dec. 31, 2009
Foreign exchange commitments		
Amounts receivable	3,827	2,957
Amounts payable	3,978	2,868
Commitments on forward financial instruments		
Commitments made on organized and similar markets		
Forward foreign exchange commitments		
- Hedging	47,839	60,868
- Other	88,146	59,829
Financial foreign exchange swaps		
- Isolated open position		
- Micro-hedging	21	22
- Global interest rate risk		
- Specialist management	55,822	53,474
Finance leasing commitments		
Remaining lease payments on property finance leases		
Remaining lease payments on equipment finance leases		

Note 27 - Interest income and expense

	2010		2009	
	Income	Expense	Income	Expense
Credit institutions	1,887	(2,124)	1,998	(2,344)
Customers	1,068	(227)	1,235	(256)
Finance leases and operating leases				
Bonds and other fixed-income securities	483	(257)	566	(492)
Other	324	(316)	229	(250)
TOTAL	**3,762**	**(2,924)**	**4,028**	**(3,342)**
Including expenses relating to subordinated debt		*(76)*		*(103)*

Note 28 - Income from variable-income securities

	2010	2009
Available-for-sale securities		6
Portfolio activity securities		
Equity interests and other long term investments	13	15
Shares in affiliates	243	473
Income from shares in non-trading real estate companies		
TOTAL	**256**	**495**

Note 29 - Commission income and expense

	2010		2009	
	Income	**Expense**	Income	Expense
Treasury and interbank activities	1	(2)	1	(2)
Customer transactions	152	(1)	150	(1)
Securities transactions		(4)	0	(4)
Foreign exchange transactions	1	(2)	4	(2)
Off-balance sheet activities				
- Commitments on securities	1		1	(0)
- Forward financial commitments		(18)	2	(8)
- Financing commitments and guarantees	3	(1)	2	(1)
Financial services	238	(13)	222	(9)
Means of payment		(86)		(79)
Other commissions (including income retroceded)	3	(8)	4	(1)
TOTAL	**399**	**(135)**	**386**	**(107)**

Note 30 - Net gains on trading account securities

	2010	2009
On securities held for trading	(276)	1,694
On foreign exchange trading	29	34
On forward financial instruments		
- Interest rates	(272)	(909)
- Foreign exchange	9	3
- On other financial instruments, including equity instruments	721	16
Sub-total	**211**	**839**
Additions to impairment provisions on financial instruments	(4)	(0)
Reversals from impairment provisions on financial instruments	1	4
TOTAL	**208**	**843**

Note 31 - Net gains/(losses) on available-for-sale and similar securities

	2010	2009
Available-for-sale securities		
Gains on disposals	14	112
Losses on disposals	(44)	(10)
Additions to impairment provisions		(26)
Reversals from impairment provisions	17	19
Portfolio activity securities		
Gains on disposals		
Losses on disposals		
Additions to impairment provisions		
Reversals from impairment provisions		
TOTAL	**(13)**	**95**

Note 32 - Other banking income and expense

	2010		2009	
	Income	**Expense**	Income	Expense
Incidental income	1		1	
Transfer of expenses				
Net additions to provisions	16	(138)	18	(46)
Other income and expense relating to banking activities	3	(91)	1	(65)
TOTAL	**20**	**(229)**	**20**	**(111)**

Note 33 - Payroll costs

	2010	2009
Wages and salaries	(217)	(211)
Payroll taxes	(92)	(96)
Retirement benefit expense	(10)	6
Employee profit-sharing and incentive bonuses	(19)	(26)
Payroll-based taxes	(28)	(21)
Net addition to provisions for retirement benefits	4	7
Other net additions to provisions	3	(17)
TOTAL	**(359)**	**(358)**

Note 34 - Net additions to provisions for loan losses

	2010	2009
Additions to non-performing loan impairment provisions	(238)	(414)
Reversals from non-performing loan impairment provisions	250	123
Loan losses covered by impairment provisions	(174)	(66)
Loan losses not covered by impairment provisions	(42)	(40)
Recovery of loans written off in prior years	2	1
Balance of loans	**(202)**	**(396)**
Additions to impairment provisions	(14)	(41)
Reversals from impairment provisions	75	38
Balance of risks	**61**	**(3)**
TOTAL	**(141)**	**(399)**

Note 35 - Net gains/(losses)on disposals of non-current assets

	2010					2009
	Government securities and similar	Bonds and other fixed-income securities	Equity interests and other long-term investments	Shares in affiliates	Total	Total
On non-current financial assets						
Gains on disposals	54	148	2	31	235	47
Losses on disposals	(110)	(119)	(4)		(233)	(107)
Additions to impairment provisions			(15)	(4)	(19)	(4)
Reversals from impairment provisions			3	1	4	15
Sub-total	**(56)**	**29**	**(14)**	**28**	**(13)**	**(49)**
On property and equipment and intangible assets						
Gains on disposals					1	
Losses on disposals					(1)	
Sub-total						
TOTAL					**(13)**	**(49)**

Note 36 - Net non-recurring income

	2010	2009
Merger deficit		
Provision		
TOTAL		

Note 37 - Corporate income tax

	2010	2009
Current taxes - Accruals relating to prior years	6	5
Current taxes - Effect of tax consolidation	(35)	(136)
TOTAL	**(29)**	**(131)**
Relating to operating activities		
Relating to non-recurring items		
TOTAL		

CIC, the regional banks and certain subsidiaries in which the bank has more than a 95% ownership interest constitute a tax consolidation group.

Note 38 - Breakdown of income statement items by geographic area

	France	U.S.A.	United Kingdom	Singapore	Total
Net banking income	956	295	52	41	1,344
General operating expenses	(553)	(33)	(7)	(27)	(620)
Operating income before provisions	403	262	45	14	724
Net additions to/reversals from provisions for loan losses	46	(173)	(13)	(1)	(141)
Net operating income/(loss)	449	89	32	13	583
Net gains/(losses) on disposals of non-current assets	(13)				(13)
Income/(loss) before non-recurring items	436	89	32	13	570
Non-recurring items					
Corporate income tax	(19)	(3)	(7)		(29)
Additions to/reversals from untaxed provisions	(3)				(3)
Net income/(loss)	**414**	**86**	**25**	**13**	**538**

Note 38b - Breakdown of income statement items by business sector

	Network	Private banking	Financing	Financial engineering	HQ and holding company services	Total
Net banking income	552	14	802		(24)	1 344
General operating expenses	(365)	(16)	(180)		(59)	(620)
Operating income/(expense) before provisions	187	(2)	622		(83)	724
Net additions to/reversals from provisions for loan losses	(22)		(173)		54	(141)
Net operating income/(loss)	165	(2)	449		(29)	583
Net gains/(losses) on disposals of non-current assets			(28)		15	(13)
Income/(loss) before non-recurring items	165	(2)	421		(14)	570
Non-recurring items						
Corporate income tax			(5)		(24)	(29)
Additions to/reversals from untaxed provisions					(3)	(3)
Net income/(loss)	**165**	**(2)**	**416**		**(41)**	**538**

Note 39 - Average number of employees

	2010	2009
Banking staff	1,998	2,185
Managerial grade staff	1,827	1,905
TOTAL	**3,825**	**4,090**

Note 40 - Remuneration paid to members of the Executive Board and members of the Supervisory Board

	2010	2009
Total remuneration paid	(1)	(1)
Total attendance fees		

Members of the Supervisory Board did not receive any remuneration.

No advances or loans were granted to any members of the Executive Board or Supervisory Board during the fiscal year.

Note 41 - Earnings per share

At December 31, 2010, CIC's capital stock amounted to €608,439,888, made up of 38,027,493 shares with a par value of €16 each, including 229,741 treasury shares which are not taken into account in the calculation of earnings per share.

Thus, earnings per share in respect of 2010 totaled €14.23 compared with €29.45 in respect of 2009.

Note 42 - Individual rights to staff training

The rights earned by December 31, 2010 relating to individual rights to staff training as set out in Articles L.933-1 to L.933-6 of the French Employment Code amounted to 387,527 hours.

Investments in subsidiaries and affiliates at December 31, 2010

Company and address	Capital stock	Shareholders' equity less capital, excluding 2010 income
Detailed information about investments in French and foreign companies with a carrying value representing more than 1% of CIC's capital stock		
A / SUBSIDIARIES (more than 50% of the capital stock owned by CIC)		
A.1 CREDIT INSTITUTIONS		
CIC Ouest - 2, avenue Jean-Claude Bonduelle, 44000 Nantes - SIREN 855 801 072	83,780,000	318,595,000
CIC Nord Ouest - 33, avenue Le Corbusier, 59800 Lille - SIREN 455 502 096	230,000,000	172,936,000
CIC Est - 31 rue Jean Wenger-Valentin, 67000 Strasbourg - SIREN 754 800 712	225,000,000	148,181,000
CIC Banque Transatlantique - 26, avenue Franklin D. Roosevelt, 75008 Paris - SIREN 302 695 937	22,129,350	62,910,000
CIC Sud Ouest - 42 cours du Chapeau Rouge, 33000 Bordeaux - SIREN 456 204 809	155,300,000	49,621,000
CIC Lyonnaise de Banque - 8, rue de la République, 69001 Lyon - SIREN 954 507 976	260,840,262	353,692,000
CM-CIC Epargne Salariale - 12, rue Gaillon, 75002 Paris - SIREN 692 020 878	13,524,000	3,023,000
CM-CIC Bail - 12, rue Gaillon, 75002 Paris - SIREN 642 017 834	26,187,800	127,096,000
CM-CIC Lease - 48, rue des Petits Champs, 75002 Paris - SIREN 332 778 224	64,399,232	41,808,687
CM-CIC Securities - 6, avenue de Provence, 75009 Paris - SIREN 467 501 359	19,704,678	12,495,000
A.2 OTHERS		
CM-CIC Gestion - 60 rue de la Victoire, 75009 Paris - SIREN 319 180 675	1,108,224	5,606,000
CIC Finance[1] - 4 et 6, rue Gaillon, 75002 Paris - SIREN 562 118 299	115,016,688	186,646,333
Institut de Participations de l'Ouest « IPO » - 32 avenue Camus, 44000 Nantes - SIREN 319 658 530	111,837,990	190,694,121
Adepi - 6, rue Gaillon, 75002 Paris - SIREN 331 618 074	244,192,608	410,360,712
CIC Participations - 4, rue Gaillon, 75002 Paris - SIREN 349 744 193	8,375,000	25,963,022
CIC Associés - 4, rue gaillon, 75002 PARIS - SIREN 331 719 708	15,576,000	1,526,904
CIC Migrations - 6, rue Gaillon, 75002 Paris - SIREN 395 064 769	37,800	422,106
B / AFFILIATES (10% to 50% of the capital stock owned by CIC)		
Groupe Sofemo - 34 rue du Wacken, 67000 Strasbourg - SIREN 339 943 680	11,050,000	25,767,000
General information on other subsidiaries and affiliates		
SUBSIDIARIES		
French subsidiaries		
Foreign subsidiaries		
AFFILIATES		
French companies		
Foreign companies		

(1) Renamed CM-CIC Capital Finance on February 2, 2011.

Share of capital held (%)	Carrying amount of securities held Gross	Net	Advances granted by CIC	Guarantees and securities given by CIC	Revenue excluding taxes for last fiscal year	Net income for last fiscal year	Dividends received in 2010 by CIC
100.00	366,582,523	366,582,523	0		461,856,000	51,729,000	21,678,039
100.00	313,939,359	313,939,359	0		537,730,000	178,281,000	45,137,471
100.00	231,131,287	231,131,287	0		652,076,000	248,887,000	64,687,408
100.00	94,663,861	94,663,861	0		62,699,000	16,943,000	14,841,276
100.00	220,670,272	220,670,272	100,000,000		271,226,000	31,605,000	8,832,674
100.00	341,810,017	341,810,017	0		664,442,000	202,669,000	64,368,515
99.94	31,957,273	31,957,273	0		34,279,060	1,020,000	563,152
99.22	250,288,011	250,288,011	0		2,218,962,000	-59,966,000	0
27.88	22,309,854	21,218,514	0		397,001,454	8,855,430	2,255,378
100.00	38,690,049	38,690,049	0		55,304,000	654,000	2,345,735
99.99	6,665,810	6,665,810	0		23,775,947	174,000	415,548
99.97	498,721,700	498,721,700	0		8,453,044	34,643,060	639,231
64.47	218,870,058	218,870,058	0		47,458,988	27,586,762	0
100.00	474,936,885	474,936,885	0		23,043,075	22,245,875	0
100.00	40,267,900	40,267,900	0		22,189,394	15,806,764	0
100.00	19,787,882	17,107,640	0		94,595	-39,706	0
100.00	10,619,034	481,090	0		155,333	79,739	0
33.30	7,820,000	7,820,000	0		65,419,000	14,308,000	823,400
	27,918,187	23,418,390					16,619,078
	36,874	36,874					0
			0				
	3,851,417	1,316,960					0
	1,331,625	1,331,625					6,864,762

Business and results of subsidiaries and affiliates

Regional banks [1]

CIC Nord Ouest

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of FTE employees at December 31	2,694	2,733
Total assets	17,835	16,767
Shareholders' equity (group share) including general banking risks reserve	581	470
Customer deposits	10,897	8,788
Customer loans	15,372	14,996
Net income	**178**	**45**

CIC Est

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of FTE employees at December 31	3,489	3,718
Total assets	24,638	24,768
Shareholders' equity (group share) including general banking risks reserve	622	461
Customer deposits	13,199	11,792
Customer loans	20,357	19,045
Net income	**249**	**64**

CIC Lyonnaise de Banque

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of FTE employees at December 31	3,732	3,891
Total assets	27,621	26,992
Shareholders' equity (group share) including general banking risks reserve	817	699
Customer deposits	14,439	11,692
Customer loans	21,943	21,006
Net income	**203**	**205**

CIC Sud Ouest

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of FTE employees at December 31	1,606	1,556
Total assets	8,866	7,836
Shareholders' equity (group share) including general banking risks reserve	236	220
Customer deposits	4,582	3,439
Customer loans	7,213	6,411
Net income	**32**	**9**

CIC Ouest

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of FTE employees at December 31	2,656	2,725
Total assets	19,141	17,484
Shareholders' equity (group share) including general banking risks reserve	454	442
Customer deposits	10,567	9,166
Customer loans	16,404	15,648
Net income	**52**	**22**

(1) Customer deposits do not include certificates of deposit or repurchase agreements.
Customer loans do not include resale agreements but include lease financing transactions.

Specialist subsidiaries - Retail banking

CM-CIC Epargne Salariale

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of employees at December 31	114	119
Total assets	72	75
Shareholders' equity	18	17
Assets under management (excluding current bank accounts)	5,350	4,679
Net income	**1.0**	**0.6**

CM-CIC Bail

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of employees at December 31	171	113
Total assets	6,466	5,680
Shareholders' equity	339	242
Outstanding lease financing	5,613	4,657
Net income	**12.7**	**5.8**

CM-CIC Bail absorbed Sodelem with retroactive effect to January 1, 2010.

CM-CIC Laviolette Financement

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of employees at December 31	112	116
Total assets	233	203
Shareholders' equity (group share) including general banking risks reserve	7	7
Invoices purchased (net new business)	1,609	1,411
Net income	**1.4**	**1.4**

CM-CIC Lease

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of employees at December 31	52	53
Total assets	2,798	2,471
Shareholders' equity	86	76
Outstanding lease financing	2,712	2,380
Net income	**8.3**	**8.0**

Factocic

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of employees at December 31	214	218
Total assets	2,165	1,805
Shareholders' equity (group share) including general banking risks reserve	148	139
Factored receivables	12,565	10,190
Net income	**13.5**	**13.2**

Specialist subsidiary - Financing and capital markets

CM-CIC Securities

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of employees at December 31	245	250
Total assets	645	531
Customer assets in custody	17,004	15,673
Net income	**(0.1)**	**2.3**

Specialist subsidiaries – Private banking

CIC Banque Transatlantique[1]

Financial data in € millions	**2010 Consolidated – IFRS**	2009 Consolidated – IFRS
Number of employees at December 31	291	276
Total assets	2,067	1,817
Shareholders' equity (group share) including general banking risks reserve	115	112
Customer funds invested in group savings products	10,461	8,833
Customer deposits	1,587	1,292
Customer loans	1,168	996
Net income (consolidated/group share)	**18.7**	**14.1**

(1) Customer deposits do not include certificates of deposit or repurchase agreements.
Customer loans do not include resale agreements but include lease financing transactions.

