



# business REVIEW 2006



CRÉDIT AGRICOLE S.A.

# The Crédit Agricole Group

**No. 1**

banking  
group  
in France  
with 28% of the  
consumer market

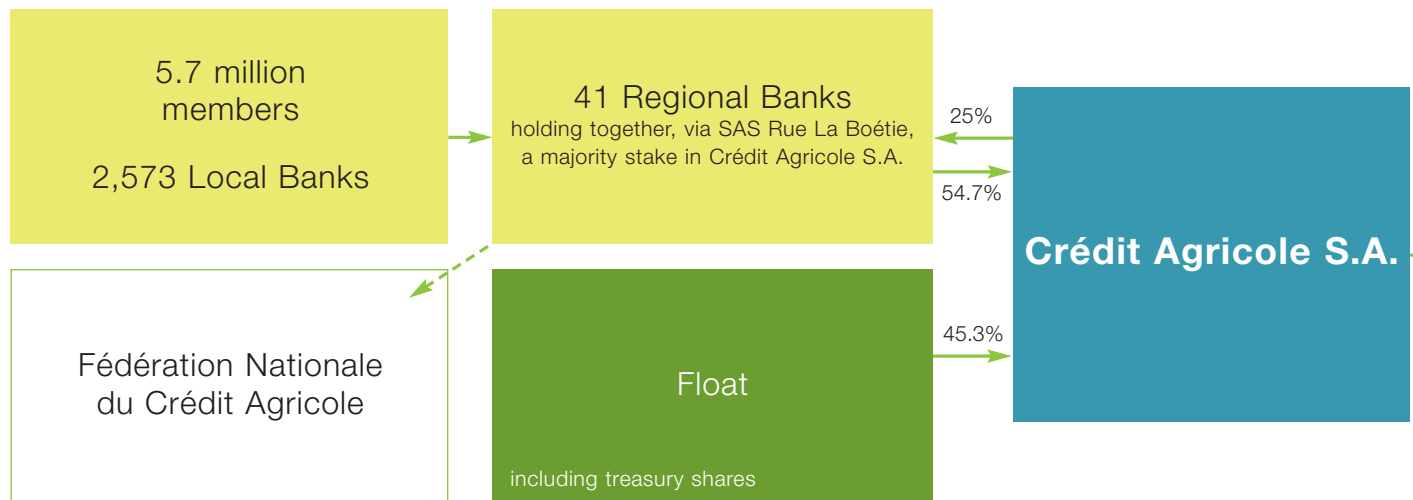
**No. 1**

banking  
group in Europe  
in terms of retail  
banking revenues

**No. 6**

banking  
group  
worldwide  
in terms of shareholders' equity  
(Source: *The Banker*)

At 31/12/06



## 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 also No. 1 in Europe in terms of the number of customers holding current accounts and retail banking revenues and No. 2 in Europe and No. 6 worldwide in terms of shareholders' equity.

Crédit Agricole S.A. is responsible for ensuring a consistent development strategy and financial unity throughout the Crédit Agricole group.

Crédit Agricole S.A. pursues a strategy of sustainable, profitable growth through a unified approach between the Regional Banks and the Group's specialist business line subsidiaries.

### 41 REGIONAL BANKS



## 2006 DATA

### Crédit Agricole Group

### Crédit Agricole S.A.

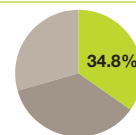
Net banking income	€29.2 billion	€16.2 billion
Net income, Group share	€7.2 billion	€4.9 billion
Shareholders' equity, Group share	€58.7 billion	€35.1 billion
Employees (full-time equivalents)	157,000*	77,000

\* including the acquisition of Italian banking networks at the beginning of 2007

Contribution to net income – Group share\*

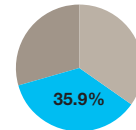
#### RETAIL BANKING

- Crédit Agricole Regional Banks (25% of each Regional Bank except for Corse)
- LCL
- International retail banking



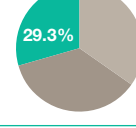
#### SPECIALISED BUSINESS LINES

- Specialised financial services: Sofinco, Finaref, Crédit Agricole Leasing, Eurofactor
- Asset management, insurance and private banking: CAAM, Predica, Pacifica, BGPI, Crédit Agricole (Suisse) S.A.



