

business review

“20  
05”



CRÉDIT AGRICOLE S.A.

## **2005 facts and figures**

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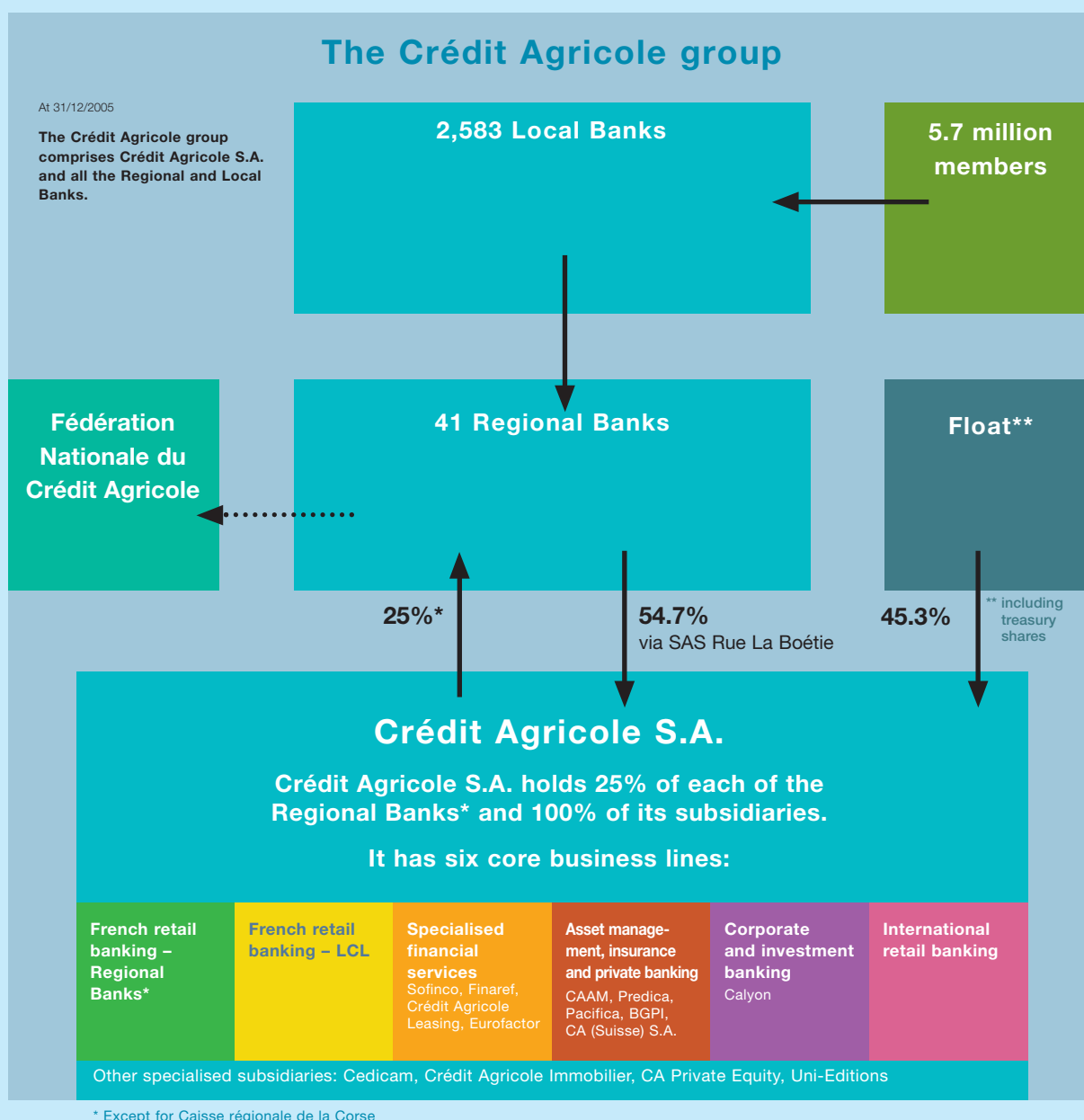
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## Crédit Agricole, a unified and decentralised group

Crédit Agricole is the largest banking organisation in France with a presence across the entire spectrum of banking and finance activities. It is the European leader in terms of domestic market position and ranks number two in Europe and fifth in the world in terms of capital.

Crédit Agricole S.A. is responsible for ensuring a consistent development strategy and financial unity throughout the Crédit Agricole group. Crédit Agricole pursues a strategy of sustainable, profitable growth through a unified approach between the Regional Banks and the Group's specialist business line subsidiaries.





## Operations in 66 countries



## 41 Regional Banks



No 1

high street  
bank in France

134,300

employees  
throughout  
the world

21

million  
customers

At 31/12/2005

Net banking income

**Crédit Agricole  
group**

€25.9 billion

Net income, Group share

€6.0 billion

Shareholders' equity, Group share

€51.2 billion

Employees (full-time equivalents)

134,300

**Crédit  
Agricole S.A.**

€13.7 billion

€3.9 billion

€30.7 billion

62,112

9,100

branches

The Crédit Agricole group



“In the light of the Group’s excellent performance in 2005, I firmly believe that Crédit Agricole will play a key role in the development of the banking industry, providing a fitting and effective response to the future requirements of consumers in Europe.”

**René Carron**, Chairman, Crédit Agricole S.A.



“The successful integration of Crédit Lyonnais has given the Group a new dimension. Combining our commercial ambitions and financial strength, we are fully on track for our 2006-2008 strategic development plan.”

**Georges Pauget**, Chief Executive Officer



“Crédit Agricole S.A. has just completed four years of radical change and reorganisation, starting with its initial public offering on the French stock market, followed by the acquisition of Finaref and then the integration of Crédit Lyonnais. Its transformation has been a resounding success.”

Leading from the front to open up new opportunities



With the Regional Banks - which make up France's leading banking network - the LCL network and its specialist subsidiaries, **Crédit Agricole S.A.** is a leading player **in France and Europe** in retail banking and related businesses such as consumer credit, specialised financial services, asset management, private banking and insurance. Its Calyon subsidiary is one of Europe's top-ranking corporate and investment banks. Calyon's **international network** enables it to serve its major corporate clients throughout the world.

Crédit Agricole S.A. is committed to **sustainable and profitable growth**. It is now setting new value creation targets, which rely on an **ambitious programme** to strengthen the Crédit Agricole Group's leading positions in France and to carry out tightly-controlled acquisition activity abroad.

The Group has a decentralised organisation, and its development is based on the shared **values** of cohesion, openness and responsibility.

Dear Shareholders,

First of all, we wish to thank everyone in the Group for their commitment during a year of decisive progress towards our future growth and development. We would especially like to pay tribute to Jean Laurent, Chief Executive Officer until September. Under his stewardship, the Group successfully completed two major transformations, namely the initial public offering of Crédit Agricole S.A. followed by the acquisition and integration of Crédit Lyonnais.

### Integration of Crédit Lyonnais: targets met a year ahead of schedule

**2005 saw the completion** of our internal restructuring following the successful integration of Crédit Lyonnais. Synergies achieved have surpassed our forecasts and we have reached our return on investment targets a year ahead of schedule. This integration was a real challenge in terms of corporate responsibility. That it has been completed so successfully bears witness to the ability of our decentralised business model to combine different corporate cultures into a cohesive whole.

**With our restructuring complete**, we are now launching a series of major initiatives to exploit the interactivity between our production and distribution subsidiaries, and to create genuine business momentum in our two retail banking networks in France.

### 2005, a year of momentum and growth...

**In France**, our brand differentiation strategy has led to a new identity for Crédit Lyonnais and a new marketing positioning for the Regional Banks. Our advertising campaigns have scored very highly and the business benefits are already flowing through.

**Momentum is very strong** in our specialist businesses, and particularly in consumer finance and asset management, which achieved record new inflows last year. In its first full year of operations, our corporate and investment banking arm, Calyon, achieved revenue growth and productivity gains that were among the best in its sector. We have also combined the expertise of CAAM and Calyon to create CASAM, which will design and develop new structured products for all our customer segments. Again, the initial results are extremely promising.

**We have accelerated our international expansion** by creating banking platforms to support our partnership policy, such as Nextra in Italy, and through acquisitions such as Meridian Bank in Serbia, Credilar in Portugal and CP Leasing in the Czech Republic.

### ...crowned by record results

In a buoyant economic and financial climate, we took advantage of the Group's leading positions and exceptionally broad range of banking and financial services. Our results reflect strong business growth in France and above all in the international markets, coupled with tight cost control. Gross operating income (before integration-related costs) rose by 28.3% and net income (Group share) was up 55.6% to € 3,891 million. All business lines contributed to this excellent performance.

“ We plan far ahead into the future. We can work towards sustainable development by combining business efficiency with long-term responsibility. ”



René Carron, Chairman



“ Our strategic development plan aims to accelerate the Group’s organic growth in France, where we already hold most of the leading positions, and to further our international expansion.”



**Georges Pauget,**  
Chief Executive Officer

## Ambitious targets through to 2008

By creating a stable, cohesive organisation structure, we have paved the way for the next stage of our development. In December, we presented our new three-year strategic plan, the main goals of which are to accelerate the Group’s organic growth in France, where we already hold most of the leading positions, and to further our international expansion.

The first concrete steps were taken in early 2006 with the acquisition in Egypt of retail banking group Egyptian American Bank, and a controlling stake in the life and non-life bancassurance subsidiaries of the BES group in Portugal.

By the end of 2005, combining business ambitions with financial strength, the Group was fully on track to meet its targets.

## Corporate responsibility, a core consideration in our banking business

Since the outset, **Crédit Agricole** has striven to foster economic growth and development in the regions where it operates. Our rank among the sector’s world leaders brings with it certain obligations and responsibilities.

We are now moving into new regions in an increasingly global market, yet we remain true to the strong values embodied in our roots as a mutual society. **Crédit Agricole** will play a major role in driving the banking industry forward to provide an appropriate and useful response to the future needs of European citizens.

**Through its stable ownership structure, Crédit Agricole S.A.** has the means and the will to plan far ahead into the future. We can work towards sustainable development by combining business efficiency with long-term responsibility. That is one of the reasons why we endorsed the principles of the United Nations World Pact as early as 2003. This same ethic underpins all the sustainable development initiatives taken throughout the Group, including the policy pursued by Regional Banks and, for example, compliance with the Equator principles in our project financing business.

**We also have a responsibility** towards our shareholders, many of whom have supported us for the past four years in our plans to achieve sustainable, profitable growth. Since our initial public offering, they have been rewarded with an average annual return of almost 17%. And we are now proposing a significant 42% increase in the dividend.

**Today, a page has turned** in the history of **Crédit Agricole S.A.** and the entire **Crédit Agricole Group**. We will pursue our future development by remaining true to our vocation of serving our customers, our shareholders, our employees, and beyond that, our regions and territories, in a world in constant evolution.

René Carron

Georges Pauget

## Strong earnings growth fuelled by the successful transformation of the Group in a favourable overall climate

**The strong earnings increase** reflects strong growth in France and particularly in international operations, combined with tight cost controls, in a favourable overall climate in terms of market conditions and risk-related costs.

**These results also demonstrate** the excellent performance of each of the Group's business lines. The Regional Banks benefited from robust business, particularly in the second half of the year, and LCL benefited from strong business momentum relating to its new corporate identity. Consumer credit activities saw further strong

growth thanks to the strategy of targeted acquisitions outside France and organic growth. Asset management activities saw a record inflow of funds and continued to expand both in France and abroad.

Corporate and investment banking activities enjoyed an excellent year in both commercial and financial terms, strengthening their position in Europe and worldwide in a number of business lines.

International retail banking benefited from the strong increase of its various components' results.

### Condensed income statement

In € millions

	2002 pro forma	2003 pro forma	2004	2004*	2005
Net banking income	11,659	12,721	12,513	12,107	13,693
Gross operating income	2,959	3,832**	3,761**	3,528**	4,527**
Risk-related costs	(770)	(1,121)	(576)	(575)	(643)
Equity affiliates	474	856	1,113	1,169	1,490
Integration-related costs	-	(513)	(349)	(552)	(219)
Net income	1,421	1,493	2,507	2,798	4,249
Net income – Group share	1,246	1,140	2,203	2,501	3,891

### Business operations

In € billions

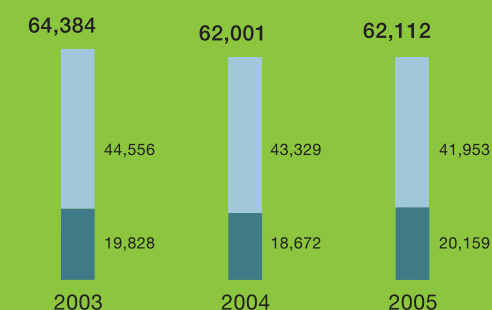
	31/12/2002	31/12/2003	31/12/2004	31/12/2004	31/12/2005
Total assets	756.5	786.0	815.3	933.3	1,061.4
Gross loans	272.2	262.2	259.1	209.3	261.4
Customer assets	374.7	388.3	406.2	391.0	416.5
Assets under management (asset management, insurance and private banking)	343.5	379.8	406.7	406.7	562.7

\* 2004 IFRS figures are comparative figures including IAS 32 and IAS 39 \*\* Before integration-related costs

### Headcount

in full-time equivalents

France  
International



### Breakdown of headcount by business line



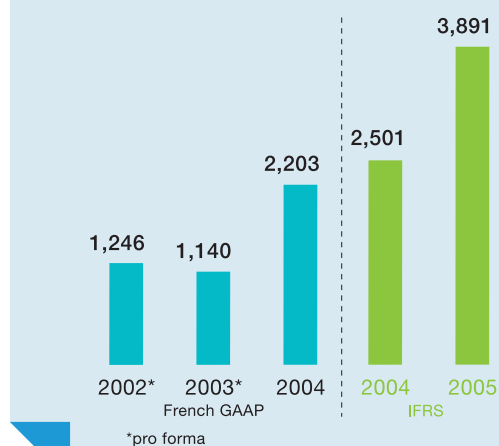
## Business lines' contribution to 2005 net income – Group share

In € millions



## Net income – Group share

In € millions



## Return on equity (ROE)

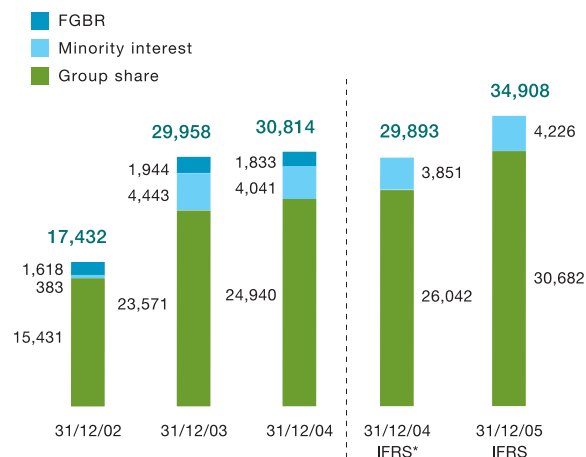


## Ratings

Rating agency	Short-term	Long-term	Outlook
Moody's	P1	Aa2	Stable
Standard and Poor's	A1+	AA-	Positive
FitchRatings	F1+	AA	Stable

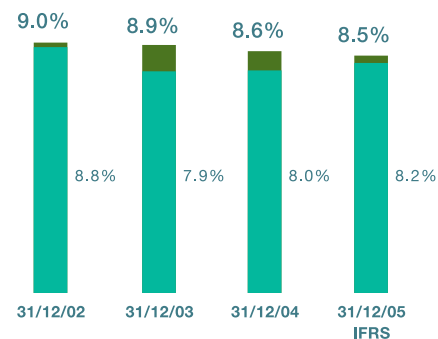
## Financial structure

Shareholders' equity (In € millions)



## International solvency ratio

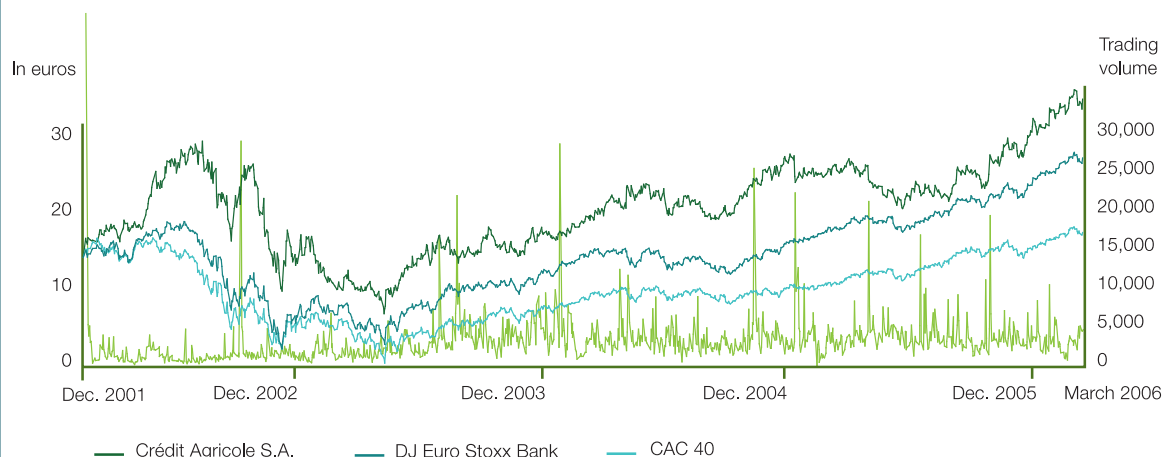
Tier 1



\* 2004 IFRS figures are comparative figures including IAS 32 and IAS 39



## Crédit Agricole S.A. shares

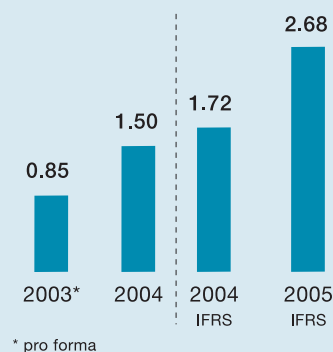


### Share price performance

After having performed extremely well in 2004 (twelfth best performance among the CAC 40 stocks), Crédit Agricole S.A. shares closed at €26.61, an increase of 20% over the year, just below the CAC 40's gain of 23%. The shares underperformed the CAC 40 by about 10 percentage points in the first half and outperformed by more than 10 percentage points in the second. Average daily trading volumes amounted to 3.6 million, higher than the corresponding figure in 2004. As of 8 March 2006, with a closing price of €31.09, Crédit Agricole S.A. shares have gained 87% since its initial public offering on 14 December 2001, compared with just 14.5% for the CAC 40 and 51% for the DJ Euro Stoxx Bank.

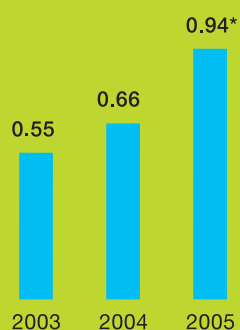
### Earnings per share

in euros



### Net dividend per share

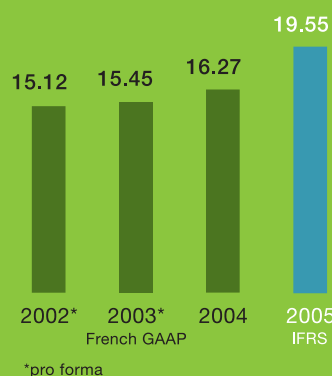
(in euros, excluding tax credit)



\* Subject to approval at the AGM on 17 May 2006.

### Book value per share

in euros



## Share data

	31/12/2002	31/12/2003	31/12/2004	31/12/2005
Number of shares in issue	972,209,899	1,473,522,437	1,473,522,437	<b>1,497,322,301</b>
Market capitalisation (€ billions)	13.98	27.89	32.71	<b>39.84</b>
Net dividend per share (in €)	0.55	0.55	0.66	<b>0.94*</b>
Year's high and low (in €)				
High	24.70	18.95	23.80	<b>27.34</b>
Low	14.24	12.65	18.98	<b>20.01</b>
Latest	14.38	18.93	22.20	<b>26.61</b>

\* Subject to approval at the AGM on 17 May 2006.

## Total shareholder return

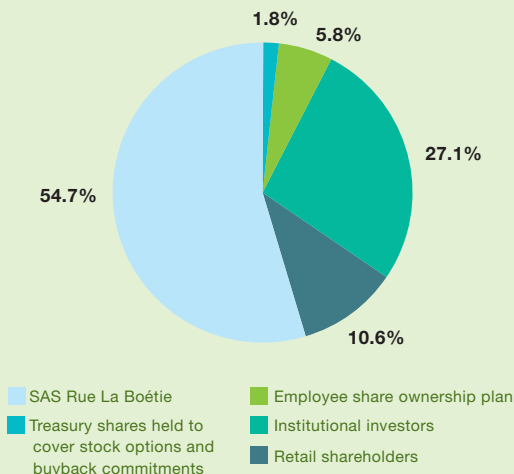
By way of example, an investor who invested in Crédit Agricole S.A. shares at the time of the IPO and reinvested all dividends received would have achieved an average annualised return of 16.75% at the end of 2005.

Holding period	Cumulative gross return	Average annualised return
1 year (2005)	21.11%	21.11%
2 years (2004-2005)	50.39%	22.64%
3 years (2003-2005)	100.65%	26.13%
4 years (2002-2005)	76.41%	15.25%
Since 14 December 2001*	87.08%	16.75%

\* IPO at €16.60

Total shareholder return for retail investors in Crédit Agricole S.A. shares: the calculation is based on the closing share price on the day of the investment (initial public offering on 14 December 2001 or beginning of the year in other cases), with gross

dividends (including tax credit) reinvested, including the interim dividend paid on 16 December 2004. It also assumes that investors took up the rights issue at the end of October 2003. All figures are before tax.

