

CREDIT MUTUEL - CIC HOME LOAN SFH

Company accounts

as at 31 December 2011

- Balance sheet
- Profit and loss account
- Appendices

COMPANY ACCOUNTS**BALANCE SHEET**

ASSETS in million of Euros	Notes	2011 31 December	2010 31 December
Cash on hand, balances at central banks			
Government and similar securities			
Advances to credit establishments	2	23 593,9	15 558,2
Transactions with customer base			
Bonds and other fixed income instruments			
Shares and other variable income instruments			
Holdings and other securities held for the long term		0,0	0,0
Holdings in associated companies			
Leasing and similar transactions			
Intangible assets			
Tangible assets			
Unpaid subscribed shares			
Own shares			
Other assets	3	0,0	0,5
Settlement accounts	4	19,0	0
Total assets		23 612,9	15 558,7
Off balance sheet		2011	2 010
Commitments received			
Finance commitments			
Commitments received from credit establishments			
Guarantee commitments			
Commitments received from credit establishments	11	34 708,6	25 562,4
Commitments on securities			
Securities sold with buyback or write-back facility			
Other commitments received			

BALANCE SHEET

LIABILITIES in million of Euros	Notes	2011 31 December	2010 31 December
Central banks			
Debts to credit establishments	5		
Transactions with customer base			
Debts represented by a security	6	23 351,2	15 316,2
Other liabilities	3		
Settlement accounts	4	19,0	0,7
Provisions		0,0	0
Subordinated debts	7	120,6	120,4
Funds for general banking risks			
Shareholders' equity	8	122,1	121,4
- Subscribed shares		120,0	120,0
- Issue premium			
- Reserves		1,1	1,1
- Revaluation surplus			
- Regulated provisions			
- Balance carried forward		0,3	0,1
- Income for the accounting period		0,7	0,2
Total liabilities		23 612,9	15 558,7
		(0,0)	

Off balance sheet**Commitments given****Finance commitments**

Commitments made to credit establishments

Commitments made to customers

Guarantee commitments

Order commitments to credit establishments

Order commitments to customers

Commitments on securities

Securities acquired with write-back facility

Other commitments given

PROFIT AND LOSS ACCOUNT

in millions of Euros	Notes	Financial year 2011	Financial year 2010
+ Interest and similar income	12	585,5	436,6
+ Interest and similar costs	12	(583,9)	(435,3)
+ Revenue from variable income instruments			
+ Commissions (income)			
+ Commissions (costs)			
+/- Income or losses on transactions for trading portfolios			
+/- Income or losses on transactions for investment and similar portfolios			
+ Other income from banking operations			
+ Other costs from banking operations			
= Net Banking Income		1,6	1,3
+ Manpower costs			
+ Other administrative costs		(0,8)	(1,1)
+ Allowances for depreciation			
= Operating costs		(0,8)	(1,1)
= Gross Operating Profit		0,8	0,2
+ Cost of risk			
= Operating profit		0,8	0,2
+/- Income or losses on fixed assets			
= Earnings before tax and extraordinary items (EBIT)		0,8	0,2
+/- Exceptional income			
+ Tax on profits	13	(0,1)	
+/- Allowances/write-backs for FRBG			
+/- Allowances/write-backs for regulated provisions			
= Net Profit		0,7	0,2

INFORMATION ON ENTRIES ON THE BALANCE SHEET, OFF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

The notes in the appendix are presented in millions of euros.

Significant events during the financial year

During the 1st quarter of 2011, CMCIC COVERED BONDS opted for the status of housing finance company under articles L.515-34 et sequor of the Monetary and Financial Code.

It is now called CREDIT MUTUEL-CIC HOME LOAN SFH.

During the financial year 2011, CREDIT MUTUEL-CIC HOME LOAN SFH undertook new issues of mandatory EMTNs to a total value of €12.7bn and NOK750m. Taking account of the lines reaching maturity during this year, the outstanding sums of issues were €23m at 31 December 2011.

CREDIT MUTUEL-CIC HOME LOAN SFH is a 99.97%-owned subsidiary of the Crédit Mutuel Federative Bank.