#### CORPORATE AND INVESTMENT BANKING

- Calyon



Specialised activities and subsidiaries: Private equity, Cedcam, Crédit Agricole Immobilier, Uni-Éditions

\*excluding Proprietary asset management and others

## PRESENCE IN MORE THAN 70 COUNTRIES

### NORTH AMERICA

Bahamas  
Canada  
United States :  
- Chicago  
- Dallas  
- Houston  
- Los Angeles  
- Miami  
- New York  
- San Francisco

### SOUTH AMERICA

Argentina  
Brazil  
Chile  
Colombia  
Mexico  
Uruguay  
Venezuela

### EUROPE

Albania  
Austria  
Belgium  
Bulgaria  
Czech Republic  
Cyprus  
Denmark  
Finland  
France  
Germany  
Greece

Ireland  
Italy  
Hungary  
Luxembourg  
Monaco  
Norway  
The Netherlands  
Poland  
Portugal  
Romania

### AFRICA

Algeria  
Tunisia  
Morocco  
Cameroon  
Congo  
Côte d'Ivoire  
Djibouti  
Gabon  
Madagascar  
Senegal  
South Africa

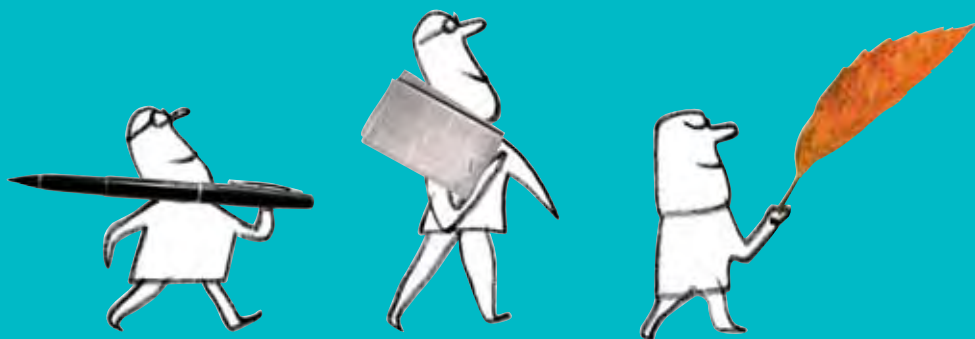
Russia  
- Moscow  
- Saint Petersburg  
Serbia  
Slovakia  
Spain  
Sweden  
Switzerland  
Ukraine  
United Kingdom

### MIDDLE-EAST

Bahrain  
Egypt  
Iran  
Israel  
Kazakhstan  
Lebanon  
Libya  
Saudi Arabia  
Turkey  
United Arab Emirates  
Yemen

### ASIA/PACIFIC

Australia  
China  
- Beijing  
- Guangzhou  
- Shanghai  
- Shenzhen  
- Tianjin  
- Xiamen  
Hong Kong  
India  
- Ahmedabad  
- Bangalore  
- Chennai  
- Delhi  
- Mumbai  
- Pune  
Indonesia  
Japan  
- Osaka  
- Tokyo  
Malaysia  
Philippines  
Singapore  
South Korea  
Taiwan  
Thailand  
Vietnam



Our élan, our strength,  
winning spirit and the desire to innovate.



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# PROFILE

A large, stylized white letter 'W' is positioned on the left side of the page, set against a solid green background. The 'W' is composed of three vertical strokes, with the middle stroke being slightly taller and wider than the two flanking strokes.

With the Regional Banks, 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. Calyon, its

corporate and investment banking subsidiary, is one of Europe's leading companies in this sector. Its international presence allows it to work with major corporate customers throughout the world. In line with its commitment to sustained profitable growth, Crédit Agricole S.A. has a balanced, diversified and high-potential business model. It has two main objectives: to strengthen the Crédit Agricole Group's leading positions in France and develop the international acquisitions made in 2006. The Group has a decentralised organisation, and its development is based on shared values of cohesion, openness and responsibility.









# 2006 A YEAR OF CONQUESTS

<< In accordance with the 2006-2008 strategic development plan presented in late 2005, the Group focused on its two main objectives: strengthening its market-leading positions in France and developing its international activities. It was a year of conquests, combining **organic growth and acquisitions** at a rapid rate.>>

# MESSAGE FROM THE CHAIRMAN

2006 was an eventful year for Crédit Agricole S.A. In accordance with the 2006-2008 strategic development plan presented in late 2005, the Group focused on its two main objectives: strengthening its market-leading positions in France and developing its international activities. It was a year of conquests, combining organic growth and acquisitions at a rapid rate.