Banque CIC Suisse

Key figures prepared using local accounting standards Financial data in CHF millions	**2010 Company**	2009 Company
Number of employees at December 31	285	274
Total assets	3,807	3,448
Shareholders' equity	201	201
Customer capital (assets in custody and deposits)	4,793	4,855
Net income	**2.3**	**10.3**

CIC Private Banking – Banque Pasche

Key figures prepared using local accounting standards Financial data in CHF millions	**2010 Consolidated**	2009 Consolidated
Number of employees at December 31	145	155
Total assets	1,274	1,558
Customer capital (assets in custody and deposits)	5,862	6,122
Net income	**(5.1)**	**(1.9)**

Banque de Luxembourg

Key figures prepared using local accounting standards Financial data in € millions	**2010 Company**	2009 Company
Number of employees at December 31	746	729
Total assets	18,048	17,891
Shareholders' equity including general banking risks reserve*	647	615
Assets in custody	50,661	41,975
Net income	**64.9**	**62.9**

** Shareholders' equity includes untaxed provisions.*

Dubly-Douilhet SA

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of employees at December 31	32	34
Total assets	51	58
Shareholders' equity	9	9
Assets in custody	886	807
Net income	**1.1**	**0.9**

Specialist subsidiaries - Private equity

CIC Finance

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of employees at December 31	29	35
Total assets	1,026	416
Shareholders' equity	336	318
Value of portfolio	1,447	755
Net income	**34.6**	**2.2**

In 2009, the assets and liabilities of CIC Investissement Alsace were transferred to CIC Finance under the transfer of undertakings (TUPE) provisions.

CIC Banque de Vizille

Financial data in € millions	**2010 Consolidated* IFRS**	2009 Consolidated* IFRS
Number of employees at December 31	42	43
Total assets	713	731
Shareholders' equity	696	687
Value of portfolio	548	577
Net income (group share)	**37.0**	**37.4**

** Banque de Vizille SA, Vizille Capital Innovation, Vizille Capital Finance and Sudinnova.*

IPO

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Number of employees at December 31	17	15
Total assets	339	311
Shareholders' equity	330	304
Value of portfolio	358	350
Net income	**27.6**	**7.5**

CIC Investissement

Financial data in € millions	**2010 Company - French GAAP**	2009 Company - French GAAP
Total assets	462	447
Shareholders' equity	444	424
Value of portfolio	553	461
Net income	**19.5**	**(25.7)**

CIC Investissement Est and Nord merged with CIC Investissement with retroactive effect to January 1, 2010.
The 2009 figures are the sum of the figures of each of the three entities' financial statements.

Legal Information

Ordinary and Extraordinary Shareholders' Meeting of May 19, 2011

Executive Board's report to the Ordinary and Extraordinary Shareholders' Meeting of May 19, 2011

We have called this Ordinary and Extraordinary Shareholders' Meeting to discuss the matters included on the agenda that are the subject of the resolutions submitted for your approval. A report including details of business developments since the beginning of the current year and prospects for the full year has been made available or provided to you.

Resolutions within the remit of the Ordinary Shareholders' Meeting

1 - Change in accounting method as from January 1, 2010

(first resolution)

An accounting method was changed on January 1, 2010, relating to the spreading of fees received and paid on loans based on the amortization and effective term of said loans, in accordance with Recommendation no. 2009-05 of July 2, 2009 published by the French National Accounting Board *(Conseil national de la comptabilité)* and Regulation no. 2009-03 of December 3, 2009 published by the French Accounting Regulatory Committee *(Comité de la réglementation comptable)*. The impact of this change in accounting method, i.e., €12,575,420.71, must be recorded directly through shareholders' equity.

We therefore ask you to approve the debit of amount to retained earnings, which will leave a credit amount of €2,402,483,865.66.

2 - Approval of the financial statements for the fiscal year ended December 31, 2010

(second and third resolutions)

The individual financial statements of CIC, which were approved by the Executive Board at its February 23, 2011 meeting, show net income of €537,729,649.01. The Executive Board report provided with the financial statements gives details of the various elements that make up this income.

CIC's consolidated financial statements show net income of €1,144 million and net income attributable to equity holders of the parent company of €1,115 million. The related Executive Board report shows how this income was generated and how the group's various businesses and entities contributed to such income.

You have been given the opportunity to review the reports of the Chairman of the Supervisory Board enclosed with the Executive Board report regarding internal control and the functioning of the Supervisory Board, the Supervisory Board's report, and the Statutory Auditors' reports.

We ask you to approve the company and consolidated financial statements as presented to you.

3 - Appropriation of income

(fourth resolution)

The net income for the fiscal year amounts to €537,729,649.01. After taking into account positive retained earnings of €2,402,483,865.66, the amount to be allocated by the Shareholders' Meeting therefore amounts to €2,940,213,514.67.

An amount of €1,776,355.20 should first of all be allocated to the legal reserve to raise it to 10% of the capital stock as it stands following the capital increase resulting from the payment of 2009 dividends in shares.

The Executive Board proposes that you decide to pay shareholders a dividend that corresponds to 30% of consolidated net income and therefore to pay a dividend of €8.80 per share. The balance would be allocated to the retained earnings account.

The Executive Board therefore suggests that you:

- distribute a dividend of €334,641,938.40 to the holders of 38,027,493 "A" series shares in respect of fiscal year 2010;
- allocate the available balance, i.e., €2,603,795,221.07, to the retained earnings account.

Accordingly, each share will carry a dividend of €8.80. The ex dividend date for the shares will be May 24, 2011. As provided under the tax regime applicable to distributions, it is specified that the entire dividend distributed is eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.

In accordance with the provisions of French law, the Shareholders' Meeting is reminded that:

- for 2007, a dividend of €172,088,054.40 was distributed, representing €4.80 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code;
- for 2008, a dividend of €36,649,061 was distributed, representing €1 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code;
- for 2009, a dividend of €160,590,128.85 was distributed, representing €4.35 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.

4 - Agreements mentioned in Article L.225-86 of the French Commercial Code

(fifth resolution)

In their special report, the Statutory Auditors list the regulated agreements governed by Article L.225-86 of the French Commercial Code that were entered into or that remained in effect during 2010 with the Supervisory Board's consent.

5 - Renewal of the term of office of a principal Statutory Auditor and the appointment of an alternate Statutory Auditor

(sixth and seventh resolutions)

The term of office as a principal Statutory Auditor held by Ernst & Young et Autres, a firm of statutory auditors, member of the French Regional Institute of Accountants of Versailles and of the Ernst & Young network, expires at the Shareholders' Meeting of May 19, 2011 held to vote on the financial statements for the year ended December 31, 2010.

Pursuant to Article L.225-228 of the French Commercial Code, at its meeting on February 24, 2010, the Supervisory Board proposed that its term of office should be renewed for a further period of six years, i.e., until the Shareholders' Meeting to be held to vote on the financial statements for the year ending December 31, 2016, due to the knowledge of CIC this firm has gained and in order to maintain continuity of the external audit line between Crédit Mutuel and CIC.

The term of office as an alternate Statutory Auditor held by Pascal Macioce also expires at the Shareholders' Meeting of May 19, 2011. The Supervisory Board proposed that Picarle & Associés replace him for a six-year period, i.e., until the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2016.

Having been consulted about these two proposals beforehand, the French Prudential Supervisory Authority *(Autorité de Contrôle Prudentiel)* approved them in a letter to CIC dated March 15, 2011.

The Executive Board accordingly submits the renewal of the term of office of Ernst & Young et Autres as a principal Statutory Auditor (sixth resolution) and the appointment of Picarle & Associés as an alternate Statutory Auditor (seventh resolution) for your approval.

Resolutions within the remit of the Extraordinary Shareholders' Meeting

6 - Change in method of administration of the company and correlative amendment of the bylaws

(eighth and ninth resolutions)

At the Ordinary and Extraordinary Shareholders' Meeting of June 17, 1998, which followed the privatization of CIC and its acquisition by Crédit Mutuel, it was decided to change the method of administration of the company by converting it from a traditional form of limited company *(société anonyme)* with a Board of Directors into a limited company with an Executive Board and a Supervisory Board.

The Board proposes that you decide to return to the traditional method of organization for limited companies. In this form, the company is managed by a Board of Directors which takes part in management decisions alongside the Chief Executive Officer.

We ask you to approve the change in method of administration (eighth resolution) and the new bylaws as presented to you, article by article, then overall (ninth resolution).

7 - Authorizations to be granted to the Board of Directors to increase the capital

(tenth to sixteenth resolutions)

Under its eleventh, twelfth, thirteenth and fourteenth resolutions, the May 19, 2009 Shareholders' Meeting authorized the Executive Board to increase the capital with or without preferential subscription rights or for a public exchange offering. These authorizations were valid for a 26-month period and will therefore soon expire. They have not been used. However, as most listed companies have such a possibility, and in order to facilitate any such transactions, the Executive Board suggests that you renew said authorizations.

The legal framework for said authorizations is that of Article L.225-129 of the French Commercial Code, as arising from French order no. 2004-604 of June 24, 2004, which allows the Extraordinary Shareholders' Meeting to delegate its powers regarding capital increases under the conditions laid down in Article L.225-129-2 of said Code. You are asked to do this, in the knowledge that:

- the overall cap on any capital increases decided by the Board of Directors is set at €150 million in nominal value, or the equivalent of this amount in other currencies or monetary units;
- in addition, if the Board of Directors were to issue debt securities convertible, redeemable or otherwise exercisable for shares in the company, the total nominal amount of such securities would in turn be capped at one billion six hundred million euros;
- the authorizations would be granted for a 26-month period as from the Shareholders' Meeting.

The special reports by the Statutory Auditors required in such cases have been made available or provided to you.

Seven authorizations are proposed.

a) Authorization granted to the Board of Directors to increase the capital with the retention of preferential subscription rights:

- either by issuing ordinary shares or any other securities convertible, redeemable or otherwise exercisable for shares in the company, or by capitalizing premiums, reserves, profits, etc.;
- with, if applicable, the Board of Directors being entitled to limit the issue to the amount of subscriptions received, to freely allocate the securities that have not been subscribed or to make a public offering involving all or some of the securities that have not been subscribed.

(tenth resolution)

b) Authorization granted to the Board of Directors to increase the capital by capitalizing premiums, reserves, profits, etc.:

- the capital may be increased by issuing new shares, increasing the nominal value of the shares, or by a combination of the two procedures;
- fractions of shares may not be traded or assigned, as the corresponding shares shall be sold.

Pursuant to Article L.225-130 of the French Commercial Code, voting on this resolution shall be subject to the conditions as regards quorum and majority required for Ordinary Shareholders' Meetings.

(eleventh resolution)

c) Authorization granted to the Board of Directors to increase the capital with the cancellation of preferential subscription rights:

either in the context of a public offering (twelfth resolution), or in the context of a private placement as referred to in Article L.411-2, II of the French Monetary and Financial Code (thirteenth resolution):

- by issuing ordinary shares or any other securities convertible, redeemable or otherwise exercisable for shares in the company;
- with the Board of Directors being entitled to introduce a right of preemption in favor of shareholders;
- subscription may either be in cash, by offset against receivables, or arising from consideration for contributions of securities to a public exchange offering initiated by the company in the context of Article L.225-148 of the French Commercial Code;
- for a public offering, the issue price may not be less than the weighted average share price during the three stock-market trading days prior to the decision, less 5%, in accordance with Article 7 of French Decree no. 2005-112 of February 10, 2005, it being specified that this floor shall also apply to the sum of the price of the warrant and the share in the event of the independent issue of warrants convertible, redeemable or otherwise exercisable for shares in the company;
- for a private placement, the Extraordinary Shareholders' Meeting authorizes the Board of Directors to set the issue price in accordance with the terms and conditions it shall specify on the basis of a report by the Board of Directors and a special report by the Statutory Auditor, within a limit of 10% of the capital stock per year. For between 10% and 20% of the capital stock per year, the issue price of the shares issued directly shall not be less than the weighted average share price during the three stock-market trading days prior to the decision, less 5%. This floor shall also apply to the sum of the price of the warrant and the share in the event of the independent issue of warrants convertible, redeemable or otherwise exercisable for shares in the company.

(twelfth and thirteenth resolutions)

d) Possibility given to the Board of Directors of increasing the amount of issues in the event of excess demand:

- on the basis of Article L.225-135-1 of the French Commercial Code and the regulatory provisions that implement it;
- within thirty days of the close of the initial issue;
- within a limit of 15% of the amount thereof;
- and at the same price.

(fourteenth resolution)

e) Authorization granted to the Board of Directors to increase the capital in consideration for contributions to CIC, in the context of a contribution in kind, of capital securities or securities convertible, redeemable or otherwise exercisable for shares:

- on the basis of Article L.225-147 of the French Commercial Code;
- without preferential subscription rights;
- within a limit of 10% of the capital stock.

(fifteenth resolution)

f) Authorization granted to the Board of Directors to proceed with a capital increase reserved for employees.

Pursuant to Article L.225-129-6 of the French Commercial Code, every company must submit to its shareholders at an Extraordinary Shareholders' Meeting a draft resolution for a capital increase reserved for employees under the conditions laid down in Article L.443-5 of the French Labor Code where the Shareholders' Meeting grants an authorization on the basis of Article L.225-129-2. In this respect, it should be specified that, as at December 31, 2010, ACTICIC, a company mutual fund (FCPE), held 101,499 CIC shares representing 0.27% of the capital. By adding the registered shares held directly by group employees and former employees, their share in CIC's capital amounts to approximately 0.43%.

Therefore, this resolution has been added to the agenda of this Shareholders' Meeting in order to comply with the aforementioned provisions. This does not mean that the Board of Directors intends to use said authorization in the event that, despite the recommendation to reject it, it is adopted.

It is therefore proposed, on the combined basis of (i) Articles L.225-129-2 and L.225-138 of the French Commercial Code relating to the powers of Shareholders' Meeting as regards capital increases, and (ii) Articles L.443-1 et seq. of the French Labor Code relating to employee savings plans, that you authorize the Board of Directors to proceed, at the time and under the conditions it shall decide, with an increase of the capital stock in cash, reserved for employees.

Said capital increase shall be conducted under the conditions required by the laws that apply to employee savings plans, it being reiterated that, as regards CIC, said savings plan applies at group level.

This authorization would entail the automatic waiver by existing shareholders of their preferential subscription rights.

(sixteenth resolution)

Resolutions within the remit of Ordinary Shareholders' Meetings

8 - Appointment of members of the Board of Directors

(seventeenth to twenty-fifth resolutions)

The terms of office of the members of the Supervisory Board will expire when the new bylaws are adopted.

It is proposed that the Shareholders' Meeting appoint the first members of the Board of Directors for a term of office of two, four or six years in order that one third of the Board's members be replaced every two years. These terms of office shall expire at the close of the Ordinary Shareholders' Meetings held to vote on the financial statements for the years ending December 31, 2012, 2014 and 2016 respectively. This is the subject of the nine following resolutions: *from the seventeenth to the twenty-fifth resolution.*

9 - Authorization granted to the Board of Directors to buy back the company's shares

(twenty-sixth resolution)

We ask you to cancel the authorization previously given to the Executive Board to trade in CIC's shares on the stock exchange with immediate effect and to give the Board of Directors a new authorization for this purpose. It must be stressed that the legal framework for such transactions is laid down in EU Regulation no. 2273/2003 of December 22, 2003, Articles L.225-209 et seq. of the French Commercial Code, and in Title IV of Book II and Chapter I of Title III of Book IV of the general regulations of the French securities regulator (*Autorité des marchés financiers* – AMF), and in its implementing instructions. Within this framework, CIC wishes to trade on the stock exchange as follows:

- shares will be traded in accordance with the liquidity agreement entered into by CIC with CM-CIC Securities, in the capacity of investment service provider, which is the trader;
- the provisions of this liquidity agreement comply with the code of ethics drawn up by the AMAFI on September 23, 2008 and approved by the AMF;
- shares will be traded freely by the investment service provider with the sole aim of ensuring the liquidity and regular listing of CIC's shares on the Paris stock exchange;
- bearing in mind that, according to the regulatory framework, it is only necessary to set a maximum purchase price in order to expressly cap the corresponding commitment, the price will be set at €300, a reduced level due to the change in the CIC share price over the last year;
- the shares held in this context will not be cancelled;
- the maximum number of shares that may be purchased in this context remains unchanged at 100,000, i.e., 0.27% of the capital at the beginning of this Shareholders' Meeting, it being specified that the maximum commitment that may result from the use of this amount in full, taking into account the price limit set, will be €30 million;
- CIC will provide the AMF with the statistics relating to the trading of these shares every month and with a statement every six months.