Ownership structure  
at 31 December 2005

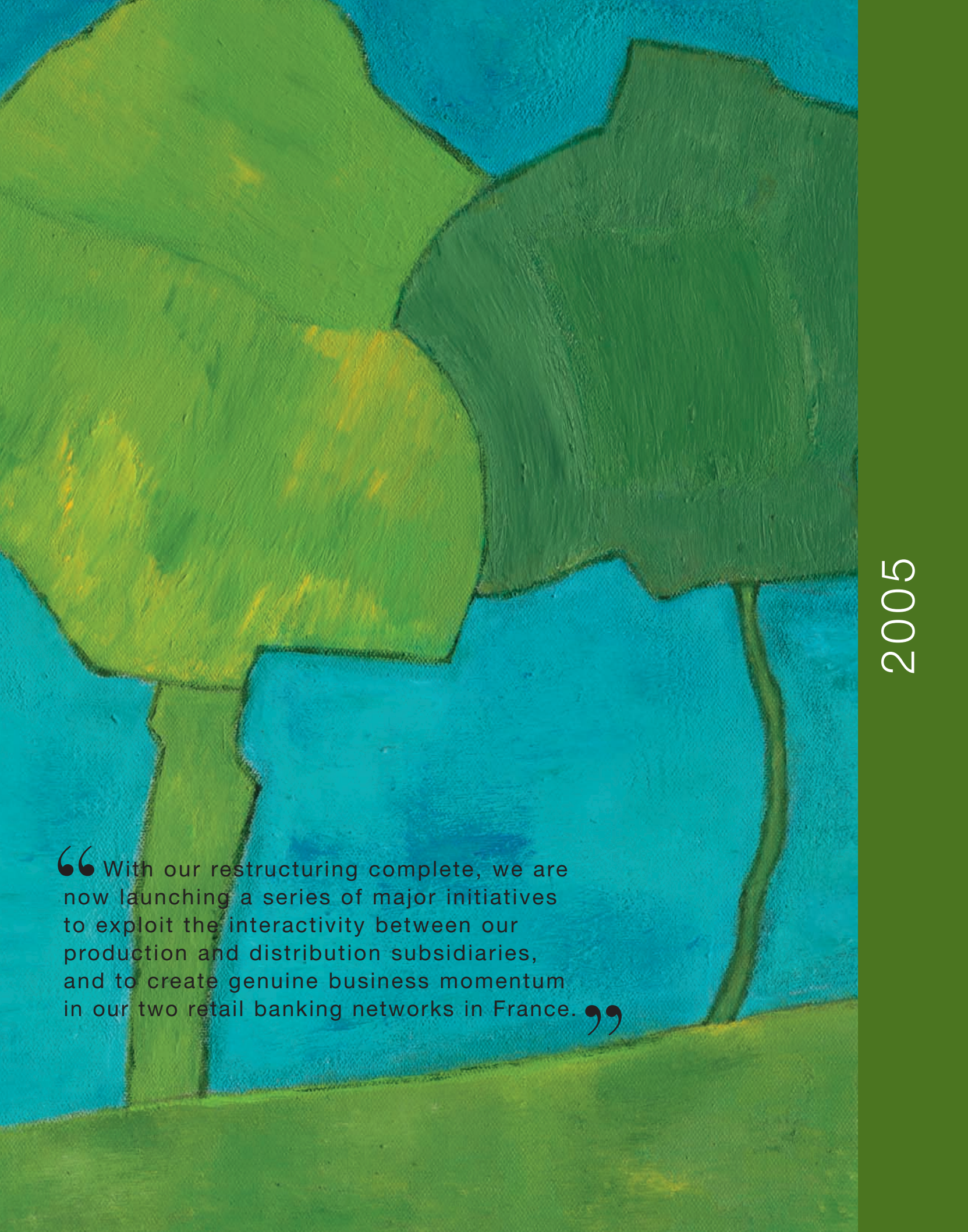
## 2006 financial calendar

**8 March** 2005 annual results  
**17 May** Annual General Meeting in Paris  
**17 May** 2006 first quarter results  
**6 September** 2006 half-year results  
**15 November** 2006 nine-month results

## Contacts

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 Institutional investor relations  
**Tel. +33 (0)1 43 23 04 31**  
 Retail shareholder relations  
**Toll-free line (from France only): 0 800 000 777**  
**www.credit-agricole-sa.fr**





“ With our restructuring complete, we are now launching a series of major initiatives to exploit the interactivity between our production and distribution subsidiaries, and to create genuine business momentum in our two retail banking networks in France. ”



# 2005: growth momentum confirmed

A wealth of important advances were made in 2005, with major commercial initiatives, partnerships and targeted acquisitions to strengthen the Group's positions outside France, and presentation of the development plan.

## January

### Sofinco acquired Banco Comercial Português' 'household equipment'

consumer credit business, making it the leader in Portugal's general-purpose consumer credit market.

## February

### The Crédit Agricole S.A. Group

launched a far-reaching compliance awareness and training campaign known as FIDES.



## May

### Crédit Agricole S.A. held its annual general meeting in Lyon.

In an effort to reach out to its individual shareholders, 87% of whom live outside the Paris area, in 2005 Crédit Agricole S.A. decided to hold its AGM in another city. This was a first for a CAC 40 company.



## March

### Private banking: Crédit Agricole (Suisse) SA

was formed by the merger of Crédit Agricole Indosuez (Suisse) SA and Crédit Lyonnais (Suisse) SA to create a leading player in Switzerland.

## April

### The Brie and Somme Regional Banks

merged to create Crédit Agricole de Brie Picardie.

## May

### Crédit Agricole S.A. acquired 71% of Meridian Bank A.D., thereby

creating a leader in financial services in Serbia.



### Ucabail took on its new identity

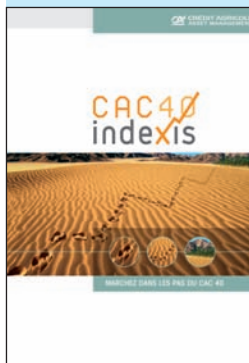
and became Crédit Agricole Leasing following the merger of Ucabail, LixxBail Groupe and CBIF.

## July

The Normand and Calvados Regional Banks merged to become **Crédit Agricole de Normandie**. Following this merger, the **Crédit Agricole Group** comprises 41 Regional Banks.

**Sofinco** acquired **CP Leasing**, a vehicle financing company in the Czech Republic, to establish a presence in that segment in the country, where it plans gradually to develop its entire product range.

## September



### CAAM and Calyon created CASAM.

CASAM pools the Group's expertise in structured investment products, alternative management of managed accounts and tracker funds.

### The Regional Banks

adopted their new positioning and motto,

'Une relation durable, ça change la vie' (a lasting relationship makes a big difference).

## August



### 60,000 Crédit Agricole Group employees,

in France and internationally, showed their confidence in the company by subscribing for the employee share offering.

### Crédit Lyonnais

adopted its new identity: launch of LCL.

## October

**Eurofactor** merged with **Transfact**, creating the No. 1 in factoring in France with a 24% market share. The new entity, which will operate under the Eurofactor name, is a European leader in the sector.



**Crédit Agricole S.A.** won the first prize ('Fils d'Or') for retail shareholder relations awarded to major French companies.

## September

**Crédit Agricole S.A.** shares were added to the FTSE 4 Good index of socially responsible companies.



**Crédit Agricole and Groupe Caisse d'Epargne** combined their

institutional and corporate investor services businesses to create CACEIS.

## November

**Crédit Agricole S.A.** signed an agreement with **China UnionPay (CUP)**, which covers 166 card issuers in China. Under this agreement, **Crédit Agricole Group** banks will accept CUP cards in France.



## December

**CAAM entered into a strategic agreement** with Banca Intesa to acquire a controlling interest in Nextra. The alliance, which also involves a distribution agreement, offers new potential to the Intesa network and enhances Nextra's capacity for innovation. After the merger, Crédit Agricole is one of the five largest asset management companies in Europe and No. 3 in Italy. With nearly one third of its assets under management outside France, CAAM has bolstered its position as a major international operator.



## Early 2006

**Crédit Agricole S.A. and its partner MMID acquired 74.6% of Egyptian American Bank, the third largest private sector retail bank in Egypt.**

**Crédit Agricole S.A. announced the acquisition of a 50% interest, together with management control, in Tranquilidade Vida and Espírito Santo Seguros, the life and non-life bancassurance subsidiaries of Espírito Santo Financial Group in Portugal.**



## 14 December 2005



### presentation of the 2006-2008 development plan

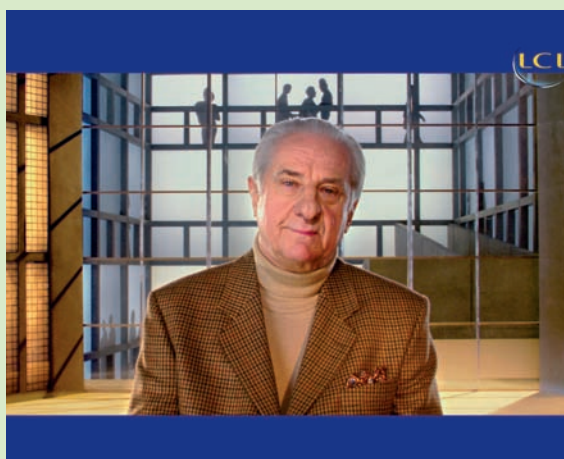
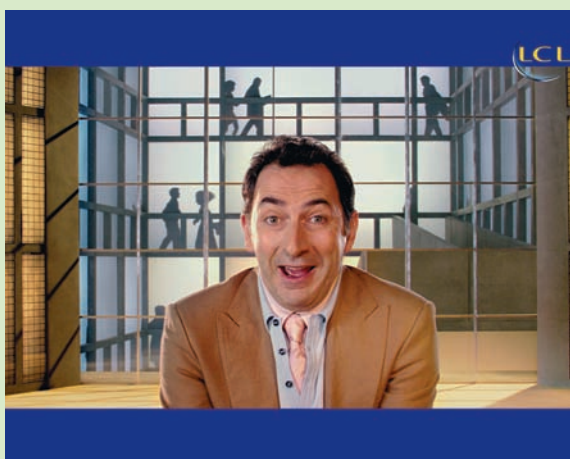
In keeping with the commitment to sustainable, profitable growth made at the time of the initial public offering, the plan aims to leverage four sources of value creation: (i) differentiation between the Crédit Agricole and LCL brands; (ii) business expansion; (iii) access to distribution networks outside France; and (iv) developing product platforms.

**In France, Crédit Agricole has a unique competitive advantage** in the excellent fit between its two retail banking networks, the Regional Banks and LCL. Crédit Agricole will exploit this strength by stepping up the differentiation strategies initiated last autumn, with two distinct positionings: 'a lasting relationship' for the Regional Banks, which reflects their mutual roots, and a more consumer-based approach for LCL. Both networks will draw on support from the Group's specialist financing subsidiaries to ensure the success of this innovative policy.

**For both the Regional Banks and LCL,** growth in the business franchise will be supported by a corporate plan designed to revisit all of the Group's processes so as to continue to enhance productivity. The business model adopted by the Group, which aims to optimise the distribution capacity of the retail banks and its specialist financing subsidiaries (asset management, insurance, consumer credit, specialist financial services) has also been consolidated.

Over the plan period, the Group will have the means to finance a major acquisition programme **in the international markets.** The main geographical focus for retail banking activities outside France will be Western Europe. Outside Western Europe, the Group will focus on targeted acquisitions in Central and Eastern Europe and the Mediterranean Basin, thereby stepping up its organic growth rate.





## Two different, differentiated banks

Following Crédit Lyonnais' entry into the Group, Crédit Agricole is playing the complementarity card: the two banks do not compete against the same rivals or for the same customers. The strategy entails highlighting the differences between the two banks by forcefully asserting their respective positions. This is why the Group launched LCL – Crédit Lyonnais' new identity – on 28 August and the Crédit Agricole Regional Banks' new position in September. This strategy builds up market shares rather than cannibalising them, while generating economies of scale.

## Ask more of your money

Crédit Lyonnais' new identity reflects the underlying principles of its business plan, Crescendo. LCL is the only nationwide high street bank that is dedicated exclusively to retail banking. It targets 100,000 net new current accounts a year by the end of 2008. LCL has adopted a consumer-oriented approach: LCL is "a streamlined, more proactive, more effective version of Le Crédit Lyonnais". LCL is forging even closer ties with all its customers by helping them to ask their money to do more for them – by delivering more hospitality, availability and services. The commitment is tangible, as evidenced, for example, by offering 48-hour mortgage loan approval. LCL's advertising campaign ranked third best in the Ipsos 2005 Palmarès de la Publicité, which rewards the campaigns that produce the greatest impact on the public.

One group, two banks

# “Our differences make the difference”



## A lasting relationship makes a big difference

At their annual congress in Tours in 2004, the Regional Banks set themselves some ambitious growth targets to consolidate the Group's number one position in French retail banking. These targets include winning 400,000 net new current accounts every year by 2008. They also undertook an in-depth review of the traditional mutualist values of respect and consideration and came up with a new modern-day variant: "a lasting relationship". Crédit Agricole is therefore positioning itself as the bank that supports its customers through good times and bad, and that helps them make the right choice, at the right time, from among complex product packages and more basic products. Crédit Agricole launched a number

of products that are both innovative and evidence its commitment, including "Avance Coup de main", "Good loc", "l'Autre carte".

The campaign to launch this new position won an excellent public recognition rating of 89% (Ipsos standard: 68%).







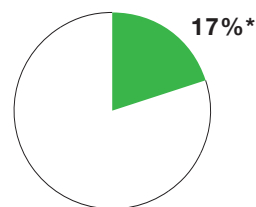
“All of our business lines achieved an excellent performance in 2005, combining strong business momentum and acquisitions. They therefore reinforced our leading position in France and enhanced our international presence.”

Six business lines



Banking services for personal customers, farmers, small businesses, companies and public authorities, with a very strong regional presence. Crédit Agricole S.A. holds 25% of each of the Regional Banks (except for Corse).

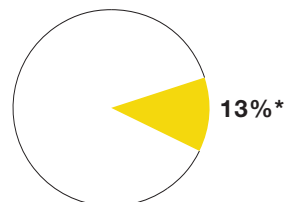
**16 million customers**  
**7,142 branches**  
**No 1 high street bank in France**



**1**  
**French retail banking**  
**- Crédit Agricole Regional Banks**

**6 million personal customers**  
**1,930 branches**  
**NBI: €3,501 M**

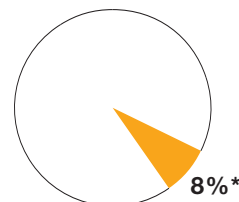
Personal, small business and SME banking, with a strong focus on urban areas and a segmented customer approach.



**2**  
**French retail banking**  
**- LCL**

This business line has three business areas - consumer credit, lease finance and factoring - in which it has strong positions in Europe and is seeing rapid growth.

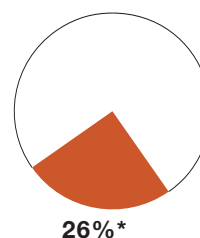
**€37.1 bn in consumer credit outstandings, including 35% outside France**  
**NBI: €2,466 M**



**3**  
**Specialised financial services**

**Assets under management: €563 bn, up 38.3%**  
**New inflows: €55 bn**  
**NBI: €3,333 M**

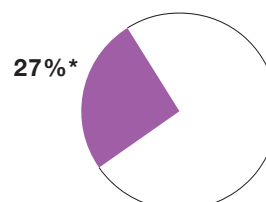
This business line consists of asset management and securities services; life and property/ casualty insurance, based on an efficient bancassurance model; and private banking.



**4**  
**Asset management, insurance and private banking**

Calyon is a leading European player. It has an extensive international network and strong positions in specialist business areas.

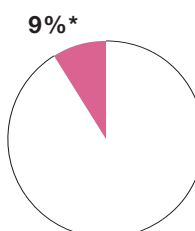
**Among the top three French and top ten European CIB**  
**NBI: €4,456 M**



**5**  
**Corporate and investment banking**  
**- Calyon**

**Based in Europe, Africa, Middle-East and Latin America**  
**NBI: €317 M**

This business line is expanding in Western Europe, Central and Eastern Europe, and Mediterranean Basin.



**6**  
**International retail banking**

\* Contribution to net income – Group share, excluding Proprietary asset management and other.

# French retail banking – Crédit Agricole Regional Banks

“Une relation durable,  
ça change la vie”  
(“a lasting relationship  
makes a big difference”):  
in September 2005, the  
Regional Banks adopted  
a new position and a  
modern variant of two  
core mutualist values –  
respect and consideration.

A lasting relationship

## The Regional Banks in 2005

- 41 Regional Banks
- 7,142 branches
- 72,200 employees
- 16 million customers
- 12.3 million bank cards
- No. 1 high street bank in France with market shares of 20% in bank savings and 18% of personal, small business and corporate loans

## Strategic goals

The October 2004 congress in Tours set ambitious targets, reflecting a clear determination: to become the banker to

- one in three French people,
- one in four urban dwellers,
- one in three young people, by 2014



## France's leading bank

**The Regional Banks hold leading positions in almost all areas of the retail banking market in France.** They control about 24% of the personal banking market with 16 million customers (source: Bank of France). In the business market, 34% of all middle-market companies bank with the Group (source: TNS Sofres). The Regional Banks are co-operative entities and fully-fledged banks. As such, they provide a full range of banking and financial products and services to personal customers, farmers, small businesses, companies and local authorities. The Regional Banks continue to broaden their product and service offering, working in close association with Crédit Agricole S.A. and its subsidiaries.

**The Regional Banks have a network of 7,142 branches** plus about 8,000 in-store cash points which provide Crédit Agricole customers with basic banking services. Their installed base of cash machines and ATMs is the largest in France, with over 11,300 units. This branch network is supplemented by an effective multi-channel distribution system.

**Where it will improve their financial strength and competitiveness, some Regional Banks are merging in order to provide their customers with a better quality of service.**

The number of Regional Banks has fallen from 94 in 1998 to 41 at end 2005. Each merger is carefully planned and prepared to ensure that

Crédit Agricole preserves its local roots and continues to provide a high-quality local service.

## Personal banking

**A year devoted to 'a lasting relationship'**

**The Regional Banks' new position** was the highlight of 2005, with the development and launch of associated offerings. As concrete evidence of this new approach, several new products were launched in 2005, such as Mozaïc Permis, which includes the government's

## Regional Banks' results

(in € billions)	2004	2005
Customer assets*	427	457
Customer loans*	243	268
(in € millions)		
Net banking income*	11,506	12,181
Gross operating income*	4,235	4,858
Contribution to Crédit Agricole S.A. net income**	670	778

\* aggregate results of the 40 Regional Banks accounted for by the equity method in Crédit Agricole S.A. accounts

\*\* Crédit Agricole S.A. holds 25% of each Regional Bank, excluding Caisse régionale de la Corse

interest-free loan to help young people obtain their driving licence for €1 a day, as well as the cost of retaking the traffic safety or driving test; Good Loc, which helps young people qualify to rent by providing a rent guarantee and financing their security deposit; and innovative property and casualty insurance products, such as payment of the excess in case of a car accident for customers who are insured by Crédit Agricole and have not made a claim in the previous three years.

**Robust growth in 2005.** New business expanded appreciably, particularly in securities and life insurance. The Group strengthened its position in placing privatisations, with 17.7% of the market for Sanef, 25.6% for Gaz de France and 24.5% for EDF. Loan production reached a record high, with a 20% jump in mortgage lending. Crédit Agricole focused its efforts on young, first-time home buyers through a campaign offering to finance up to 100% of the purchase price, reflecting its efforts to support customers in a climate of rising property prices.

**Leading bank for personal customers and young people.** Crédit Agricole is the No. 1 bank on nearly all the areas of the personal customers' market: demand deposit accounts, consumer credits, life insurance and mortgages. In private banking, it is bolstering its market share among high net-worth customers. It is also the leader among young people, with a market share of 24% in sight deposits among 18-24 year-olds and of 26.9% among 25-34 year-olds (BOC - Sofres 2005).

**No.1 bank**  
in terms of  
traffic on the  
web (Médiamétrie  
– Netratings,  
January 2006)

**320**  
millions  
contacts via  
online banking

**+140%**  
by SMS

**+160%**  
by mobile  
Internet

#### The benchmark for pensions.

Crédit Agricole consolidated its position in the pension market. The 'Retraite Verte' range was launched in 2004 and more than 900,000 plans were in force at end 2005. Customers are offered several solutions, depending on whether they want a pension that pays out a regular income or a lump sum. Crédit Agricole is the leader in 'PERP' personal pension plans, with over 30% of the market.

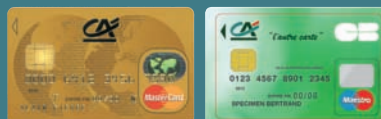
A lasting relationship

## Sustainable development

In keeping with the objectives announced at the Regional Banks' 2004 Congress, a new development strategy was defined, leading to the launch of the new position in September 2005. Crédit Agricole drew from the values it identifies with to underscore the human dimension and responsible aspect of its commitments to its customers. It reaffirmed its determination to be a constructive, effective partner to its clients over the long term by supporting them through life, in good times and in bad. This is what building 'a lasting relationship' means.

## Innovation

**Bank cards: Crédit Agricole introduces innovative products** that are clearly differentiated depending on how customers use them. It offers a new bank card called 'l'Autre Carte' for customers who only want the basic bank card services, namely making payments and withdrawing cash, at a highly competitive price. For customers who want more services and benefits, the 'Bonus Gold Mastercard' rewards loyalty: the more the client uses his card, the less he pays for it.





## Farmers and professionals

### The leading banker and insurer to the farming community

With a long tradition as the bank partner to the farming community, Crédit Agricole remains the uncontested leader in this market: 90% of farmers are business customers, according to a 2005 Ipsos survey.

#### Vibrant growth.

In 2005, investment loans were stable at €5.3 billion. Crédit Agricole remains the bank of choice for farmers' investments: 76% of them have a share savings plan and 84% have a home purchase plan with the bank. Furthermore, Crédit Agricole has developed a complete range of retirement savings product, a segment where it is the leader with a 60% market share (Ipsos, 2005). The flagship product in this range, Prédiagri, is expanding steadily, with nearly 7,500 new accounts in 2005 (source: Predica).

#### Development of insurance business.

With its network of 318 specialist salespeople, Crédit Agricole continues to expand its non-life insurance business with the farming industry. In December 2005, over 50,000 farms were insured by Pacifica – an increase of 30% on 2004.

## Expertise

### Farm insurance solutions

Crédit Agricole offers its customers in the farming sector a comprehensive range of insurance solutions. The products, developed by Pacifica and Predica, enable farmers to insure their farm and machinery as well as their families, and to plan for retirement. Pacifica's harvest protection policy is a highly innovative product designed to cover damage caused by bad weather.



## Synergy

### Complex operations with Idia and Sofipar

Crédit Agricole is the leading banker to the agrifoods industry, with a market share of 39% and of 58% in the agricultural co-operatives segment. Idia's private equity business remained strong: at 31 December 2005, its portfolio of holdings consisted of 90 lines for capitalisation of €310 million. Sofipar, in agricultural co-operatives, and Idia Participations, in agrifoods, committed a total of €33 million in 2005.

### The leader in small business banking

This segment comprises sole traders, the professions, and businesses with sales of less than €1.5 million. With over 750,000 customers, and as the primary bank for 600,000 of these clients, Crédit Agricole is the leader in market share for both business needs (25%) and personal needs (27%).

Crédit Agricole built up new commercial momentum, with the structuring of its range of daily banking and savings services, the use of a new diagnostic tool to help customers identify their needs and optimise the bank products they use, and, in the area of distribution, the creation of dedicated spheres of expertise. In 2005, new investment loan production expanded by 13.5% and the risk level declined.

Crédit Agricole is a major player in business expansion capital, with nearly 1,600 loans to create new businesses written as of end September 2005. The Regional Banks continue to develop partnerships with trade councils, entrepreneurship support networks and institutional partners such as 'Réseau Entreprendre'.

## Expertise

### CA Certificat

1,300 professionals have already opted for CA Certificat, Crédit Agricole's digital certification system, with its growing array of functionalities and applications. It can now be used to report payments made to URSSAF, the Ministry of Economy and Finance and the prefectures.



## Strategic advances for the future

Public-sector/private-sector partnerships, which are being actively promoted by the government, are among the fastest-growing market segments for the years ahead. After landing numerous contracts during 2005, including with police stations and hospitals, Crédit Agricole now holds a leadership position in the segment.