## Investments in the future

Major initiatives on a commercial level accompanied the strong momentum of French retail banking: the Regional Banks continued to pursue their strategy of product innovations ensuring long-standing relations, and LCL asserted its position while also restructuring its commercial organisation. Sharing of production resources was initiated in order to improve productivity. Offerings were enhanced in the Group's specialist business lines. Corporate and investment banking maintained its development strategy based on a broad product offering, an extensive international network and a policy of gradual and regular investment.

At the same time, the Group reinforced the foundations for its growth outside France. Following the acquisition of Emporiki – Greece's fourth-largest bank – and Cariparma and FriulAdria in Italy, the Group now controls four major retail banking networks in three European countries. Significant international expansion was also seen in other activities, spurred on by two acquisitions – in insurance with BES in Portugal and in car finance in 13 countries in partnership with Fiat.

In 2006, the Group balanced out the geographical breakdown of its revenues significantly. International activities now

account for 42% of revenues compared with 35% a year ago. With the acquisition of over 660 branches in Italy, effective as of early 2007, the Group has the means to attain its target of generating 50% of net banking income outside France.

## Sharp increase in performance

At €4,920 million, net profit – Group share moved up 26.4% compared with 2005. In a generally buoyant global market, this performance reflects strong growth in all of our business lines. It also reflects significant improvement of our operating performance with an improvement of nearly 3 points in the cost-income ratio, and a growth of 28.8% of our gross operating income. Finally, it reflects a sharp increase in return on equity to 17.0%, up from 15.8% in 2005.

These results confirm the characteristics of our business model: a balance between businesses, a high level of recurring revenues, industry expertise and a now solid international expansion.

The Crédit Agricole model is not only robust, given the diversity of its activities, but also presents considerable growth potential. The effects of the numerous growth drivers brought into play in 2006 should begin to be seen in the coming months. In all business lines, measures have been taken to maintain the Group's development and enhance its performance in line with the 2006-2008 strategic development plan.

## Concrete advances supporting our values

At the same time as developing and enlarging the scope of our activities, we strive to disseminate the values upon which Crédit Agricole has been built. Unified and decentralised, our Group is careful to protect the cultural specificities of each of its entities,



## RENÉ CARRON /// CHAIRMAN

“Unified and decentralised, our Group is careful to protect the cultural specificities of each of its entities, while also capitalising on its strengths as a market leader in France and Europe, within the framework of its enlarged scope of activities.”

# AND THE CHIEF EXECUTIVE OFFICER

while also capitalising on its strengths as the leading retail bank in France, the historic banking partner of French farmers and one of the world's foremost mutual banking groups.

Efforts to take into account the direct and indirect impact of our activities on the environment – a key issue in 2006 – have been stepped up considerably. In the light of the results of the carbon balance assessment carried out in 2006, priority targets have been set for reducing carbon dioxide emissions, accompanied by training of working groups in charge of transport, energy and raw materials matters. As regards the indirect impact of our activities, Cr dit Agricole has developed customer incentives by launching environmentally-friendly financial products.

Faced with the increased diversity of our activities and offices, our vision of our corporate responsibility is evolving. This vision should be expressed as close as possible to the field and in each of our business lines, in order to take account of the expectations of all those involved. The answer to these expectations will structure the roll-out of the Group's sustainable development procedures in the coming years, resulting in the definition of a plan of action for each entity.

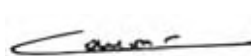
## **A useful profile for useful development, remaining loyal to our commitments**

Since Cr dit Agricole S.A. floated on the stock market five years ago, our revenues have been multiplied by 2.6 and net profit – Group share by 3.3. As a result of the escalation in our share price and the increase in dividends paid, shareholders who invested at the time of the IPO have benefited from an average return of 18% a year. At the general shareholders' meeting, we will propose a further significant increase

in the dividend of 23.4% to €1.15 per share. Taking account of the capital increase in January 2007, this represents an increase of 35% in the proportion of earnings distributed to shareholders.

Within five years, we have considerably enhanced our business profile and our results confirm the validity of the choices we have made. Following the successful integration of Cr dit Lyonnais, the speeding up of implementation of the main strategic directions set out in the 2006-2008 development plan will enable the Group to achieve most of its objectives in one year. With a four-fold increase in the number of branches and a three-fold increase in the number of customers outside France, our international expansion is gaining pace in accordance with our priorities in terms of sectors and regions. In France, Cr dit Agricole is still the No. 1 employer and No. 1 recruiter in the banking sector, with 7,500 new hires in 2006.