For information purposes, as of December 31, 2010, the liquidity grouping created pursuant to the agreement in force held 12,483 "A" series CIC shares after purchasing 37,242 shares and selling 34,108 shares in 2010.

The twenty-seventh resolution relates to powers.

Supervisory Board's report to the Ordinary and Extraordinary Shareholders' Meeting of May 19, 2011

The Supervisory Board met at regular intervals as required by French law and was able to fulfill its duties and responsibilities completely based on the business reports presented by the Executive Board at each meeting.

The main business developments in 2010 and details of the components of income are presented in the documents making up or commenting on the financial statements of the company and the consolidated financial statements (statement of financial position, income statement, notes to the financial statements and Executive Board report) presented by the Executive Board. At its February 24, 2011 meeting, the Supervisory Board reviewed these documents, verified the accounts to which they relate and heard the observations of the Statutory Auditors and the report of the Group-wide Audit Committee, which had met on February 21. The Supervisory Board has no additional observation to make in this respect.

The Supervisory Board recommends that you approve CIC's results and the other resolutions submitted to you, in accordance with the recommendations made in the Executive Board's report[(1)].

The Supervisory Board would like to thank the Executive Board and all employees of the company for their work and for the results obtained. It wishes to highlight the level of income in 2010, which was not only due to some improvement in the economy but was also the result of a constant effort to seek to meet our customers' needs by offering a suitable range of products and services at competitive prices, while optimizing the resources required to provide them. This policy has met with satisfaction by the customers of CIC and Crédit Mutuel, its parent company, as regards relationships with customers, and by the rating agencies which stress the quality of the group's risk profile, its sound capitalization and its dynamism, illustrated by recent international acquisitions.

The Supervisory Board

(1) Although the Supervisory Board has been informed of the proposal to change the method of administration of the company, it adopted its report on the basis of a draft report by the Executive Board and draft resolutions which did not contain the resolutions relating to the change in the method of administration of the company, which were introduced subsequently by the Executive Board. The changes made to the documents examined by the Supervisory Board are the addition of points 6 and 8 in the Executive Board's report and resolutions no. 8 (change in method of administration), no. 9 (adoption of new bylaws) and nos. 17 to 25 (appointment of directors). In addition, in resolutions nos. 10 to 16, the term Executive Board has been replaced by the term Board of Directors. The Supervisory Board's recommendation therefore does not apply to the new resolutions.

Report of the Chairman of the Supervisory Board to the Shareholders' Meeting of May 19, 2011 on the preparation and organization of the Board's work

(Article L.225-68 of the French Commercial Code, arising from Article 117 of the French Financial Security Act 2003-706 of August 1, 2003)

The operation of the Supervisory Board is governed by Article 11 of the bylaws. The Supervisory Board has not drawn up any internal rules. The assessment of its work is documented in the general report it presents every year to the Ordinary Shareholders' Meeting and in this report of the Chairman of the Supervisory Board on the preparation and organization of the Board's work.

1 - Membership and Chairman

a) Framework set out in the bylaws

The composition of the Supervisory Board is governed by Article 12 of CIC's bylaws.

The Supervisory Board is made up of between 15 and 18 members elected at the Shareholders' Meeting, and employee representatives.

Three members of the Supervisory Board are elected by the employees and one member is elected at the Shareholders' Meeting from amongst the employee-shareholders or the employees on the Supervisory Board of a company mutual fund (FCPE) holding CIC shares (Article 12 of the bylaws, Section I B).

The age limit for Supervisory Board members is 70 and is applied in the following manner: no person over the age of 70 may be appointed if his appointment would result in more than one third of Board members being over the age of 70.

Members of the Supervisory Board are elected for a period of five years. The terms of office of members other than those elected by employees end at the close of the Ordinary Shareholders' Meeting having voted on the financial statements for the previous fiscal year held in the year in which their term of office ends. The terms of office of members elected by employees end on the date of the fifth anniversary of their election.

b) Main guidelines

In addition to the law and the bylaws, in determining the membership of the Supervisory Board, two main guidelines are applied.

"Independent" members within the meaning of the applicable regulations must comply with various corporate governance recommendations. To the extent that the corporate governance procedures adopted by companies must be in keeping with each company's situation, CIC must take two parameters into account:

- first, that Banque Fédérative du Crédit Mutuel directly and indirectly holds 91.96% of the company;
- second, that most Supervisory Board members are representatives, often Chairmen, of various Crédit Mutuel federations. Ten of the eighteen members of the Supervisory Board, appointed by the Shareholders' Meeting, are chairmen of Crédit Mutuel federations. These members have all worked in non-banking economic sectors. Of the ten federations involved, five are not included either in the chain of shareholders that control CIC or in the group formed of the five partner federations within CM5. They are therefore legitimately "independent", if not within the strictest sense of the term, at least in accordance with the spirit of the recommendations on corporate governance.

Further to an exchange of letters of intent, signed on December 20, 2002, which established the basis for the projected partnership between the CM-CIC group and Banca Popolare di Milano, followed by another exchange of letters on April 11, 2003 regarding the scope of application of the project, the Chairman of Banca Popolare di Milano was appointed as a member of the CIC Supervisory Board at the Ordinary Shareholders' Meeting of May 15, 2003. Jean-Jacques Tamburini, a member of the CIC Executive Board, was appointed a Director of Banca Popolare di Milano.

c) Changes made in 2010

Nathalie Jolivet replaced Yannick Ardaine, who resigned, as a member elected by employees, for the remainder of her predecessor's term of office i.e., until October 30, 2013.

d) Chairman

At its meeting following the Shareholders' Meeting on May 22, 2008, at which the terms of office of its members were renewed, the Supervisory Board appointed:

- Etienne Pflimlin as Chairman of the Supervisory Board;
- Gérard Cormorèche as Vice-Chairman of the Supervisory Board.

These appointments were made for the same length of time as the relevant individuals' terms of office.

2 - Internal committees

a) Remuneration committee

The Supervisory Board has set up a special five-member Remuneration Committee, the purpose and composition of which were reviewed at the Supervisory Board meeting of December 10, 2009, to take into account the Decree of November 3, 2009 amending Regulation 97-02 relating to internal control.

This committee is required, firstly, to review the position and compensation of Executive Board members and make any relevant proposals on these subjects. Secondly, it is required to prepare the deliberations of the Supervisory Board relating to the guidelines for the policy governing the remuneration of personnel whose activities may affect CIC's exposure to risk, to comment on the Executive Board's proposals in this area and the implementation of such proposals, and to review this policy annually and report thereon to the Supervisory Board.

At its meeting on December 10, 2009, the Supervisory Board appointed or renewed the terms of office of:

- Etienne Pflimlin;
- André Meyer;
- Paul Schwartz;
- Gérard Bontoux;
- Albert Peccoux.

b) Group-wide Audit Committee

In order to meet the new requirements arising from the transposition of EU Directive 2006/43/EC relating to statutory audits of annual financial statements and consolidated financial statements by Order no. 2008-1278 of December 8, 2008, and those arising from Regulation 97-02 of February 21, 1997, as amended, and relating to the internal control of credit institutions and investment firms, an Audit and Accounts Committee was set up at the level of the CM5-CIC group in June 2009.

The Audit and Accounts Committee plays a role in two areas.

In the area of internal control, the Audit and Accounts Committee:

- receives reports on the conclusions of assignments conducted by the periodic control function and on the results and work performed by the permanent control and compliance functions;
- receives reports on the conclusions of external controls, in particular any changes recommended by the supervisory authorities;
- is informed of action taken to implement the main recommendations made in internal and external control reports;
- is responsible for assessing the efficiency of internal control systems;
- proposes, if applicable, to the various deliberative bodies, the improvements it considers necessary on the basis of the information it has received.

In the area of financial reporting, the Audit and Accounts Committee:

- is responsible for monitoring the process of drawing up financial information;
- supervises the statutory audit of the annual and consolidated financial statements;
- is involved in the choice of statutory auditors and has unrestricted access to them to review their work program, to check that they are able to carry out their assignment and to discuss with them the conclusions of their work;
- reviews the annual and consolidated financial statements;
- assesses how the financial statements are drawn up and the relevance and consistency of the accounting principles and methods used.

To represent it on this body, at its meeting on May 22, 2008, the Supervisory Board renewed the appointments of its representatives, that is:

- Pierre Filliger;
- Daniel Leroyer.

At its meeting on December 9, 2010, the Supervisory Board appointed a new representative to replace Daniel Leroyer, i.e.:

- Jean-Louis Girodot.

They report to the Board on the performance of their assignment.

c) Group Risk Monitoring Committee

This committee has been set up at the level of the CM5-CIC group. It is made up of members of the deliberative bodies and meets twice a year to review the group's strategic risk issues. It proposes any prudential decision applicable to all institutions to the group's deliberative bodies, on the basis of its observations. The head of the Risk Department chairs the meetings of the committee and is responsible for presenting the files drawn up for the various areas of risk. Executive Management is also invited to attend meetings of the committee, which can also invite the managers of business lines concerned by items on the agenda of the meeting.

To represent it on this body, at its meeting on May 22, 2008, the Supervisory Board renewed the appointments of its representatives, that is:

- Gérard Bontoux;
- François Duret.

They report to the Board on the performance of their assignment, with the assistance of the head of the Risk Department.

3 - Meetings of the Board

The Supervisory Board meets every quarter, in accordance with legal requirements, based on a predefined schedule that allows it to examine the Executive Board's report and focus its discussions on one or more previously-determined subjects:

- two meetings are devoted to reviewing CIC's financial statements: in February for the annual financial statements and in July for the interim financial statements. The Statutory Auditors attend these two meetings in order to report to the Board on their audits and, if applicable, present the issues raised in the course of the closing process;
- one meeting is held in December, dealing with the budget and with medium-term forecasts;
- during the meeting of the Supervisory Board in May, the head of group internal audit provides an annual report to the Board on internal control, risk measurement and monitoring, and compliance with the code of ethics, for both CIC and CIC group activities. An interim report is presented at the December meeting.

Information packs are prepared and sent to the members of the Supervisory Board containing all necessary information about matters on the agenda.

Detailed minutes of each meeting are drawn up, noting the decisions and votes of each member present.

In 2010, the attendance rate of members at Supervisory Board meetings was between 67% and 81%.

At its meetings on May 20 and December 9, 2010, the Board also heard two reports from the group risk monitoring committee. These reports allowed the Board to:

- review changes in regulations, namely those linked to Basel III, and their organizational implications;
- be informed about audits by the French Prudential Supervisory Authority;
- measure and monitor changes in credit, market, asset-liability management and operating risks.

4 - Implementation of corporate governance standards

The CM5-CIC group's code of ethics was approved by the Board at its meeting on February 21, 2008.

This reference document, which includes all the regulatory provisions on ethics, sets out the principles which must be complied with by each entity and employee of the CM5-CIC group in the performance of their duties. It should be seen in the context of the group's general targets as regards quality of service to customers, integrity and rigor in the processing of transactions and compliance with regulations. It is intended to serve as a reference in this area and to be used by the various group entities.

Compliance with the rules of ethics applies not only to employees in the context of their duties but also to the group entity by which they are employed. In addition to compliance with regulatory provisions, the principles governing the group as regards quality of service to customers and professional integrity, which are principles based on the values adhered to by all members of the CM5-CIC group, must be applied.

The code of ethics is available at the Corporate Secretary's office for consultation.

Individuals holding privileged information are reminded, on a regular basis, of the rules applicable to them. Board members are also informed that they must disclose any trading in CIC shares by themselves or persons closely related to them to the AMF and to CIC.

At its meeting on February 26, 2009, the Supervisory Board noted the measures laid down in Articles L.225-90-1 and L.225-37 of the French Commercial Code in their form following recent laws, and the agreement with the French State signed by Etienne Pflimlin on behalf of all members of the Crédit Mutuel group on October 23, 2008, in the context laid down by the French Finance Act (as amended) no. 2008-1061 of October 16, 2008. In particular, the Board noted the obligations it is required to fulfill and the commitments it is required to make as regards corporate governance, relating to the corporate officer remuneration policy, and relating to the termination of the possibility of a person holding both a corporate office and an employment contract. The Board confirmed its commitment to comply with these principles at the level of CIC, and recorded that the measures implemented fulfill this commitment. This policy was ratified by the shareholders at the Shareholders' Meeting on May 12, 2009.

Furthermore, it adopted the overall remuneration policy for financial market professionals arising from the Ministerial Decree of November 3, 2009, relating to the remuneration of personnel whose activities may affect the exposure of credit institutions and investment firms to risk, amending Regulation no. 97-02 relating to internal control. This policy includes the implementation of the professional standards drawn up in 2009. The decision of December 13, 2010 amending Regulation 97-02 transposed the provisions of Directive 2010/76/EU of November 24, 2010 (known as CRD III) and amended a certain number of provisions regarding remuneration of personnel included in the "regulated population", whose professional activities have a significant effect on a company's risk profile. A change in policy was therefore required by this decision and this was ratified by the Supervisory Board at its meeting on February 24, 2011.

Etienne Pflimlin
Chairman of the Supervisory Board

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2010

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

Following our appointment as Statutory Auditors by your Shareholders' Meeting, we hereby submit our report relating to the year ended December 31, 2010, on:

- the audit of the consolidated financial statements of CIC, as appended to this report;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with French professional standards. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis or using other methods of selection, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements, as well as evaluating the overall presentation of the financial statements. We believe that the information we have gathered is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position at December 31, 2010 of the group formed by the companies and other entities included within the consolidation scope, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- the company records impairment losses and provisions to cover the credit and counterparty risks inherent to its business (Notes 1, 8, 24 and 35 to the consolidated financial statements). We examined the control systems applicable to the monitoring of credit and counterparty risk, the methods used to assess impairment, and the coverage of loss of value by individual and collective impairment provisions;
- in the context of continued high volatility in the financial markets, and the still uncertain environment, the company uses internal models and methods to value positions in financial instruments that are not listed on active markets, as well as to recognize certain provisions, as described in Notes 1 and 10c to the consolidated financial statements. We examined the control systems applied to these models and methods, the criteria used and the listing of the financial instruments to which they apply;
- the company recognizes impairment losses on assets available for sale when there is an objective indication of a prolonged or significant reduction in the value of these assets (Notes 1 and 7 to the consolidated financial statements). We examined the control systems applicable to the identification of loss of value indices, the valuation of the most significant items, and the estimates which led, if applicable, to the recognition of impairment provisions to cover losses in value;
- the company recognizes deferred tax assets, in particular for tax loss carryforwards (Notes 1 and 12 to the consolidated financial statements). We examined the main estimates and assumptions that led to the recognition of these deferred taxes;
- the group records provisions for employee benefit obligations (Notes 1 and 24a to the consolidated financial statements). We examined the systems used to assess these obligations, as well as the main assumptions and calculation methods used.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III - Specific verification

As provided for by law, and in accordance with French professional standards, we also specifically verified the information given in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine, April 26, 2011

The Statutory Auditors
PricewaterhouseCoopers Audit: Agnès Hussherr
Ernst & Young et Autres: Isabelle Santenac

Statutory Auditors' special report on regulated agreements and commitments with third parties

Year ended December 31, 2010

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of CIC, we hereby report to you on regulated agreements and commitments with third parties.

It is our responsibility to report to shareholders, based on the information provided to us, about the main terms and conditions of agreements and commitments that have been disclosed to us or that we identified during the audit, without commenting on their relevance or substance or seeking to identify any other agreements and commitments. Under the provisions of Article R.225-58 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

Furthermore, it is our responsibility, if applicable, to provide you with the information provided for in Article R.225-58 of the French Commercial Code relating to the performance, during the year under review, of agreements and commitments already approved by the Shareholders' Meeting.

We carried out the work we considered necessary in view of the professional standards of the French Statutory Auditors' Association *(Compagnie nationale des commissaires aux comptes)* relating to this assignment. This included performing procedures to verify that the information given to us agrees with the underlying documents.

1 - Agreements and commitments submitted to the Shareholders' Meeting for approval

Agreements and commitments authorized during the year ended December 31, 2010

Pursuant to Article L.225-88 of the French Commercial Code *(Code de commerce),* we have been informed of the following agreements and commitments already authorized by the company's Supervisory Board.