Stepped-up relationships with the European Investment Bank in 2005 are also helping to enhance the value of the lending business. One notable deal is the €70 million loan with EIB refinancing granted by the Lorraine Regional Bank to the Lorraine Region for work on the TGV Est line.

## Local authorities

Crédit Agricole is a preferred partner to local authorities, with customer assets of over €22 billion from some 22,000 local authorities. As the banking partner to municipalities for 78 years, Crédit Agricole now provides nearly all budget financing for the regions, *départements* and communities, most budget financing for the districts (*communes*) and district associations, and for a large number of other public-sector organisations, including healthcare institutions, semi-public companies and council housing organisations. With support from the Group's financial engineering, lease financing, insurance and electronic banking experts, a network of some 150 specialists is assigned to looking after commercial relationships with the local authorities.

### Solid business in 2005.

Among other growth drivers in 2005, the CA Certificat digital certification system benefited from the new Public Contracts Code provisions requiring public-sector buyers to accept paperless tenders from vendors. Moreover, the insurance range dedicated to small regional authorities developed with SMACL was extremely well-received by customers. The historical regional authority lending business eroded slightly in a climate of intensifying competition.

## Innovation

### The first website dedicated to farmers

[www.pleinchamp.com](http://www.pleinchamp.com), which first came online in 2001, is the leading website for the French farming community in number of visitors. It offers farmers access to information and services, including classified ads, local weather reports and continuous quotations.



## Synergy

### Emphyteutic hospital leases with CA Leasing

In July 2005, FIP - Crédit Agricole Leasing signed its second and third emphyteutic hospital lease agreements (order of 4 September 2003), for the Sainte-Ménéhould and Laval hospital centres. At Sainte-Ménéhould (51), the hospital will be rebuilt, with the Nord-Est Regional Bank participating alongside CA Leasing. The Laval project entails building an assisted-living facility for the elderly attached to the hospital centre: CA Leasing is working with the Anjou and Maine Regional Bank.

## Middle-market banking

**A tested organisation.** The Regional Banks have set up branches dedicated to companies to provide local service to corporate customers, who are served by a team consisting of a business account manager and an assistant to monitor projects and maintain customer relationships. This arrangement is highly appreciated by corporate managers. The range of services in leasing, factoring, employee savings and pension products has been expanded by integrating the offerings of the Regional Banks' specialised subsidiaries. Increasing sales through cross-marketing and selling more products per customer is a major commercial focus for the years ahead.

**Support to middle-market customers as they expand abroad.** The Regional Banks have developed strong technical and advisory expertise to support middle-market customers as they expand abroad, whether in export-export, creating partnerships or providing support for foreign investments. The already-extensive product range was further enlarged in 2005, with delegations in 17 foreign countries to serve companies with a plan to set up a foreign base, an international cash management offering, and advanced services provided through close cooperation with the specialised subsidiaries (Eurofactor, CA Leasing and Calyon). This expertise is a major advantage for international development, a priority focus for the years ahead.

### Development of investment banking operations.

To meet growing customer needs in corporate finance, the Regional Banks have designed a range of complex transaction arrangements for expansion capital, LBO finance, deconsolidation and acquisition finance. This range is supported by specialists at the Regional Banks, national and regional subsidiaries for M&A activity, venture and expansion capital, and structured finance deals. The Regional Banks plan to tap into their expertise to become the preferred banking advisers to corporate customers.

**No.1** in loans to businesses  
with a market share of 13.9%

A dedicated network with **153**  
branches for corporate customers

and **670** corporate  
account managers

### Synergy

#### Agreement with China UnionPay

Under an agreement with China UnionPay (CUP), the Group's banks will accept the CUP card, which covers 166 bank card issuers in China. Through the system set up by CEDICAM, the Group's payment systems subsidiary, the CUP card can be used to make payments at merchant locations equipped with electronic payment terminals provided by the Regional Banks and LCL and to withdraw cash from the two bank networks' ATMs. With an estimated one million Chinese tourists expected to visit France in 2005, this partnership holds substantial business and marketing potential.

**Strong growth**  
in production

**+13%**  
Direct investment  
loan production

**+13.5%**  
Equipment lease  
production

**+20%**  
factored  
receivables



# French retail banking – LCL

In 2005, a major step forward was taken as part of the Crescendo business plan, with the launch of the bank's new brand, LCL, accompanied by several hard-hitting campaigns to support the bank's new identity.

## Business plan

Launched in summer 2004, the Crescendo business plan aims to make LCL an industry benchmark in the French market by 2007-2008. LCL took several decisive steps forward under the plan in 2005.

### Major advances in 2005

**A new brand.** The bank launched its new brand name, LCL, to reflect its new positioning and more consumer-oriented approach. In response to the more demanding standards required by customers, LCL has undertaken to meet certain standards in terms of the value and quality of services provided. It has launched several new offerings based on this principle of "a promise is a promise".

**A new organisation structure.** At the end of 2005, a new organisation structure was introduced based on the four core business lines that constitute the bank's strategic growth priorities: local banking and insurance, business banking, private banking and payments.

**A strategic focus on gaining market share.** The Crescendo plan identifies several strategic areas of focus; first and foremost expansion of the account base to achieve profitable growth and gain market share across all customer segments (personal, small business and commercial customers).

## Strategic objectives

LCL has set itself some ambitious targets under the Crescendo business plan:

- cost/income ratio of about 65% by the end of 2008
- annual growth in net banking income of at least 3% over the medium-term
- 100,000 net new current accounts a year

“The initial results of the LCL launch campaign have been very encouraging. The new brand will become an industry benchmark.”



**Christian Duvillet,**  
Chief Executive Officer, LCL

### LCL in 2005

- 1,930 branches including 56 dedicated to corporate customers
- 24,850 employees
- 4.3 million current accounts
- 6 million customers
- 13% of Crédit Agricole S.A.'s net income



### Optimising resources to improve customer service.

LCL has embarked on a number of resource optimisation projects designed to improve the bank's efficiency and increase customer satisfaction. The main projects are the introduction of business process management and redeployment of staff towards the commercial functions.

**Tangible results by September 2005.** Business momentum picked up considerable speed from the second half of the year, driven by progress in the various Crescendo projects. New mortgage lending rose by 69% compared with the second half of 2004, and the rate of growth in personal current account outstandings doubled to 1.4% in the last four months of the year.

## Personal banking

### Buoyant growth in the various distribution channels

#### New branch opening programme continues.

LCL continued to round out its branch network in high-potential urban and suburban areas, opening 30 new branches in 2005. More than 100 new branches have been opened since 2001, bringing the total to 1,930 at end 2005.

#### Meanwhile, LCL's electronic banking channels continued to grow rapidly.

The number of online account management users rose by 20%, the number of subscribers to LCL Avertis, the SMS mobile phone service, by 19%, and the number of users of e.LCL, the online bank with dedicated adviser, by 22%. By the end of 2005, over 900,000 people were visiting [www.lcl.fr](http://www.lcl.fr) every month.

#### Call redirection: a maturing channel.

By the end of 2005, almost 65% of customers calling the branches were redirected to the telephone Contact Centres, compared with 57% at end 2004. The importance of their role in sales and marketing support was confirmed during the year, with almost 240,000 products and services sold and 120,000 meetings arranged in the branches. According to the Ipsos quarterly barometer, 80% of customers are satisfied with this telephone service.

## Sustainable development

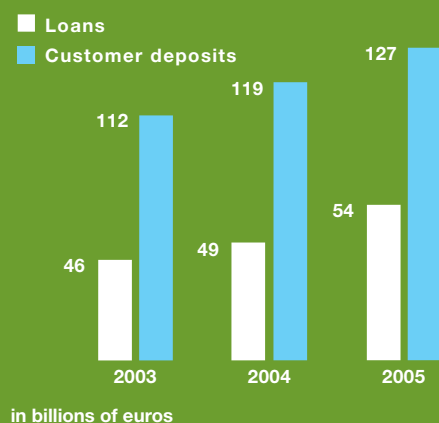
### Listening to our customers

LCL regularly measures customer expectations and satisfaction. In 2005, surveys showed that nine in ten customers were broadly satisfied and eight in ten were prepared to recommend LCL. A customer relations department handles complaints, supported by a 24/7 telephone service. If needed, customers can contact the bank's ombudsman, who was first appointed in 1996, to find a mutually satisfactory solution. The ombudsman reviewed sixty complaints in 2005.

### Acceleration in business momentum

At the end of 2005, the number of current accounts exceeded 4.3 million, representing a seven-year high. In addition to the traditional campaigns carried out since 2003 – “Give Us a Try” in Spring, “Back to College” and “Young People at Work” – new initiatives were launched in 2005. For example, as part of LCL's sponsorship of the Tour de France, a competition was organised in all branches, which led to the number of new accounts opened rising by almost 11% in July/August 2005 compared with 2004.

### 2005: Satisfactory growth in deposits and strong growth in the loan book, driven by mortgage loans



### The LCL promise: a strong performance driver since the autumn.

**PRÊT IMMO : 2 JOURS POUR L'ACCORD  
+ 2 SEMAINES POUR L'OFFRE DE PRÊT  
SINON, ON REMBOURSE JUSQU'À 200 €\*.**



**DEMANDEZ PLUS À VOTRE ARGENT**

et des frais de dossier jusqu'à 200 €. Sous réserve d'acceptation de votre dossier et selon les modalités prévues et conditions particulières disponibles dans nos agences.



The LCL brand launch at the end of August clearly had a strong impact on the Autumn back to college campaign, with the number of accounts opened for new customers 15% higher than in 2004.

**LCL has rolled out its express account opening service.** Any prospective customer who walks into a branch can leave with a reserved account number and a meeting within forty-eight hours if an adviser is not available the same day. The success rate is about 50%.

**LCL has gained market share in deposits** (0.4 percentage points in 2005 according to Bank of France statistics) by offering innovative new passbook products (Cerise, premium-rate passbook account), which have proved popular with customers. These gains more than offset the relative decline in the more traditional products, such as home purchase savings plans.

**2005 was also a record year for mortgage lending.** LCL gained 0.5 percentage points in market share of mortgage loans outstanding at the end of 2005 (source: Bank of France). This performance was achieved through a complete overhaul of the loan application process, which resulted in LCL making a commitment to its customers which is unique in France.

## Expertise Creation of LCL Private Banking



2005 saw the creation of LCL Private Banking, a single unit housing all financial planning and wealth management services for personal and business needs. LCL Private Banking services are geared towards a small clientele of high net worth customers whose complex needs required special expertise. These services are marketed through LCL's wealth management unit dedicated to major private investors and the regional private banking centres.

Initial public offerings: new success for LCL in 2005, thanks to its acknowledged expertise in this area

**19%**  
market share of  
the Sanef IPO  
(source LCL)

**14%**  
market share of  
the Gaz de France  
OPO (source LCL)

**11%**  
market share  
of the EDF OPO  
(source LCL)

## Synergy

### Sharing expertise in insurance

LCL launched an innovative insurance service, consisting of arranging meetings during which advisers help their customers draw up a list of all their life and non-life insurance policies and discover the most suitable LCL solutions. This had a particularly strong impact on property & casualty insurance, due partly to Pacifica's strong involvement and partly to a steady improvement in the quality of advisers, supported by LCL specialists. As a result, sales of motor insurance rose by 27%, household insurance by 19% and health insurance by 13%.

## Innovation

### Customer loyalty

During the year, LCL confirmed its commitment to investing in new customer loyalty tools. In the second half, it launched the portable account number, which allows customers to switch branches without changing their account details, and introduced the 'customer capital' budget, which allows advisers to make immediate amends for any loss suffered by a customer. In addition, the Avantage loyalty programme had more than 2.2 million members at end 2005.

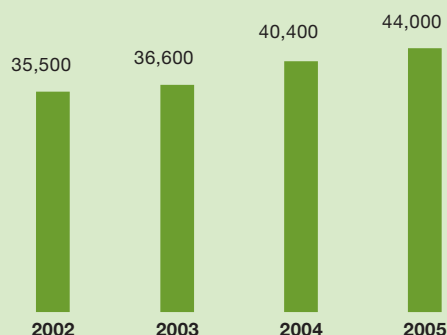
## Synergy

### Launch of Acuity with Predica

Acuity, a multi-fund life insurance investment contract, is geared to LCL's high net worth customers and sold through its regional private banking centres. Developed jointly by LCL and Predica, this contract offers a choice of 47 funds managed by seven asset management companies. Acuity rounds out LCL's range of products for private banking clients. The product was developed on the basis of sharing best practices and capitalises on Predica's expertise and the experience of its subsidiary UAF Patrimoine.

## Continued strong business momentum

Number of business accounts opened



## Small business banking

### 2005: preparing the ground for strong business growth in 2006

The small business market is an essential component of LCL's strategy for gaining market share. The Crescendo business plan set some ambitious targets in this area, including 2% net growth in account outstandings a year.

#### In 2005, LCL took some major actions to support its future growth in this market.

On a sales level, sustained efforts led to 44,000 new accounts being opened, thanks mostly to the dedicated prospecting teams in the regions.

**On a marketing level,** the focus is on innovation with a view to launching products that meet customers' key needs, such as business Visa cards in day-to-day banking. For new customers, LCL has introduced a welcome package and a sponsorship package, which guarantee that the customer's personal and business needs will be looked after by the same business adviser. In financing, LCL has developed a range of floating-rate loans (Exacto) and specific investment loans for the various professions (Pharmavie, Crédit Flash with Interfimo). In retirement planning, LCL's employee savings range has been supplemented by Pacteo Pro PEI.

**On an organisational level,** a number of processes have been upgraded and have substantially improved LCL's responsiveness. For loan applications under €40,000, advisers are now able to give an answer within forty-eight hours and unblock the funds within forty-eight hours of loan approval. The business account opening process was also reviewed and new customers can now begin to use their account within a maximum of four days. The aim is to reduce this to 24 hours during 2006.

## Innovation

### Successful launch of Zen Pro

Zen Pro, a relationship agreement between LCL and its customers, offers a new method of fixed-price billing, which is highly appreciated by its business customers. It has proved extremely successful,

with 20,000 agreements signed within three months of its launch at national level.



## Middle-market banking

**An excellent year, driven by corporate finance activities**

**Results in line with an ambitious growth plan.** The middle-market banking structure introduced in 2003 is beginning to show some highly satisfying results. Growth in net banking income, which was in line with the medium-term business plan, reflects an excellent performance across all business lines.

## Synergy

### Advisory mandate with Calyon

LCL, in partnership with Calyon Mergers & Acquisitions, won a mandate to advise Quiksilver Inc, world leader in surfing equipment and accessories, in its acquisition of Rossignol, a specialist in skiing equipment. This deal, which comprised a cash tender offer followed by a squeezeout, helped the new group to become the world leader in outdoor sports equipment thanks to the addition of sea and mountain activities and consolidated LCL's position as banker to the new group.

## Expertise

### International support

LCL has broadened its services designed to support companies in their efforts to expand their international business. An online publications and marketing assistance section has rounded out the range of Internet services proposed to customers.

**Corporate finance:**  
€2 billion in new capital raised

**x2**  
new capital raised doubled in one year

**242**  
transactions completed

**+15%**  
growth in the number of transactions completed in one year

**LCL's efforts to win market share** among companies with over €1.5 million in sales were rewarded by a 10% increase in the number of new relationships compared with the previous year. A particular focus was placed on supporting business owners in their financial planning needs, in association with the private banking teams.

### Record year for corporate finance activities.

The number of transactions completed increased in 2005, despite a selective approach made necessary in an increasingly difficult and competitive market. LCL strengthened its position in the market, acting as arranger for 57% of deals.

### Commercial banking boosted by corporate finance momentum.

Total customer assets amounted to €11.6 billion, driven by deposits, which were up 24% to €3.5 billion.

Long-term loans rose by 5% to €8.3 billion accompanied by tight control over the cost of risk and boosted by the strong performance in corporate finance activities.

Payment volumes and fees have been rising steadily since the second half of 2004.

# Specialised financial services

Strong business momentum, acquisitions, new partnerships: in 2005, specialised financial services strengthened the foundations for its future growth with a view to further expansion in Europe.



## Specialised financial services in 2005

- 3 business lines: consumer finance, lease finance and factoring
- 8,500 employees, including 2,800 outside France
- 35% of net banking income and 42% of net income from international business
- 8% of Crédit Agricole S.A.'s net income
- No. 1 in France in consumer finance and factoring, no. 2 in lease finance

## Strategic objectives

- Build up a leading European position in consumer finance
- Create a centre of excellence in lease finance in France and abroad
- Become European number one in factoring

## Consumer finance

### European expansion through Sofinco and Finaref.

Crédit Agricole is among the leaders in the consumer finance market through Sofinco and Finaref, which have operations in fifteen countries, together with Lukas in Poland and the domestic operations of the Regional Banks and LCL. The aim is to expand its European operations further in the years to come.

### Sofinco, a European player in consumer finance.

Sofinco provides a comprehensive range of consumer finance products, distributed through four complementary channels. Its financing products include repayment loans, revolving credit, rental and hire purchase financing, accompanied by an array of insurance options and other services (particularly cards and extended warranty). In the international markets, Sofinco's business activities and products are similar to those in France, drawing on local skills to support its own expertise.

### Four complementary distribution channels.

Sofinco has a direct distribution channel under its own brand name through a nationwide network of agencies and an effective distance selling operation comprising a website and telephone platform.

Sofinco's products are also distributed at point of sale in retail outlets through partnerships with business introducers. In the vehicle

“ We will achieve our growth targets by consolidating on our leading positions in France and through continued international expansion. ”



**Patrick Valroff,**  
Head of Specialised Financial Services

## Strong presence in Europe

- ◆ Consumer finance
- ◆ Factoring
- ◆ Lease finance



financing market, Sofinco is one of the major partners to the car dealerships, with the Viaxel brand, and also has a traditionally strong position in household equipment financing. Sofinco has also forged partnerships with major national groups, mostly car manufacturers (Fiat and Honda), retail chains (Darty, Castorama and Cora) and financial institutions (GMF, AGF and Azur).

Lastly, it works closely with the Group's retail banking network, managing certain revolving credit facilities and car loans on behalf of the Regional Banks, as well as LCL's entire consumer finance book (revolving credit and bank loans).

#### Strengthening commercial capability

**in France.** In France, in a buoyant market, Sofinco achieved some highly satisfactory performances, surpassing its sales targets. It has strengthened its commercial capability across all distribution channels, for example by entering the boat financing market, launching a private label card for the customers of major retail chains, followed by a new bank card, and developing an Internet presence that enables e-tailers to offer web users financing solutions to accompany their purchases.

**In the international markets,** 2005 was devoted to consolidating on the acquisitions made in 2004, with the merger between Wafasalaf and Credor in Morocco, and in Portugal, Credibom's acquisition of Credilar, a specialist in household equipment financing, strengthening Sofinco's position as a major



“ With this new slogan, we are trying to change preconceived ideas about consumer credit. It is not simply an incentive to spend, it can be an effective way to manage the household budget. ”



**Marie-Hélène Meunier,**  
Deputy Head of Sofinco's French operations

player in the Portuguese market. Sofinco has also gained a foothold in the Czech Republic with the acquisition of CP Leasing, a specialist in vehicle financing with 5% market share.

**Meanwhile, Sofinco's subsidiaries have forged new partnerships:** two in Morocco for Wafasalaf, with RCI (Renault) and Marjane, an Auchan group subsidiary, one in Spain with Ikea, and a cooperation agreement in Greece with the Sygelidis group, a Citroën, Skoda and Chrysler-Jeep importer. Lastly, in Italy, Agos-Itafinco has accelerated its already rapid growth through partnerships with Carrefour and Banca Intesa, its joint shareholder.

#### Innovation

##### Sofinco Visa credit card

Sofinco has launched a new Visa credit card offering various payment options. Customers can pay immediately, in ten instalments or over several months, or choose a mix of options. The card also offers purchase-related benefits.



#### International

##### Lukas, leader in consumer finance in Poland

Consumer finance outstandings grew in an increasingly competitive market, driven mainly by the opening of 60 new outlets during the year. Drawing on its excellent brand image, Lukas achieved strong business growth, with 240,000 new credit cards sold during the year compared with 136,000 in 2004.

## Sustainable development

### Finaref signs the Diversity Charter

Finaref, which is based in the north of France in Lille and Roubaix, took the initiative of signing the Diversity Charter in June 2005. Launched in 2004, this charter aims to promote diversity, particularly cultural and ethnic, at all levels of the organisation. In Autumn 2005, 242 companies had endorsed the Charter. Finaref was the first Crédit Agricole Group company to sign.



## New commercial partnerships.

Finaref forged two new consumer finance partnerships in 2005, one with La Maison De Valérie (LMDV), a subsidiary of Redcats and fourth largest mail order company in France, and the second with Têlèshopping, a subsidiary of the TF1 group and number two in its sector.

In insurance, Finaref continues to expand its international business in Germany, Poland, Spain, Italy, the Netherlands and, in the near future, Portugal. It is also developing its international loan insurance and loan-related offering for the Group.

## Finaref, leader in private label cards

**Two core businesses: consumer finance and insurance.** Finaref is the French leader in private label cards and distance selling of financial products. It has been wholly-owned by Crédit Agricole S.A. since February 2005. Finaref develops and distributes financial services for its partners and their customers, including consumer credit associated with private label cards, revolving credit not allocated to a specific retail chain, and a range of repayment loans for personal needs, home improvements and car purchases. Finaref supports its commercial partners in the international markets through operations in Sweden, Norway, Finland and Denmark. In Belgium, Finaref and Alpha Credit (Fortis group) have just created Finalia, a jointly-owned consumer finance company. Finaref's second strategic growth area is insurance. Its offering, which is mostly consumer finance related, includes loan insurance, extended warranty, replacement value and death and disability insurance. Finaref Assurances develops products with its partners in fourteen European countries.

### Financing products distributed through complementary channels:

- A network of over 250 outlets in PPR group retail chains which are leaders in their respective markets (Printemps, Fnac, Surcouf, la Redoute, Vert Baudet, etc.), together with Club Méditerranée;
- Call centres, which handle 8 millions calls a year;
- Direct marketing, through almost 26 million mailshots every year;
- E-commerce (12 million log-ons a year).

# 35%

international  
consumer  
finance book

# +5.7%

increase in  
number of loans  
in 2005

# 956,000

new insurance  
contracts

# +33%

growth in  
premium income

## Expertise

### A European insurance platform

In 1998, Finaref created two companies based in Dublin, operating on a cross-border basis in Europe. This platform provides an innovative management tool and a multilingual team able to deal with partners in different countries and with different currencies. With its pan-European marketing and underwriting approach, it capitalises on best practices in the European Union. Through this platform, Finaref operates in 14 countries with 24 partners.

## Lease finance

### Crédit Agricole Leasing, a leading player in lease finance

**The most comprehensive offering in the market.** Crédit Agricole Leasing is the only French player to offer such a comprehensive range of lease finance solutions and associated services to companies, small businesses, farmers and local authorities to finance their investment in new assets. It is French number one in property leasing and number two in equipment leasing and rental.

