

Crédit Coopératif Group: A confirmed contribution in an exceptional context

The Crédit Coopératif Board of Directors, chaired by Jean-Claude Detilleux, drew up Crédit Coopératif Group accounts on 12th March 2009¹.

Following exceptional 2007 results, the level of activity of the Crédit Coopératif Group in 2008 in an unprecedented economic and financial context, was very strong throughout the year, although some signs of decline were noticeable in the 4th quarter. Thanks to commercial dynamism and solidity in all the fundamentals, the **Gross Current Operating Income is up + 22.4%**.

Net banking income increased nearly 9 % with total growth of **13.8 % in credits outstanding** (+ 26 % for payments of investment credits). **Total funds collected were up by more than 8 %**, whether for balance sheet resources or for UCITS, which despite the economic downturn achieved a score of + 3.2 %.

A key fact for the Group, which still has a surplus in resources, is that applications of funds grew more quickly than collection, reflecting the strength of its credit business.

These excellent levels of performance were achieved in the bank's core businesses : collection and credit. This has been achieved thanks to effective adaptation to the needs of a growing number of customers, especially **businesses (+ 5.9 %)** and **not-for-profit organisations (+ 5.3 %)**. Our customers are usually medium-sized and maintain strong ties with their local communities.

The number of **private customers is still growing rapidly (+ 11.8 %)**. The bank's special business model and its commitment to solidarity finance are particularly appealing to customers.

Net commissions are up by 4.8%. The decrease of the relative proportion of loans on share UCITS, which have the best margins, due to the market context, had a negative impact on commissions despite the very good performance of monetary products in the 4th quarter. But commissions on banking and technological services grew strongly, at the same rate as business.

General Expenses (+ 3.0 %) increased at a considerably slower rate than net banking income. The workforce increased by more than 5 %, with more than 80 new jobs, two thirds of which were created in the Crédit Coopératif and BTP Banque retail networks.

The **operating ratio** has therefore dipped under the 68 % mark.

The **Gross Operating Profit** stands at € 121 M, which is **22.4 % more** than in 2007.

Provisions are quite clearly higher than in 2007 (€ 88.0 M compared to € 30.5 M). Although the Group is confident and very active about the possibilities of recovery, it has placed substantial provisions on bank bonds (Lehman Brothers, Kaupthing, Landsbanki). These are pure and simple investments without any speculative dimension, as is the case for all the Group's investments. Above and beyond proven loan litigation - which did not increase overall in 2008 – the Group took care to also constitute provisions for contingencies possibly occurring due to the forecasted deterioration of the economic outlook in 2009.

1 – They are presented for the 2nd year according to IFRS standards, with a slightly modified scope compared to 2007. The main change is a broadening of participations in the European banking world, with the acquisition of all the shares in Tise SA (Poland) in July and the increase to 33.87 % of Coopest capital.



The Net Income, Group share, amounts to € 22.2 M, to be compared with income of € 49.6 M achieved in 2007 excluding the impact of the exceptional gain generated by sale of the Bise, a bank subsidiary in Poland (87.8 million euros including this gain).

This result, subject to the approval of shareholder-members during the 23 regional general meetings held between 21st April and 19th May, will be **redistributed to members**, in accordance with cooperative practice: € 750,000 in the form of a cooperative rebate pro rata the interest they paid in respect of their loans; share-holders **B** (legal entities) and **C** (physical persons) benefit from a substantial remuneration of 3.6 %, a sign of confidence in the future.

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With confidence in its "raison d'être" and the future of its member customers, and buoyed by the confirmed year-on-year positive trend in its level of activity and results, during 2008 the Crédit Coopératif Group drew up its business project Coopération 2015 and the 1st medium-term plan for its implementation. It did so via a highly participative process, involving members' representatives at the national and local level, as well as 15 % of its staff.

In line with this utility-based approach, the Group signed several partnerships with various movements (Confédération des Scop, shopkeeper associations, etc.) to support SMEs and general interest organisations in a context of recession and difficulty in gaining access to finance, using its own resources and in the framework of government-run programmes (Oséo, EIB, FEI, etc.).

The Group is also developing activities in favour of microcredit for individuals and businesses, by means of partnerships in France with voluntary sector bodies, and abroad with NGOs and microfinance institutions. It is committed to the development of very small enterprises, which are so important for job creation.

As parent company of the Banque Populaire Group, and a 2 % shareholder in the Banque Fédérale des Banques Populaires, Crédit Coopératif has been closely following the planned links with the Caisses d'Epargne Group. It continued – and will continue in the future – to assert that in cooperative banking institutions, initiative and responsibility must be left the local banks which guarantee their contribution and effectiveness for the development of our economy and society.

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Crédit Coopératif Group

Key figures

RESULTS (euros mn on 31/12/2008)		
	2008	2007
Net banking income	375.2	345.7
General expenses	254.3	246.8
Gross operating profit	121.0	98.8
Cost of risk	-88.0	-30.5
Gains and losses on other assets	0.2	47.7
Net income – Group share	22.2	87.8
Net income (group share) excluding net impact of sale of the Bise	22.2	49.6

SUMMARY BALANCE SHEET (euros bn on 31/12/2008)					
Assets	2008	2007	Liabilities	2008	2007
Interbank operations and securities portfolio	3.96	4.36	Interbank operations and bonds issued	2.34	2.26
Customer loans	7.29	6.37	Customer deposits	7.63	7.24
Miscellaneous	0.32	0.45	Miscellaneous (including minority interests)	0.58	0.60
Securities held as long-term investments	0.13	0.13	Equity capital	1.15	1.21
TOTAL	11.70	11.31	TOTAL	11.70	11.31

ACTIVITY INDICATORS (average annual amounts outstanding)			
	2008	2007	Growth
Loans to customers (euros bn)	5.97	5.24	+ 13.8 %
Total Funds Collected (euros bn)	13.78	12.73	+8.2 %
<ul style="list-style-type: none"> • Customer deposits outstanding (euros bn) • UCITS assets under management (euros bn) 	6.28	5.46	+ 15.0 %
	7.50	7.27	+ 3.2 %
Operating ratio on 31/12/2008	67.77 %	71.41%	

Employees of Crédit Coopératif economic and social entity (Crédit Coopératif, BTP Banque, Ecofi Investissements): 1905

Members: 30,000 (mainly legal entities)

Retail networks: Crédit Coopératif: 69 branches – BTP Banque: 35 branches