Amendment to the agreement containing a guarantee given to the Bank of Luxembourg regarding investment portfolios

Corporate officers involved: Michel Lucas, Philippe Vidal

In previous years, the Bank of Luxembourg created an investment portfolio worth approximately €11 billion, of which a large part consists of securities issued by OECD member states. In the context of the banking crisis, the Bank of Luxembourg wished to protect itself against the risk of default by issuers or guarantors of the securities in this portfolio due to the consequences this would have for it in Luxembourg and on the behavior of its customers. Accordingly, it asked CIC, in its capacity as parent company, to guarantee these securities against such risk of default.

At its meeting on December 11, 2008, the Supervisory Board authorized the signature of this guarantee agreement. The base for the original guarantee is the portfolio of investment securities held by the bank as at September 30, 2008, excluding State securities, for an amount of €6.7 billion (nominal value). The Bank of Luxembourg pays CIC an annual fee of 0.40% of the amount of assets guaranteed.

The original agreement has a term of five years and the financial features thereof may be adjusted every year. After this period, it may be renewed by tacit agreement every year, unless it is terminated by giving three months' notice.

In view of the improvement in the international financial situation since October 2008 and in particular in the banking sector, at its meeting on December 9, 2010, the Supervisory Board authorized the signature of an amendment to the agreement aimed at changing the type of securities covered by the guarantee, its term, and the fee, as follows:

- the guarantee was extended to securities issued or guaranteed by sovereign issuers, and a portfolio of securities listed in Appendix 4 of the amendment;
- an annual exemption of €50 million from the guarantee which shall apply to the initial losses in the event of default. This shall not apply to the portfolio of securities listed in Appendix 4 of the amendment;
- a fee of 0.10% instead of 0.40% due to the aforementioned exemption, the improvement in the general economic situation since October 2008 and the quality of the portfolios covered by the guarantee;
- a maturity date of no later than December 31, 2024 or the date as from which there are no longer any securities in the portfolio.

The total commitment in euro equivalent on the date of the amendment is estimated at €7.63 billion.

This agreement generated income of €18,241 thousand for CIC in 2010.

2 - Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments approved during previous years

Pursuant to Article R.225-57 of the French Commercial Code, we were informed that the following agreements and commitments, already approved by Shareholders' Meetings during previous years, remained in force during the year ended December 31, 2010.

2.1 - Financial guarantee agreements and agreements for the provision of resources to CM-CIC Covered Bonds

The CM5-CIC group wished to considerably increase its medium- to long-term funding base in response to requirements brought about by its expansion. In this context, a project was undertaken to refinance certain real estate loans on favorable conditions.

Since 2007, this refinancing has been carried out by CM-CIC Covered Bonds, a subsidiary of BFCM, whose sole activity is the refinancing of the CM5-CIC group via the issue of covered bonds within the scope of a Euro Medium Term Notes issue program.

The proceeds from these bonds enable CM-CIC Covered Bonds to fund the CM5-CIC group's traditional refinancing channels by granting loans to BFCM.

Thus, at its May 31, 2007 meeting, CIC's Supervisory Board authorized the Executive Board to enter into:

- the financial guarantee agreement by which CIC allocates a portion of its real estate loan portfolio to guarantee commitments in favor of CM-CIC Covered Bonds. An amendment was added to this agreement, authorized by the Supervisory Board at its meeting on May 12, 2009, aimed at increasing the cap for the issue of CM-CIC Covered Bonds. This cap, initially set at €15 billion, was raised to €30 billion with a view to increasing the group's refinancing capacity. All the other features of the agreement initially entered into and authorized in 2007 remain the same. In 2010, CIC allocated €5,377,610,248 and received income of €2,469,655;
- the outsourcing agreement and agreement for the provision of resources to CM-CIC Covered Bonds. In 2010, CIC received income of €23,023 arising from this agreement.

2.2 - Agreement for Banque Fédérative du Crédit Mutuel (BFCM) to handle the refinancing granted by Caisse de refinancement de l'habitat (CRH)

CIC decided to have BFCM handle the refinancing granted by CRH.

With this in mind, at its August 29, 2007 meeting, CIC's Supervisory Board authorized the Executive Board to:

- authorize BFCM to act on behalf of CIC in its dealings with CRH;
- grant BFCM, through CIC, a guarantee in favor of CRH based on its mortgage loan portfolio;
- sell, to BFCM, CIC's 891,346 CRH shares, which carry 1,005 voting rights, for a total of €14.1 million.

2.3 - Interest-free shareholder's current account advance agreement between CIC and CIC Sud Ouest (formerly CIC Société Bordelaise) for €100 million.

At its December 13, 2007 meeting, CIC's Supervisory Board authorized the signature of an interest-free shareholder's current account advance agreement between CIC and CIC Sud Ouest (formerly CIC Société Bordelaise) for an amount of €100 million, to strengthen CIC Sud Ouest's working capital, which became negative due to investments made to expand its network.

2.4 - Agreements for financing the development plans of CIC Lyonnaise de Banque, and CIC Sud Ouest (formerly CIC Société Bordelaise)

To help these companies finance new branch openings, at its meeting on December 13, 2007, CIC's Supervisory Board authorized the signature of agreements to finance the development plans of CIC Lyonnaise de Banque and CIC Bonnasse Lyonnaise de Banque (merged with CIC Lyonnaise de Banque during the second half of 2008) and of CIC Sud Ouest (formerly CIC Société Bordelaise). These agreements covered:

- real estate investment incentives;
- payment of new branches' payroll costs, within certain limits;
- business development subsidies.

This assistance is in three forms: (i) five-year repayable, interest free advances for investments; (ii) direct payments; and (iii) subsidies.

CIC paid €19,964 thousand to CIC Lyonnaise de Banque and €28,431 thousand to CIC Sud Ouest in connection with this agreement in 2010.

2.5 - Secondment agreements concerning CIC group bank Chairmen

In accordance with CIC group policy, the Chairmen of the group's banks are on the payroll of CIC, and are seconded as corporate officers to the various banks.

The Supervisory Board authorized the signature of the secondment agreements between CIC and the banks concerned on September 15, 1999, September 12, 2002, April 28, 2004 and December 10, 2009.

In 2010, CIC cross-charged the entities involved a total amount of €3,535,803 for the secondment of the following Chairmen: Messrs Julien-Laferrière, Michenko, Prémaor, Tamburini, Vidal and Weber.

2.6 - Secondment agreement concerning CIC group bank corporate officers

Under the CIC group's general policy, all corporate officers of the group's banks and significant subsidiaries must be on the CIC payroll and seconded to the relevant institutions to exercise the role for which they were appointed.

In order to define the terms of cross-charging the remuneration of the corporate officers, at its meeting on February 26, 2009, the Supervisory Board authorized the implementation of the following secondment agreements:

- an agreement with IPO under which Pierre Tiers is seconded by CIC to that company to perform the duties of Chairman and Chief Executive Officer and his remuneration is cross-charged;
- an agreement with CIC Sud Ouest (formerly CIC Société Bordelaise) under which Pascale Ribault is seconded by CIC to that company to perform the duties of Chief Operating Officer and her remuneration is cross-charged;

For 2010, CIC cross-charged the two entities involved a total amount of €667,542.

2.7 - Secondment agreement for Alain Fradin

At its meeting on September 12, 2002, CIC's Supervisory Board authorized the Executive Board to enter into an agreement between CIC and Caisse Fédérale de Crédit Mutuel providing for the full-time secondment of Alain Fradin to CIC in the capacity of Executive Board member. In accordance with this agreement, the remuneration paid by Caisse Fédérale de Crédit Mutuel to Alain Fradin is repaid in full to Caisse Fédérale de Crédit Mutuel by CIC.

In 2010, CIC paid a gross taxable amount of €793,487 to Caisse Fédérale de Crédit Mutuel in connection with this agreement.

2.8 - Guarantee granted by CIC to Euroclear with respect to the functioning of Cigogne Fund accounts opened by the Bank of Luxembourg with Euroclear

Cigogne Fund is a Luxembourg-based hedge fund. The Bank of Luxembourg, in its capacity as custodian and administrator of Cigogne Fund, opened an account with Euroclear Bank.

At its meeting on December 14, 2006, CIC's Supervisory Board authorized the signature of an agreement with Euroclear with a view to:

- opening a credit line for USD 1 billion in favor of Cigogne Fund;
- granting a guarantee to Euroclear for the same amount, for the functioning of Cigogne Fund accounts opened by the Bank of Luxembourg with this sub-custodian.

2.9 – Agreement containing a guarantee given to the Bank of Luxembourg regarding customers' deposits

At its meeting on December 11, 2008, the Supervisory Board authorized the signature of an agreement with the Bank of Luxembourg under which a joint guarantee was granted to customers of the Bank of Luxembourg guaranteeing that their deposits would be returned, with an overall cap of €4 billion, and a fee set at 0.02% of the amount covered by the guarantee.

For the granting of each individual guarantee, CIC authorized the Bank of Luxembourg to sign all deeds of joint guarantee, in favor of its customers and on behalf of CIC, in order to guarantee the return of their deposits in cash. The Bank of Luxembourg will report to CIC on the guarantees issued and the amounts for which they were issued as and when they are issued.

This agreement was entered into for 12 months and expired on September 30, 2009. It was renewed on the basis of the existing guarantees of €2.4 billion by an express decision of CIC, then approved for a further 12-month period by the Supervisory Board at its meeting on December 10, 2009. The other conditions of the agreement initially entered into remain unchanged.

This agreement generated income for CIC of €142 thousand in 2010.

2.10 – Financial guarantee agreement in favor of Caisse Fédérale de Crédit Mutuel on behalf of Banque Fédérative du Crédit Mutuel

The CM-CIC group wished to set up an internal system to securitize its receivables representing housing loans granted to its customers and ineligible for other current refinancing arrangements (Caisse de refinancement de l'habitat (CRH), the SFEF, covered bonds program), in order to create an additional source of refinancing.

Securitization was carried out through a securitization mutual fund called CM-CIC Home Loans FCT. A securitizable loan was granted by Caisse Fédérale de Crédit Mutuel (CFCM) to Banque Fédérative du Crédit Mutuel (BFCM) which used it to fund the CM5-CIC group's traditional refinancing channels. It was then purchased by CM-CIC Home Loans FCT which issued notes to finance the acquisition. These notes were then immediately acquired by BFCM and deposited by it under repurchase agreements with the European Central Bank to cover the refinancing granted by the European Central Bank.

The undertakings made by BFCM with regard to this securitizable loan granted by CFCM are guaranteed by financial guarantees on housing loan receivables. They are issued by local branches of Crédit Mutuel that belong to CFCM and by banks within the CIC group (the "providers of guarantees") in favor of CFCM on behalf of BFCM. Thus, when it purchased the securitizable loan, CM-CIC Home Loans FCT became the beneficiary of the guarantees issued and may take advantage of this to obtain an AAA rating.

This financial guarantee agreement (the "Collateral Security Agreement") is between, firstly, BFCM as borrower, agent for the financial guarantee and the provider of guarantees on its own behalf, secondly, CFCM as intermediary bank which granted the securitizable loan to BFCM and, lastly, all the entities in the CM5-CIC group, including CIC, called on to provide guarantees.

This agreement provides in particular for the terms and conditions of remuneration of each provider of guarantees.

In this context, at its meeting on August 3, 2009, the Supervisory Board authorized the Executive Board to enter into the Collateral Security Agreement under which CIC is to allocate all or some of its housing loan receivables to guarantee the obligations entered into by BFCM under the securitizable loan.

This Collateral Security Agreement generated income of €40,350 for guaranteed loan outstandings of €375,349,008 for CIC in 2010.

Neuilly-sur-Seine, April 26, 2011

The Statutory Auditors
PricewaterhouseCoopers Audit: Agnès Hussherr
Ernst & Young et Autres: Isabelle Santenac

Statutory Auditors' report, prepared in accordance with Article L.225-235 of the French Commercial Code, on the report prepared by the Chairman of the Supervisory Board

Year ended December 31, 2010

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of CIC, and in accordance with Article L.225-235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by CIC's Chairman in accordance with Article L.225-68 of the French Commercial Code for the year ended December 31, 2010.

It is the Chairman's responsibility to submit to the Supervisory Board for its approval a report on the internal control and risk management procedures implemented by CIC and containing the information required under Article L.225-68 of the French Commercial Code, relating in particular to corporate governance procedures.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and;
- to certify that the report contains the other information required under Article L. 225-68 of the French Commercial Code. It is not our responsibility to verify the fairness of this other information.

We performed our procedures in accordance with French professional standards.

Internal control and risk management procedures relating to the preparation and processing of financial and accounting information

These standards require that we perform procedures to assess the fairness of the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information. These procedures mainly consist of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, as well as of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in internal control relating to the preparation and processing of financial and accounting information that we may have identified during the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report as to the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information contained in the Chairman of the Supervisory Board's report, prepared in accordance with Article L.225-68 of the French Commercial Code.

Other information

We certify that the Chairman's report contains the other information required under Article L.225-68 of the French Commercial Code.

Neuilly-sur-Seine, April 26, 2011

The Statutory Auditors
PricewaterhouseCoopers Audit: Agnès Hussherr
Ernst & Young et Autres: Isabelle Santenac

Statutory Auditors' report on the issuing of securities and the capital increase reserved for employees

(In respect of resolutions 10, 12, 13, 14, 15 and 16)

Year ended December 31, 2010

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as CIC's Statutory Auditors and in application of the statutory provisions, we hereby report to you on the various transactions on which you will have to decide.

I - Issuing shares and various securities with the retention and the cancellation of preferential subscription rights (tenth, twelfth, thirteenth, fourteenth and fifteenth resolutions)

As part of our work as provided for in the French Commercial Code and in particular Articles L.225-135, L.225-136 and L.228-92, we hereby report to you on the proposals to authorize the Board of Directors, to be appointed as proposed to the Shareholders' Meeting in the eighth and ninth resolutions, to make various issues of ordinary shares or any securities, transactions on which you will have to decide.

On the basis of its report, the Executive Board proposes the following:

- that you authorize the Board of Directors, for a 26-month period, to decide on the following transactions and to set the final terms and conditions for these issues and that, if applicable, you cancel your preferential subscription rights:
  - the issuing of ordinary shares and securities convertible, redeemable or otherwise exercisable for shares in the company, now or in the future, with the retention of preferential subscription rights (tenth resolution),
  - the issuing, by means of a public offering, of ordinary shares or securities convertible, redeemable or otherwise exercisable for shares in the company, now or in the future, with the cancellation of preferential subscription rights, with the possibility for the Board of Directors to introduce a right of preemption in favor of shareholders. These securities may be issued in consideration for securities contributed to CIC in the context of a public exchange offering involving securities and which meets the conditions laid down in Article L.225-148 of the French Commercial Code (twelfth resolution),
  - the issuing, by means of a private placement as referred to in Article L.411-2, II of the French Monetary and Financial Code, of ordinary shares or securities convertible, redeemable or otherwise exercisable for shares in the bank, now or in the future, with the cancellation of preferential subscription rights (thirteenth resolution), with an annual cap of 20% of the capital;
- that you authorize it, under the thirteenth resolution and in the context of the implementation of the authorization referred to in this same resolution, to set the issue price within a statutory annual cap of 10% of the share capital (Article L.225-136 (1) paragraph 2);
- that you authorize it, for a 26-month period, to set the terms and conditions of an issue of ordinary shares as consideration for contributions in kind (Article L.225-147) to CIC and consisting of capital securities or securities convertible, redeemable or otherwise exercisable for shares (fifteenth resolution), within a limit of 10% of the capital.

The overall nominal amount of capital increases which may be made, now or in the future, under each of the tenth, twelfth, thirteenth and fifteenth resolutions may not exceed the amount of €150 million in nominal value. All the capital increases that may be made under the tenth to the sixteenth resolutions shall be included in this amount.

The maximum amount of debt securities that may be issued under the tenth, twelfth and thirteenth resolutions shall be €1,600 million.

These caps take into account the additional number of securities to be created in the context of the implementation of the authorizations referred to in the tenth, twelfth and thirteenth resolutions, under the conditions laid down in Article L.225-135-1 of the French Commercial Code, if you adopt the fourteenth resolution.

It is the Executive Board's responsibility to prepare a report in accordance with Articles R.225-113, R.225-114 and R.225-117 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified information drawn from the financial statements, on the proposal to cancel preferential subscription rights and on certain other information relating to these transactions, given in this report.