In 2005, Crédit Agricole Leasing structured its organisation into dedicated subsidiaries: Fip for public sector and local authority equipment financing, Unifergie for energy savings and production and environmental projects, Etica for information systems leasing and management of computer installations, and Ucalease for corporate car fleet rental and management.

#### A distribution policy based on local service.

Most of 2004 was devoted to completing the mergers between Crédit Agricole and Crédit Lyonnais units. In 2005, Crédit Agricole Leasing embarked on a modernisation plan to simplify its structure, rationalise its information systems and reorganise its brands. Its products are distributed through a series of channels, unique in their diversity: first of all the Regional Banks and LCL under the CA Leasing and LCL Leasing brands, which account for 69% of equipment leasing and 100% of property leasing, followed by the HSBC branch network

under the Elysball brand, and a direct operation under the Lixxbail brand. CA Leasing has its own sales network of 60 outlets. Lastly, partnerships with 1,000 equipment manufacturers and distributors provide 11% of its business.

#### EFL, leader in vehicle leasing in Poland.

The vehicle leasing market, which accounts for just over a half of EFL's business, has been seriously affected by the consequences of Poland's entry into the European Union. However, EFL is still number one in the market and has moved up into top place in the heavy truck financing market.

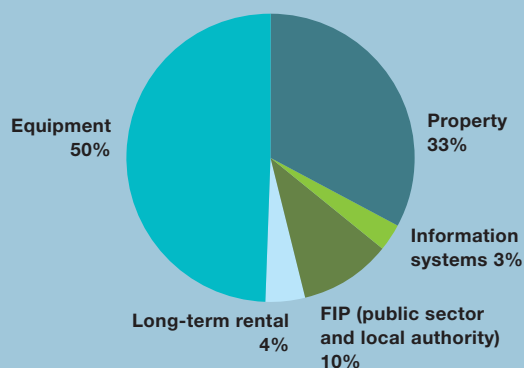
€12.5bn  
in lease finance  
outstandings  
at 31 December  
2005

12%  
growth in  
property leasing

121,000  
customers

13%  
growth in new  
public sector  
financing

### Net banking income by business line



### Synergy

#### Financing for Air France-KLM

Crédit Agricole Leasing was chosen by Air France-KLM to finance the 'Cité du personnel navigant', a new building at Roissy Charles de Gaulle airport. CA Leasing will be lead manager of a pool of lease finance companies for this twelve-year €114.5 million deal. CA Leasing will arrange, underwrite and manage the deal, which was introduced by Calyon. The deal confirms the Crédit Agricole S.A. Group's position as leading banker to the Air France-KLM group.



## Factoring

### Eurofactor, number one in factoring in France

The major event of the year was the merger between Eurofactor and Transfact on 4 October 2005, creating the French number one in factoring with 24% market share, and a European leader with over €30 billion in factored receivables. The entity has retained the name Eurofactor, which has the highest prompted recall rate in the sector.

**An innovative offering of high value-added services.** Apart from trade receivables management, Eurofactor is now developing a syndication solution in France which has already proved successful in the Anglo-Saxon countries. Capitalising on its success in debt recovery, Eurofactor has extended its offering to include debt recovery management on behalf of its customers, a completely confidential service that helps customers reduce their payment periods without having to develop their own in-house expertise.

**Strong growth potential based on effective partnerships.** Eurofactor has developed an open model with its various partners in the factoring market, which include branch banks (about 50% of its business in France), networks of business introducers in France and Europe (for example, AON and Marsh), European partners (Deutsche Bank, Dresdner, Bankoa), trade organisations and related businesses and associations (AFDCC, Eurogate and KPMG).

## International

During 2005, Eurofactor extended its co-operation with Intesa Mediofactoring to cover continued development of the pan-European trade receivables securitisation business that began in 2004, a cross-shareholding agreement, and a joint tender invitation for their insurance needs, enabling them to renegotiate their respective cover on better terms and conditions.



### Rapid international growth

International business accounted for 38% of factored receivables in 2005, with growth accelerating to 22%. As the leading integrated factoring network in Europe, Eurofactor is strengthening its current positions and reviewing opportunities in countries where Crédit Agricole operates. Eurofactor also raised its shareholding in Tunisie Factoring from 9.1% to 36.4% in December 2005.

In October 2005, Eurofactor won several awards from the International Factors Group, including two for its quality of service in Germany and the UK, and in France, top export factor in terms of business growth.

## Expertise

### Customer satisfaction

Customer satisfaction is a key strategic focus in this business and both Eurofactor and Transfact had introduced satisfaction surveys before their merger. In France, the average score was 7.2 out of 10 for companies entrusting their domestic business to Eurofactor, and a remarkable 7.5 out of 10 for those entrusting their international business.

Satisfaction and loyalty surveys carried out in Spring 2005 with 725 daily contacts and 500 financial decision makers (Eurofactor and Transfact).

“ Our motto ‘Selenis everywhere’ clearly expresses the vocation of our business. Being global requires global solutions that can be applied locally to stay closer to our customers. European Pass provides us with an exceptionally effective management tool for major business transactions in Europe, freeing up resources to focus on business development. ”



**Rui Vaz Sousa,**  
Chief Executive Officer of  
Selenis, a customer of Eurofactor

Launched in 2004, this pan-European solution provides trade receivables financing combined with centralised management.

# Asset management, insurance and private banking

2005 saw substantial new inflows in asset management and robust growth in insurance. New developments in foreign markets will create further opportunities for expansion.

## Asset management, insurance and private banking in 2005

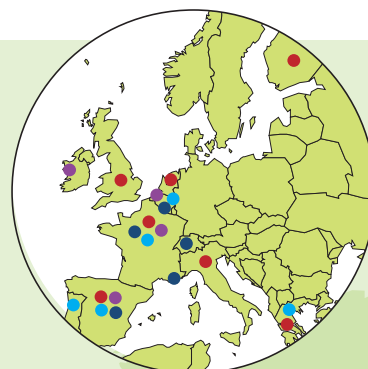
- €563bn in assets under management, up 38%
- 6,900 employees, including 45% abroad
- 26% of Crédit Agricole S.A. net income
- AM2 rating assigned by Fitch-AMR to CAAM for its asset management activities in Paris, London, Hong Kong, Tokyo and Singapore.

## Strategic objectives

- **Asset management:** to expand alongside the Group as it develops its customer base and to strengthen positions in innovative products
- **Insurance:** to step up growth and to develop partnerships outside France
- **Private banking:** to consolidate existing positions and to strengthen international operations

## International presence

- Crédit Agricole Asset Management
- CACEIS
- Assurances
- Crédit Agricole Private Bank



“Through the merger with Nextra, we will be able to market our products through Banca Intesa’s 3,000 branches in Italy.”



**Thierry Coste,**  
Head of Asset management,  
Securities and Issuer Services.

## Asset management and securities

### Asset management: among the Top Five in Europe

With €479.3 billion in assets under management at end-2005, Crédit Agricole Asset Management is among the top five European players. It is number one in France and number three in Italy. Following the merger between CAAM and CLAM in 2004, there were a number of important developments in 2005. These included the creation of CASAM with Calyon, the creation of Fund Channel (a fund purchasing platform) in Luxembourg, then in

## Synergies

### Creation of CASAM

CASAM, a 50/50 subsidiary of CAAM and Calyon, will develop structured products, alternative discretionary mandates and exchange-traded funds for the Group's networks, international distribution units and institutional clients. CASAM is already a world major operator. It is the leader in structured products in France, with 26% of the market, and in Japan, with 30% of the market.

comprises over 3,000 branches. International business (excluding Nextra) generated 46% of inflows in 2005.

### Consolidation of multi-disciplinary expertise.

With core/core plus investment, quantitative investment, alternative multi-manager investment, absolute return, employee savings, property, etc., CAAM Group plans to hold a position as a producer in all asset categories and management styles. With this in view, it reorganised its equity management line along 'core/satellite' lines, with directional management on one side and a 'satellite' line for purely active management on the other.

December, the acquisition of a controlling stake in the Italian asset management company Nextra. In a favourable business climate, CAAM Group funds under management (excluding Nextra) rose by 25% to €416 billion. New inflows accounted for €33.5 billion of the increase while the positive market effect contributed €41 billion.

### Innovations to serve all customers.

2005 was devoted to rationalising the mutual fund ranges. This revamping was dominated by a focus on innovating ranges intended for Regional Bank and LCL customers, as well as corporate and institutional offerings. Some examples: the range for Regional Bank retail customers was expanded, with the addition of the Atout Vivactions and Atout Moderactions equity funds; LCL launched the Egeris innovation range, and the absolute return range for institutional and corporate investors was enhanced with four new funds.

**International operations: nearly 50% of new inflows in 2005.** CAAM is consolidating its position as a major international operator, with over 20% of assets under management outside France. It combines a direct presence in all the leading financial centres with distribution partnerships that promote rapid growth, such as in Japan. The highlight of the year was the acquisition of 65% of Nextra in Italy (€97 billion in assets under management) from Banca Intesa. Nextra will be merged with CAAM's Italian subsidiary and will offer its services to the Intesa network in Italy, which

€479.3  
bn

**Assets under management - CAAM Group (including Nextra)**

€33.5  
bn

**New inflows - CAAM Group (excluding Nextra)**

2,090

**employees (CAAM Group, including Nextra)**

46%

**of new inflows generated outside France (excluding Nextra)**

## Expertise

### CAAM wins many awards

- *Investir Magazine's* silver award for mutual funds in the retail banks category (based on Standard & Poor's five-year performance data).
- *Mieux-Vivre Votre Argent*: second place for LCL and third place for Crédit Agricole for best one-year performance in the retail banks category.
- *Le Figaro/Le Journal des Finances* award for best mutual fund: CAAM places second.



### Continued development of specialised funds:

The CAAM AI (formerly CAAIPG) alternative fund is one of the world's leading multi-manager funds with €12.7 billion in assets. In direct alternative investment, Systeia manages €822 million. I.DE.A.M, France's leading socially responsible investment fund, manages €1.1 billion. With €2.4 billion in assets under management, CAAM Immobilier is one of the leading property investment funds (SCPI), with 15% of the market (source: ASPIM), and was very active in OPCI open-ended property funds. CPR Asset Management is confirming its position in medium/long term expertise: 21 CPR AM have received four- or five-star ratings from Standard & Poor's.

### Employee savings schemes: quality and performance to promote business development.

The Group is the leader in employee share savings schemes and No. 2 in employee savings, with €12.1 billion in assets under management. In 2005, many of its ranges, including Pacteo Pro and Alim Épargne were awarded the *Label d'Excellence des Dossiers de l'Épargne*.

### Investor services: creation of CACEIS

In 2005, Crédit Agricole and the Caisse d'Épargne Group combined their institutional and corporate investor services activities to create CACEIS. With operations in six European countries and 2,400 employees, CACEIS ranks world number nine in global custody with €1,546 billion. It is the leading mutual fund depository and valuer in France,

with a total of €738 billion in assets under management at 31 December 2005. CACEIS has developed European TA, a support platform for cross-border distribution of funds, and outsourcing services for its institutional customers.

## Insurance

In 2005, Crédit Agricole consolidated its position as France's No. 3 insurance company, with robust growth in life insurance for Predica and in non-life for Pacifica.

### No. 2 in life insurance in France via Predica

In 2005, Predica completed its merger with UAF by setting up a single information systems platform designed to harmonise and rationalise its administration function. This resulted in the biggest ever migration of policies ever seen in the French insurance industry. Unified insurance workstations were installed in the Regional Bank and LCL branch offices.

**Predica's market share was 15.3% at the end of 2005, with business in force of €144 billion.** Predica is No. 2 in life insurance and No. 1 in bancassurance in France.

### Diverse customers and distribution networks.

Predica offers a range of life and personal risk insurance products to meet the varied needs of individuals, high net worth clients, farmers, professionals and businesses. These are distributed primarily through the

### Sustainable development

#### CAAM's voting rights policy

CAAM is acutely aware of the importance of exercising its voting rights at general meetings and to engage in dialogue with corporations. In addition to exercising its voting rights, as it has done since 1996, and to defending its customers' interests, CAAM takes a proactive view of its role: it aims to encourage companies to improve their corporate governance and their business and financial effectiveness. CAAM's voting rights policy can be consulted on its website ([www.ca-assetmanagement.com](http://www.ca-assetmanagement.com)).

€144  
bn  
business in force -  
Predica

16%  
growth in new  
business  
(€18.9bn)

No. 1  
in PERP tax  
efficient personal  
pension plans

3.5  
million  
whole-life  
insurance  
policies

Regional Banks, LCL and BGPI. Predica also sells its products through specialist networks: La Médicale de France, which caters to healthcare professionals with 100 general agents working in 40 delegations in France, and a network of independent financial advisers through UAF Patrimoine.

#### **An excellent business performance in 2005.**

Predica generated premium income of €18.9 billion in a vibrant market in 2005. Business was excellent across all product ranges and distribution networks. Growth was particularly robust in premium policies, with a surge of nearly 50%. These now account for approximately one-third of premium income. At the end of 2005, the number of PERP tax-efficient personal pension plans held by Predica topped the 585,000 mark, giving the company a 33% share of this market in terms of policies in force.

Predica is the leader in personal whole-life insurance with 3.5 million policies in force. In less than four years, the company has become the No. 3 in long-term care policies, with some 160,000 policies in force or 20% of market at the end of 2005.

#### **International operations: robust growth.**

Predica exports its expertise abroad and is expanding its international business in line with the Crédit Agricole Group's policy, either with banking partners or directly with Group entities that already have operations in the relevant countries. Predica is active in Portugal, Lebanon, Greece, Luxembourg and Spain.

**€1 bn**  
in premium  
income - Pacifica  
(+16.8%)

**1.1 million**  
new non-life  
policies written  
(+10.1%)

**4.7 millions**  
non-life policies  
in force (+13%)

**421,255**  
claims handled  
in 2005 (+11%)

“Predica and Pacifica will draw on their capacity to develop, produce and manage new product ranges to underpin the Regional Banks and LCL in their growth strategy.”



**Jean-Yves Hoher,**  
Head of Insurance,  
Chief Executive of Predica

#### **Non-life insurance: Pacifica to continue on a strong growth track**

Pacifica operates through multi-channel distribution networks (via the Regional Banks and LCL) and in multiple markets, offering ranges for individuals, professionals and farmers. Pacifica's expansion is underpinned by its culture of innovation, which began in 1990 in its organisational scheme, with the creation in 1990 of Claims Management Units, an innovative telephone claims handling concept that relies on placing trust in the customer. Likewise, the product ranges are focused on customer service and protection, for example by offering insurance for replacement value, direct repairs and extended warranties. In May 2005, Pacifica acquired 40% of Assurances Fédérales IARD, which provides personal insurance products sold through the LCL branch network.

**2005: a year for milestones.** Premium income rose by 16.8%, topping the €1 billion mark and the Regional Banks wrote more than 1,100,000 new policies. The LCL network's contribution to premium income moved up 7.9% to €120 million.

**Successful new products.** In motor insurance, "Capital décote" met with success, with nearly 43,000 policies sold. This product is offered as part of a financing package and insures the vehicle's replacement value in case of theft or total write-off for a period of three years. New business was also buoyant in personal accident insurance, up 19% with over 156,000 policies written, and in private healthcare insurance, with a 28% jump.

## Innovation

### Harvest insurance

The introduction of harvest protection was a major advance in farm insurance. The policy is designed to safeguard the continuity of farm operations by covering damage to harvests caused by bad weather. It also meets the individual needs of farmers by offering a broad range of deductibles and specific coverage.



Private banking:  
strong positions  
in Europe

€50.7  
bn  
in assets managed  
outside France

No.1  
in Monaco  
via CFM

No.2  
foreign bank in  
Switzerland via  
Crédit Agricole  
Suisse

**Ambitious plans for the future.** Pacifica will initiate several projects to optimise its range in 2006, enhance its competitive position in motor insurance, revamp the comprehensive household insurance range, adjust its private healthcare products to accommodate changes in healthcare regulations, and deploy the range for sole traders and small businesses across the Regional Banks and LCL. Pacifica oversees the launch of services to individuals under the Borloo plan.

## Private banking

### Robust business growth and completion of mergers

The main events of 2005 were strong business growth and completion of the mergers between the Crédit Lyonnais and Crédit Agricole private banking units. The Group's private banking activities (excluding LCL) are now entirely housed within Crédit Agricole Private Bank. LCL still runs its private banking operations on a stand-alone basis.

**In France,** the 'Premium' project began to produce an impact, leading to a significant improvement in customer service and therefore in business growth in the high net worth segment. This project promotes closer collaboration between the various Crédit Agricole Group units involved in private banking: the Regional Banks, the new private banking platform structured around Banque de Gestion Privée Indosuez (BGPI) and its asset

management company Gestion Privée Indosuez (GPI), and the subsidiaries that provide investment products and services.

**In the international markets,** merger operations were completed, mainly in Switzerland and Luxembourg. These were planned and prepared in such a way as to preserve business franchises and the commercial teams, and to achieve synergies in support functions. Business grew briskly in a buoyant financial market climate, with robust expansion for structured products.

## Synergies

### Close cooperation to serve Regional Bank customers

BGPI and GPI have structured a new private banking platform to serve the Group. This platform is in charge of functional oversight for the high net worth market. It coordinates the Group's offering and markets two ranges: private banking and wealth management services. BGPI is working with the subsidiaries to develop products and services to enable the Regional Banks to delegate asset management and financial market advisory services, such as Espace Liberté, Vendôme Liberté, Synésio and Vendôme Privilège.

# Corporate and investment banking – Calyon

In 2005, in its first full year of operations, Calyon achieved strong growth in results, in line with its strategic development plan.



## 2005: strong growth in results

**Calyon's first full year of operations: motivated teams, performances in line with strategic development plan**

**2005 was Calyon's first full year of operations** after the merger between Crédit Agricole Indosuez and Crédit Lyonnais' corporate and investment banking business. Calyon achieved a number of major commercial successes and won some high-profile mandates in most of its core business lines, especially primary equity markets, syndication, LBOs/MBOs and structured finance.

Calyon has drawn up a three-year business plan setting out its strategy and commercial targets out to 2008. 2005 results were in line with these targets.

### An extensive world network

**With its comprehensive range of products and services and an extensive geographical network covering 55 countries**, Calyon is able to support its clientele of large corporates and financial institutions throughout the world. Senior bankers are responsible for the overall business relationship, drawing on the expertise and skills of the business lines and international branches. In France, customers of the Regional Banks and LCL also have access to capital markets and investment banking expertise through Calyon's regional branches.

## Strategic objectives

**Consolidate on Calyon's position among the top ten European corporate and investment banks. Combine growth with sustainable profitability.**

### Four vectors:

- focus on financial institution client base
- gain a strong position in the capital markets
- growth based on already strong positions in structured finance
- international expansion to capture opportunities in high-growth countries

“ Our successes in 2005 demonstrate Calyon's real ability to manage complex transactions, drawing on its technical expertise in several financial centres. ”



**Édouard Esparbès**,  
Chief Executive Officer,  
Calyon

## A powerful network to achieve our ambitions

- Make Europe our domestic market
- Step up growth in value-added activities in the United States
- Roll out local strategies to capitalise on economic growth in Asia



## Corporate and investment banking in 2005

- Net banking income: up 20% to €4.4 billion
- Gross operating income: up 55% to €1.6 billion
- 11,000 employees, including 7,000 outside France
- Operations in 55 countries
- 27% of Crédit Agricole S.A.'s net income

## 2005, a strong focus on international business

During the year, the representative offices in China and the Czech Republic were converted into branches.

**In the United States,** the focus was on developing high value-added products and strengthening relationships with institutional clients.

**In Asia,** Calyon enjoyed many commercial successes during the year, supported by the strong reputation of its brokerage firm CLSA.

**In the Middle-East,** a range of Islamic banking products has been introduced, based out of Bahrain.

**In Western Europe,** the origination teams have been reinforced and the client base developed. Calyon's local presence is supported by Cheuvreux, a brokerage firm with a particularly strong position in continental Europe and a growing presence in the United Kingdom.

## Capital markets and investment banking

### Capital markets: decisive progress

**2005 was an important year for the capital markets business.** In organisational terms, the equity derivatives business has been redeployed, with the trading teams significantly strengthened and the creation in September of CASAM, which has become Crédit Agricole's centre of expertise in structured investment, exchange traded funds (ETF) and managed account alternative investment (see p. 38). The entire credit and liquid bonds team has been transferred to London. The treasury product line, which is one of the biggest in the world, had an excellent year. In foreign exchange, significant progress has been made, particularly in terms of coverage of asset managers and hedge funds.

The commodities business has revealed significant potential for growth and its products are now offered to all clients across Calyon's global network. Other product lines, which are also traditional centres of excellence in the capital markets, also achieved some excellent performances. Fixed-income and securitisation are still Calyon's flagship activities, while business momentum in structured credit was very strong.

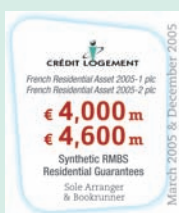
### Expertise



Euro bond market



Euro bond market



Securitisation



Structured credit

### Capital markets activities organised into eight product lines:

- equity and fund derivatives
- credit and liquid bonds
- treasury
- foreign exchange
- commodities
- securitisation
- fixed-income/IRD
- structured credit



## Brokerage: significant growth in all markets

**Cheuvreux posted strong growth in all European markets.** It has moved up the rankings for local equity research in most of its markets and has continued to develop its product range, with a particular focus on socially responsible investment. The sales teams also did well in the major primary market deals during the year. Cheuvreux came top in institutional sales of the GDF and EDF OPOs in France and the Party Gaming IPO in the United Kingdom. This resulted in significant market share gains in the institutional market in Europe. In addition, retail customers of the Regional Banks and LCL also benefit from Cheuvreux's expertise. The integration of online broker CPR Online in early 2005 has strengthened this offering.

**CLSA, leader in the Asia-Pacific markets,** provides brokerage, investment banking and private placement services through a team of 800 professionals across Asia. Acknowledged as a leader in research, sales and execution services in Asia, CLSA has a strong reputation for its innovative and independent research.

**Calyon Financial is among the leading world futures and options brokers.** It ranks number seven in the United States and number two foreign broker. Calyon Financial provides access to more than sixty markets in Europe, America and Asia.

## Expertise

### Brokerage: first-class positions

- Cheuvreux is ranked best research house in France by Institutional Investors.
- CLSA has confirmed its position among the leading players in Asia.
- Calyon Financial, the Group's futures brokers, is among the world leaders, ranking second non-American broker in the US futures market.

(source: CFTC)

 CHEUVREUX

 CALYON  
FINANCIAL

 CLSA  
ASIA - PACIFIC MARKETS

## Expertise

### Calyon, number one in European IPOs

**Gaz de France: Calyon advised the government on the preparation phase of GDF's privatisation and acted as sole bookrunner and global co-ordinator of the €4 billion IPO, which was highly successful particularly among institutional investors. For the EDF privatisation, Calyon advised the government on the preparation phase, and was one of two global co-ordinators and one of four bookrunners for this €7 billion deal, the biggest IPOs ever on the French market.**

It offers direct execution services in the world's major futures markets, both electronic and open outcry. Its clearing system provides centralised services on a world level in almost all markets. In addition to daily strategy and hedging advice, Calyon Financial also provides advice on quantitative risk management and fundamental analysis techniques.

