Fitch Assigns CM-CIC Covered Bonds Issue Final 'AAA' Rating

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Dear Capital Markets Participant

Fitch Ratings has assigned CM-CIC Covered Bonds ("CM-CIC CB") Series 1 covered bonds a final 'AAA' rating. These securities, issued under a EUR15bn covered bonds programme, have a size of EUR2.5bn and a maturity in July 2012.

The covered bonds programme has been set up by Credit Mutuel Centre Est Europe ("CMCEE" or "the group"), a French cooperative banking group with deposit and loan market shares of 7.7% and 11.4% respectively. CM-CIC CB is owned by Banque Federative du Credit Mutuel ("BFCM", rated 'AA-' (AA minus)/Outlook Stable/'F1+'), the refinancing arm of CMCEE.

Fitch has assigned a discontinuity factor (D-Factor) of 12.31% to CM-CIC CB covered bonds, which measures the likelihood of interruption of payments on the covered bonds at the time of a default of BFCM, acting as a first debtor of recourse. This D-Factor is assigned on a scale of 0%, for perfect continuity, to 100%, for absolute discontinuity. Combined with BFCM Issuer Default Rating ("IDR") of 'AA-' (AA minus), this D-factor enables CM-CIC CB's covered bonds to be rated as high as 'AAA' on a probability of default basis.

The covered bonds programme is based on contractual undertakings, i.e. outside the legal framework for issuance of French obligations foncieres, and similar to the one set up in December 2006 by another French bank, BNP Paribas. The structure has been adapted to the specificities of the group and gives CMCEE a flexible tool for the refinancing of the French mortgage or otherwise secured residential loan portfolio originated by local mutual banks as well as subsidiaries of CIC, which also belong to the group.

The covered bonds are direct, unsecured and unsubordinated obligations of CM-CIC CB, a French credit institution with a limited purpose established for the purposes of this programme. The main assets of the issuer consist of advances granted to BFCM, whose profile matches that of the covered bonds. These advances are secured under the recent French law on financial collateral arrangements, implementing the EU Collateral Directive 2002/47, by a portfolio of residential loans that will remain on the balance sheet of the group entities participating in the programme.

A dynamic asset cover test ("ACT") is calculated to ensure that sufficient over-collateralisation is available to provide full repayment of the covered bonds in a 'AAA' stress scenario. Under the ACT, the asset percentage cannot exceed 92.5%, and will therefore provide a minimum of 7.5% credit enhancement at any time. This is sufficient, in Fitch's opinion, to avert a default under the covered bonds in a 'AAA' stress scenario, assuming a default of BFCM and the run-down of the loans pledged as collateral under the management of a third party. In the event of a default of BFCM under the secured advances, the covered bonds will not accelerate, but they would accelerate upon an issuer default. The issuer will have a residual unsecured claim against BFCM if the collateral is ultimately insufficient to repay the secured advances.

A report on CM-CIC CB is available on the website www.fitchratings.com.

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Kind Regards

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