We carried out the work we considered necessary in view of the professional standards of the French Statutory Auditors' Association (Compagnie nationale des commissaires aux comptes) relating to this assignment. This included performing procedures to verify the content of the Executive Board's report relating to these transactions and the methods of determining the issue price of the capital securities to be issued.

Subject to a subsequent review of the conditions of the proposed issues, we have no matters to report as to the methods of determining the issue price of the capital securities to be issued given in the Executive Board's report in respect of the twelfth and the thirteenth resolutions.

Furthermore, as this report does not specify the methods of determining the issue price of the capital securities to be issued in the context of the implementation of the tenth and the fifteenth resolutions, we are unable to express an opinion on the choice of the criteria for calculating the issue price.

As the amount of the issue price of the capital securities to be issued has not been set, we do not express an opinion on the final conditions under which the issues shall be made and, therefore, on the proposal made to you in the twelfth and the thirteenth resolutions that you cancel the preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we shall prepare an additional report when the Board of Directors uses these authorizations in the event of issues with the cancellation of preferential subscription rights and issues of securities convertible, redeemable or otherwise exercisable for shares in the company.

II - Capital increase with the cancellation of preferential subscription rights reserved for employees or former employees who are members of an employee savings plan (sixteenth resolution)

Pursuant to Articles L.225-135 et seq. of the French Commercial Code, we hereby report to you on the proposed capital increase, with the cancellation of preferential subscription rights, for an amount to be included in the overall limit of €150 million in nominal value applicable to capital increases carried out by the Board of Directors pursuant to the tenth to the sixteenth resolutions of this Shareholders' Meeting, and reserved for employees and, if applicable, former employees, retired employees or employees who have taken early retirement from CIC and all or some of the companies and groupings affiliated to it within the meaning of Article L.225-180 of the French Commercial Code, who are members of a company or a group employee savings plan, a transaction on which you will have to decide.

This capital increase is subject to your approval pursuant to Articles L.225-129-6 of the French Commercial Code and L.3332-18 of the French Labor Code.

The Executive Board proposes, on the basis of its report, that you authorize the Board of Directors, for a 26-month period, to set the terms and conditions of this transaction and proposes that you cancel your preferential subscription rights to the capital securities to be issued.

It is the Executive Board's responsibility to prepare a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified information drawn from the financial statements, on the proposal to cancel preferential subscription rights and on certain other information relating to the issue given in this report.

We carried out the work we considered necessary in view of the professional standards of the French Statutory Auditors' Association (Compagnie nationale des commissaires aux comptes) relating to this assignment. This included performing procedures to verify the content of the Executive Board's report relating to this transaction and the methods of determining the issue price of the capital securities to be issued.

Subject to a subsequent review of the conditions of the proposed capital increase, we have no matters to report as to the methods of determining the issue price of the capital securities to be issued given in the Executive Board's report.

As the amount of the issue price has not been set, we do not express an opinion on the final conditions under which the capital increase will be made and, therefore, on the proposal that you cancel the preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we shall prepare an additional report when the capital increase is carried out by the Board of Directors.

Neuilly-sur-Seine, April 26, 2011

The Statutory Auditors
PricewaterhouseCoopers Audit : Agnès Hussherr
Ernst & Young et Autres : Isabelle Santenac

Statutory Auditors' report on interest payable on non-voting loan stock

Year ended December 31, 2010

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the holders of CIC non-voting loan stock,

In our capacity as Statutory Auditors of CIC, and pursuant to Article L.228-37 of the French Commercial Code *(Code de commerce),* we present below our report on the data used to determine interest payable on non-voting loan stock.

On April 26, 2011, we prepared our general report on the company's financial statements and our report on the consolidated financial statements for the year ended December 31, 2010.

The data used to calculate the interest payable on non-voting loan stock were determined by the company's senior executives. It is our responsibility to comment on their conformity with the issue agreement and their consistency with CIC's annual financial statements.

The interest computation method provided for at the time of issue of non-voting loan stock in May 1985 can be summarized as follows:

- a component equal to 40% of the annual monetary reference rate, or "TAM", and
- a component equal to 43% of the TAM rate multiplied by a participation ratio (PR).

For the interest due on May 28, 2011, the participation ratio is as follows:

$$\text{PR 2010} = \text{PR 2009} \times \frac{\text{2010 adjusted consolidated net income}}{\text{2009 adjusted consolidated net income}}$$

The issue agreement sets a cap and a floor on interest payments, as follows:

- floor: 85% x (TAM + fixed-rate bond index, or "TMO")/2;
- cap: 130% x (TAM + TMO)/2.

The agreement further stipulates that the participation ratio (PR) corresponding to the ratio between the 2010 and the 2009 consolidated net income will be adjusted to take into account changes in shareholders' equity, group structure or consolidation methods between the two years.

Since 2005, CIC has published its financial statements under IFRS. In accordance with the resolution submitted for your approval, the calculation of interest is based on net income attributable to equity holders of the parent company for 2009 and 2010, as determined by applying the same accounting procedures and consolidation methods based on a comparable group structure and comparable shareholders' equity, giving a participation ratio (PR) of 18.355 for 2010 and of 13.233 for 2009.

The interest rate obtained by applying the above formula stands at 4.30% before application of the cap. The floor and cap rates are 1.66% and 2.54% respectively.

Therefore, in accordance with the provisions of the issue agreement, the gross interest paid in 2011 in respect of 2010 will amount to €3.88 per stock unit.

We performed our work in accordance with French professional standards. These standards require that we carry out the necessary procedures to verify the conformity and consistency of the data used to calculate the interest due on non-voting loan stock with the issue agreement and the audited annual and consolidated financial statements.

We have no matters to report concerning the conformity and consistency of the data used to calculate the interest due on non-voting loan stock.

Neuilly-sur-Seine, April 26, 2011

The Statutory Auditors
PricewaterhouseCoopers Audit: Agnès Hussherr
Ernst & Young et Autres: Isabelle Santenac

Statutory Auditors' report on the annual financial statements

Year ended December 31, 2010

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the annual financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the annual financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the annual financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

Following our appointment as Statutory Auditors by your Shareholders' Meeting, we hereby submit our report relating to the year ended December 31, 2010, on:

- the audit of the annual financial statements of CIC, as appended to this report;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with French professional standards. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement. An audit includes examining, on a test basis or using other methods of selection, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements, as well as evaluating the overall presentation of the financial statements. We believe that the information we have gathered is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of CIC at December 31, 2010, and of the results of its operations for the year then ended in accordance with French accounting principles and rules.

Without calling into question the opinion stated above, we draw your attention to Note 1 to the annual financial statements which sets out changes in the accounting method and presentation relating to new laws and regulations applicable as from 2010, in particular CRC Regulation 2009-03 of December 3, 2009 relating to recognizing fees received by credit institutions and marginal transaction costs when loans are granted or acquired.

II - Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- in the context of continued high volatility in the financial markets and the still uncertain environment, the company uses internal models and methods to value positions in financial instruments that are not listed on active markets, as well as to recognize certain provisions, as described in Note 1 to the annual financial statements. We examined the control systems applied to these models and methods, the criteria used and the listing of the financial instruments to which they apply;
- as stated in Notes 1, 4c and 17 to the financial statements, the company records impairment losses and provisions to cover the credit risks inherent to its business. We examined the control systems applicable to the monitoring of credit risk, the assessment of the risk of non-recovery and the coverage of said risks, as regards assets by specific impairment losses and as regards liabilities by general provisions to cover credit risks;
- the company made other estimates in the usual context of preparing its financial statements, in particular as regards the valuation of investments in non-consolidated companies and other long-term investments, and the assessment of retirement benefit obligations recognized and provisions for legal risks. We examined the assumptions made and verified that these accounting estimates are based on documented methods in accordance with the principles described in Note 1 to the financial statements.

These assessments were made in the context of our audit of the annual financial statements taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III - Specific verifications and information

We also carried out the specific verifications provided for by law, in accordance with French professional standards.

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the Executive Board report and in the documents sent to shareholders on the financial position and the annual financial statements.

As regards the information provided pursuant to Article L.225-102-1 of the French Commercial Code on remuneration and benefits paid to corporate officers and commitments made in their favor, we verified the consistency of this information with the information given in the financial statements or with the data used to draw up the financial statements, and, if applicable, with the information received by the company from companies that control it or are controlled by it. On the basis of this work, we certify that this information is accurate and fair.

Pursuant to the law, we satisfied ourselves that the information relating to taking holdings and gaining control and the identity of capital holders was contained in the Executive Board report.

Neuilly-sur-Seine, April 26, 2011

The Statutory Auditors
PricewaterhouseCoopers Audit: Agnès Hussherr
Ernst & Young et Autres: Isabelle Santenac

Resolutions

Resolutions within the remit of the Ordinary Shareholders' Meeting

First resolution

Change in accounting method as from January 1, 2010

After reviewing the Executive Board's management report, the Shareholders' Meeting notes that an accounting method was changed on January 1, 2010, relating to the spreading of fees received and paid on loans based on the amortization and effective term of said loans, in accordance with Recommendation no. 2009-05 of July 2, 2009 published by the French National Accounting Board (Conseil national de la comptabilité) and Regulation no. 2009-03 of December 3, 2009 published by the French Accounting Regulatory Committee (Comité de la réglementation comptable) and approves the recording of the impact of this change in accounting method as from January 1, 2010, i.e. €12,575,420.71, as a debit to retained earnings, which will leave a credit amount of €2,402,483,865.66.

Second resolution

Approval of the company financial statements for the fiscal year ended December 31, 2010

After reviewing the Executive Board's report to the Shareholders' Meeting, its management report on CIC's financial statements, the appended reports of the Chairman of the Supervisory Board regarding internal control and the functioning of the Board, the Supervisory Board's report, the Statutory Auditors' report, and the annual financial statements for the fiscal year ended December 31, 2010, the Shareholders' Meeting approves said annual financial statements as presented to it, which show net income of €537,729,649.01.

Third resolution

Approval of the consolidated financial statements for the fiscal year ended December 31, 2010

After reviewing the Executive Board's report to the Shareholders' Meeting, its management report on CIC, the appended reports of the Chairman of the Supervisory Board regarding internal control and the functioning of the Board, the Supervisory Board's report, the Statutory Auditors' report, and the consolidated financial statements for the fiscal year ended December 31, 2010 the Shareholders' Meeting approves said financial statements as presented to it, which show net income attributable to equity holders of the parent company of €1,115 million.

Fourth resolution

Appropriation of income

The Shareholders' Meeting notes that:

- the company's net income for the fiscal year amounts to: €537,729,649.01;
- retained earnings, as changed by the first resolution, amount to: €2,402,483,865.66;
- as a result, distributable income amounts to: €2,940,213,514.67.

And decides to allocate this amount as follows:

- allocation to the legal reserve: €1,776,355.20;
- dividend for "A" series shares in respect of fiscal year 2010: €334,641,938.40;

- remaining balance to be allocated to the retained earnings account: €2,603,795,221.07.

As a result, the Shareholders' Meeting sets the dividend to be paid for each of the 38,027,493 "A" series shares at €8.80. However, the dividend that would otherwise be allocated to shares that are not eligible for dividends under French law will be appropriated to retained earnings.

The ex dividend date will be May 24, 2011.

The entire dividend distributed is eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.

In accordance with the provisions of French law, the Shareholders' Meeting is reminded that:

- for 2007, a dividend of €172,088,054.40 was distributed, representing €4.80 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.
- for 2008, a dividend of €36,649,061 was distributed, representing €1 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.
- for 2009, a dividend of €160,590,128.85 was distributed, representing €4.35 per share eligible for the 40% tax abatement mentioned in point 2 of Article 158 (3) of the French Tax Code.

Fifth resolution

Agreements mentioned in Article L.225-86 of the French Commercial Code

After reviewing the Statutory Auditors' special report on the transactions and agreements mentioned in Article L.225-86 of the French Commercial Code, and deliberating on the basis of this report, the Shareholders' Meeting approves the transactions and agreements referred to therein.

Sixth resolution

Renewal of the term of office of a principal Statutory Auditor

Noting that the term of office of a principal Statutory Auditor held by Ernst & Young et Autres, member of the French Regional Institute of Accountants of Versailles, having its registered office at 41 Rue Ybry, 92756 Neuilly-sur-Seine Cedex, expires at the close of this Shareholders' Meeting, and as proposed by the Supervisory Board, the French Prudential Supervisory Authority having approved this, the Shareholders' Meeting decides to renew the term of office as a principal Statutory Auditor of Ernst & Young et Autres for a period of six years i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2016.

Seventh resolution

Appointment of an alternate Statutory Auditor

Noting that the term of office of an alternate Statutory Auditor held by Pascal Macioce expires at the close of this Shareholders' Meeting, and as proposed by the Supervisory Board, the French Prudential Supervisory Authority having approved this, the Shareholders' Meeting decides to appoint Picarle & Associés, member of the French Regional Institute of Accountants of Versailles, having its registered office at Tour Ernst & Young, Faubourg de l'Arche, 92037 Paris la Défense Cedex, as an alternate Statutory Auditor for a period of six years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2016.

Resolutions within the remit of the Extraordinary Shareholders' Meeting

Eighth resolution

Change in method of administration

Deliberating under the conditions as regards quorum and majority required for Extraordinary Shareholders' Meetings, after reviewing the Executive Board's report, the Shareholders' Meeting decides to change, as from the date hereof, the method of administration and management of CIC, ceasing to use the company form with an Executive Board and a Supervisory Board provided for in Article L.225-57 of the French Commercial Code and returning to the traditional company form having a Board of Directors, governed by Articles L.225-17 to L.225-56 of the French Commercial Code.

Ninth resolution

Adoption of new bylaws

As a result of the adoption of the foregoing eighth resolution, the bylaws are amended as follows:

- former Articles 10 and 11 relating to the Executive Board are deleted;
- former Articles 12, 13 and 14 relating to the Supervisory Board are deleted;

- former Article 27 relating to special Shareholders' Meetings, which was already irrelevant, is deleted;
- the term "with an Executive Board and a Supervisory Board" is deleted;
- the terms "Supervisory Board" and "member of the Supervisory Board" are replaced by "Board of Directors" and "director" in the other relevant articles of the bylaws;
- a new Article 10 is created relating to the Board of Directors, which shall have between 9 and 18 members and shall also have two directors elected by the employees, for which it provides for the terms and conditions for election every six years. The terms of office of the directors are set at six years, except for the first directors, one third of whom shall be appointed for two, four or six years respectively. The other provisions are the same as the relevant statutory and regulatory provisions;
- a new Article 11 is created relating to the functioning of the Board of Directors, which states that the age limit for the Chairman is 75, which may be extended by a further two years, that there can be one or more deputy chairmen and that the Board is authorized to use videoconferencing equipment. The other provisions are the same as the relevant statutory and regulatory provisions;
- a new Article 12 is created relating to executive management, which states that the age limit for the Chief Executive Officer is 75, which may be extended by a further two years, that the Board of Directors can appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Operating Officer, and that the age limit that applies to them is 70, which may be extended by a further two years. The other provisions are the same as the relevant statutory and regulatory provisions;
- as a result of the deletions and creations of the aforementioned articles, former Articles 15 to 31 are re-numbered as Articles 13 to 28.

Furthermore, and without being linked to the foregoing eighth resolution, the bylaws shall be amended as follows for the purpose of simplification or to bring them into line with changes in regulations:

- the notes containing the details of successive amendments of the bylaws since they were adopted by the Shareholders' Meeting of June 17, 1998 shall be deleted from all the relevant articles;
- the term "A series shares" shall be deleted from all the relevant articles and replaced by the term "shares", as there will now only be one class of share;
- former article 20, new article 18, relating to Shareholders' Meetings is amended to take changes in regulations into account. It now states that shareholders must be able to prove their capacity at least three days prior to the Shareholders' Meeting, no longer five days, and that all shareholders may arrange to be represented under the conditions laid down in Article L.225-106 of the French Commercial Code.

Deliberating under the conditions as regards quorum and majority required for Extraordinary Shareholders' Meetings, after reviewing the Executive Board's report, the Shareholders' Meeting adopts, article by article, then overall, the text of the new bylaws that shall henceforth govern the company. A copy thereof shall be appended to these minutes.