### Investment banking: Calyon, a top flight player

**Among the select deals in the European market,** other than the GDF and EDF OPOs, Calyon advised Suez on the buyout of Electrabel's minority interests, an €11.2 billion deal financed partly by a €2.4 billion rights issue which was also co-managed by Calyon.

### Calyon took part in many cross-border deals

demonstrating its international capability in investment banking. It advised Metrovacesa (Spain) on its €8.5 billion bid for Gecina and participated in the rights issue and syndicated loan arranged to finance the bid. Calyon also advised Marionnaud on its acquisition by AS Watson, the Hexagon Group on its bid for Leica Géosystems AG (Switzerland) and Italcementi (Ciments Français) on its acquisition of Egyptian company ASEC Cement. Calyon has maintained its position as leader in leveraged share ownership plans with deals for ASF, Suez, Crédit Agricole S.A., Veolia and GDF.

## Financing activities

### Structured finance: Calyon is among the top players in the world

In 2005, Calyon confirmed its rankings among the top world players in most of its structured finance activities, which combine advisory services with lending.

**Project finance** covers the oil & gas, electricity and infrastructure sectors as well as some manufacturing industries, mainly in senior debt arrangement. In 2005, in a world market in slight decline – except for the Middle-East – Calyon almost doubled its activity. All industry sectors and geographical areas contributed to this performance. Calyon capitalised on the recovery in volumes in the electricity sector. Activity was also buoyant in infrastructure financing, and particularly airports (Brussels, Bristol/Exeter and Rome). Calyon continued to develop its project finance advisory services, winning mandates from Sinopec to advise on the acquisition of reserves in Angola and from Suez Environnement on its bid for a water concession in a district of Shanghai. Calyon ranked world number four in projects financed in 2005.

**In aircraft finance**, Calyon financed some fifty aircraft, mostly as the agent of banking syndicates. Calyon has strong positions in securitisation (financing a portfolio of spare engines for American Airlines), export credit based arrangements (Korean Air) and tax

leases (French tax lease for a ATR 72-500 for Air Tahiti and a Japanese operating lease for an Airbus A320-200 for China Southern Airlines).

**In ship finance**, Calyon is French number one and among the world leaders, with a book worth over €8 billion at end 2005. In a highly competitive market, Calyon took part in 70 deals, for a total of \$4.5 billion.

### International trade finance.

In export finance, the quality of risk continued to improve, leading to strong pressure on margins on new deals exacerbated by the emerging countries' increased access to the capital markets. In addition, structured and conventional commodities finance and trade finance continued to grow against a backdrop of an across-the-board increase in commodities prices. Calyon is world number one in structured commodities finance.

**In property and hotels**, Calyon advised on and arranged Metrovacesa's acquisition of Gecina, the sector's biggest deal in Europe in 2005. It also arranged the biggest hotel deal in Asia – US fund Colony Capital's acquisition of Raffles, the Singapore hotels group. Calyon developed its international securitisation capability with deals for Westfield, the Australian leader in shopping centres and Air France-KLM for its Schiphol airport assets.

## Sustainable development

### Calyon and the Equator Principles

The Equator Principles, drawn up by the World Bank and the International Finance Corporation (IFC), are a voluntary set of guidelines for managing environmental and social issues in project finance. Calyon is the only French financial institution among the 35 signatories. Its endorsement of the Equator Principles reflects its commitment to sustainable development in the spirit of the United Nations World Pact.



## Awards for structured asset finance



Structured commodities finance



Project finance



Aircraft finance



**In energy,** 2005 was a remarkable year throughout the world. Apart from the GDF and EDF OPOs in Europe, Calyon's teams were involved in structured deals in the US market. It was sole arranger of the \$750 million refinancing of the New-York Astoria power station. In Asia, Calyon strengthened its presence with the major Chinese oil companies, notably by supporting their international expansion. In trading, Calyon achieved significant growth in volumes handled.

**In telecoms,** Calyon played a crucial role in the sector's major deals, ranking number four bookrunner in Europe. For example, Calyon supported France Telecom both in France for its €8 billion jumbo loan and in the international markets with TPSA. Calyon also took part in financing 9 Telecom's acquisition of Cegetel. Apart from its role in sector consolidation in Europe, Calyon continues to support the major cable operators in the United States and is developing its activity in Asia.

#### **LBOs/MBOs.**

2005 was another record year for this business. Calyon achieved some excellent results, acting as mandated lead arranger in France for Ellis, Vivarte and Nocibé, in Spain for Recoletos, in Italy for Coin and Seat and in the UK for Cox Insurance, Hogg Robinson and LA Fitness. Calyon ranks number eight in LBOs/MBOs in Western Europe. (source: Thomson Financial)

#### **Expertise**

##### **Senior bankers, lynchpin of the client relationship**

Large corporate clients and financial institutions are advised by senior bankers, who anticipate, co-ordinate and optimise Calyon's expertise on behalf of their clients. Anticipation is facilitated by the senior bankers' close relationship with their clients. Co-ordination is essential to propose appropriate solutions that are often complex and bring together several areas of expertise. Optimisation is a guarantee of Calyon's aim to develop a balanced and therefore lasting relationship with its clients.

#### **Strong positions in syndicated loans**

(source: Thomson Financial)

**No. 6**

**mandated lead arranger in Europe (no. 8 in 2004)**

**No. 5**

**bookrunner in Europe, Middle-East and Asia (no. 7 in 2004)**

**No. 8**

**in the world in syndicated loans with 2.7% market share**

#### **Syndicated loans: new momentum in 2005**

The European syndicated loan market had a record year in 2005, coming close to the levels seen in the US market. The merger of Crédit Agricole Indosuez and Crédit Lyonnais' teams in 2004 has given Calyon the capability to take part in all deals from €100 million upwards throughout the world. In the first half, there was a continued wave of refinancing deals originally signed in 2003 and 2004, while the latter part of the year saw a return to new acquisition deals (Metrovacesa, Vallourec, Zodiac, Suez, etc.).

#### **Corporate banking: a full range of products and services**

Corporate Banking & Services offers a full range of corporate banking products and services, drawing on the expertise of Calyon's specialised business lines and on the distribution capability of the Regional Banks and LCL, as well as the Group's specialist financing subsidiaries. Cash Management Solutions offers an innovative range of domestic and international products, covering all corporate client needs. In response to growing demand for electronic payments, combined with the high level of security now available, Calyon launched the VCOM payment standard, the SWIFTNet IP-based messaging solution and an international cash pooling service.

# International retail banking

In 2005, International Retail Banking – a core component in the Group's development plan – made several major acquisitions to spur growth.

## Europe

**In Italy,** Crédit Agricole S.A. is Banca Intesa's largest shareholder with a 17.8% stake. It is a core partner of that institution, under a shareholders' agreement that was renewed in 2005 for three years. Banca Intesa's contribution to Crédit Agricole S.A.'s net income rose sharply, to €377 million, reflecting solid improvement in the profitability of the bank's operations in Italy and the growing impact of expansion in other countries, particularly in Eastern Europe. In 2005, CAAM acquired 65% of Nextra, No. 3 in Italy in asset management, alongside Intesa, which retains a 35% interest. This alliance, which also led to the signature of a distribution agreement, offers new potential to Intesa's branch network and enhances Nextra's innovation capabilities.

**In Portugal,** Banco Espírito Santo's contribution to Crédit Agricole S.A.'s net income also rose, to €60 million. In February 2006, the Crédit Agricole and Espírito Santo groups reached an agreement to strengthen their ties as part of the restructuring of bancassurance, life insurance and non-life insurance operations, which are now controlled by Crédit Agricole S.A.

**In Greece,** Emporiki Bank, which became a partner of Crédit Agricole S.A. in 2000, returned to profitability at the end of 2005 following an in-depth restructuring in 2004.

## Strategic objectives

In keeping with the 2006-2008 Development Plan, international retail banking will focus on two regions:

- Western Europe, where investments in the region will aim to draw value from the entire retail banking chain;
- Central and Eastern Europe and the Mediterranean Basin, through targeted acquisitions offering strong growth potential.

“ Knowledge transfers and the development of business platforms internationally will significantly leverage value creation. ”



**Jean-Frédéric de Leusse,**  
Head of Group International  
Development, Head of  
International Retail Banking

## International retail banking in 2005

Subsidiaries and affiliates in Europe, Africa, Middle-East and Latin America

- Subsidiaries
- Affiliates
- Non consolidated affiliates



7,500 employees

9% of Crédit Agricole S.A.'s net income

Strategic acquisitions:

- 65% of Nextra in Italy in asset management
- 71% of Meridian Bank in Serbia
- in early 2006, 74.6% of Egyptian American Bank in Egypt

**In Poland,** Lukas Bank's retail banking operations are expanding rapidly. An ambitious plan to extend the branch network was implemented, with approximately one hundred branches to be opened within three years. Lukas Bank has strengthened its position in the Polish market through a policy designed to capture new customers. In 2005, the Crédit Agricole Group was the third largest credit card issuer in Poland.

**In Belgium,** Crédit Agricole S.A. is a partner of the Nord de France and Nord-Est Regional Banks, the leading shareholders in Crédit Agricole (Belgium). Business in Belgium was bolstered by the acquisition of Keytrade Bank, the leading online broker in the country.

### Development in Serbia

The Group acquired 71% of Meridian Bank, which has already shown its ability to benefit from robust growth in the Serbian market with the Crédit Agricole Group's support.

Meridian Bank is a major operator in retail banking, primarily in the personal and SME customer segments. Plans to expand into



insurance, finance leases and consumer credit are in the works.

### Development in Egypt

In early 2006, the Group announced that it was acquiring a controlling interest in Egyptian American Bank (EAB), alongside MMID, its Egyptian partner. EAB is the third largest private retail bank in Egypt, with 36 branches and some 100,000 customers. With the merger of EAB and Calyon Bank Egypt, Crédit Agricole S.A. and MMID have



created a leader in banking services to individuals and corporate customers.

## Africa

**In Morocco,** Crédit du Maroc, a 52.6%-owned subsidiary, stepped up efforts to expand its network with 11 new branches. It introduced an innovation in the local banking market with a prepaid bank card for customers who do not have a bank account. In a country where only a limited number of individuals have bank accounts, this well-suited product was an unprecedented commercial success for Crédit du Maroc. The creation of specialised subsidiaries in 2005, including in asset management and insurance, is driving rapid growth in these new business areas.

**In Sub-Saharan Africa,** the Crédit Agricole Group diversified its sources of revenue, particularly in cash management and electronic banking. Its net income in the region improved despite the fragile political and economic climate in some of the countries where the Group operates.

## Latin America

**In Uruguay,** Crédit Uruguay Banco, a wholly-owned subsidiary of Crédit Agricole S.A., continued to work towards restoring its position to a sound footing after the financial crisis in Uruguay in 2002.

**In Chile,** Crédit Agricole S.A. is Banco del Desarrollo's largest banking partner, with a stake of nearly 24%. Banco del Desarrollo maintained a high level of profitability in a buoyant market.

### Sustainable development

#### Madagascar: example of an integrated sustainable development policy

BNI, Madagascar's largest bank, is dedicated to the three pillars of social and environmental responsibility: economic, with efforts to promote entrepreneurship and provide training in this area, especially in micro-finance; social, by seeking to improve living conditions for its employees and their families through AIDS and measles prevention campaigns; environmental, through deforestation prevention efforts.





## Other business activities

Certain specialised activities or activities carried out to support the business lines are conducted by dedicated entities.

### CEDICAM

**CEDICAM** is Crédit Agricole's payment systems subsidiary. As a centre of expertise, **CEDICAM** oversees the Group's strategic planning in the area of cash and settlements activity. As an operating unit, **CEDICAM** manages the electronic payment business and handles all payment flows and exchanges for the Group. In its areas of expertise, it is invested with a mission to represent the Crédit Agricole in the French and European interbank arena. In 2005, **CEDICAM** had 530 employees and handled 5 billion transactions totalling €12.8 billion.

### Private equity: three businesses, three franchises

**Crédit Agricole Private Equity** is active in venture capital, expansion capital, LBO financing, mezzanine financing and on the secondary markets.

**IDIA Agricapital** is dedicated to investments in the agrifoods sector and to managing Crédit Agricole's land and forestry and viniculture investments.

**SODICA** is developing an advisory business in mergers and acquisitions, corporate finance and listing services for midcap companies.

### Crédit Agricole Immobilier

**Crédit Agricole Immobilier** is a services company that combines all property businesses other than mortgage finance, including **property development and equity investments** (residential, office, logistics and service residence programmes, public-sector/private-sector partnerships); **property management** (real estate investment, arbitrage and investment fund advisory services); **private-sector and public-sector contracting management**; **rental property management**; **operating property assets**; **real estate transactions** (sale and rental of new and existing residential property, rental of commercial property in Ile-de-France).

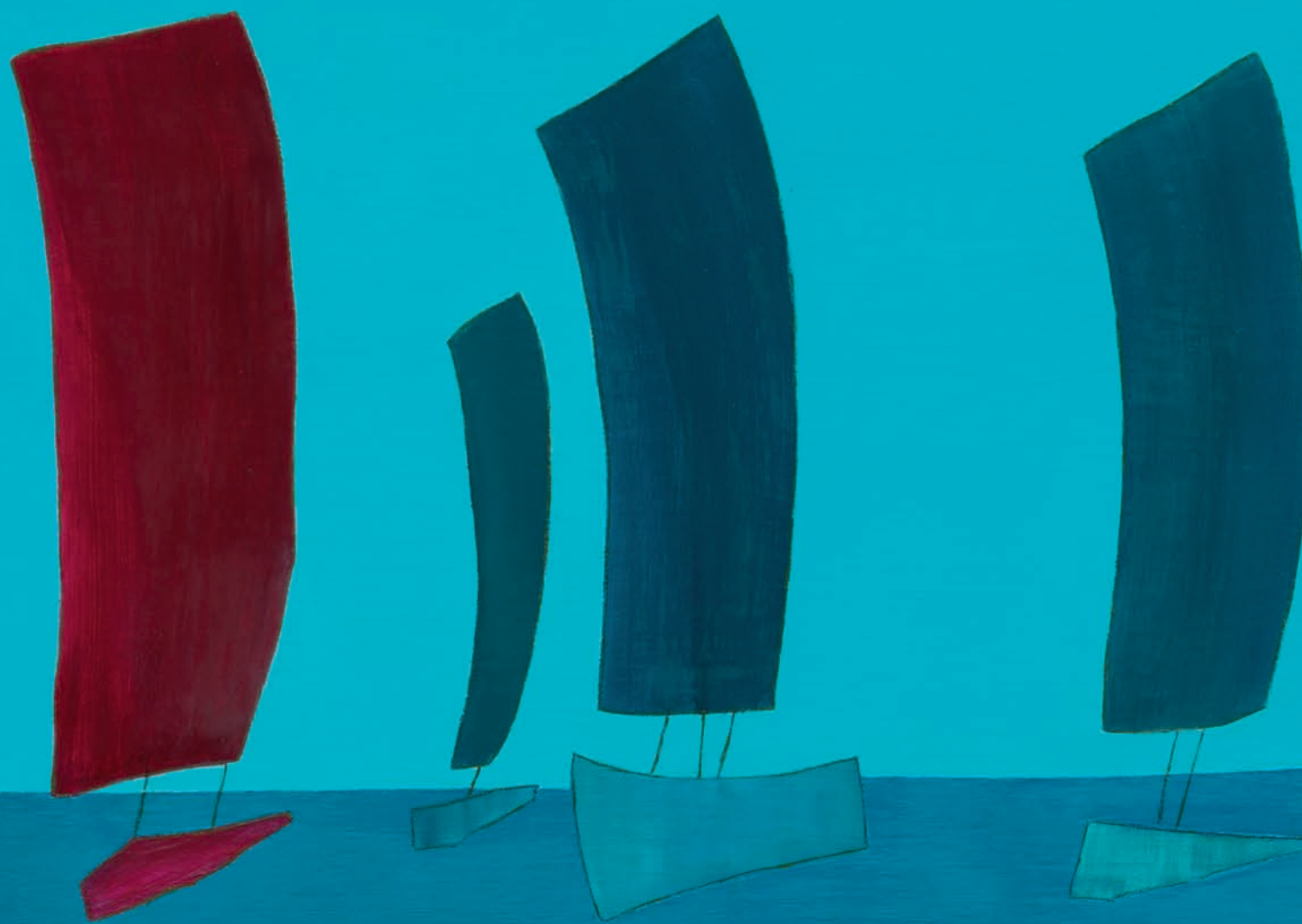
### Uni-Editions publishing subsidiary

For the past five years, *Dossier Familial* has been France's leading monthly by far, with paid circulation of 1,235,000.

On its tenth anniversary, *Détente Jardin* became the most popular gardening magazine with average paid circulation of 243,000. After five years, *Maison Créative* ranks just behind *Art et Décoration* in the home/decoration category, with paid circulation of 229,000.

The periodicals published by Uni-Editions reach 5,100,000 readers.

(source: AEPM survey)



“We are now moving into new regions in an increasingly global market, yet we remain true to the strong values embodied in our roots as a mutual society. Our rank among the sector’s world leaders brings with it certain obligations and responsibilities.”

Sustainable development

# Sustainable development

Crédit Agricole S.A. recognises its responsibility as a leader and intends to contribute to implementing the principles of the United Nations Global Compact that it signed in March 2003.



After the radical change in its size and a comprehensive reorganisation, in 2005, the Group defined a strategic development plan for the next three years. This is a unifying project involving all business units and all units in France and abroad. Fourteen task forces and more than 200 employees worked on drafting the plan. Presented on 14 December 2005 to 1,200 senior managers, the three-year plan puts the final touch on the strategic guidelines defined by the Regional Banks in 2004.

Against this backdrop, the Sustainable Development Committee (p. 59) approved the guidelines of the Group's policy for 2006. It is consistent with its strong positions as:

- one of the largest co-operative banks in the world,
- the biggest retail bank in France,
- the long-standing bank of farmers,
- an ambitious bank with regard to its development abroad.

**Responsibility to clients** (pp. 63-67), as embodied by Crédit Agricole's adoption of a new positioning, based on building lifelong relationships with its clients, remains a core concern of the Bank. Furthermore, the Group is loyal to its original business line and provides support to farmers, notably during sector crises, e.g. viticulture, arboriculture and poultry breeding in 2005.

**Responsibility to employees** (pp. 68-71), carefully implemented during recent mergers, has been upheld and will be measured by an employee satisfaction survey in 2006. The Group's non-discrimination policy remains a key issue and, for

instance, was illustrated in 2005 by the Group-wide agreement aimed at facilitating the integration of handicapped workers.

**Responsibility to the environment** is already incorporated into the Group's operations, and even more efforts will be made in this area. The direct impacts of the Group's operations will be reviewed in 2006, i.e. the carbon scorecard, and the reporting procedure initiated in 2005 will be extended. Furthermore, the Group will give customers an incentive to participate in eco-friendly investment with the launch of the Environmental Offering in 2006 (pp. 72-74).

In line with the Equator Principles implemented by Calyon, the Group will gradually take into account environmental criteria when studying financing projects. This ambition meets society's growing expectations in this area, which have been voiced by some NGOs, e.g. via a campaign aimed at French Financial Institutions that began in late 2005.

The Group also intends to step up its marketing of Socially Responsible Investment products (p.64), through its distribution networks.

Sustainable development concerns will also be addressed through awareness-raising initiatives. They include explaining the approach, describing the stakes for Crédit Agricole and the banking sector and the various actions that the Group is taking.

Lastly, as the Group expands internationally, it will export "good social and environmental practices" to all its units and business lines.

# Board of Directors

at 31 December 2005

## Directors elected by the Annual General Meeting



**René Carron**  
**Chairman**

First appointed: 20/05/1999  
Term of office ends: 2008  
Chairman,  
Caisse régionale des Savoie  
Deputy Chairman, FNCA



**Jean-Marie Sander**  
**Deputy Chairman**

First appointed: 20/05/1999  
Term of office ends: 2006  
Representing SAS Rue La Boétie<sup>(1)</sup>,  
Chairman, Caisse régionale  
d'Alsace-Vosges  
Chairman, FNCA and SAS  
Rue la Boétie



**Yves Couturier**  
**Deputy Chairman**

First appointed: 29/11/2001  
Term of office ends: 2007  
Chief Executive Officer,  
Caisse régionale Sud Rhône-Alpes  
Deputy-Chairman,  
SAS Rue La Boétie,  
General Secretary, FNCA



**Noël Dupuy <sup>(1)</sup>**  
**Deputy Chairman**

First appointed: 21/05/2003  
Term of office ends: 2006  
Chairman, Caisse régionale  
de la Touraine et du Poitou  
Deputy-Chairman, FNCA



**Pierre Bru**

First appointed: 25/05/2000  
Term of office ends: 2007  
Chairman, Caisse régionale  
Nord Midi Pyrénées



**Philippe Camus**

First appointed: 18/05/2005  
Term of office ends: 2008  
Co-Executive Manager,  
Lagardère SCA



**Alain David**

First appointed: 18/05/2005  
Term of office ends: 2007  
Chairman, Caisse régionale  
d'Ille et Vilaine



**Alain Diéval**

First appointed: 19/05/2004  
Term of office ends: 2008  
Chief Executive Officer, Caisse  
régionale Nord de France



**Jean-Roger Drouet <sup>(1)</sup>**

First appointed: November 2005  
Term of office ends: 2008  
Chief Executive Officer,  
Caisse régionale Toulouse  
et Midi Toulousain



**Xavier Fontanet**

First appointed: 29/11/2001  
Term of office ends: 2008  
Chairman and CEO,  
Essilor International



**Carole Giraud <sup>(1)</sup>**

First appointed: 29/11/2001  
Term of office ends: 2006  
Director representing the  
Regional Banks employees



**Roger Gobin <sup>(1)</sup>**

First appointed: 25/05/2000  
Term of office ends: 2006  
Chairman, Caisse régionale  
Atlantique-Vendée



**Pierre Kerfriden <sup>(2)</sup>**

First appointed: 17/12/1999  
Term of office ends: 2007  
Chief Executive Officer,  
Caisse régionale du Finistère



**Daniel Lebègue**

First appointed: 19/05/2004  
Term of office ends: 2008  
Chairman, Institut Français  
des Administrateurs



**Bernard Mary <sup>(1)</sup>**

First appointed: 29/11/2001  
Term of office ends: 2006  
Chief Executive Officer,  
Caisse régionale Nord-Est



**Michel Michaut**

First appointed: 19/05/2004  
Term of office ends: 2008  
Chairman, Caisse régionale  
de Champagne Bourgogne



**Jean-Pierre Pargade <sup>(1)</sup>**

First appointed: 23/5/1996  
Term of office ends: 2006  
Chairman, Caisse régionale  
Aquitaine



**Corrado Passera**

First appointed: 22/5/2002  
Term of office ends: 2008  
Chief Executive Officer,  
Banca Intesa

## Director representing professional farming organisations



**Jean-Michel Lemétayer**

Term of office ends:  
September 2008,  
Chairman, FNSEA  
(French national farmers' union)

## Non-voting director



**Henri Moulard**

First appointed: May 2003  
Term of office ends: 2006  
Chairman, Truffle Venture  
(Invest in Europe)

## Directors elected by the employees



**Henri Corbel**

First appointed: June 2000  
Term of office ends: 2006  
Head of property administration,  
Unipar



**Michel Guermeur**

First appointed: June 2003  
Term of office ends: 2006  
Leasing assistant,  
Crédit Agricole Leasing

## Representative of the Works' Council



**Daniel Coussens**

Appointed in February 2004

## Statutory Auditors

- Barbier Frinault et Autres,  
Ernst & Young,
- PricewaterhouseCoopers  
Audit

<sup>(1)</sup> Standing for election or  
re-election of the annual  
general meeting of 17 May 2006

<sup>(2)</sup> Until the annual general  
meeting of 17 May 2006



## Governance

### Key achievements in 2005

In 2005, several positive changes reflected Crédit Agricole S.A.'s determination gradually to improve its governance system by adjusting to the developments and new challenges facing the Group:

- the Board of Directors and its various committees met around thirty times during the year, resulting in fruitful discussions of major issues such as the new accounting standards or the implementation of the compliance programme;
- the Strategic Committee, created in 2004, proactively took part in reviewing Crédit Agricole S.A. development projects, and in particular the Group's development plan approved by the Board in December 2005;
- the Appointments and Governance Committee, created in early 2005, made recommendations to the Board on the selection of a new outside Director and oversaw the internal assessment of the Board of Directors' operation, which was carried out by Korn Ferry International and presented to the Board in October 2005.