As part of its wider scope of activities, Cr dit Agricole remains committed to the values of its mutual banking roots, paying close attention to the areas in which it operates. It combines economic efficiency and long-term responsibility in order to ensure development that serves its employees, its customers and its shareholders.



Ren  Carron



Georges Pauget

## **GEORGES PAUGET /// CHIEF EXECUTIVE OFFICER**

**“Our results confirm the characteristics of our business model: a balance between businesses, a high level of recurring revenues, industry expertise and solid international expansion.”**



# 2006: A YEAR

Crédit Agricole S.A. continued to move towards the strategic goals set out in its 2006-2008 development plan, at a stepped-up pace. 2006 was a year of conquests. Underpinned by a dynamic policy of innovation, the Group made major advances across all business lines. Abroad, the Group met its development plan goals in just one year, through active, targeted acquisition.

## Rapid, targeted expansion abroad

### Retail banking in Egypt



**5 January:** Crédit Agricole announces the acquisition of a controlling interest in EAB, the third largest privately-owned retail banking network in Egypt.  
**1<sup>st</sup> September 2006:** Crédit Agricole Egypt is created following the merger of EAB with Calyon Egypt.

### Retail banking in Ukraine



**24 March:** Crédit Agricole announces the acquisition of Index Bank, with some 210,000 retail customers and 20,000 corporate and institutional clients.  
**1<sup>st</sup> September:** acquisition completed, integration begins.

### Capital markets activities in Austria

**7 February:** Calyon acquires 100% of Omicron Invest Management GmbH, a fully licensed CDO management company based in Austria, with €1.5 billion assets.

### Bancassurance in Portugal

**20 February:** Crédit Agricole S.A. strengthens its partnership with Espírito Santo Financial Group by acquiring a 50% stake and taking control over the management of ESFG's life and non-life bancassurance subsidiaries in Portugal. BES Vida is No. 3 in life insurance in Portugal, with a 17.6% market share. BES Seguros is one of the top ten insurance companies in Portugal.



**94%** | of the acquired entities' net banking income in the euro zone

**42%** | of net banking income derived from abroad in 2006



# OF CONQUESTS



## Retail banking in Greece



**4 July:** Crédit Agricole S.A. launches a cash offer for Emporiki Bank, Greece's fourth largest bank, in which it already owned a 9% interest.

**16 August:** Crédit Agricole S.A.'s bid for Emporiki is successful; it secures a 72% stake.

**15 September:** the *Joining Forces* development project is launched.

**20 October:** Anthony Crontiras is appointed as the new CEO.

## Consumer finance in Europe

**6 February:** Finaref and Alpha Crédit (Fortis Group) create Finalia, a jointly-owned consumer finance company in Belgium.

**24 July:** European partnership with the Fiat Group announced. A 50/50 joint venture will handle dealer financing, leasing and fleet management for Fiat Auto dealers, as well as retail auto financing. The joint venture operates in thirteen European countries with total assets of €13 billion.

**28 December:** the agreement is finalised. Sofinco acquires 50% of Fiat Auto Financial Services.



## Retail banking in Italy



**11 October:** acquisition of a branch network in Italy, in the framework of the merger of Banca Intesa and San Paolo Imi. Crédit Agricole acquires control of the Cariparma and FriulAdria banks and buys over 200 Banca Intesa branches. The network will comprise over 660 branches, nearly 90% of which are located in Northern Italy, in the country's wealthiest, fastest-growing regions. The deal will be completed during the first quarter of 2007.

## Retail banking in Serbia



**September:** Crédit Agricole S.A. increases its stake in Meridian Bank to 100%, after acquiring 71% of the bank in 2005.

## Developments in the USA

**12 September:** the Crédit Agricole S.A. obtains Financial Holding Company status, allowing it to develop its operations in the United States, in particular in sectors peripheral to strictly banking operations.

**19 September:** CASAM acquires Ursa Share capital LLC, which specialises in alternative management accounts. The company has been renamed CASAM Americas. In the USA, CASAM now has a fully operational, integrated company with two registered management advisory services subsidiaries.

**3.3**  
MILLION

individual and business  
customers, in the banks  
acquired in 2006

**1,500**  
BRANCHES

acquired  
during the year



The leading recruiter in the French banking sector with 7,500 new hires in 2006, the Crédit Agricole S.A. is launching a new advertising campaign.

## Strengthening leadership in retail banking in France through active innovation

**“Une relation durable, ça change la vie”  
 (“A lasting relationship makes a big difference”)**

Throughout the year, Crédit Agricole launched new offerings reflecting the Group’s determination to be a trusted partner to all customers - individuals, small businesses, farmers, companies and local authorities - in good times and in bad.