Tenth resolution

Authorization granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities convertible, redeemable or otherwise exercisable for shares with the retention of shareholders' preferential subscription rights

Deliberating under the conditions as regards quorum and majority required for Extraordinary Shareholders' Meetings, after reviewing the Executive Board's report, the Supervisory Board's report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L.225-129, L.225-129-1, L.225-129-2 et seq., and L.228-92 et seq. of the French Commercial Code, the Shareholders' Meeting:

1. Authorizes the Board of Directors to decide on one or more capital increases, in the proportions, under the conditions, and at the times it shall consider appropriate, within the framework laid down in this resolution, by issuing, in France or abroad, ordinary shares in the company or any securities of any kind whatsoever, including warrants issued independently that are convertible, redeemable or otherwise exercisable, by any means, now or in the future, for ordinary shares in the company, free of charge or for valuable consideration. These securities may be denominated in euros, in foreign currencies or in any monetary unit whatsoever established with reference to several currencies.

   Subscription to the securities may either be in cash or by offset of receivables.

   The issue price of each share may not be less than the par value thereof.

   The authorization thus granted to the Board of Directors shall be valid for a twenty-six month period as from this Shareholders' Meeting.

2. Decides that the total amount of the capital increases that may be made, now or in the future, may not exceed the amount of one hundred and fifty million euros (€150,000,000) in nominal value, or the equivalent thereof in any other currency, an amount to which shall be added, if applicable, the additional amount of the shares to be issued to maintain the rights of holders of the securities granting entitlement to the shares, in accordance with the law. All the capital increases that may be made pursuant to the authorizations given to the Board of Directors under resolutions 10 to 16 of this Shareholders' Meeting shall be included in this limit. In addition, the nominal amount of debt securities convertible, redeemable or otherwise exercisable for shares in the company, now or in the future, that may be issued pursuant to this authorization may not exceed one billion six hundred million euros (€1,600,000,000), or the equivalent thereof in any other currency.

3. Decides that the shareholders shall have preferential subscription rights to the securities issued under this resolution in proportion to the number of shares they own.

   In addition, the Board of Directors shall have the possibility of granting shareholders the right to subscribe to a number of securities as excess shares exceeding the number they could subscribe to by way of right, in proportion to the subscription rights they hold and, in any event, within the limit of their request.

4. Decides that, if an issue has not been taken up in full by subscriptions by way of right and, if applicable, for excess shares, the Board of Directors may use one of the following possibilities, in the order it shall consider appropriate:
   - limiting the issue to the amount of subscriptions received, provided that this amounts to at least three-quarters of the issue;
   - freely allocating all or some of the securities that have not been subscribed;
   - making a public offering of all or some of the securities that have not been subscribed.
5. Notes that this authorization entails, where necessary and automatically, in favor of holders of securities issued pursuant to this resolution and subsequently convertible, redeemable or otherwise exercisable for shares in the company that may be issued, the shareholders' waiver of their preferential subscription rights to the shares to which these securities grant entitlement.
6. Decides that this authorization shall also entail an authorization given to the Board of Directors to amend the bylaws as a result.

The eleventh resolution of the Shareholders' Meeting of May 19, 2009 is repealed.

Eleventh resolution

Authorization granted to the Board of Directors to increase the capital by capitalizing premiums, reserves, profits, etc.

Pursuant to Article L.225-130 of the French Commercial Code, deliberating under the conditions as regards quorum and majority required for Ordinary Shareholders' Meetings, after reviewing the Executive Board's report and the Supervisory Board's report, the Shareholders' Meeting:

1. Authorizes the Board of Directors, for a 26-month period as from this Shareholders' Meeting, to decide on one or more capital increases by capitalizing premiums, reserves, profits, etc., where such capitalization is possible by law and under the company's bylaws, in the form of allocating shares free of charge, increasing the nominal value of existing shares or a combination of these two procedures. The total amount of the capital increases that may thus be made, plus the amount required to maintain the rights of the holders of securities granting entitlement to the shares, in accordance with the law, may not exceed the amount in the reserve, premium or profit accounts at the time of the capital increase, nor may it exceed the limit of €150 million. Said limit may possibly be reduced by the amount of any capital increases made pursuant to resolutions 10 to 16.
2. Decides, in the event the Board of Directors uses this authorization, that fractions of shares may not be traded or assigned and that the corresponding shares shall be sold. The sums arising from this sale shall be allocated to holders of rights within the time laid down in the regulations in force.
3. Decides that this authorization shall also entail an authorization given to the Board of Directors to amend the bylaws as a result.

Twelfth resolution

Authorization granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities convertible, redeemable or otherwise exercisable for shares in the company with the cancellation of preferential subscription rights by means of a public offering

Deliberating under the conditions as regards quorum and majority required for Extraordinary Shareholders' Meetings, after reviewing the Executive Board's report, the Supervisory Board's report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L.225-129, L.225-129-1, L.225-129-2 et seq., L.225-135, L.225-136 and 228-92 et seq. of the French Commercial Code, the Shareholders' Meeting:

1. Authorizes the Board of Directors to decide on one or more capital increases, in the proportions, under the conditions, and at the times it shall consider appropriate, within the framework laid down in this resolution, by issuing, in France or abroad, ordinary shares in the company or any securities of any kind whatsoever, including warrants issued independently that are convertible, redeemable or otherwise exercisable, by any means, now or in the future, for ordinary shares in the company, free of charge or for valuable consideration. These securities may be denominated in euros, in foreign currencies or in any monetary unit whatsoever established with reference to several currencies.

   Subscription to the securities may either be in cash, by offset of receivables, or arising from consideration for contributions of securities to a public exchange offering initiated by the company in the context of Article L.225-148 of the French Commercial Code.

   The authorization thus granted to the Board of Directors shall be valid for a twenty-six month period as from this Shareholders' Meeting.
2. Decides that the total amount of the capital increases that may be made, now or in the future, may not exceed the amount of one hundred and fifty million euros (€150,000,000) in nominal value, or the equivalent thereof in any other currency. All the capital increases that may be made pursuant to authorizations given to the Board of Directors under resolutions 10 to 16 of this Shareholders' Meeting shall be included in this limit. In addition, the nominal amount of debt securities convertible, redeemable or otherwise exercisable for shares in the company, now or in the future, that may be issued pursuant to this authorization may not exceed one billion six hundred million euros (€1,600,000,000), or the equivalent thereof in any other currency.
3. Decides to cancel the preferential subscription rights of shareholders to the securities to be issued under this authorization, and to authorize the Board of Directors to grant shareholders a priority right to subscribe, by way of right and, possibly, for excess shares, for all or some of the issue, for the time and in accordance with the conditions it shall set, in compliance with the statutory and regulatory provisions applicable on the date it decides to use this authorization. This priority right to subscribe shall not give rise to the creation of negotiable rights.

4. Decides that, in accordance with Article L 225-136 (1) of the French Commercial Code, the issue price:
   - of the shares issued directly may not be less than the weighted average of the share price during the three stock-market trading days prior to the decision, less 5%;
   - of the securities that are convertible, redeemable or otherwise exercisable for shares in the company and the number of shares to which the conversion of each security that is convertible, redeemable or otherwise exercisable for shares in the company may grant entitlement, shall be such that the sums received by the company shall, for each share issued as a result of the issuing of these securities, be at least equal to the floor defined in the foregoing paragraph, and, in the event of warrants issued independently that are convertible, redeemable or otherwise exercisable for shares in the company, now or in the future, this floor shall apply to the sum of the price of the warrant and of the share.
5. Notes that this authorization entails, where necessary and automatically, in favor of holders of securities issued pursuant to this resolution and subsequently convertible, redeemable or otherwise exercisable for shares in the company that may be issued, the shareholders' waiver of their preferential subscription rights to the shares to which these securities grant entitlement.
6. Decides that this authorization shall also entail an authorization given to the Board of Directors to amend the bylaws as a result.

The thirteenth resolution of the Shareholders' Meeting of May 19, 2009 is repealed.

Thirteenth resolution

Authorization granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities convertible, redeemable or otherwise exercisable for shares in the company with the cancellation of preferential subscription rights, by the private placement referred to in Article L.411-2, II of the French Monetary and Financial Code

Deliberating under the conditions as regards quorum and majority required for Extraordinary Shareholders' Meetings, after reviewing the Executive Board's report, the Supervisory Board's report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L.225-129, L.225-129-1, L.225-129-2 et seq., L.225-135, L.225-136 and 228-92 et seq. of the French Commercial Code, the Shareholders' Meeting:

1. Authorizes the Board of Directors to decide on one or more capital increases, in the proportions, under the conditions, and at the times it shall consider appropriate, within the framework laid down in this resolution, by issuing, in France or abroad, ordinary shares in the company or any securities of any kind whatsoever, including warrants issued independently that are convertible, redeemable or otherwise exercisable, by any means, now or in the future, for ordinary shares in the company, free of charge or for valuable consideration. These securities may be denominated in euros, in foreign currencies or in any monetary unit whatsoever established with reference to several currencies.

   Subscription to the securities may either be in cash, by offset of receivables, or arising from consideration for contributions of securities to a public exchange offering initiated by the company in the context of Article L.225-148 of the French Commercial Code.

   The authorization thus granted to the Board of Directors shall be valid for a twenty-six month period as from this Shareholders' Meeting.
2. Decides that:
   - the total amount of the capital increases that may be made, now or in the future, may not exceed one hundred and fifty million euros (€150,000,000) in nominal value, or the equivalent thereof in any other currency. All the capital increases that may be made pursuant to authorizations given to the Board of Directors under resolutions 10 to 16 of this Shareholders' Meeting shall be included in this limit;
   - in addition, the nominal amount of debt securities that are convertible, redeemable or otherwise exercisable for shares in the company, now or in the future, that may be issued pursuant to this authorization may not exceed one billion six hundred million euros (€1,600,000,000), or the equivalent thereof in any other currency;
   - in any event, the capital securities issued under this authorization may not exceed the limits laid down in the regulations applicable on the date of the issue (as of the date hereof, 20% of the capital per year).
3. Decides to cancel the preferential subscription rights of shareholders to the securities to be issued under this authorization, and to authorize the Board of Directors to grant shareholders a priority right to subscribe, by way of right and, possibly, for excess shares, for all or some of the issue, for the time and in accordance with the conditions it shall set, in compliance with the statutory and regulatory provisions applicable on the date it decides to use this authorization. This priority right to subscribe shall not give rise to the creation of negotiable rights.
4. Decides that, in accordance with Article L.225-136 (1) of the French Commercial Code:
   - within a limit of 10% of the share capital per year, the Extraordinary Shareholders' Meeting authorizes the Board of Directors to set the issue price in accordance with the terms and conditions that it shall determine on the basis of a report by the Board of Directors and a special report by the Statutory Auditor;
   - between 10% and 20% of the share capital per year, the issue price of the shares issued directly may not be less than the weighted average of the share price during the three stock-market trading days prior to the decision, less 5%; and the issue price of securities that are convertible, redeemable or otherwise exercisable for shares in the company and the number of shares to which the conversion of each security that is convertible, redeemable or otherwise exercisable for shares in the company may grant entitlement, shall be such that the sums received by the company shall, for each share issued as a result of the issuing of these securities, be at least equal to the floor defined in the foregoing paragraph, and, in the event of the independent issue of warrants that are convertible, redeemable or otherwise exercisable for shares in the company, now or in the future, this floor shall apply to the sum of the price of the warrant and of the share.

5. Notes that this authorization entails, where necessary and automatically, in favor of holders of securities issued pursuant to this resolution and subsequently convertible, redeemable or otherwise exercisable for shares in the company that may be issued, the shareholders' waiver of their preferential subscription rights to the shares to which these securities grant entitlement.

6. Decides that this authorization shall also entail an authorization given to the Board of Directors to amend the bylaws as a result.

Fourteenth resolution

Possibility of increasing the amount of issues in the event of excess demand

Deliberating under the conditions as regards quorum and majority required for Extraordinary Shareholders' Meetings, after reviewing the Executive Board's report and the Supervisory Board's report, the Shareholders' Meeting decides that, for each of the issues decided on pursuant to the foregoing tenth, twelfth and thirteenth resolutions, the number of securities to be issued may be increased by the Board of Directors under the conditions laid down in Article L.225 135-1 of the French Commercial Code if it notes an excess demand, within 30 days of the close of the initial issue and within a limit of 15% of the amount thereof. The subscription price shall be the same as the price applied to the initial issue. However, this increase must be included within the overall limit of one hundred and fifty million euros (€150,000,000) authorized for all the capital increases made by the Board of Directors pursuant to resolutions 10 to 16 of this Shareholders' Meeting.

The fourteenth resolution of the Shareholders' Meeting of May 19, 2009 is repealed.

Fifteenth resolution

Share issue without preferential subscription rights as compensation for contributions to the company of capital securities or securities convertible, redeemable or otherwise exercisable for shares in the context of a contribution in kind

Within the overall limit of one hundred and fifty million euros (€150,000,000) that applies to the capital increases authorized by resolutions 10 to 16 of this Shareholders' Meeting, and under the conditions laid down in Article L.225-147 of the French Commercial Code, deliberating under the conditions as regards quorum and majority required for Extraordinary Shareholders' Meetings, after reviewing the Executive Board's report and the Supervisory Board's report, the Shareholders' Meeting authorizes the Board of Directors, for a 26-month period as from this Shareholders' Meeting, to issue ordinary shares on the basis of the report by the appraiser(s) of capital contributions (commissaires aux apports) and within a limit of 10% of the company's share capital, as compensation for contributions to the company of capital securities or debt securities convertible, redeemable or otherwise exercisable for shares. This authorization shall also entail an authorization given to the Executive Board to amend the bylaws accordingly.

The fifteenth resolution of the Shareholders' Meeting of May 19, 2009 is repealed.

Sixteenth resolution

Authorization given to the Board of Directors to proceed with a capital increase reserved for employees

Deliberating under the conditions as regards quorum and majority required for Extraordinary Shareholders' Meetings, after reviewing the Executive Board's report, the Supervisory Board's report and the Statutory Auditors' special report, in view of the foregoing resolutions authorizing the Board of Directors to increase the capital, and pursuant to Articles L.225-129-6 and L.225-138 of the French Commercial Code, the Extraordinary Shareholders' Meeting authorizes the Board of Directors to proceed, on one or more occasions, with a capital increase in cash reserved for employees and, if applicable, for former employees, retired employees or employees who have taken early retirement from CIC and all or some of the companies and groupings affiliated to it within the meaning of Article L.225-180 of the French Commercial Code, who are members of a company or a group employee savings plan, to be carried out in accordance with Article L.443-5 of the French Labor Code. This authorization shall entail the automatic waiver by shareholders of their preferential subscription rights to subscribe to any such capital increase.

The Shareholders' Meeting gives full powers to the Board of Directors, with the possibility of delegation within the statutory limits, for the following purposes in particular:

1. Determining the amount of the issue;

2. Setting the subscription price of the new shares under the conditions laid down in Article L.443-5 of the French Labor Code;

3. Deciding on all the conditions and methods of the future capital increase(s) and in particular:

- determining the company or companies of which the employees and former employees may subscribe for shares;
- setting the conditions as regards length of service to be met by the subscribers and the time within which the shares to be issued must be paid up;
- deciding whether subscriptions may be made through the intermediary of a company mutual fund or directly for the benefit of the beneficiaries;
- determining the length of the subscription period, the cum-dividend date of the new shares and, generally, any other condition or process it shall consider necessary;
- allocating the costs of the increase in the capital to the additional paid-in capital account and drawing from such account the sums necessary to allocate one-tenth of the new capital to the legal reserve;
- lastly, carrying out all acts and formalities required due to the capital increase, noting the completion of the capital increase, requesting the listing of the shares issued for trading on a regulated market, amending the bylaws accordingly, and doing whatever may be necessary.

This capital increase shall be included in the overall limit of one hundred and fifty million euros (€150,000,000) applicable to capital increases carried out by the Board of Directors pursuant to resolutions 10 to 16 of this Shareholders' Meeting.

This authorization is given for a period of 26 months as from this Shareholders' Meeting.

Resolutions within the remit of the Ordinary Shareholders' Meeting

Seventeenth resolution

Appointment of a member of the Board of Directors

The Shareholders' Meeting appoints, as from the date hereof, Caisse Centrale du Crédit Mutuel as a member of the Board of Directors for a term of two years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2012.

Eighteenth resolution

Appointment of a member of the Board of Directors

The Shareholders' Meeting appoints, as from the date hereof, Daniel Leroyer as a member of the Board of Directors for a term of two years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2012.

Nineteenth resolution

Appointment of a member of the Board of Directors

The Shareholders' Meeting appoints, as from the date hereof, Massimo Ponzellini as a member of the Board of Directors for a term of two years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2012.