NOTE 1: Accounting principles, assessment and presentation methods

The company accounts are prepared in accordance with CRB regulation CRB 91-01 as amended by the regulations in CRC 2000-03, CRC 2004-16, CRC 2005-04 and CRC 2007-06

Credits

Credits are entered in the balance sheet at their nominal value.

Assets and liabilities entered in foreign currencies

Assets and liabilities entered in a foreign currency other than the local currency are converted at the official exchange rate on the settlement date. Unrealised exchange income or losses resulting from these conversions are recognised in the profit & loss account with exchange differences made or incurred on transactions for the financial year.

Interest and commissions

Interest is recognised in the profit & loss account on a time-apportioned basis. Commissions are recorded according to the cashing criterion, with the exception of commissions relating to financial transactions, which are recorded at closure of the issue or when invoiced.

Transactions with associated parties

All transactions with associated parties were concluded under normal market terms, i.e. those normally practiced by the establishment in relationships with third parties, such that the beneficiary of the agreement does not gain an advantage relative to the terms used with any third party of the company whatsoever, taking account of the normal terms in companies in the same sector.

NOTE 2 - Advances to credit establishments

at 31 December 2010	31.12.2011		31.12.2010	
	Demand	Forward	Demand	Forward
Ordinary accounts		0,1		0,9
Loans, reverse repurchased securities (*)		23 191,7		15 395,0
Securities received under repurchase agreements				
Associated advances		402,1		162,3
Bad debts				
Depreciation				
Total		23 593,9		15 558,2
Total of advances to credit establishments		23 593,9		15 558,2
including participating capital loans				
including subordinated loans				

(*) Loans granted only have BFCM as counterparty

INFORMATION ON ENTRIES ON THE BALANCE SHEET, OFF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

NOTE 3 - Other assets and liabilities

	31.12.2011		31/12/2010	
	Asset	Liability	Asset	Liability
Premiums on options				
Transaction settlement accounts on securities				
Debts represented by borrowed securities				
Deferred taxes				
Miscellaneous debtors and creditors			0,5	
Associated credits and debts				
Depreciation				
Total			0,5	

NOTE 4 - Settlement accounts

	31.12.2011		31.12.2010	
	Asset	Liability	Asset	Liability
Cash accounts				
Foreign currency and off balance sheet adjustment accounts				
Other settlement accounts	19,0	19,0		0,7
Total	19,0	19,0		0,7

Accounts for Liability settlement accounts correspond to EMTN issue premiums.

Accounts for Asset settlement accounts reflect them for loans from Liability settlement accounts.

NOTE 5 - Debts to credit establishments

	31.12.2011		31.12.2010	
	Demand	Forward	Demand	Forward
Ordinary accounts				
Time deposit accounts				
Reverse repurchase securities				
Securities given under repurchase agreements				
Associated debts				
Total				
Total of debts to credit establishments				

NOTE 6 - Debts represented by a security

	31.12.2011	31.12.2010
Medium-term notes		
Interbank certificates & tradable loan securities (*)		
Obligatory borrowings	22 951,7	15 155,0
Other debts represented by a security		
Associated debts	399,5	161,2
Total	23 351,2	15 316,2

(*) The non-depreciated balance corresponds to the difference between the sum initially received and the repayment price of debts represented by a security.

NOTE 7 - Mezzanine debts

	31.12.2010	Issues	Reimbursements	Other variations	31.12.2011
Mezzanine debts	60,0				60,0
Participating capital loans					
Open-ended mezzanine debts	60,0				60,0
Associated debts	0,4			0,2	0,6
Total	120,4			0,2	120,6

INFORMATION ON ENTRIES ON THE BALANCE SHEET, OFF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Principal mezzanine debts:

	OUTSTANDING LOANS	INTEREST RATE	DUE DATE	EARLY REPAYMENT TERMS
MEZZANINE LOAN DUE IN 2007	60,0	Euribor 3 months + 0.22	2 017	
OPEN-ENDED MEZZANINE LOAN 2007	60,0	Euribor 3 months + 0.66	**	
TOTAL	120,0			