### January

Two innovative savings products, Atout Vivactions and CodeBis.



### March

Housing assistance with Good Loc’, Prêts Verts 1<sup>er</sup> Achat, etc.

### April May

Environmental range: twelve products and services for personal and small business customers and farmers. A range of dedicated solutions and Prêt Repreneur for self-employed professionals and small businesses.



### June

Key solutions for young people entering the workforce, to help them move into their own home, keep to their budget and save.

### September

“Quand le Crédit Agricole assure, c’est rassurant !” (It’s reassuring to be insured by Crédit Agricole!)

The innovative insurance range includes a death and disability insurance review, private health insurance with an Alternative Medicine option, long-term care insurance and Car Breakdown insurance.



**26**

MILLION

retail banking customers  
in France

**28%**

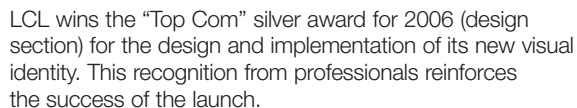
of the retail market in France,  
with the Regional Banks and LCL  
(source: Banque de France)





## January

## February



## March

## July



Crédit Agricole wins the 2006 Corbeille d'Or award. This prize is recognition for the performance posted over a year by the bank's entire range of mutual funds, which ranked first among all French retail banks.

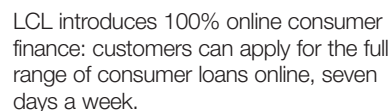


LCL continued to assert its consumer-centric position, with the development of innovative product offerings paired with real commitments to customers, such as four-day loan approval for small businesses, banking for one euro a day for students, etc.

## October

June

Eurofactor unveils three commercial brands, each dedicated to a specific network of business providers, and enhances its range with the launch of Eurofactor Alliance.



Finaref innovates in remote selling of financial products with the electronic signature. This is a new stage in paperless transactions, which facilitates information flows without security risks.



## November

Sofinco launches ReceiveAndPay, the new online payment system, with Fia-Net.

MILLION

in insurance  
in France

**with Pacifica and Predica**  
(source: FFSA)

## CONDENSED INCOME STATEMENT

## FRENCH GAAP

## IFRS

(In € millions)	2002 pro forma	2003 pro forma	2004	2004*	2005	2006
Net banking income	11,659	12,721	12,513	12,107	13,693	16,187
Gross operating income	2,959	3,832**	3,761**	3,528**	4,527**	5,832
Risk-related costs	(770)	(1,121)	(576)	(575)	(643)	(612)
Equity affiliates	474	856	1,113	1,169	1,490	1,671
Integration-related costs	-	(513)	(349)	(552)	(219)	-
Net income	1,421	1,493	2,507	2,798	4,249	5,319
Net income – Group share	1,246	1,140	2,203	2,501	3,891	4,920

## BUSINESS OPERATIONS

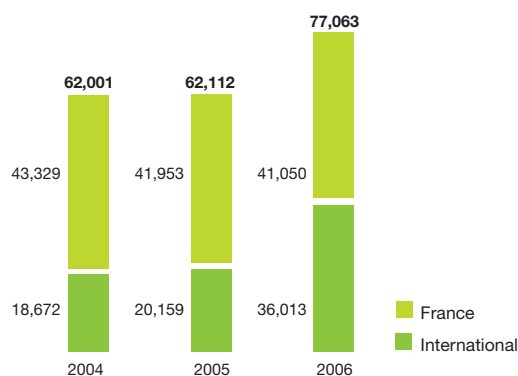
(In € billions)	31/12/02	31/12/03	31/12/04	31/12/04*	31/12/05	31/12/06
Total assets	756.5	786.0	815.3	933.3	1,061.4	1,261.3
Gross loans	272.2	262.2	259.1	209.3	261.4	336.3
Customer assets	374.7	388.3	406.2	391.0	416.5	513.6
Assets under management (asset management, insurance and private banking)	343.5	379.8	406.7	406.7	562.7	636.9