Twentieth resolution

Appointment of a member of the Board of Directors

The Shareholders' Meeting appoints, as from the date hereof, Maurice Corgini as a member of the Board of Directors for a term of four years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2014.

Twenty-first resolution

Appointment of a member of the Board of Directors

The Shareholders' Meeting appoints, as from the date hereof, Jean-Louis Girodot as a member of the Board of Directors for a term of four years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2014.

Twenty-second resolution

Appointment of a member of the Board of Directors

The Shareholders' Meeting appoints, as from the date hereof, Philippe Vasseur as a member of the Board of Directors for a term of four years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2014.

Twenty-third resolution

Appointment of a member of the Board of Directors

The Shareholders' Meeting appoints, as from the date hereof, Banque Fédérative du Crédit Mutuel as a member of the Board of Directors for a term of six years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2016.

Twenty-fourth resolution

Appointment of a member of the Board of Directors

The Shareholders' Meeting appoints, as from the date hereof, Catherine Allonas Barthe as a member of the Board of Directors for a term of six years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2016.

Twenty-fifth resolution

Appointment of a member of the Board of Directors

The Shareholders' Meeting appoints, as from the date hereof, Michel Lucas as a member of the Board of Directors for a term of six years, i.e., until the close of the Shareholders' Meeting held to vote on the financial statements for the year ending December 31, 2016.

Twenty-sixth resolution

Authorization given to the Board of Directors to buy back shares in the company

After reviewing the Executive Board's report to the Shareholders' Meeting, within the scope of EU Regulation no. 2273/2003 of December 22, 2003, the provisions of Articles L.225-209 et seq. of the French Commercial Code, and Title IV of Book II and Chapter I of Title III of Book IV of the general regulations of the French securities regulator (Autorité des marchés financiers-AMF) and its implementing instructions, the Shareholders' Meeting authorizes the Board of Directors, with immediate effect, to trade in shares in the company on the stock exchange under the following conditions:

- shares must be purchased and sold by means of a liquidity agreement entered into with an investment service provider in accordance with the regulations in force;
- these transactions will be carried out by the service provider with the sole aim of ensuring the liquidity and regular listing of shares in the company on the Paris stock exchange;
- the maximum purchase price is set at €300 per share;
- the maximum number of shares that may be purchased is set at 100,000, representing a maximum potential commitment of €30 million;
- shares held in connection with the liquidity agreement will not be cancelled.

This authorization will remain in effect until October 31, 2012 inclusive.

The Shareholders' Meeting grants full powers to the Board of Directors to enter into all agreements, carry out all formalities, and, in general, take all the necessary steps within the aforementioned framework.

Resolution tabled at both the Ordinary and the Extraordinary Shareholders' Meetings

Twenty-seventh resolution

Powers

The Shareholders' Meeting gives full powers to the bearer of a copy or excerpt of the minutes of this meeting to carry out all filings, publications and other formalities prescribed by law.

Additional information

Capital - Stock market

General information about the capital

Amount and composition of capital

As at December 31, 2010, CIC's capital amounted to €608,439,888 divided into 38,027,493 "A" series ordinary shares with a par value of €16 each, all fully paid up.

As authorized by the May 26, 1999 Ordinary and Extraordinary Shareholders' Meeting, the Executive Board converted the bank's capital into euros following its decision of June 19, 2001. At that time, in accordance with the authorization granted, the par value of each share was changed to €16 from FRF 100, resulting in a capital increase of €26,435,111.72.

During 2003, Banque Fédérative du Crédit Mutuel transferred to CIC 705,000 shares in Fédébail, representing 94% of that company's capital. The consideration for this transfer – which was approved by the Extraordinary Shareholders' Meeting of May 15, 2003 – was granted through the issue to BFCM of 199,330 new shares in the company with a par value of €16. Following this transaction, CIC's capital increased from €560,141,376 to €563,330,656.

Within the context of the restructuring of the group's capital markets business, CIC Banque CIAL contributed its capital markets business to CIC. This contribution was approved by the September 7, 2006 Extraordinary Shareholders' Meeting and 229,730 shares in the company created pursuant to a capital increase were allocated in consideration for the contribution. In accordance with the tax ruling issued within the scope of Article 115 of the French Tax Code, these shares were granted free of charge to CIC by CIC Banque CIAL at the end of the year. Accordingly, CIC now holds 229,730 of its own shares.

During 2007, Crédit Fécampois was merged into CIC (10th and 11th resolutions of the May 31, 2007 Ordinary and Extraordinary Shareholders' Meeting). The shareholders of Crédit Fécampois other than CIC were granted shares in the company issued by means of an increase in the capital in consideration for the shares they contributed within the scope of this merger, with CIC waiving the right to receive its own shares. 5,850 new shares were issued corresponding to a capital increase of €93,600.

Pursuant to the fourth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 31, 2007, offering the option for payment of the dividend in shares, the capital was increased by €6,526,912 by the creation of 407,932 new shares.

Pursuant to the fifth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 22, 2008, offering the option for payment of the dividend in shares, the capital was increased by €12,758,128 by the creation of 797,383 new shares.

Pursuant to the fourth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 12, 2009 offering the option for payment of the dividend in shares, the capital was increased by €4,291,360 by the creation of 268,210 new shares.

Pursuant to the fourth resolution of the Ordinary Shareholders' Meeting of May 20, 2010 offering the option for payment of the dividend in shares, the capital was increased by €17,763,552 by the creation of 1,110,222 new shares.

Authorized capital and expiration date of the authorization

Under its eleventh to sixteenth resolutions, the May 12, 2009 Shareholders' Meeting authorized the Executive Board to increase the capital with or without preferential subscription rights, in cash, by offset of receivables, by capitalization of reserves or as consideration for contributions in kind of capital or other securities, in the context of a public exchange offer or otherwise. These authorizations are valid for a 26-month period. The overall limit set for all these capital increases was €150 million; in addition, if the Executive Board were to issue debt securities convertible, redeemable or otherwise exercisable for shares in the company, the total nominal amount of such securities would in turn be capped at one billion six hundred million euros.

These authorizations were not used in 2009. They are valid until July 12, 2011.

Securities not carrying the right to a stake in equity

None.

Changes in control and changes in capital

The bylaws do not contain any provision that would have the effect of delaying, deferring or preventing a change in control, or that provides for stricter conditions than those provided for by law with regard to changes in capital.

Changes in capital over the last five fiscal years

	2006		2007		2008	
	Number of shares	Amount in €	Number of shares	Amount in €	Number of shares	Amount in €
At January 1	35,208,166	563,330,656	35,437,896	567,006,336	35,851,678	573,626,848
Capital increase in cash			407,932	112,997,164	797,383	128,373,663
o/w additional paid in capital				(106,470,252)		(115,620,535)
Contributions in kind	229,730	3,675,680	5,850	93,600		
Capital increase by capitalizing reserves						
TOTAL CAPITAL AT DECEMBER 31	**35,437,896**	**567,006,336**	**35,851,678**	**573,626,848**	**36,649,061**	**586,384,976**

Ownership structure at the close of the last three fiscal years, in shares and voting rights

	At December 31,2008				At December 31,2009			
	No. of shares	%	Voting rights	%	No. of shares	%	Voting rights	%
Banque Fédérative du Crédit Mutuel	26,223,303	71.55	26,223,303	72.03	26,494,868	71.77	26,494,868	72.24
Ventadour Investissement	7,407,901	20.21	7,407,901	20.35	7,407,901	20.07	7,407,901	20.20
Caisse Centrale du Crédit Mutuel	366,290	1.00	366,290	1.01	369,812	1.00	369,812	1.01
Banca Popolare di Milano	352,082	0.96	352,082	0.97	352,082	0.95	352,082	0.96
Crédit Mutuel Nord Europe	314,328	0.86	314,328	0.86	361,013	0.98	361,013	0.98
Crédit Mutuel Arkéa	263,585	0.72	263,585	0.72	263,585	0.71	263,585	0.72
Crédit Mutuel Maine-Anjou, Basse Normandie	253,747	0.69	253,747	0.7	256,186	0.69	256,186	0.70
Crédit Mutuel Océan	253,723	0.69	253,723	0.7	256,162	0.69	256,162	0.70
Crédit Mutuel du Centre	209,100	0.57	209,100	0.57	211,110	0.57	211,110	0.58
FCPE ACTICIC (employees and former employees)	118,319	0.32	118,319	0.32	115,231	0.31	115,231	0.31
Crédit Mutuel Loire-Atlantique et Centre Ouest	128,942	0.35	128,942	0.35	130,181	0.35	130,181	0.35
Crédit Mutuel Normandie	25,371	0.07	25,371	0.07	25,614	0.07	25,614	0.07
Public, other shareholders	490,520	1.35	490,520	1.35	434,436	1.18	434,436	1.18
Treasury stock (own shares held and shares held in connection with the liquidity agreement)	241,850	0.66	-	-	239,090	0.65	-	-
TOTAL	**36,649,061**	**100**	**36,407,211**	**100**	**36,917,271**	**100**	**36,678,181**	**100**

Following the agreements entered into on September 11, 2001 between CIC, BFCM, GAN and Groupama, GAN's 23% stake in CIC was acquired by Ventadour Investissement, a wholly-owned BFCM subsidiary.

In accordance with its contractual commitments, each year BFCM acquires the shares sold by current and former employees of CIC who took part in the 1998 privatization. 463,394 shares in the company were sold in July 2003 following the expiration of the five year holding period.

On February 8, 2006, pursuant to the strategic partnership agreement entered into with CIC, Banca Popolare di Milano acquired 352,082 shares in the company that were sold to it by Ventadour Investissement.

The 242,224 shares held by CIC at December 31, 2010 (including 229,741 own shares held and 12,483 held in connection with the liquidity agreement) are stripped of voting rights but do not have a material impact on the ownership structure or the allocation of voting rights between shareholders as set out above.

Details of shares in the company purchased and sold by the bank on the market are given on page 200.

2009		2010	
Number of shares	Amount in €	**Number of shares**	**Amount in €**
36,649,06	586,334,976	36,917,271	590,676,336
268,210	27,893,840	1,110,222	17,763,552
	(23,602,480)		
36,917,271	**590,676,336**	**38,027,493**	**608,439,888**

At December 31, 2010			
No. of shares	**%**	**Voting rights**	**%**
27,560,922	72.48	27,560,922	72.94
7,407,901	19.48	7,407,901	19.61
384,436	1.01	384,436	1.02
352,082	0.93	352,082	0.93
375,289	0.99	375,289	0.99
263,585	0.69	263,585	0.70
256,186	0.67	256,186	0.68
266,292	0.70	266,292	0.70
219,458	0.58	219,458	0.58
101,499	0.27	101,499	0.27
135,329	0.36	135,329	0.36
26,626	0.07	26,626	0.07
435,664	1.15	419,441	1.15
242,224	0.64	-	-
38,027,493	**100**	**37,785,269**	**100**

Names of natural persons or legal entities that may exercise control over CIC, either individually, jointly or otherwise

At December 31, 2010, Banque Fédérative du Crédit Mutuel (BFCM), which is 94.6%-owned by Caisse Fédérale de Crédit Mutuel (CFCM), held 92.5% of the capital of CIC, both directly (72.9%) and through its wholly-owned subsidiary, Ventadour Investissement.

BFCM's business covers the following main areas:

- it acts as a holding company of the CM5-CIC group, owns a portfolio of interests in the following main business segments: banking and financial services, insurance, real estate and technology;
- it performs financial management, treasury and refinancing services for the group;
- it also offers lending, financial engineering, fund flow management and securities dealing services to a customer base of major companies and institutional investors.

BFCM is a subsidiary of the CM5-CIC group, made up of the Caisses de Crédit Mutuel Centre Est Europe, Sud-Est, Ile-de-France, Savoie-Mont Blanc and Midi-Atlantique, Caisse Fédérale de Crédit Mutuel (the joint federation) and its other main subsidiaries: ACM, BECM, the IT subsidiaries, CIC, TargoBank (formerly Citibank Germany), Cofidis, CIC Iberbanco (formerly Banco Popular France), BPE CM-CIC Espagne.

In 2010, CM5-CIC, in which retail banking constitutes the heart of the business, continued to improve quality levels and to extend its network, which, by adding 82 new sales outlets, reached 4,017 banks and branches. Thanks to the commitment of all its employees, their attentiveness to the needs of the group's members and customers, and on the basis of their renewed confidence, the group was able to assist individuals, associations, self-employed professionals and corporates in the best way possible (the group is now the banker for a third of all companies).

CM5-CIC is building up its network in France and in the neighboring countries (in particular in Spain with the creation of a network with Banco Popular), expanding its business activity and its area of action. Technical and financial tools are continuing to be streamlined.

With more than €25.5 billion in shareholders' equity and perpetual subordinated notes, an increase of €2.1 billion, the CM5-CIC group (which became CM10-CIC on January 1, 2011 when the Crédit Mutuel Loire Atlantique Centre Ouest, du Centre, de Normandie, Dauphiné-Vivarais and Méditerranée federations joined Caisse Fédérale de Crédit Mutuel) is looking forward to the future with confidence and determination. It is actively involved in financing the local, regional and national economy.

With consolidated balance sheet assets of €434.3 billion at December 31, 2010, CM5-CIC manages and holds €430.4 billion in customer savings, including €154.5 billion in deposits, €214.6 billion in bank-type savings products and €61.3 billion in insurance-type savings products. Moreover, it has granted loans totaling €229.3 billion.

Its net banking income amounted to €10.9 billion (of which almost 25% generated abroad), up 3.5% at constant consolidation scope as compared to the previous year.

Net additions to/reversals from provisions for loan losses amounted to €1.3 billion at December 31, 2010, as against €2 billion in 2009 (down 38.2% at constant consolidation scope) and net income amounted to €2.3 billion as against €1.4 billion.

Market for shares in the company

CIC "A" series shares

CIC ordinary shares, or "A" series shares, have been listed on the Paris stock exchange since June 18, 1998.

CIC's bylaws do not contain any clauses restricting the sale of "A" series shares. However, under Article 9 of the bylaws, shareholders that increase or reduce their interest by 0.5% or more of the bank's capital are required to disclose their new interest (Article 9 (6) of the bylaws, see page 49 of the chapter on "Corporate governance").

The May 20, 2010 Ordinary and Extraordinary Shareholders' Meeting, in its sixth resolution, renewed the authorization for an investment service provider to buy and sell shares in the company on the stock exchange within the scope of a liquidity agreement until October 31, 2011. Within the scope of this agreement, in 2010, CIC:

- purchased 37,242 CIC "A" series shares at an average price of €127.28 per share;
- sold 34,108 CIC "A" series shares at an average price of €126.20 per share;
- at December 31, 2010, CIC held 12,483 CIC "A" series shares with an average unit value of €132.99, that is 0.033% of its capital.

These shares are held solely in the context of the liquidity agreement and cannot be canceled.

At the Ordinary and Extraordinary Shareholders' Meeting called for May 19, 2011, shareholders will be asked to renew this authorization.

Pursuant to Article 6 (1) of the bylaws, the bank's capital is made up of a single class of shares, namely "A" series shares, with a par value of €16 each, all fully paid up.

Once 10% of the capital has been allocated to the legal reserve, which is the case, the income for the fiscal year, plus any retained earnings brought forward from prior years, can be distributed in full to the shareholders by the Shareholders' Meeting, subject to the application of the relevant rules of tax law (Article 30 of the bylaws).

The shares issued by the company do not carry any special rights, liens or restrictions.

Market data - CIC "A" series ordinary shares

	Number of shares traded	Average monthly value (in € millions)	Share price	
			Low (in €)	High (in €)
January 2009	29,768	2.550	78.00	101.50
February 2009	11,342	0.889	68.00	84.80
March 2009	27,566	2.005	65.00	100.00
April 2009	14,949	1.623	95.50	124.99
May 2009	7,341	0.841	106.00	123.50
June 2009	3,300	0.342	99.00	108.00
July 2009	3,713	0.372	97.40	103.00
August 2009	16,192	1.881	103.95	120.99
September 2009	10,413	1.162	109.10	117.99
October 2009	56,916	6.849	108.00	138.00
November 2009	12,592	1.524	112.50	127.80
December 2009	15,794	1.815	111.01	121.00
January 2010	14,345	1.783	117.50	130.01
February 2010	8,932	1.097	118.51	132.80
March 2010	16,842	2.169	126.01	132.10
April 2010	18,280	2.410	127.50	136.01
May 2010	13,067	1.573	109.50	131.00
June 2010	6,194	0.702	110.00	116.00
July 2010	16,412	1.848	108.60	124.90
August 2010	8,529	1.051	118.50	127.90
September 2010	21,297	2.655	119.51	128.99
October 2010	9,158	1.238	128.01	140.00
November 2010	9,338	1.291	129.00	144.70
December 2010	7,910	1.041	128.00	135.000
January 2011	13,645	1.842	130.00	139.00
February 2011	19,982	2.967	135.51	160.00
March 2011	12,193	1.836	144.50	159.00

Financial information

Over the last twelve months, CIC has not been the subject of any government, court or arbitration proceedings, including any proceedings of which it is aware, that are pending or with which it is threatened, that could have or may recently have had a major impact on its financial situation or profitability.