All loans are in euros, except one in NOK

NOTE 8 - Shareholders' equity and FRBG

	Capital	Premiums	Reserves (*)	Carry forward	Result financial year	Total	FRBG
Balance on 1.1.2010	120,0		1,1		0,4	121,5	
Profit for the accounting period					0,2	0,2	
Allocation of income from the previous financial year				0,4	(0,4)		
Distribution of dividends				(0,4)		(0,4)	
Increase in share capital (*)							
Effect of revaluations							
Other variations							
Impact of merger							
Balance on 31.12.2010	120,0		1,1		0,2	121,3	
Balance on 1.1.2011	120,0		1,1		0,2	121,3	
Profit for the accounting period					0,7	0,7	
Allocation of income from the previous financial year				0,2	(0,2)		
Distribution of dividends							
Increase in share capital (*)							
Effect of revaluations							
Other variations				0,1		0,1	
Impact of merger							
Balance on 31.12.2011	120,0		1,1	0,3	0,7	122,1	

Share capital at 31 December 2011 comprised 12,000,000 shares with a nominal value of 10 euros.

BFCM holds 99.97% of the equity in CREDIT MUTUEL-CIC HOME LOAN SFH at 31 December 2011

In this context, it is consolidated by total incorporation in consolidated accounts of the CM10CIC Group, as well as in the national consolidation for Crédit Mutuel,

At the Shareholders' Meeting it will be proposed to allocate the sum of €1,008,930.37 coming from the 2011 income for €737,647.22 and to carry forward for €271,283.15 as follows:

Allowance to the legal reserve	36 882,36
Carried forward	972 048,01
	<u>1 008 930,37</u>

NOTE 9 - Breakdown of certain assets / liabilities based on their residual term

	< 3 months and demand	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Open- ended term	Associated debts advances	Total
ACTIVE							
Advances to credit establishments	240,1	2 500,0	10 200,0	10 251,7		402,1	23 593,9
Advances to customers							
Bonds and other fixed income instruments							
LIABILITIES							
Debts to credit establishments							
Customer creditor accounts							
Debts represented by a security							
- Short-term securities							
- Interbank certificates and TCN							
- Obligatory borrowings		2 500,0	10 200,0	10 251,7		399,4	23 351,1
- Others							

INFORMATION ON ENTRIES ON THE BALANCE SHEET, OFF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Mezzanine debts	60,0	60,0	0,6	120,6
-----------------	------	------	-----	-------

NOTE 10 - Exchange value in euros of assets & liabilities in foreign currencies

The exchange value in euros of assets and liabilities entered in foreign currencies at 31 December 2011 is €97,855m.

NOTE 11 - Guarantee commitments

Loans granted by CREDIT MUTUEL-CIC HOME LOAN SFH to BFCM are guaranteed by eligible home loans coming from the network of CM CIC branches, in accordance with article L. 211-38 of the Monetary Code.

The sum of this guarantee at 31 December 2011 was €34,706.60m compared to €25,562.40m at 31 December 2010.

NOTE 12 – Income and costs on interest

	Financial Year 2011		Financial Year 2010	
	Products	Costs	Products	Costs
Credit establishments	584,8	1,0	436,6	0,6
Customers				
Leasing and rental				
Bonds and other fixed income instruments		582,9		434,7
Others	0,7			
Total	585,5	583,9	436,6	435,3
including costs on mezzanine debts				

NOTE 13 - Corporation tax

	Exercice 2011	Exercice 2010
Current tax - Amount for the financial year	0,1	
Current tax - Settlement for previous financial years		
Current tax - Effect of tax integration		
Total	0,1	
On current operations	0,1	
On exceptional items		
Total	0,1	

CREDIT MUTUEL-CIC HOME LOAN SFH is integrated into the BFCM tax group for taxation purposes

The sum recognised for 2011 corresponds to the sum that the company would have paid if it had been taxed by itself.

There is no deficit carried forward.