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

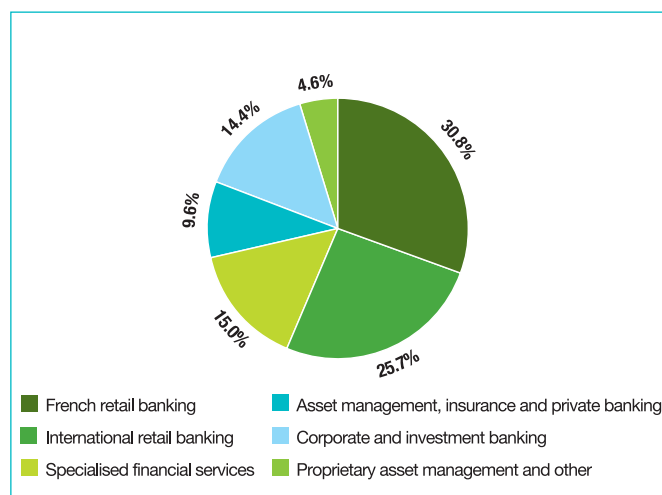
\*\* Before integration-related costs

## HEADCOUNT

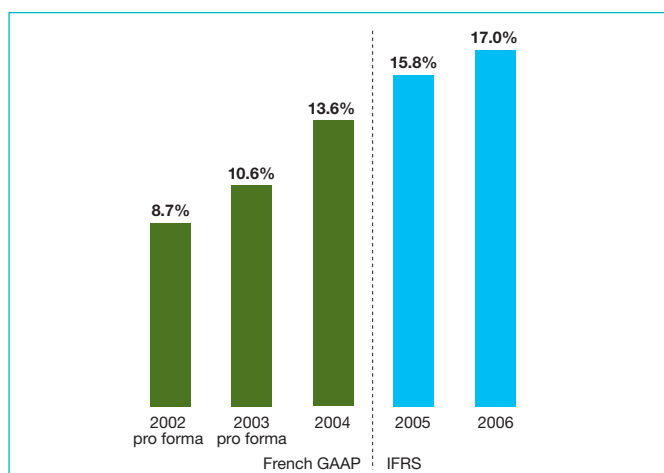
(In full-time equivalents, at 31.12)



## BREAKDOWN OF HEADCOUNT BY BUSINESS LINE



## RETURN ON EQUITY (ROE)



## RATINGS

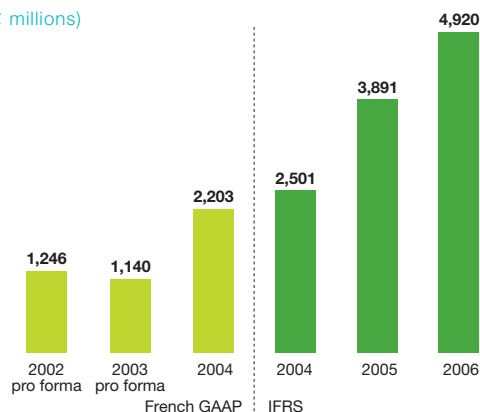
RATING AGENCY	SHORT-TERM	LONG-TERM	OUTLOOK
Moody's	P1	Aa2	stable
Standard and Poor's	A1+	AA-	positive
FitchRatings	F1+	AA	stable

# KEY FIGURES



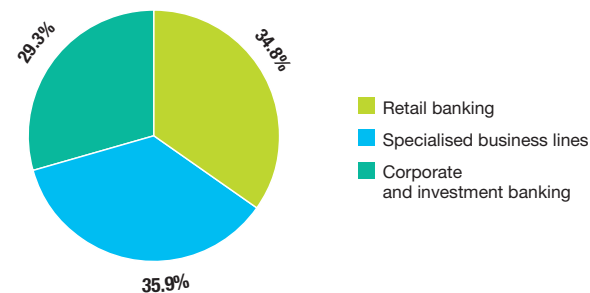
## NET INCOME GROUP SHARE

(In € millions)



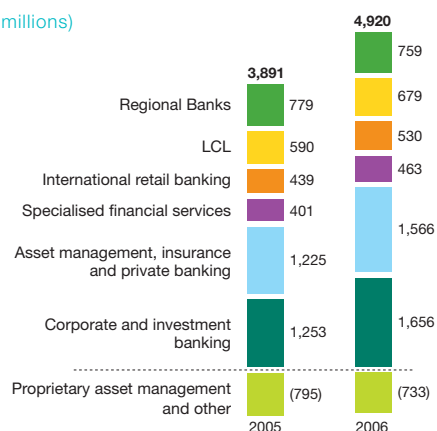
## A BALANCED AND DIVERSIFIED MODEL

Business lines' contribution to net income - Group share, excluding proprietary asset management and other