*More detailed information on governance is available in the Shelf-registration Document, in the chapter entitled "Governance and Internal Control".*

### Governance in subsidiaries

In keeping with the governance principles of Crédit Agricole S.A. and the rules on internal control within the Group, those subsidiaries that are the most active in terms of bank loans have adopted rules designed to facilitate the operation of administrative and executive bodies and to enhance the oversight of operations and risks by their Board. Accordingly, one or several outside Directors sit on the Boards of Directors of Calyon, LCL and Finaref, and these Boards have also created an Audit or Risks Committee. Calyon and Sofinco have also set up a Compensation Committee.

## Crédit Agricole S.A. committees

In 2005, the Board of Directors of Crédit Agricole S.A. met eleven times. The special committees held eighteen meetings:

- the Audit and Risks Committee met seven times;
- the Compensation Committee met three times;
- the Strategic Committee met five times;
- the Appointments and Governance Committee met three times.

The average attendance rate was over 90%.

Crédit Agricole S.A.

### An original system of governance

The Regional Banks created Crédit Agricole S.A. in 2001 because they wanted to give investors an opportunity to participate in the Group's expansion.

Crédit Agricole S.A., which is controlled by the Regional Banks, defines its own governance model by drawing upon the legacy of the mutualist values held by the Group companies and the rules applied by major European listed companies.

The corporate governance principles and rules adopted by Crédit Agricole S.A. are an extension of the values and practices that inspire all companies within the Group and are based on transparency, responsibility and efficiency.

These principles are reflected in the organisation and *modus operandi* of the Board of Directors, in particular by:

- the proactive involvement of Directors in the Company's corporate life and in overseeing its operations;
- the commitment to achieve an open, even balance of power in the organisation and in the composition of management bodies;
- an ongoing concern for allowing each individual effectively to perform his duties by promoting quality of dialogue and transparency of information delivered to the Directors.

## Executive Committee

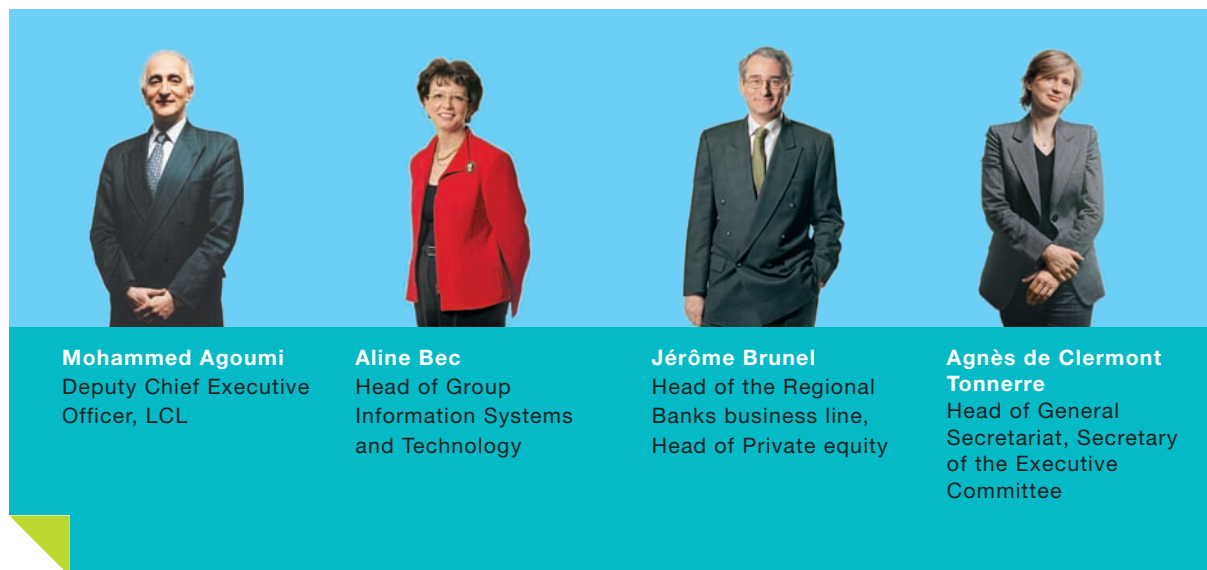
In late November 2005, the Executive Committee's organisation was changed to adjust to the main guidelines of the strategic development plan. Thus, the Executive Committee chaired by the Chief Executive Officer comprises the heads of the business lines and central functions, as well as the heads of the three divisions who primarily carry out coordination missions aimed at meeting the objectives and projects of the strategic development plan: development abroad, development in France and business development.



**Georges Pauget**  
Chief Executive Officer,  
Crédit Agricole S.A.

**Édouard Esparbès**  
Deputy Chief  
Executive Officer,  
Crédit Agricole S.A.,  
Chief Executive Officer,  
Calyon

At 1 March 2006

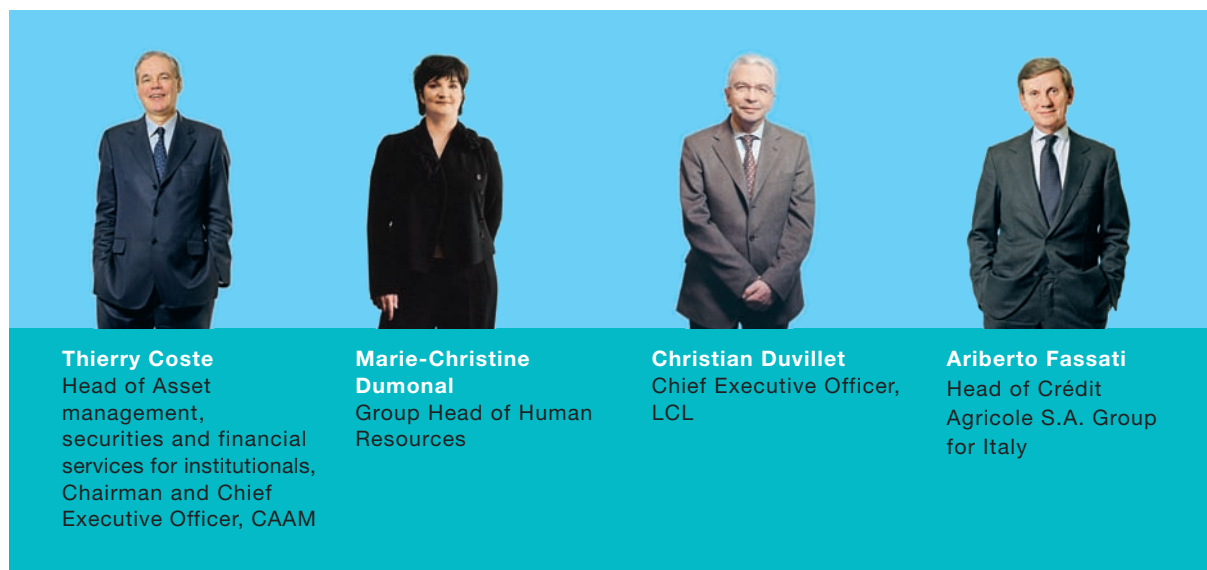


**Mohammed Agoumi**  
Deputy Chief Executive  
Officer, LCL

**Aline Bec**  
Head of Group  
Information Systems  
and Technology

**Jérôme Brunel**  
Head of the Regional  
Banks business line,  
Head of Private equity

**Agnès de Clermont  
Tonnerre**  
Head of General  
Secretariat, Secretary  
of the Executive  
Committee



**Thierry Coste**  
Head of Asset  
management,  
securities and financial  
services for institutionals,  
Chairman and Chief  
Executive Officer, CAAM

**Marie-Christine  
Dumonal**  
Group Head of Human  
Resources

**Christian Duville**  
Chief Executive Officer,  
LCL

**Ariberto Fassati**  
Head of Crédit  
Agricole S.A. Group  
for Italy



**Patrick Gallet**  
Group Head of  
Corporate development



**Marc Ghinsberg**  
Head of Management  
control and planning,  
Subsidiaries  
and Affiliates,  
Head of Strategy  
and development



**Jérôme Grivet**  
Calyon's Corporate  
Secretary and Head  
of Strategy and Finance



**Jean-Yves Hocher**  
Head of Insurance, Chief  
Executive Officer, Predica



**Jacques Lenormand**  
Group Head of  
Business development  
in France



**Jean-Frédéric de Leusse**  
Group Head of  
International business  
development, Head  
of International retail  
banking and Head  
of Private banking



**Marc Litzler**  
Deputy Chief  
Executive Officer,  
Calyon



**Gilles de Margerie**  
Chief Financial Officer,  
Head of Strategy



**Bernard Michel**  
Head of the Property  
Division and the  
Purchasing and  
Logistics Department



**Yves Perrier**  
Deputy Chief Executive  
Officer, Calyon



**Alain Strub**  
Head of Risk  
management and  
permanent controls



**Patrick Valroff**  
Head of Specialised  
financial services,  
Chairman and Chief  
Executive Officer,  
Sofinco

## 2005 scorecard

2005 guidelines	Actions	Status
Governance	- Assessment of Board of Directors by an external organisation	Completed
Rolling out compliance training programme	- 80% of Crédit Agricole S.A. Group employees trained	Completed
Strengthening the bond of trust between bank & customer	- New position and new motto "Une relation durable, ça change la vie" - Launch of the offering of "useful" products: • meeting every customer's everyday needs; • meeting environmental expectations.	Underway Underway Underway Postponed until 2006
Human resources: integration policy	Agreement on integrating handicapped workers	Signed
Taking into account social and environmental risk	- Formal decision-taking procedure under Equator Principles - Software — used to assess environmental risk in corporate project financing	Completed Being tested
Introduction of environmental reporting tools	- Five sites selected in Greater Paris Area covering more than 465,000 m <sup>2</sup> ; - Four indicators: consumption of gas, electricity, urban heating and water	Completed Completed
In-house campaign to raise awareness among Group employees about sustainable development	- Exhibition presenting sustainable development issues facing the world and actions undertaken by Crédit Agricole, available on the intranets of Crédit Agricole S.A. Group and some Regional Banks - Use of an extra-financial rating agency requested by five Regional Banks	Completed Underway
Support provided to people experiencing hardship (France and abroad)	- Support and aid provided by Regional Banks ( <i>Points Passerelle, Coups de pouce</i> , Social Cohesion Fund, etc.) - Aid to tsunami victims	Completed Underway

### Crédit Agricole S.A. and extra-financial indices

After joining the ASPI Eurozone index in 2004, which includes the 120 listed euro-zone companies Vigeo has rated as the best in this field, in September 2005 Crédit Agricole S.A. was added to the FTSE4Good. The Group thus won further recognition of the progress it has made in the area of social responsibility.



Crédit Agricole S.A.

“ Centre-Loire requested a rating by Vigeo to ensure that its policy, which already includes a sustainable development approach, could be assessed by a knowledgeable external organisation. The results identified both our accomplishments and certain areas requiring improvement, which we will address in 2006. ”



**Guy Chateau,**  
Chief Executive Officer of the  
Centre-Loire Regional Bank

For further information:  
[www.credit-agricole-sa.fr](http://www.credit-agricole-sa.fr)



## A sustainable development approach consistent with the Group's organisation

### In a Group with a decentralised organisation, the sustainable development approach

must be consistent with the responsibility of every unit and the issues facing each business line. The Sustainable Development Mission was created in 2002 and reports to the central body. It is a small three-person team charged with proposing the general guidelines of a socially responsible policy, coordinating, backing and even launching initiatives in this field.

### The Sustainable Development Committee was expanded in early 2006

to adjust to the Group's new configuration. It approves proposed guidelines and supports action taken to implement the approach. The Committee now consists of eight members: the Chief Executive Officer, the Head of Group Development in France\*, the Group's Human Resources Manager\*, the Head of Group Risk Management and Permanent Control\*, the Group Chief Financial and Strategy Officer\*, the Head of Regional Banks, the Corporate Secretary and the Group Sustainable Development Mission Manager. In 2005, the Committee met three times, and the Chief Executive Officer attended all these meetings.

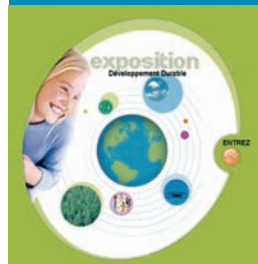
To enable the Mission fully to carry out its role across the Group as a whole, in early 2006, it was decided that the Mission would report to the General Secretariat. In 2006, the Mission will continue to rely on and coordinate the

## Chairman René Carron with the Sustainable Development officers (December 2005)



## Sustainable development exhibition on the intranet

This year, during Sustainable Development Week, an entertaining and educational exhibition was prepared and uploaded on the Group's intranet to raise employee awareness of sustainable development issues and of Crédit Agricole's actions in this field.



The exposition won the Ministry of Ecology and Sustainable Development stamp of approval.

Crédit Agricole Group

network of 80 Sustainable Development officers from each of the 41 Regional Banks and each Group subsidiary or functional unit.

### 2005 was a busy year for the network.

The Sustainable Development officers met five times to exchange information about their operations and prepare action aimed at achieving progress. Meetings with Amnesty International France, *Agronomes et Vétérinaires sans Frontières*, and an extra-financial analyst were held to get to know and understand one another. At the year-end meeting, Chairman René Carron reiterated his deep conviction in the Group's humanist value and assured the Sustainable Development officers of his full support. These officers play a crucial role in disseminating information on Social and Environmental Responsibility (SER) and actively took part in drafting this Annual Report. This year, for the first time, relevant information was reported by using several GRI (Global Reporting Initiative) indicators.

### In addition to the actions described in the Issues section (p. 53),

the Sustainable Development Mission will press ahead outside the Group with its policy of dialoguing with NGOs, as well as promoting the training of youth in the SER field, for example via the Sustainable Development MBA at the HEC business school. It will also keep up its internal campaigns aimed at enhancing awareness through its intranet and through presentations to new hires, managers and business lines.

(\*) New members

“Trust is a core component of our business and compliance is the way in which we can make this trust even stronger.”



**Georges Pauget,**  
Chief Executive Officer  
of Crédit Agricole S.A.

## Compliance, security and safety

### Compliance training (Fides) deployed in 2005

**In keeping with the plan announced in 2004,** in 2005, 50,000 Group employees took part in the Crédit Agricole S.A. compliance training plan, in France and in the international network.

The training programme primarily aimed to achieve three objectives:

- to promote better understanding of compliance issues and principles;
- to enable Group employees to adopt appropriate responses to working situations;
- to develop new practices in keeping with the organisation set up under the Fides programme.

**The compliance teams and HR Department teams worked together** to implement around one hundred training and communication tools for the programme, in English and in French. Other actions were carried out in order to facilitate access to these themes for all Group employees. Thus, the Group's Code of Conduct was translated into Dutch, Italian, German, Portuguese, Czech, Hungarian and Braille. A special version of certain training tools was also released for employees with disabilities (blind, deaf or hard-of-hearing). In 2006, the knowledge acquired by Group employees under the Fides programme will be tested by a quiz.

Moreover, a training programme will be proposed to the Regional Banks within the framework of the new provisions of regulation 97-02 on internal control.

### Continued efforts to strengthen financial security

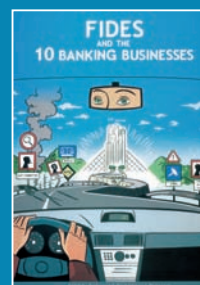
**In 2005, the Financial Security business line** strengthened the system for prevention of money-laundering and terrorism financing throughout the Crédit Agricole Group as a whole, at the systemic level (standards and procedures) as well as at the operating level (tools). A new procedure was circulated to summarise and update money-laundering prevention rules in each of the Group's historical units. The procedure was released in two versions, one for French units and the other for units located abroad.

**The campaign to strengthen the system aimed at controlling operations** continued in two directions: one is aimed at ensuring more stringent control when developing relationships with new customers who may present a risk, via the issuance of preliminary approvals, while the other seeks to monitor banking operations more efficiently by using dedicated tools. A tool used to identify people by name and to ensure compliance with domestic and international measures pertaining to embargos and freezing assets on the accounts of persons suspected of terrorist activities and for other reasons was widely deployed across the regional international payment centralisation platforms in Paris, London, New York and Singapore.

### Compliance training:

- 80% of all Group employees trained
- 92% at LCL
- 95% at CAAM
- 99% at BDI – Africa
- 80% of employees were satisfied with training

At 31 December 2005



Crédit Agricole S.A.

**Moreover, a project to introduce tools that profile** and monitor customer accounts at the Group's retail banks as well as in corporate and investment banking was launched in 2005. It is expected to result in the choice and implementation of selected tools in early 2006. The training and awareness-raising drive in the field of money-laundering prevention was kept up in 2005, primarily through the dissemination of Fides (compliance-financial security) educational tools.

**Compliance within the Group is to be understood as a set of rules and initiatives to ensure compliance with:**

- specific laws and regulations applying to banking and financial operations;
  - professional and ethical standards and practices;
  - the nine fundamental principles spelled out in the Group's Code of Conduct;
  - instructions, personal codes of conduct and internal procedures of Group business units.
- It also aims to guarantee the integrity of financial instrument markets, the Group's reputation and, more generally, loyalty to customers.

Crédit Agricole S.A.

Crédit Agricole Group experts, was assigned to review the ranking of selected projects into three categories, i.e. A, B or C in descending order on a scale of potential environmental or social risk.

**To ensure that the Equator Principles are applied effectively and appropriately,** a new software tool to aid in classifying the environmental and social risk of projects will be introduced in the first quarter of 2006, together with special training. The software should make it possible to fine-tune the key questions related to classifying projects in all the industrial sectors in which Calyon operates. It is expected to serve as a key aid to project officers in assessing this type of project. This operational approach in taking these new issues into account aims to take advantage of enhanced technical sophistication and to bring Calyon closer to its customers.

**The process to revise the IFC's environmental and social standards launched in 2005** gave Calyon an opportunity to take part in the dialogue initiated on this issue between Equator banks and their partners, i.e. the IFC, customers and NGOs. Calyon's involvement included participating in task forces and organising two days of talks between Equator banks and the IFC in April 2005 and illustrates its proactive commitment to promote frank and constructive dialogue between stakeholders and making a useful contribution to the process aimed at revising the Equator Principles that will be completed in 2006.

## Equator Principles

**Calyon pressed ahead with its implementation of the Equator Principles** and introduced more demanding criteria during 2005, applying the Principles to all new structured project finance deals. Similarly, in order to complete the environmental and social assessment of its portfolio of projects, it started to apply the methodology of the Equator Principles to certain transactions that do not necessarily display all the characteristics of project finance or involve an underlying investment of less than \$50 million.

In 2005, an independent Committee, chaired by Calyon's Compliance Department and including

## Equator Principles

**At 31 December 2005, 254 projects had undergone an environmental and social assessment. After the Committee's approval, they were classified as follows:**

- 6% rated A
- 82% rated B
- 12% rated C

*This ranking is based on scale of potential environmental or social risk, in descending order.*



**The Equator Principles**  
A framework for banks to manage environmental and social issues in project financing

Crédit Agricole S.A.

## Shareholder information

### A relationship of proximity with retail shareholders.

Immediately upon its flotation on the stock market in December 2001, Crédit Agricole S.A. set up a system for maintaining ongoing communications with its 1.7 million retail shareholders. The communication tools, operated by a dedicated five-person team, have been enhanced over time: freephone number with a voice server, a website, the quarterly Shareholder's Club Newsletter and the Shareholder's Guide.

Moreover, the Shareholder's Club, open to holders of at least 50 bearer or registered shares, now has 120,000 members. Its purpose is to inform and educate shareholders: in addition to the Newsletter, it offers shareholders the opportunity to attend a wide variety of meetings throughout mainland France, on various themes, such as estate inheritance or the state of the economy. Furthermore, meetings on the Group's strategy and its business lines, with the participation of senior executives, are held three to four times per year.

**Institutional investor relations.** In line with the efforts made in 2004 to enhance the market's knowledge of the Group, its shareholding structure and its *modus operandi*, the investor relations team has stepped up its operations via various channels: road shows in Europe, the United States and Asia; meetings in all

**The retail shareholders' Consultative Committee** comprises 12 shareholders who are representative of Crédit Agricole S.A.'s retail investor base. The Committee contributes to making improvements to all communication channels, events and messages aimed at retail shareholders. It meets three or four times a year. Minutes of its meetings are available on the Group's website.

Crédit Agricole S.A.



significant European financial centres, held, at least twice a year, supplemented by conference calls when quarterly results are released; participation in international conferences for institutional investors; and visits of groups of investors and meetings with financial analysts. In April 2005, a specific presentation was made on the impact of the transition to IFRS. At the end of the year, when it unveiled the 2006-2008 strategic development plan, Crédit Agricole S.A. held its first "Investors' Day".

“ While we appreciate the constant progress achieved in the field of financial communication, investors have high expectations from companies such as Crédit Agricole S.A., and also include extra-financial criteria like governance and stakeholder relations. We would also like to know more about the new management team. ”



**Sabrina Blanc,**  
financial analyst, and  
**Valéry Lucas-Leclin,**  
extra-financial analyst  
at CM-CIC Securities

For further information:  
[www.credit-agricole-sa.fr](http://www.credit-agricole-sa.fr)

### Award for best retail shareholder services

The Shareholder Relations department's efforts were rewarded in October 2005 when Crédit Agricole S.A. won the *Fils d'Or*



first prize for retail shareholder services awarded to major French companies by Synerfil and *La Vie Financière* magazine.