There has been no major change in CIC's business or financial situation since the end of the last financial year for which audited financial statements have been published.

Investments

The only investments made by CIC concerned financial investments (see the Executive Board's report on the consolidated financial statements, page 64 and Note 7a to the consolidated financial statements, page 111).

Property and equipment

The information on property and equipment is set out in the notes to the financial statements (Note 16, page 117).

Related party transactions and information on shareholdings

This information is contained in:

- Note 3 to the financial statements – scope of consolidation (pages 103-105);
- Note 40 to the financial statements – related party transactions (page 131);
- the table "information regarding subsidiaries and shareholdings" (pages 164-165);
- the section entitled "business activities and results of subsidiaries and shareholdings" (pages 166-172).

Dividends and dividend policy

Outstanding shares and securities

	2006	2007	2008	2009	**2010**
Number of "A" series shares	35,208,166	35,621,937	36,649,061	36,917,271	38,027,493
Net dividend on "A" series shares (in €)	4.43	4.8	1	4.35	8.80
TOTAL DIVIDEND PAYOUT (IN € MILLIONS)	**156**	**171**	**37**	**161**	**335**
Consolidated net income attributable to equity holders of the parent company (in € millions)	1,274	1,139	170	801	1,115
Payout ratio	12.20%	15.00%	22.00%	20.00%	30.00%

The share capital is divided into 38,027,493 shares, including 229,741 shares of treasury stock. The amount of the dividend allocated to treasury stock is recorded directly in the "retained earnings" account.

Non-voting loan stock

The non-voting loan stock issued in 1985 by Compagnie Financière de Crédit Industriel et Commercial, which has since become Crédit Industriel et Commercial, entitles holders to an annual coupon made up of fixed and variable components.

Coupons are payable on May 28 of each year. This year's coupon is therefore payable on May 28, 2011. The coupon rate cannot be less than 85%, or more than 130%, of the sum of the annual monetary reference rate (TAM) plus the fixed-rate bond index (TMO), divided by 2.

- The fixed-rate bond index (TMO) is the arithmetic mean of the monthly average yields on the settlement dates for subscriptions of government-guaranteed bonds and equivalents. It is established by France's National Institute of Statistics and Economic Studies (INSEE) for the period from April 1 to March 31 prior to each maturity date.
- The annual monetary reference rate (TAM) is the compounded yield that would be earned on a monthly investment reinvested each month at the average monthly money market rate calculated by the French Banking Association (AFB) during the twelve months up to March.

Since January 1, 1999, this rate has been calculated by compounding the EONIA (Euro Overnight Index Average) instead of the average monthly money market rate.

The fixed component of the coupon is 40% of the annual monetary reference rate, as defined above. The variable component is 43% of the annual monetary reference rate, as defined above, multiplied by the "participation ratio" (PR).

The participation ratio used to calculate the variable component of the coupon due in May 2011 – PR 2011 – is equal to:

$$2010 \text{ PR} \times \frac{2010 \text{ income as defined in the issue contract}}{2009 \text{ income as defined in the issue contract}}$$

The contract defines income as consolidated income adjusted for changes in shareholders' equity, changes in the CIC group structure and changes in consolidation methods.

CIC group adjusted consolidated net income for 2010, as determined by applying the same accounting procedures and consolidation methods on a comparable group structure basis, amounted to €1,115,043 thousand as opposed to €803,918 thousand for 2009.

The 2011 PR is equal to: $2010 \text{ PR} \times \frac{\text{€}1{,}115{,}043 \text{ thousand}}{\text{€}803{,}918 \text{ thousand}}$

i.e. 13.233 x 1.38701 = 18.355.

Coupon

The coupon rate calculated from the income shown above, including both the fixed and variable components, came to 4.301%, which exceeds the cap provided for in the issue contract.

Consequently, under the terms of the issue contract, the coupon rate paid to holders of non-voting loan stock in May 2011 will be capped at 130% of the sum of the annual monetary reference rate (TAM) and the fixed-rate bond index (TMO) divided by 2.

The coupon rate will be 2.545% on the basis of an annual monetary reference rate of 0.5187% and an average fixed-rate bond index of 3.3967%. This means that the gross coupon due in May 2011 will amount to €3.88 for each stock unit with a face value of €152.45.

Coupon payments since 2007 (year paid)

	PR	TAM%	TMO%	Coupon rate%	Gross coupon
2007	30.795	3.2286	4.1900	4.822	€7.35
2008	27.495	4.1117	4.5792	5.648	€8.61
2009	2.96	3.2947	4.3842	4.992	€7.61
2010	13.233	0.4610	3.8542	2.805	€4.28
2011	18.355	0.5187	3.3967	2.545	€3.88

Non-voting loan stock price movements since 2006

	High €	Low €	Close €
2006	185.00	175.00	183.50
2007	186.00	176.50	183.00
2008	182.00	150.00	156.00
2009	160.00	145.00	148.00
2010	154.00	137.00	141.75

On October 18, 1999, CIC non-voting loan stock with a face value of FRF 1,000 was converted into stock with a face value of €152.45.

General information

Legal information about CIC

(see also "Corporate governance" section)

Name and registered office

The company's name is:

Crédit Industriel et Commercial
Abbreviated to: **CIC**

This abbreviation can be used on its own.

Its registered office is located at:
6, avenue de Provence, 75009 Paris

Telephone: +33 1 45 96 96 96

Applicable legislation and legal form

Bank organized as a French *société anonyme* (corporation) governed by the French Companies Act of July 24, 1966 (Act no. 66-537) and the French Banking Act of January 24, 1984 (Act no. 84-46). The company has a Supervisory Board and an Executive Board.

Company governed by French law

Incorporation date and expiration date

The company was incorporated on May 7, 1859. Its term will expire on December 31, 2067, unless it is dissolved or its term is extended before that date.

Purpose (summary of Article 5 of the bylaws)

The purpose of the company in France or abroad is in particular:

- to carry out all banking operations and related operations;
- to provide all investment services and related services;
- insurance broking in all businesses;
- realtor activity;
- all professional training activities relating to the above matters;
- to acquire, hold and manage interests in all banking, financial, real estate, industrial and commercial companies in France or abroad.

Registration number and APE business identifier code

542 016 381 Paris Trade and Companies Registry.

Business identifier code: 6419Z (other financial brokerage activities).

Legal documents relating to the bank

The bylaws, minutes of Shareholders' Meetings and reports can be consulted at the registered office located at 6, avenue de Provence, 75009 Paris (Corporate Secretary's office).

Fiscal year

January 1 to December 31.

Income appropriation (Article 30 of the bylaws)

Income for the year corresponds to total revenues less general operating expenses and other expenses of the company, including depreciation, amortization and provisions.

At least 5% of net income for the year, less any losses brought forward from prior years, is credited to the legal reserve until such time as the legal reserve represents one-tenth of the capital stock.

The balance remaining after all necessary allocations to or reversals from the long-term capital gains reserve and adding any retained earnings brought forward from prior years corresponds to income available for appropriation.

The Shareholders' Meeting may appropriate all or part of this amount to any optional revenue reserves or to retained earnings. Any balance remaining after these appropriations is distributed to shareholders pro rata to their interests in the company's capital.

Dividends are paid on the date set by the Shareholders' Meeting or, failing that, on the date chosen by the Executive Board.

The Shareholders' Meeting may decide to offer each shareholder the option of receiving all or part of the dividend or any interim dividend either in cash or in the form of shares.

Dependency

The CIC group is not dependent on any patents, licenses or industrial, commercial or financial supply agreements for the conduct of its business.

Background

The bank was founded on May 7, 1859 under the name of "Société Générale de Crédit Industriel et Commercial".

Since its formation, it has overseen the establishment of regional banks in France's leading cities. It opened its first foreign branch in London, in 1895.

In 1918 and 1927, the bank acquired interests in several regional and local banks, including Banque Dupont, Banque Scalbert, Société Normande de Banque et de Dépôts, Crédit Havrais, Crédit Nantais, Crédit de l'Ouest and Banque Régionale de l'Ouest. It built up a group of affiliated banks, which was extended further during the economic crisis of the 1930s.

In 1968, the CIC group became a member of the Suez-Union des Mines group.

In 1982, most of the banks in the CIC and Compagnie Financière de Suez group were nationalized.

In 1984, after the French government had given the bank full ownership of Banque de l'Union Européenne and enough shares in the regional banks for it to control 51% of their share capital, the banking businesses were spun off into a subsidiary created for this purpose, named CIC Paris.

The bank became the parent company for the group and took the name Compagnie Financière de Crédit Industriel et Commercial.

In 1985, GAN acquired an interest in Compagnie Financière de CIC. GAN's interest then increased as the interests of the Suez group and the government decreased.

In 1987, the government transferred its remaining shares in the regional banks to Compagnie Financière de CIC, which has owned the entire capital of its banking subsidiaries since then.

In 1990, Compagnie Financière de CIC merged with Banque de l'Union Européenne to form Compagnie Financière de CIC et de l'Union Européenne, which operated under the business name of "Union Européenne de CIC".

On April 27, 1998, GAN sold a 67% interest in Compagnie Financière de CIC et de l'Union Européenne to Banque Fédérative du Crédit Mutuel (BFCM), in connection with the privatization of the CIC group launched by the government on August 1, 1996.

On December 31, 1999, Compagnie Financière de CIC et de l'Union Européenne merged with its wholly-owned subsidiary, Crédit Industriel et Commercial. The merger was backdated to January 1, 1999 and was carried out using the simplified procedure. The merged company took the name Crédit Industriel et Commercial and transferred its head office to 6, avenue de Provence, Paris.

Following the agreements signed on September 11, 2001, between CIC, BFCM, GAN and Groupama, GAN's 23% stake in CIC was acquired by Ventadour Investissement, a wholly-owned BFCM subsidiary.

Person responsible for the registration document *(document de référence)* and Statutory Auditors

Person responsible for the registration document

Person in overall charge of the registration document

Michel Lucas, President of the Executive Board.

Declaration by the person responsible for the registration document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of my knowledge, in accordance with the facts and no omission likely to affect its import has been made.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the company and the entities in the consolidation scope taken as a whole, and that the management report provided in the "Financial information" section (pages 63-83 for the consolidated financial statements and pages 132-133 for the company's financial statements) provides a true and fair view of the development and performance of the business, profit or loss and financial position of the company and the entities in the consolidation scope taken as a whole as well as a description of the main risks and uncertainties that they face.

I obtained a statement from the Statutory Auditors at the end of their assignment, in which they state they had verified the information relating to the financial position and the financial statements set out in this document, and had read the entire document.

The Statutory Auditors have prepared a report on the annual financial statements relating to the fiscal year ended December 31, 2010, shown on page 189; this report contains an observation.

The historical financial information with respect to the year ended December 31, 2008 presented in the registration document filed with the AMF under no. D.09-0316 was the subject of reports prepared by the Statutory Auditors which are shown on pages 188 to 195 of said document, which contain observations.

Paris, April 26, 2011

Michel Lucas
President of the Executive Board

Statutory Auditors

The Statutory Auditors, PricewaterhouseCoopers Audit and Ernst & Young et Autres, are members of the French Regional Institute of Accountants of Versailles.

Principal Statutory Auditors

Name: PricewaterhouseCoopers Audit
Address: 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex
Represented by Agnès Hussherr
First term of office began on: May 25, 1988
Length of current term of office: six years from May 11, 2006
This term of office expires at the close of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2011.

Name: Ernst & Young et Autres
Address: 41, rue Ybry, 92576 Neuilly-sur-Seine
Represented by Isabelle Santenac
First term of office began on: May 26, 1999
Length of current term of office: six years from May 19, 2005
This term of office expires at the close of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2010.

Alternate Statutory Auditors

Etienne Boris, Pascal Macioce.

Statutory Auditors' fees*

	PricewaterhouseCoopers Audit				Ernst & Young et Autres			
Amounts in € millions	**2010**		2009		**2010**		2009	
Audit								
Statutory audit and contractual audits								
- CIC	**0.65**	**16%**	0.70	21%	**0.63**	**23%**	0.71	25%
- Fully consolidated subsidiaries	**2.77**	**70%**	2.37	74%	**2.00**	**72%**	2.15	75%
Other assignments and services directly related to the statutory audit								
- CIC								
- Fully consolidated subsidiaries	**0.14**	**4%**	0.13	4%	**0.10**	**3%**	0.01	0%
Sub-total	**3.56**	**90%**	**3.20**	**99%**	**2.73**	**98%**	**2.87**	**100%**
Other services performed by the networks for fully consolidated subsidiaries								
- Legal, tax and corporate advisory services	**0.13**	**3%**						
- Other	**0.26**	**7%**	0.02	1%	**0.06**	**2%**	0.01	0%
Sub-total	**0.39**	**10%**	**0.02**	**1%**	**0.06**	**2%**	**0.01**	**0%**
TOTAL	**3.95**	**100%**	**3.22**	**100%**	**2.79**	**100%**	**2.88**	**100%**

* *The above amounts correspond to the amounts recognized as charges during the fiscal year.*

Cross-reference table

Annex 1 of EU regulation no. 809/2004		Pages
1	Persons responsible	204
2	Statutory Auditors	204
3	Selected financial information	5-6
4	Risk factors	69-83
5	Information about the issuer	201 / 202-203
6	Business overview	5 / 7-30 / 66-68 / 202
7	Organizational structure	8-9 / 103-105
8	Property and equipment	201
9	Operating and financial review	64-69 / 84-86
10	Capital resources	76-78 / 87-88
11	Research and development, patents and licenses	N/A
12	Trend information	69
13	Profit forecasts or estimates	N/A
14	Administrative, management and supervisory bodies and senior management	31-49
15	Remuneration and benefits	33 / 38-39 / 49 / 69 / 131
16	Board practices	31-49
17	Employees	60 / 198-199
18	Major shareholders	198-199
19	Related party transactions	201
20	Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	63-172 / 201-202
21	Additional information	130 / 197-200 / 202-203
22	Material contracts	N/A
23	Third party information, statements by experts and declarations of interest	N/A
24	Documents on display	62 / 205
25	Information on holdings	201

Cross-reference table for the information required in the annual financial report		Pages
1	Declaration by the person responsible for the registration document	204
2	Management reports	64-83 / 132-133
3	Financial statements	84-131 / 134-163

In accordance with Article 28 of European Regulation no. 809-2004 on prospectuses and Article 212-11 of the general regulations issued by the French securities regulator (Autorité des marchés financiers – AMF), the following are incorporated by reference:

- the consolidated financial statements, management report and Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2009, presented on pages 64 to 131 and page 179 respectively of the registration document *(document de référence)* D. 10-0352, filed with the AMF on April 29, 2010;
- the consolidated financial statements, management report and Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2008, presented on pages 64 to 137 and page 188 respectively of registration document *(document de référence)* D. 09-0316, filed with the AMF on April 27, 2009.

The chapters of registration documents D. 10-0352 and D. 09-0316 not referred to above are either not relevant for the investor, or are covered elsewhere in this registration document.

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This registration document was filed with the *Autorité des marchés financiers* on April 26, 2011, pursuant to Article 212-13 of the AMF's General Regulations.

It may only be used in connection with a financial transaction if it is accompanied by a memorandum approved by the AMF. This document was prepared by the issuer and is binding on its signatories.

Website: **www.cic.fr**

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The English-language version of this annual report is a translation of the original French text provided for information purposes only. It is not in any event a binding document. In the event of a conflict of interest, reference should be made to the French version, which is the authentic text. The Auditors' report applies to the French version of the Executive Board Report and the financial statements.

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CIC, a French limited company *(société anonyme)* with an Executive Board and a Supervisory Board and share capital of €608,439,888
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