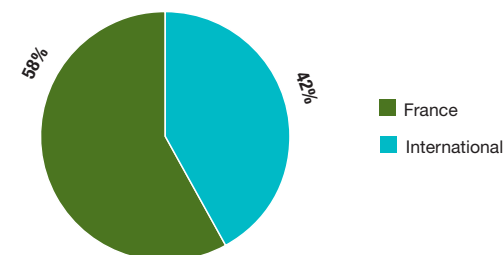
## BUSINESS LINES' CONTRIBUTION TO NET INCOME - GROUP SHARE

(In € millions)



## A SIGNIFICANT GEOGRAPHICAL REBALANCE

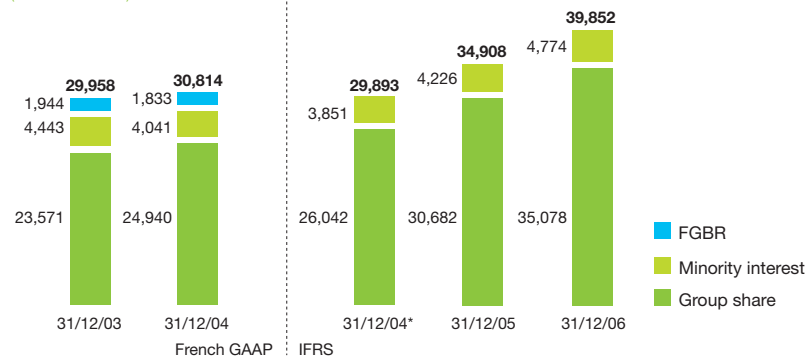
Net banking income (management accounts)



## FINANCIAL STRUCTURE

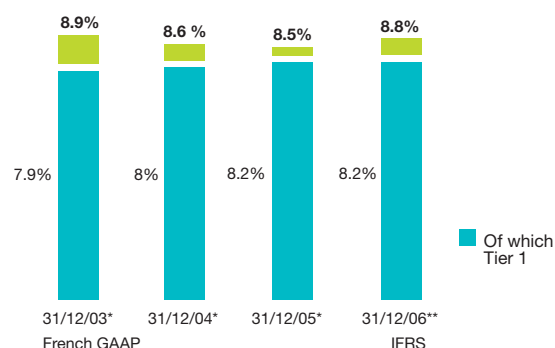
### SHAREHOLDERS' EQUITY

(In € millions)



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

### SOLVENCY RATIO



\* International solvency ratio

\*\* CAD Ratio

# STOCK MARKET

## SHARE DATA

	31/12/2002	31/12/2003	31/12/2004	31/12/2005	31/12/2006
Number of shares in issue	972,209,899	1,473,522,437	1,473,522,437	1,497,322,301	1,497,322,301
Market capitalisation (€ billions)	13.98	27.9	32.7	39.8	46.9*
Net dividend per share (in €)	0.54*	0.54*	0.65*	0.92*	1.15**
Year's high and low (in €)*					
High	24.30	18.65	23.42	26.90	35.57
Low	14.01	12.45	18.68	19.69	26.22
Latest	14.15	18.63	21.84	26.18	31.35

\* Adjusted figures linked to January 2007 capital increase.

\*\* Subject to approval at the AGM on 23 May 2007.

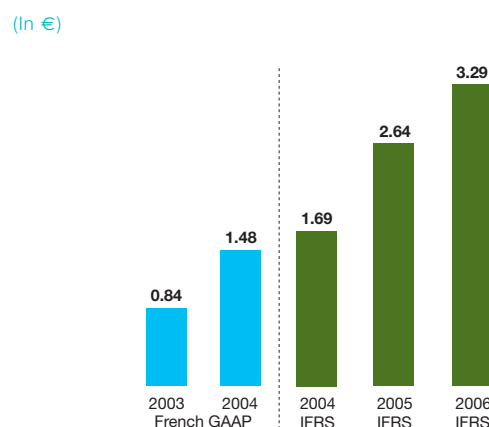
A €4 billion capital increase with preferential subscription rights was carried out between 4 and 23 January 2007. Subscription for new shares was at a price of €26.75 on the basis of one new share for ten existing shares. A total of 149,732,230 new shares were created, carrying rights to dividends with effect from 1 January 2006. At the settlement and delivery date of 6 February, the Group's share capital comprised 1,647,054,531 shares, with a market capitalisation of €54.7 billion.

## SHARE PRICE PERFORMANCE

In 2006, there were four distinct phases to the stock's performance. After rising steadily up to mid-May, the share price fell sharply before reaching a record level of €36.15 on 5 October. Following a short period of decline, the share price stabilised at around €31, closing at €31.35 at the end of December, an increase of 19.73% over the year, outperforming the CAC 40 index which moved up 17.53%.