Crédit Agricole S.A.



## The customers

Within the Group's decentralised structure, each unit or subsidiary manages its customer relations. This close relationship with the customer base has led to the creation of innovative socially responsible products and fostered responsiveness to needs voiced by customers.

A key development in 2005 was the new position adopted by the Group, which reflects its commitment to forge lasting relationships with customers over time and is based on three pillars:

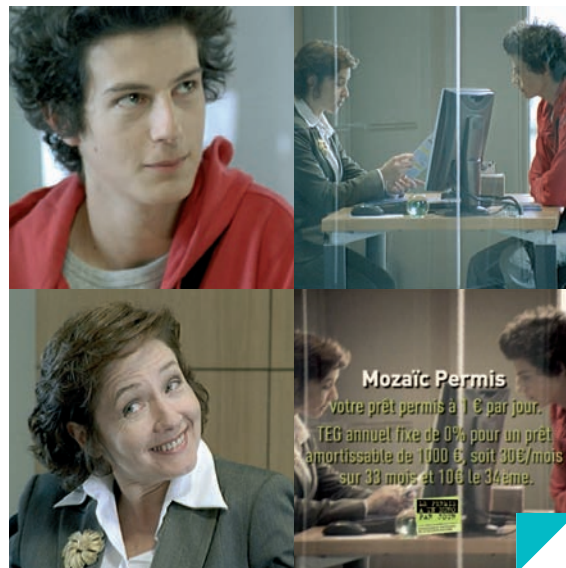
- a **lasting relationship** with an emphasis on showing consideration and respect for customers;
- the **bank as a partner** that helps customers make choices throughout their life;
- the **bank as a companion** through life, in good times and in bad.

Offering the right product, at the right time and at the right price: these are the fundamental components of this new position, which is designed to build a balanced, lasting relationship.

### Innovation to serve customers

**Crédit Agricole upheld its longstanding commitment** to customers by introducing new products that take their expectations into account and evolve to keep up with changes in their lifestyle during different stages in their life. Products launched in 2005 include:

- **Mozaïc Permis**, which helps young people obtain their driving licence for just €1 a day, is much more than a simple loan. It offers a

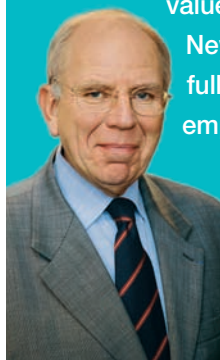


CD-ROM that provides training to pass the traffic safety exam and covers the cost of retaking the written or driving test a second time, among other things.

- **Good Loc** helps young people who have just started to work to qualify to rent, mainly by providing a rent guarantee.
- **Coup de Main** is a quick, easy way for loyal customers to borrow money to get them through temporary straits.
- **L'Autre Carte** is a debit card sold at a very low price to customers who want only basic payment and cash withdrawal services.

**In 2006, Crédit Agricole will extend** its product offering for retail customers, farmers, companies and local authorities, with a range of eco-friendly products and services. They will include an Environment Housing Savings Account and a Renewable Energy Resources loan, aimed at retail customers and farmers, a Forestry Savings Fund to invest proceeds from timber sales by local authorities, and a Transactions product based on trading CO<sub>2</sub> emission quotas for companies. Designed with Calyon Commodities in London, to help fight climate change, the product will enable companies that hold CO<sub>2</sub> quotas under the national quota allocation programme to trade them in real time via a highly secure system on the French and European markets starting in March 2006. (see section on the environment).

“Crédit Agricole was built on solid founding principles: long-range planning, close relations with customers and a strong sense of responsibility. These values are reflected in the New Positioning, which is fully in keeping with the way employees want to work.”



**Didier Blacque-Belair**,  
Head of Corporate Identity  
and Customer Communications  
at Crédit Agricole S.A.

For further information:  
[www.credit-agricole-sa.fr](http://www.credit-agricole-sa.fr)

## Socially responsible products...

### Socially Responsible Investment.

In 2003, the Group set up the first French asset management company dedicated to SRI, called I.DE.A.M (Integral DEvelopment Asset Management). I.DE.A.M taps the expertise of outside firms in SRI analysis and combines it with its know-how in quantitative portfolio strategies. The outside firms provide I.DE.A.M with assessments of the social, environmental and governance aspects. I.DE.A.M is the only French asset management company dedicated entirely to SRI and is a leader in the SRI market in France. After taking over the management of five new mutual funds in 2005, its direct and delegated management offering encompasses thirteen mutual funds and four mandates. Shares in the funds are available throughout France and various asset classes are offered: 82% is invested in equities, 8% in bonds and 10% in diversified products. The products are sold to institutional investors, foundations and French and foreign, as well as to retail investors. Products for retail customers are available via the Crédit Agricole and LCL networks and include *Atout Valeurs Durables*, *Oblilion Développement Durable* and *Dynalion Développement Durable*.

Moreover, life insurance subsidiary Predica has maintained the policy initiated in 2004 of systematically including ISR products in its future products, such as the PERE corporate retirement savings plan, by offering Eurosociétale, a fund managed by I.DE.A.M. that focuses on corporate governance.

## Socially Responsible Investment

I.DE.A.M ranks second among asset management companies that are the most involved in SRI fund management, according to a December 2005 survey conducted on a representative panel of 49 French institutional investors.

Source: Amadeis-Novethic "Update and outlook for the French institutional market"

### The Group's SRI funds at 31 December 2005:

- €1.2 billion, including over €1 billion in managed assets at I.DE.A.M.
- up 25% year-on-year

Crédit Agricole S.A.

### Long-term dependent care services.

One of Predica's priorities with respect to its customers is to design products that meet growing demand for access to nursing homes. In 2005, Predica created the No. 1 French long-term dependent care group by acquiring a 30% equity interest in the SUREN group, which operates some 150 retirement homes for elderly dependent persons and 50 clinics, for a total of nearly 15,000 beds, thereby strengthening its commitment in this area.



**LCL**  
FAITES POUSSER VOTRE ÉPARGNE

**L'INVESTISSEMENT SOCIALEMENT RESPONSABLE**

Préserver dans le temps, LCL propose depuis 1999 des placements "Investissement Responsable", pour prendre en compte des critères sociaux, environnementaux et de gouvernance, tout en recherchant un investissement performant à long terme.

**DYNALION DÉVELOPPEMENT DURABLE (PERE) OBLILION DÉVELOPPEMENT DURABLE**  
LCL engage avec UNICEF un partenariat original, dont l'objectif est de concilier performance financière et soutien actif au développement durable.

**FOR HABITAT ET HUMANISME**  
Faciliter l'accès au logement des familles défavorisées en reversant un quart du coupon à l'association "Habitat et Humanisme".

**EUROCO SOLIDARITÉ**  
Soutenir l'action du "Comité Catholique contre la Faim et pour le Développement" (CCFD) qui sert 50% du revenu distribuable.

unicef

→ 21

**The Contrat Assurance Dépendance** dependent-care policy offered by Predica ranked highest in a study conducted in 2005 by Testepourvous.com, an independent European consumer information firm. The ranking took into account insurance cover for total or partial dependence, lump-sum benefits for equipment needed to accommodate a disability and the range of support services.



## ... and even more, a socially responsible approach

### Several years ago, CAAM initiated an approach focused on sustainable development

and, more specifically, on “responsible” finance. Since 1996, the asset management company has applied a proactive voting policy around which it has built a process of constructive dialogue with shareholders.

In 2005, CAAM voted at some 980 annual general meetings held by 845 companies on all continents. At 435 AGMs, it voted against 2,330 resolutions submitted by management. Of these, 20% applied to the appointment of directors and 11% to stock option and bonus share plans. It voted for 265 resolutions submitted by shareholders, 80% of which concerned governance, 14% employee matters and 6% the environment.

As part of the pre-meeting shareholders’ dialogue CAAM has instituted with 120 major French listed companies, 120 resolutions led to alerts sent to some 50 companies, drawing their attention to items on the agenda that CAAM planned to vote against if they were not withdrawn.

This approach to exercising its voting rights and dialoguing with companies gives CAAM a worldwide vision of governance, allowing it to keep a close watch on potential developments or risks that could affect the companies. Its voting policy is updated accordingly every year.

## In 2006, the system for alerting issuers

of resolutions that CAAM would vote against will be gradually expanded to Europe and the United States.

Moreover, CAAM was the first asset management company in France to set up a team dedicated to extra-financial analysis (in 2000). Three analysts assess a company based on economic, social and environmental aspects, thereby enabling CAAM to build its socially responsible offering, notably for employee share savings offerings that have been certified by the *Comité Intersyndical de l’Épargne Salariale* (CIES). In 2005, the CIES renewed its certification of the range of CAAM’s socially responsible employee share savings schemes.

## Cheuvreux, a Calyon subsidiary specialised in equity brokerage,

introduced a socially responsible dimension to its European financial research in September 2005, which is entirely integrated within “conventional” financial analysis. Cheuvreux has two extra-financial analysts on its team. Furthermore, its 110 analysts are required to identify SRI issues and challenges facing each company they cover.

By giving itself the resources to take into consideration extra-financial criteria, Cheuvreux has become even more exacting in its research.

## Loyalty to historical customers

Crédit Agricole remains true to its roots as a bank founded to serve the farming community and places great importance on forging lasting relationships as a lifelong partner to farmers, in good times and bad. As an example, working with the Regional Banks, Crédit Agricole has developed a process for handling financial problems on a case-by-case basis, especially during agricultural crises. Similarly, it offers financing solutions that enable farmers to weather such downturns and to stay in business, as well as risk management products to help them keep their farm.

Crédit Agricole Group

## 80% of bank loans to the farm sector are financed by Crédit Agricole.



Crédit Agricole Group



## Responsiveness to customers

### Constant monitoring of customer satisfaction.

For several years, the Regional Banks and LCL have developed their own surveys to gauge customer satisfaction and to define priorities for actions designed to improve the satisfaction level.

Each Regional Bank uses standard *qualitests* and special surveys, known as *Météos Régionales*, further to investigate the “individual customer relationship” aspect. In 2005, 20 Regional Banks used these methods to survey over 500,000 customers, or 200,000 more than in 2004. In keeping with the New Positioning, as from January 2006, the Regional Banks will introduce customer relationship monitoring, focusing on the need for advisors to listen to customers, to be responsive to their specific needs and to respect their choices.

(Customer satisfaction at LCL is covered in the Business Lines chapter.)

Finaref measures and analyses its customer satisfaction level via a semi-annual survey that covers customer satisfaction in all sales channels. Sofinco has also developed a package of studies based on surveys that cover nearly 10,000 customers or prospects each year. These customers are surveyed when they apply for credit or when they call on the customer service department. These quarterly surveys cover all distribution channels.

**A vigilant approach to complaints.** Every Group business line has developed appropriate methods to optimise the complaint handling and follow-up process. While consolidating

## Helping customers experiencing hardship

The consumer credit subsidiaries have developed special procedures for collecting claims from customers who are experiencing hardship. The customer service and/or collection departments work with such customers to identify the nature of their problems, without infringing their privacy. If the problem is temporary, customers are offered a debt rescheduling plan to defer and/or reduce payments). If it is persistent, customers are informed that they may be able to submit their case to the *commission de surendettement* (commission for personal over-indebtedness).

Crédit Agricole S.A.

data on complaints is not an easy task, studies carried out by the Regional Banks have led to recommendations on how systematically to analyse complaint-handling efficiency via a common tool used by 29 Regional Banks. It measures changes in the intensity of the post-complaint relationship, and includes one-off surveys of customers who have filed complaints.

LCL has consolidated customer access to the complaint handling process (see LCL section in the Business Lines chapter). Thanks to a *Complaint Monitoring and Management Tool* available at all points of sale, customer can find out the status of their complaint at any time simply by requesting the information from their branch.

In insurance and consumer loans, Pacifica, Finaref and Sofinco have set up consumer or customer quality departments. Sofinco discloses the existence of this department and the arbitration procedure in its preliminary credit offerings and, in 2005, it set up a procedure to forward complaints related to “non-compliance” cases to the Compliance Officer. Pacifica customers may also call on the ombudsman of the *Fédération Française des Sociétés d'Assurances* (French Insurance Company Federation), while Sofinco and Finaref clients may refer to the ombudsman of the *Association Française des Sociétés Financières* (French Association of Financial Companies). LCL and Regional Bank customers can also turn to arbitration.

## LCL's online customer service department





## Internal prevention approaches

**Quality.** For the past several years, many Group companies have followed a quality approach, with actions targeting customer satisfaction, a customer-oriented culture among employees and a lasting improvement in performance. To help management better meet these objectives, the Quality Institute, which is part of Group central support functions, runs a network of some one hundred Quality Officers spread throughout most Group business units and subsidiaries. In 2005, the Institute rolled out a 'quality' intranet site that offers tools for ongoing improvement and that can be accessed by all Group employees. The Group's main business lines now have 30 ISO 9001 certifications, four of them secured in 2005.

**Compliance.** Crédit Agricole S.A. has launched a reinforced compliance monitoring programme (see Governance section). In this spirit, a New Activities and New Products Committee (CONAP), created in 2005, ascertains that all products and activities proposed in Regional Banks are referenced so that regulators can ensure that they comply with the law, regulations, codes of conduct and internal procedures specific to banking and financial operations. Similar committees have been set up at LCL, Finaref and Predica. New products and new activities are therefore now systematically reviewed by these committees before they are brought to market to ensure that they are in keeping with customers' interests.

**Factoring in extra-financial risks.** As a key player in the internal control system, the Group Risk Management Department takes social and environmental responsibility criteria into consideration when carrying out its missions:

- As part of the monitoring of operational risks and the application of Basle II regulations, the Risk Management Department is in charge of deploying a risk identification and measurement system, with risk mapping and incident. It plays a part in identifying and controlling reputational risks, which could arise from non-compliance with the Group's social and environmental obligations, regardless of whether such risks are related to its relationships with customers, the market or suppliers, or more broadly, with the public at large.

- Moreover, the Risk Management Department periodically modifies the criteria it draws upon to rate companies, primarily by focusing on the relevance of extra-financial assessment criteria. Such criteria include, inter alia, certain aspects relating to governance in rated companies, such as financial statement and management quality (experience, consistency, reputation).

## Relations with suppliers

**The Group pools a large part of its purchases,** in excess of €3 billion. Purchases that are highly specific by nature are handled by the subsidiaries, which must apply the Group's rules of conduct. Purchasing standards and procedures are designed to ensure the transparency of transactions as well as the quality and integrity of dealings with suppliers, so as to maintain long-term relationships built on trust. Suppliers' obligations to comply with certain environmental, safety and employment practices are set out in general conditions and master agreements.

**In 2006, the Purchasing Department will be able to use new tools** to fine-tune monitoring of the purchasing process. An internal control team was set up at General Management and procedures were updated, including questionnaires for suppliers.

## Environmental concerns in procurement

The Group Purchasing Department systematically requires that all printed matter suppliers have **Imprim'Vert** certification, a guarantee of an environmentally sound approach.



Crédit Agricole S.A.

## Employees

In the field of human resources, the company fulfils its responsibilities to employees through dialogue with employee representative organisations, career management, training, non-discrimination policies, compensation policies and employee shareholding.

### Employee-management relations

In 2005, the Group's further stepped up, after intensive negotiations in 2004 as part of the process of building the new Group.

**At the Group level**, an agreement signed in February 2005 maintained the Joint Consultation Committee, which was set up during the merger. The Committee is common to Crédit Agricole S.A. and its subsidiaries. It has contributed to the harmonisation and consistency of employee-management relations. It deals with cross-functional issues of common interest at the Group level. It also enables the various business lines to present their development plan and their strategic plan to the trade unions. As an example, the LCL corporate strategic plan, the Calyon 2005-2007 development plan and the Crédit Agricole S.A. 2006-2008 development plan of were presented via the Committee.

**In addition, a new Group Works Council** representing the employees of Crédit Agricole S.A., its subsidiaries and Regional Banks was set up in 2005. Lastly, the first step was taken

### Crédit Agricole Group headcount (in full-time equivalents)

	2004	2005
Crédit Agricole S.A. and subsidiaries	62,001	62,112
Regional Banks	71,915	72,215
<b>Total</b>	<b>133,916</b>	<b>134,327</b>

Crédit Agricole Group

towards creating the European Works Council, which will combine the representatives of employees from twenty countries.

**At the Group subsidiaries**, employee-management relations gained momentum during 2005. At LCL for example, numerous negotiations were held in the run-up to implementation of the company's "Crescendo" corporate strategic plan and in connection with the bank's various reorganisation drives. Talks about how to improve employee-management relations were also initiated.

**At the Regional Banks**, six industry-wide agreements were signed in 2005 on wages, training, part-time work, the organisation of the working week, work-study programmes and employment of handicapped workers. In addition to these nationwide agreements, the Regional Banks entered into many agreements to enhance common schemes or innovate in industrial relations.

### Career management

In 2005, new resources to promote mobility were introduced, with the creation of information bases that can be accessed on the intranet, and the organisation of new Management Committees, by business line and by employment region. In 2006, new missions will be assigned to the Mobility Unit, which provides both information and advice to employees – career inventories, preparation for a job change, etc. – as well as Human Resources managers. In 2006, the Group will strive to facilitate mobility outside France to an even greater extent.

“ Elected Secretary of the Crédit Agricole S.A. Works Council in April 2005, I appreciated the extent to which Management listened attentively to employee representatives and the mutual respect between the two parties, particularly since so many issues were addressed throughout the year. ”



**Thierry Pierron**,  
Secretary of the Crédit  
Agricole S.A. Works Council,  
an elected representative  
from the CGT trade union

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## At the level of the Crédit Agricole S.A.

**Group in France**, initial negotiations were launched in late December 2005, as part of the introduction of job and skills planning and forecasting, reflecting a strong determination to anticipate trends in business lines and to opt for a medium-term human resources management approach. Mobility will be stepped up over the next few years, as the 2006-2008 growth plan calls for arranging for job transfers with the Regional Banks and between the central functions and the Group's various business lines. At LCL, an agreement on pensions was signed in 2005 and negotiations on early retirement reached their final stage. Talks on managing jobs of older employees will begin in 2006.

**The Regional Banks** have improved visibility in terms of career opportunities with the business line mapping system and the weekly circulation of internal job offers, so that every employee can have a say in how his career unfolds.

## Training

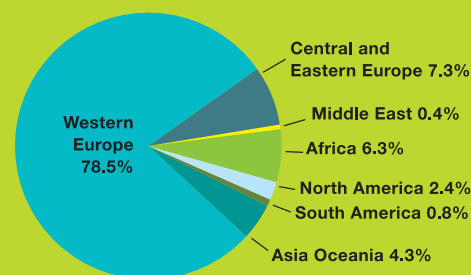
New training efforts were undertaken in 2005 as part of the company's commitment to employees.

### At Crédit Agricole S.A. Group:

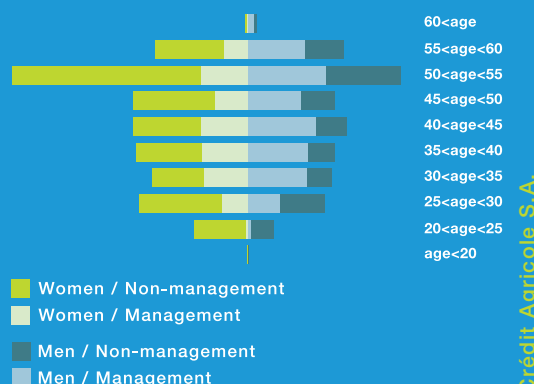
- 350 executives attended training courses for senior managers, giving them an opportunity to share their knowledge of the new Group, its strategy and the prerequisites for completing the merger.
- Fides compliance training: 50,000 employees, or 80% of total headcount, were trained in 2005.

## Breakdown of headcount by region

at 31 December 2005 in full-time equivalents



## Breakdown of Crédit Agricole S.A. employees



New modules are being designed to train all employees, in all business lines and regions.

- Tempo: several hundred employees of Crédit Agricole S.A. and of the subsidiaries attended sessions under this programme dedicated to improving knowledge of Crédit Agricole.

The Training business line took initiatives to develop these priority areas based on a cross-functional approach involving, *inter alia*, participative management and sharing of experience via its intranet and by holding Merger Days. Lastly, in terms of Corporate Social Responsibility, Training coordinated negotiations on the 'training throughout life reform' (Act of 4 May 2004), and the implementation of this reform.

**At the subsidiaries**, in addition to training leading to a diploma (BP, ITB and CESB), many actions were carried out as part of the LCL corporate strategic plan: helping employees contend with change and adjust to trends in the business lines, training in money-laundering prevention (e.g. at LCL and Finaref) etc., the apprenticeship or work-study programmes developed by Predica and Sofinco, and the design of a curriculum leading to a diploma for call centre employees (Finaref).

**At the Regional Banks**, the importance of training was reasserted in an agreement that will allocate 6% of the payroll to vocational training. The agreement urges all employees to attend training throughout their career and its goal is to provide appropriate individual solutions for every employee.

## Non-discrimination policies

### At the Crédit Agricole S.A. Group

**Non-discriminatory hiring** remained one of the group's fundamental principles in 2005. Group recruitment guidelines reaffirmed the need to abide by the Code of Conduct, that "each individual's behaviour be governed by good faith, honesty, moral integrity, a spirit of cooperation, stringency and professionalism". Each recruitment officer undertakes to comply with these principles and, accordingly, must "promote equal opportunity and not engage in illegal discrimination".

**With respect to gender equality in the workplace**, several actions were carried out within the Group to build upon its past accomplishments in this area. As regards career advancement, a noteworthy development was the wage settlement at LCL, signed by all the trade unions, which calls for promoting at least the same percentage of women as men in 2006, regardless of job category.

**The Group-wide agreement in favour of integrating workers with disabilities** was signed in June 2005 by all trade unions. It sets out precise and ambitious objectives in terms of hiring and retaining workers with disabilities and improving their working conditions, and hiring people covered by the law on the employment of handicapped and other disadvantaged workers. It was the first Group-wide agreement of this kind to be ratified by the Paris *Direction départementale du travail, de l'emploi et de la formation*

*professionnelle*, i.e. the local Labour Department. At 31 December 2005, some 1,800 employees who are classified as handicapped in France accounted for 4.2% of the base headcount, versus 1,700 in 2004.

For its part, Finaref maintained the policy of integrating handicapped employees it launched several years ago. The company negotiated a new agreement and forged a partnership with AGEFIPH, the French agency responsible for facilitating the employment and retention of workers with disabilities, aimed at fighting any form of discrimination. In 2005, Sofinco pressed ahead with its policy of making the workplace more user-friendly for handicapped employees, by adapting workstations and training managers, among other things. Finaref signed the Diversity Charter in 2005, reflecting its determination to ensure that non-discrimination and diversity be deemed strategic action guidelines.

### At the Regional Banks

**Gender equality in the workplace.** In 2005, the percentage of female managers at the Regional Banks continued to increase. The number of managerial positions held by women has advanced from 17% to 24% in five years, while the total number of managers has risen only marginally. The Regional Banks continued to ensure that no pay gap should appear between men and women for a comparable level of responsibility, experience and contribution.

