

## GROUPE CREDIT COOPERATIF Financial Year 2010 Steady commercial activity leads to substantial rise in profits

*In spite of the difficult economic environment, steady commercial activity in 2010 saw net banking income rise by +4.6%. Net profit on the Group's share was €36.3 million as compared to €22.1 million in 2009 (+64%).*

The board of directors of Crédit Coopératif, meeting on 10 March 2011, has closed off the accounts of the 2010 financial year<sup>1</sup> of the Groupe Crédit Coopératif, which consists of Crédit Coopératif, its subsidiaries (BTP Banque, Batilase, Ecofi Investissements) and related companies<sup>2</sup>. Crédit Coopératif and its subsidiaries make up the main part of the business. The Group's scope did not really change in 2010, with the exception of the acquisition of Financière de Champlain by Ecofi Investissements in October.

On 4-18 May, these accounts will be submitted to members at the 23 Crédit Coopératif regional shareholders' meetings and then on 24 May to holders of C shares (private individuals) and the plenary meeting.

**The number of clients** of Crédit Coopératif and its subsidiaries, which grew by 6% in 2010, is currently more than 270,000, of whom nearly 70,000 are corporations, mainly from the cooperative and non-profit sector (cooperatives and general economic interest bodies associations and bodies).

**The collection business** of Crédit Coopératif and its subsidiaries (13.6 billion on average per year) has been marked by a strong increase in the statement of resources and needs (sight deposits +11.1%; savings + 14.4%; time deposits + 4.3%). Nonetheless, as with the market since the end of 2009, it has seen a steep reverse in UCITS liabilities (-17.3%), which has led in total to a decrease of -6.3%.

**The outstanding credit of Crédit Coopératif and its subsidiaries** (7.5 billion on average per year) has continued to grow (+9.1%) after an exceptional year in 2009 (+13%). This growth, still drawn from medium and long-term loans, is greater than the sector average.

New investment credits reached 1.8 billion, i.e. +2.5% following two years at a very high level.

Short-term financing (756.4 million) increased by 3.7% and commitments by signature (2.3 billion) by +1.7%.

The Group's **Net banking income** was 386.3 million on 31 December 2010, an increase of +4.6%.

This growth is linked to commercial development which has allowed an increase in the interest margin.

On the other hand, it is marked by a slight rise in bank charges (0.2 million) linked to a stability in rates and the loss of income linked to the fall in UCITS liabilities.

**Overheads** at €285.3 million (+ 3.1%) grew less than the net receipts from banking. Staff costs (167.2 million) grew by +3.6% with an increase in the average workforce by 40 people, as part of a global workforce of over 2000 people. Other management costs (118.1 million + 2.6%) have increased less than was anticipated in the budget. They are mainly marked by real estate costs including one-off costs linked to the rebuilding of the headquarters and improvements to the branches network as well as the IT system architecture design and additional taxes.

<sup>1</sup> Under IFRS standards, auditing procedures on consolidated accounts for the financial year ending on 31 December 2010 have been largely completed. The auditors' report concerning the certification of the consolidated accounts will be issued following checks on information in the management report and completion of procedures required to finalise the reference document.

<sup>2</sup> Crédit Coopératif, as part of its partnership agreements, is responsible for the liquidity and solvency of all credit institutions, most of which are cooperatives and close to its clients : Banque Edel, Caisse solidaire, Société financière de la Nef, Gedex Distribution, Socorec, CMGM, Nord Financement, Sofigard, Sofindi, Sofirif, Sofiscop, Soficop Sud Est, Somudimec, Somupaca,



The **operating ratio** is 73.9% (74.9% in 2009). Its improvement remains a major aim.

The **Gross Operating Result** (€101 million) grew by +8.9%.

A positive element in the financial year is that the cost of risks (€45.4 million) saw a fall of €15 million (-24.8%) reflecting an improvement in the risk assessment.

After taxes and deduction of minority interests, the share in the Group's **Net Income** grew to €36.3 million as opposed to €22.1 million in 2009 (+64%).

Overall, the Crédit Coopératif Group had a better year than it had anticipated. 2009 bore the brunt of a higher client risk and major real estate and IT projects. 2010 has been a transition year.

The economic environment has not worsened and thus the cost of risk, and essentially a client risk, has been reduced. The Group's main activity remains brisk even though one set of its clients are bearing the brunt of the economic downturn and others are dealing with falling public financing. Continuing from an exceptional month in December, there was a good level of credit activity at the start of 2011, on all types of credit and in all sectors.

The Crédit Coopératif Group confirms its financing capacity for the real economy as proved by the regular increase of its loans. In 2011, it intends to continue its development by controlling its costs and focusing on improving its offers to its clients of choice: general economic interest bodies, cooperatives, SMEs and private individuals sharing mutual values.

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# Groupe Crédit Coopératif

## Key statistics

PROFITS (in millions of € on 31/12)			
	2010	2009	%
Net banking income	386.3	369.3	4.6%
Overheads	-285.3	276.6	3.1%
Gross operating result	101.0	92.7	8.9%
Cost of risk	-45.4	-60.3	-24.8%
Other elements (profits from the equity method, profits or losses on other assets, deduction of minority interests)	0.5	0.3	na
Corporation taxes	-19.8	-9.9	99.1%
Net profit (group's share)	36.3	22.1	64.1%

BALANCE SHEET (in billions of € on 31/12)					
Asset	2010	2009	Liability	2010	2009
Interbank transactions and securities portfolio	2.86	2.98	Interbank transactions and debenture loans	2.21	2.19
Client credits	8.87	8.14	Client deposits	8.07	7.53
Miscellaneous	0.27	0.27	Miscellaneous (including minority interests)	0.58	0.58
Fixed assets	0.22	0.19	Equity	1.36	1.28
<b>TOTAL</b>	<b>12.22</b>	<b>11.58</b>	<b>TOTAL</b>	<b>12.22</b>	<b>11.58</b>

FINANCIAL INDICATORS		
	2010	2009
Solvency ratio	12.97%	12.59%
Including Tier One	11.89%	11.27%
Operating ratio on 31/12	73.86%	74.91%
Return on equity	3.55%	2.47%

OTHERS on 31/12
Crédit Coopératif's Economic and Social Unit Employees (Crédit Coopératif, BTP Banque, Ecofi Investissements) (staff involved): 2004
Active clients: 272,000 of whom 68,000 are corporations
Members: 54,200 (of whom around 35,000 are corporations)
Networks:
- Crédit Coopératif: 72 branches
- BTP Banque: 38 branches

Activity indicators on 31/12	2010	2009	change
In billions			
Liabilities in loans to clients	8.87	8.14	9.0%
Liabilities in client banking resources	8.07	7.53	7.2%
UCITS liabilities	7.34	8.38	-12.3%