Financial results for the last 5 financial years (in euros)

Nature of entries	2 007	2 008	2009	2010	2011
1. Financial situation for the financial year					
Shareholders' equity	120 000 000	120 000 000	120 000 000	120 000 000	120 000 000
Total number of shares issued	12 000 000	12 000 000	12 000 000	12 000 000	12 000 000
'A' shares or ordinary shares	12 000 000	12 000 000	12 000 000	12 000 000	12 000 000
2. Total income from effective operations					
Banking income	75 247 416	322 953 692	469 355 125	436 676 817	585 526 347
Profit before taxes, employee profit-sharing and depreciation provisions and exceptional income	553 906	4 336 523	911 475	200 688	800 138
Tax on profits	187 526	1 581 259	468 225	5724	62491
Employee profit-sharing for the financial year	-	-			
Profit	366 380	2 754 364	443 250	194 964	737 647
Amounts of profits distributed	-	2 040 000	360 000	0	
3. Income from operations reduced to one share					
Income after taxation and employee profit-sharing but before depreciation and provisions	0,03	0,23	0,04	0,02	0,06

INFORMATION ON ENTRIES ON THE BALANCE SHEET, OFF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Net profit		0,03	0,23	0,04	0,02	0,06
Dividend paid to each 'A' share	-		0,17	0,03	0,00	0,00

4. Employees

Number of employees (average FTE staff)	-	-	-	-	-	-
Amount of payroll	-	-	-	-	-	-
Amount of sums paid in company benefits (Social Security, Employee Benefits, etc.)	-	-	-	-	-	-

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on financial information issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the audit conclusion on the company financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit conclusion on the company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the company financial statements.

CREDIT MUTUEL CIC HOME LOAN SFH

**AUDITORS' REPORT ON ANNUAL
ACCOUNTS**

Financial year ending 31 December 2011

PricewaterhouseCoopers Audit
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Ernst & Young Audit
1 / 2, place des Saisons
92400 Courbevoie Paris — La Défense
France

AUDITORS' REPORT ON ANNUAL ACCOUNTS

Financial year ending December 31st, 2011

To the Shareholders
CM-CIC Home Loan SFH
6 avenue de Provence
75452 Paris Cedex 9
France

In fulfilment of the role given to us by your shareholders' general meeting, we hereby present our report relating to the financial year ending December 31st, 2011, covering

- examination of the annual accounts for CM-CIC Home Loan SFH, as appended to this report;
- the justification for our assessments;
- specific verifications and information required by the law.

The annual accounts were closed by the board of directors. It is our role, based on our audit, to express an opinion on these accounts.

I - Opinion on the annual accounts

We carried out our audit according to professional accounting standards applicable in France; these standards require due diligence to provide reasonable assurance that the annual accounts do not contain significant anomalies. An audit consists of using sampling and other selective methods to verify items justifying the amounts and information given in the annual accounts. It also consists of assessing the accounting principles employed, the significant estimates selected and overall presentation of the accounts. We consider that the items we have collected are adequate and appropriate to form the basis of our opinion.

We certify that, in respect to French accounting rules and principles, the annual accounts are fair and true and give a reliable picture of the income from operations during the past financial year as well as the financial situation and assets of the company at the end of this financial year.

II - Justification for our assessments

By application of the provisions of article L.823-9 of the Commercial Code relating to justification of our assessments, we inform you that the assessment we made related to the appropriate character of the accounting principles applied as well as the reasonable character of the significant estimates selected.

Thus the assessments made are consistent with our approach to auditing annual accounts, taken as a whole, and therefore contributed to forming our opinion expressed in the first part of this report.

III - Specific verifications and information

In accordance with professional accounting standards applicable in France, we also performed the specific verifications required under the law.

We have no observations to make regarding the honesty and consistency of the annual accounts with information given in the board of directors' management report and in documents addressed to shareholders regarding the financial situation and annual accounts. In respect to information supplied by application of the provisions of article L.225-102-1 of the Commercial Code concerning remuneration and benefits paid to company officers and undertakings granted in their favour, we have verified that they are consistent with the accounts or with data used to prepare these accounts and, as appropriate, with documents gathered by your company from companies controlling your company or controlled by it. Based on this work, we certify the accuracy and honesty of this information.

Neuilly-sur-Seine and Paris la Défense, March 30th, 2012

Auditors

PricewaterhouseCoopers Audit



Agnès Hussherr



Ernst & Young Audit

Isabelle Santenac