**Policy in favour of older employees and development of employability in the second half of a career.** The 2004 agreement on HR management throughout an employee's career defined conditions for conducting individual interviews at key moments during an employee's career, for collective and individual monitoring of skills development and for offering access to training throughout a career.

### Integrating handicapped workers.

On 2 November 2005, the FNCA and six trade unions signed an agreement on the employment of handicapped workers, which was ratified by the Ministry of Employment. This agreement defines measures for implementing a sustainable -standing policy to promote employment of handicapped workers. Its goal by 2011 is to recruit 800 handicapped workers and to increase the percentage of handicapped employees in the workforce to 5% of the total.

“With my MA-level diploma in Economics, I wanted to use my knowledge and work in sales. LCL's offer in June 2005 of a position as remote advisor at the LCL *Accueil Conseil en Ligne* unit in Roubaix enabled me to fulfil my ambitions despite my handicap (muscular dystrophy). I was warmly received by the team and integrated in a natural, easy-going manner.”



**Serkan Buyel,**  
ACL- LCL remote advisor  
in Roubaix

For further information:  
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**Non-discriminatory hiring.** The Regional Banks' recruitment practices are based on using ability as the sole criteria for hiring. This principle was reasserted in the "gender equality in the workplace" and "employment of handicapped workers" agreements.

## Compensation policies and supplemental compensation

**The Group's pay policy** is part of an overall approach to compensation. In addition to a fixed component, it includes an individual variable component calculated on the basis of specific objectives and a variable collective component, i.e. a collective incentive scheme and profit-sharing. In this respect, virtually all Crédit Agricole S.A. Group business units have a profit-sharing agreement and an incentive scheme, which give employees the opportunity to share in the results of their business unit. Subsidiaries within each division determine their wage policy in compliance with the principles set out by the Group's HR Department.

**With regard to employee share ownership,** as of 31 December 2005, the value of Group employee share ownership plans totalled €1.9 billion. In 2005, the Crédit Agricole S.A. Group, which is deeply committed to offering attractive compensation systems, continued to review implementation of the schemes created under the Fillon Act and designed to enable employees build up retirement savings.

**Healthcare plans and provident schemes** were harmonised at the Crédit Agricole S.A. Group level as new mergers were completed (creation of CA Leasing, merger of Transfact and Eurofactor) during 2005. Guarantees offered were standardised and brought into compliance with Group practices. New provident guarantees were introduced for categories of the work force that had previously not been covered, such as non-managerial staff at Finaref.

## Employee shareholding

Staff members again demonstrated their trust in their company by subscribing to the employee share issue carried out in 2005: 60,000 employees subscribed to shares for a total of €462.5 million, which was scaled back to €400 million. This transaction reflects the Group's renewed determination to give employees a stake in its development.

## An original way to link up with family life

The Internal Communication Department edited a special issue of its in-house



magazine aimed at employees' children, called "Calyon Kids". Its purpose is to explain to these children what Calyon is, in an issue that is fun to read with their parents. The initiative was a major success.

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The issue came two years after the previous employee share issue following the merger with Crédit Lyonnais. As of 31 December 2005, 5.8% of Crédit Agricole S.A. capital was held by Group employees, including Regional Bank staff.

## Other responsibilities to employees

### A commission for the prevention and investigation of sexual harassment

was created at Calyon. It comprises several members of the CHSCT and employee representatives. Its role is twofold: first, to inform employees and raise their awareness; and, second, in the event of an allegation of harassment, to investigate and recommend appropriate measures. A brochure was uploaded to the HR Department intranet.

### With respect to employee feedback,

a system for measuring employee satisfaction was instituted at the time of the Transfact/Eurofactor merger. A detailed analysis of the data collected over time by this survey showed an improvement in how employees perceived the merger process. At Sofinco, a survey by focus groups of managers and employees was carried out to assess their expectations for recognition. It opened the door to exploring a variety of approaches. An employee satisfaction rating system will be introduced in 2006 at the Crédit Agricole S.A. Group level.

## Environmental policy

While the banking business has a limited direct impact on the environment, the Group's impact is not insignificant since it has 60,000 employees. This is why Crédit Agricole decided to carry out a review of internal consumption in 2005.

Moreover, as it is aware of its leverage in this area, Crédit Agricole was intent on finalising its "green" offering for its customers.

### A more accurate assessment of raw materials consumption

A detailed inventory of consumption of energy and consumables (paper, computer and office equipment supplies) and of waste sorting and recycling was drawn up by an outside firm. The survey covered the Crédit Agricole S.A. Group's facilities in the Greater Paris Area, comprising five major sites with a total floor area of over 465,000 m<sup>2</sup>. Initially, information on energy consumption was collected at all sites in a uniform manner (data reported in the Shelf-registration Document) The Sustainable Development Committee will look at areas of improvement when it meets during the first quarter of 2006.

### In-house initiatives

In December 2005, the Logistics Department extended the battery and ink collection, removal and recycling policy that has been tested at Saint-Quentin-en-Yvelines since 2003 to all Crédit Agricole S.A. Group sites in the Greater Paris Area. Their 20,000 employees can now deposit used batteries and ink

### Curbing the environmental impact of buildings: an example

At the Saint-Quentin-en-Yvelines site, heat emitted by the computer rooms is recovered and distributed throughout the complex to heat all offices in the site's four buildings. The boiler does not turn on until the outside temperature drops below 3°C. As a result, Saint-Quentin derives nearly 60% of energy used for heating from reclamation.

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### Collection of used batteries

20,000 employees can drop off their used batteries into some twenty collection bins. In 2006, an estimated, 3,000 kilograms of batteries will be recycled in this way.



cartridges in some twenty battery collection points in the building lobbies and cafeteria entrances and in special ink cartridge bins placed near photocopy machines. An estimated 25,000 ink cartridges and 3,000 kilograms of batteries will be recycled in 2006.

A selective sorting system for paper will be instituted in the Saint-Quentin offices during the first quarter of 2006, by installing dual-compartment waste paper baskets and dedicated bins for transporting recyclable paper. Crédit Agricole Immobilier will extend this system to all sites during 2006. An estimated 4,000 tonnes of paper will be recycled.

Lastly, during the first quarter of 2006, an action plan on the handling of obsolete IT and office equipment will be proposed. It will apply to some 10,000 workstations each year. There are a number of ways to dispose of such equipment. It could be donated, sold or dismantled, among other options. The decisions will be made based on two criteria:

- compliance with environmental regulations;
- the security of Crédit Agricole S.A. and its subsidiaries.

The Crédit Agricole Group S.A. aims to have set up a complete and fully secured system for processing office waste by end-2006.

## Eco-friendly products

### In 2005, Crédit Agricole pressed ahead with its actions in favour of the environment in the agricultural sector.

The Group renewed its partnership with FARRE (the Forum for Responsible, Environmentally-friendly Agriculture). One of the highlights was the *Espoirs de l'agriculture raisonnée* competition, which recognises the initiatives of innovative and ecologically responsible farmers throughout France. More than 200 projects from some twenty *départements* were submitted. Thirty-six projects won awards on a regional level. They were subsequently studied by the national jury chaired by Allain Bougrain Dubourg, the Chairman of the Bird Conservation League. The jury awarded prizes to three projects.

In 2005, more than half of the Regional Banks assumed 20% of the costs incurred by farmers to obtain "reasonable farming" certification to encourage farmers to adopt these practices. In addition, some Regional Banks assumed 20% of the costs incurred by farmers to obtain organic-farming certification. A technical and economic reference guidebook was also published in cooperation with FNAB (*Fédération Nationale des Agriculteurs Biologiques*). The guidebook is designed to provide better information to account managers on the organic farming market and its financial structures so that they can make optimum adjustments to the products and financing ranges they offer.

## An environmental risk management tool,

created in 2004 with an environmental law firm, is designed to take this risk into consideration when financing businesses. The tool is a CD-Rom that provides a in-depth description of the Bank's environmental risk exposure, with information sheets reviewing the applicable regulations for each business line, a list of all documents to be obtained, an overview of specific risks and constraints and a questionnaire. It enables the account manager to assess environmental risks in great detail. The customer's answers are legally binding. This tool was successfully tested in one Regional Bank in 2005. If the positive results are confirmed, it will be rolled out across the Regional Bank network in 2006.

## Combining environmental and social responsibility

The Nord Pas de Calais Regional Bank, in a partnership with the Regional Council and ADEME (Agency for Environment and Rational Use of Energy), has launched interest-free loans to finance work on roofing insulation. 30,000 homes should benefit from these loans over the next three years. This action has a clear environmental advantage, since the housing sector is the third largest contributor to greenhouse gas emissions and accounts for 18% of total emissions. It will also help society by improving housing for low-income French households.

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## Setting up a forestry savings account

Following the competitive call for tenders launched by the Ministry of Agriculture, Credit Agricole was the only bank selected to manage the forestry savings account. Starting in early 2006, the account will make it possible gradually to build up savings intended to finance forestry investments. Some 11,000 forest municipalities are eligible for this account.



The Mayor of Villedieu (25) looks on as first Forestry Savings Account is opened at the 2006 Salon de l'Agriculture.

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## Unifergie, a leader in the financing of energy and environmental investment

For the past twenty years, this Crédit Agricole Leasing subsidiary has developed sector expertise in the sustainable development segment. 2005 was mainly devoted to wind farm projects. Unifergie has taken part in the financing of 200 MW (close to 25% of installed windmills) over the past three years. It kept up with its efforts in favour of waste recycling, as part of the drive to bring facilities into compliance with environmental standards and the creation of new processing units. Lastly, Unifergie financed a biomass urban heating network.



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**Moreover, an “environmental” range has been finalised on a national level** to promote environmentally responsible investment\* in all retail markets, i.e. companies, professionals and individual customers, and grant the best financing conditions. This product, approved by internal committees in late 2005, will be presented to Regional Banks in view of marketing it at the end of the first half of 2006.

\* Environmentally responsible investment: any investment in energy-saving systems, renewable-energy facilities, waste reclamation and treatment, and wastewater treatment.

**After a time dedicated to analysis, 2006 will be a year of action**

**A Carbon dioxide survey is scheduled** in the first quarter of 2006 in Crédit Agricole Group S.A. sites located in the Greater Paris Area. Once the level of greenhouse gas emissions has been determined, the goal is to make Crédit Agricole Group S.A. a “zero carbon” bank, by planting forests on the available land owned by Crédit Agricole and/or by buying green energy.

**An environmental offering**, consisting on twelve products offered in all retail markets, is to be developed in 2006. The goal is to market it in ten Regional Banks starting this year. Certain Regional Banks (Pyrénées Gascogne and Savoie) already have a head start in this area and offer a special, reduced-interest loan to finance renewable energy in the housing sector.

**A partnership was signed in early 2006 with the Bird Conservation League,**

to review biodiversity at 160 farms. Actions aimed at enhancing biological diversity will subsequently be launched. This programme, backed by the Ministry of Agriculture and the Ministry of Ecology, is also supported by the “FARRE”, “organic farmers” and “sustainable agriculture” networks.

Crédit Agricole and LCL helped finance a study initiated by the ADEME and the inter-ministerial mission on greenhouse gas effects that is reviewing banking practices in Europe in terms of reduced-interest loans extended to individual customers for sustainable housing projects.

“ Frankly, for many years, environmental associations like ours viewed Crédit Agricole as promoting the dangerous overuse of natural resources. Therefore, we were wary when we started to hold talks with the Bank. We came to realise that it is showing a recent but undeniable resolve to be involved in sustainable development.”



**Allain Bougrain Dubourg**,  
Chairman of the Bird  
Conservation League

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## The December 2004 tsunami disaster: update on Crédit Agricole's commitment

The actions undertaken by the Group to help rebuild and develop areas that were devastated by the tsunami that swept through Southeast Asia in early 2005 are a striking example of steadfast solidarity. Of the €2 million earmarked for this aid, more than €750,000 has already been distributed. The projects financed cover a wide range of fields, from rebuilding fishing fleets to setting up micro-loans to finance the revival of traditional industries.

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## Crédit Agricole, a partner to society

Crédit Agricole has a strong attachment to its regional roots and shares the values of proximity and solidarity it defends at grass-roots level. From its privileged position for monitoring and taking into consideration social, cultural and environmental realities, for over 30 years, it has developed a philanthropic programme based on long-standing partnerships. Back by unwavering support from the Regional Banks, Fédération Nationale du Crédit Agricole and Crédit Agricole S.A., the Group proactively sponsors causes that are chosen using several criteria: their quality, their spirit of innovation and their drive.

### Grass-roots action to forge lasting relationships

With the local credit co-operatives and their elected representatives, the Regional Banks carry out projects in the economic, humanitarian and social fields, and support initiatives that help enhance the vitality of their environment. The driving force of these actions are the local social initiative funds that most Regional Banks have set up: the 35,500 managers of local credit co-operatives can thus draw upon organisations dedicated to working on local development to encourage the initiatives that hold the most promise for the future.

In 2005, the Regional Banks invested more than €18 million in nearly 6,000 projects, mainly focused on enhancing the quality of life in the countryside. By encouraging company creation, they also take part in the economic development of such zones. Some noteworthy initiatives in the field of helping entrepreneurs take over or set up micro-businesses include unsecured loans, such as Crédit Agricole de Savoie's *Prêts Tremplin* or Crédit Agricole Centre Est's *Crédit Agricole Création*. Regional Banks also cooperate with the two networks that provide aid for company creation and economic insertion, the *Association pour le Droit à l'Initiative Économique* (ADIE) and *France Active*.

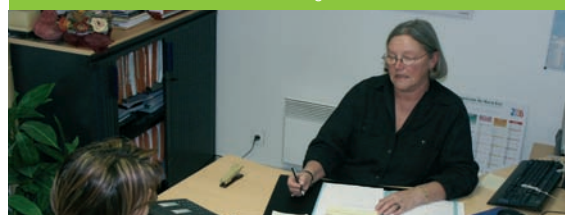
Driven by their natural affinity for helping the most vulnerable segments of the population, over the past several years, the Regional Banks have set up two systems to aid their customers: Crédit Agricole Centre Est's *Banque de l'Imprévu* and Crédit Agricole Provence Côte d'Azur's *Coup de Pouce Mutualiste*. Designed by the Crédit Agricole du Nord Est, *Points Passerelle*, a system designed for marginalised customers, has been adopted by five other Regional Banks.

Following Crédit Agricole's selection by the Social Cohesion Fund in late 2005, the Regional Banks will be able to accelerate the deployment of a micro-loan product aimed at customers who have suffered a major personal setback.

“Customers who are experiencing a period of hardship can talk to *Points Passerelle* officers like me. We help them find solutions for their financial and other problems. I have held this job for five years and every morning I tell myself that I'm going to be useful.”

**Marie-Claude Robert,**  
Point Passerelle officer – Châlons-en-Champagne

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## An approach based on solidarity extended at a national and international level

### The *Fondation Solidarité Mutualisme* and the *Crédit Agricole Solidarité Développement association*, created by Crédit Agricole at a national level, allow the Regional Banks significantly to increase the scope of their activities in this field in France and in the world. Two mutual funds that share the Group's approach, *Pacte Vert Tiers Monde* and *Pacte Solidarité Logement*, provide financing for the *Fondation Solidarité Mutualisme*. This enables the Regional Banks' customers to take part in these charity campaigns. In 2005, a total of €1.3 million was raised for more than 50 projects.

### With their longstanding commitment to Southern countries, the Regional Banks

make available their expertise as mutual banks and their knowledge of the agricultural sector. With *Crédit Agricole Solidarité et Développement*, they finance projects aimed at helping farmers structure their professional organisations. For instance, they are taking part in creating savings and loan networks, such as CECAM in Madagascar. Lastly, they sponsor humanitarian projects in the field of education. *Crédit Agricole Solidarité et Développement* funded the construction of five schools, two of them dedicated to agriculture, in the Sahel, in Madagascar and in Laos. Concerned about the fate of the most underprivileged, Crédit Agricole is active in the field of housing and social and economic insertion, notably via the *Fondation Solidarité Mutualisme*. In 2005, several projects took shape, ranging

## FARM: for open, fair and equitable global agriculture

The FARM (Foundation for Worldwide Farming and Rural Life) project, an initiative of the French Development Agency and major French corporations, including Crédit Agricole S.A., has reached the operational phase. Its objective is to help promote farming activities in developing countries. FARM took part in the preparatory work for the WTO meeting in Hong Kong, which was attended by 400 members of African and French professional farming organisations, and compiled dossiers on raising cotton, bananas, sugar, and other crops.

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## Chroniques Électroniques

The Group has cooperated with the Ministry of Education for twenty years, via educational programmes, in particular with the *Chroniques Électroniques* operation.



This provides secondary school students and their teachers the opportunity to design a magazine on the internet. The theme of sustainable development was chose for the 2005-2006 school year.

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from the refurbishment of housing for battered women to a foreign language workshop for young delinquents.

### In 2006 and 2007, Crédit Agricole will support the *Envie d'Agir* programme

initiated by the Ministry of Youth, Sport and Voluntary Associations, thereby bolstering its role as a major player in local and regional life. *Envie d'Agir* pools initiatives taken by young people who, throughout France, compete to win an international financial grant that enables them to develop their projects in various fields, including socially responsible citizenship, the environment, efforts to inject vitality into and develop, local communities, solidarity and opening to Europe.

### At the Crédit Agricole Group level, other initiatives aim to help sick children.

Crédit Agricole S.A. is a privileged partner of *Rire Médecin*. After several years of sponsoring this association, which brings professional clowns into children's wards, it helped the *Chaîne de l'Espoir* build a hospital for mothers and their children in Kabul, which was completed in September 2005. Crédit Lyonnais, for its part, continues to support *Mécénat Chirurgie Cardiaque Enfants du Monde*, which brings foreign children to France for heart operations. Employees take part in the *Sahel Vert II* programme, with *Association de l'Eau pour le Sahel*, which was created in 1992 and is supported by some business units and their works councils. This development programme is defined by Crédit Agricole Solidarité Développement in partnership with the Eau Vive NGO.

## A strong attachment to cultural heritage

**For 25 years, the Crédit Agricole Pays de France Foundation** has invested in several projects aimed at safeguarding and promoting the architectural, cultural and natural assets of regions. In 2005, 53 projects were financed, and this aid exceeded €1 million.

**Granted the status of “leading sponsor” by the Ministry of Culture and Communication**, Crédit Agricole S.A. also finances numerous cultural development projects. It places the priority on the quality of artistic creation and making it available to children, and ongoing shared efforts with its personnel.

**In arts and crafts**, Crédit Agricole S.A. continues to sponsor *Amis du Livre Contemporain*, an association that publishes art books and uses the contribution of typographers, lithographers and bookbinders.

**As the Guimet Museum’s largest sponsor for 15 years**, Crédit Agricole S.A. has continued its policy of acquiring works of art to enhance the museum’s collections. Crédit Agricole S.A. also takes part in promoting these collections to the general public by providing funding for exhibitions and developing educational tools for children.

**As a sponsor of the Louvre Museum, Crédit Agricole S.A.** provided financing in 2005 for *Romanesque France*, a comprehensive

“ Local roots, international influence, a love of French cultural heritage: with these shared values, the idea of a partnership between Crédit Agricole and the Louvre Museum seemed to be an obvious choice. We worked together on a common endeavour, the *Romanesque France* exhibition. Together, we have given the public an opportunity to rediscover the glory of French Romanesque treasures.”



**Henri Loyrette**,  
President of the Louvre Museum  
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exhibition of Romanesque art that enjoyed exceptional success, with more than 200,000 French and foreign visitors and record sales of catalogues and albums. Crédit Lyonnais is also promoting cultural heritage through the use of technology and helped set up the Louvre’s new internet site, which came on line in June 2005.

## Crédit Agricole S.A. is also interested in promoting foreign cultural heritage.

It contributed to the renovation of rooms dedicated to French art in the State Hermitage Museum in St. Petersburg, which was opened to the public in June 2005.

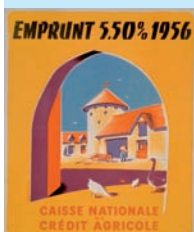
**In music, Crédit Agricole S.A.** backs productions that combine quality and a spirit of innovation. Crédit Agricole S.A. is the main sponsor of the Châtelet Theatre and this year, it is helping to finance the Mariinski Theatre’s new Russian season. Every year, Crédit Agricole S.A., alongside Crédit Agricole Alpes Provence, sponsors the production of a Mozart work at the Aix-en-Provence Festival: in 2005, it was *Così fan Tutte*, directed by Patrice Chéreau. Lastly, Crédit Agricole Asset Management has maintained its commitment to the Radio France Philharmonic Orchestra, conducted by Myung-Whun Chung.

In keeping with its policy of placing the priority on quality and a spirit of innovation, Crédit Agricole S.A. has decided to sponsor the prestigious Comédie Française theatre, which is taking an innovative approach to staging the plays in its repertory.

## Economic history

Since 2005, Crédit Agricole S.A. has brought together the economic archives of Crédit Agricole S.A., Crédit Lyonnais and the former Indosuez bank in a dedicated Archives department. These documents, as well as a library specialised in banking and financial history, are made available free of charge to French and foreign researchers. Through

its membership in research groups and its participation in symposia, the department also helps promote research on economic history.



GRI guideline	GRI Indicator		NRE Act/ Decree	Page number
	Completed	Partly completed		
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Reporting entity's vision and strategy with regard to its contribution to sustainable development	1.1			p.53
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Governance Structure and Management Systems				
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Strategy and management systems - Precautionary approach - Externally developed initiatives (charters, principles, etc.) - Management strategy and systems	3.13 to 3.20 3.13 3.14 to 3.15 3.16 to 3.20		3.5  3.6	pp. 60-61, 67  pp. 53, 60-61, 70 pp. 53, 59, 67, 72-74
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Direct impacts				
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Statistics			F13	Shelf-registration Doc



GRI Guideline	GRI Indicator		NRE Act/Decree	Page number
	Completed	Partly completed		
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<b>Labour Practices and Decent Work</b>				
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<b>Human Rights</b>				
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The table shows GRI indicators that have been completely and partially completed (principles and indicators and 2002 Financial Services Sector Supplement) and NRE Act indicators.

Other indicators that do not apply to Crédit Agricole S.A.'s operations have not been completed:

GRI indicators EN 2, 4, 6 through 16 (except 11); 23 through 35 (except 27);

Sections 3.4, 3.7 and 3.8 of the NRE Act.

We are currently not in a position to complete the following GRI indicators: EC 4, 5, 11, F 6, 8, LA 2-4, 8, 12-14, HR 3, 9, 10, SO 1, 3, 5, 7, PR 2-4, 7, 9-11.

GRI: Global Reporting Initiative

NRE: Loi sur les Nouvelles Régulations Economiques (New Economic Regulations Act)

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## Cris Naboulet

Cris Naboulet's work, a blend of figurative and abstract, is colourful yet discreet, with key inspirations including nature, wilderness and nudes. This highly-rated artist has earned many accolades, and made a strong impression at Drouot in 2004.

Ms Naboulet exhibits in several galleries in Paris and other French cities, and takes part in the *Salon des Indépendants* and *Orangerie de Sceaux* events.

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