Since Crédit Agricole S.A.'s IPO on 14 December 2001, the share price has risen by 89%, a strong performance compared with the CAC 40 (increase of 28%).

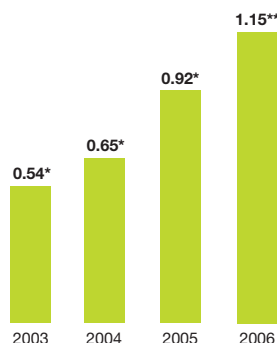
## EARNING PER SHARE\*



\* Adjusted figures linked to January 2007 capital increase.

## NET DIVIDEND PER SHARE

(In €, excluding tax credit)

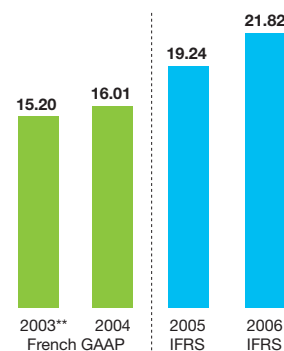


\* Adjusted figures linked to January 2007 capital increase.

\*\* Subject to approval at the AGM on 23 May 2007.

## BOOK VALUE PER SHARE\*

(In €)

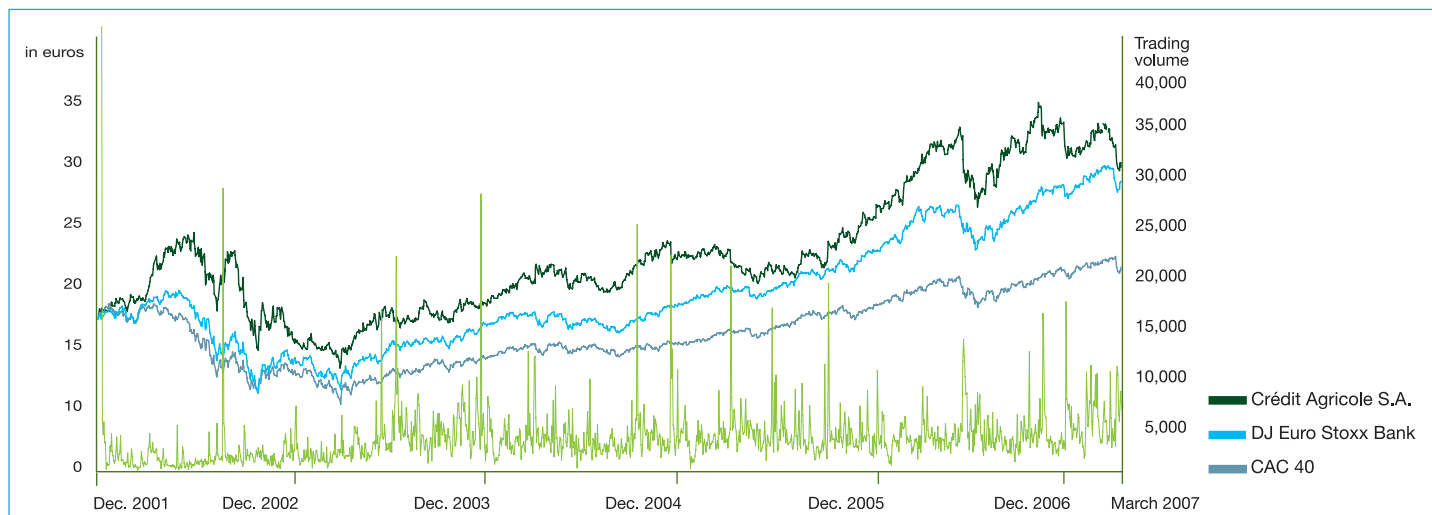


\* Adjusted figures linked to January 2007 capital increase.

\*\* Pro forma.

# DATA

## CRÉDIT AGRICOLE S.A. SHARES



## TOTAL SHAREHOLDER RETURN

(at 31.12.2006)

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 return, at end-06, of 18.2% by year.

### Holding period

1 year (2006)  
2 years (2005 - 2006)  
3 years (2004 - 2006)  
4 years (2003 - 2006)  
5 years (2002 - 2006)  
Since 14 December 2001\*

### Cumulative gross return

20.4 %  
47.3 %  
82.9 %  
151.4 %  
116.7 %  
131.0 %

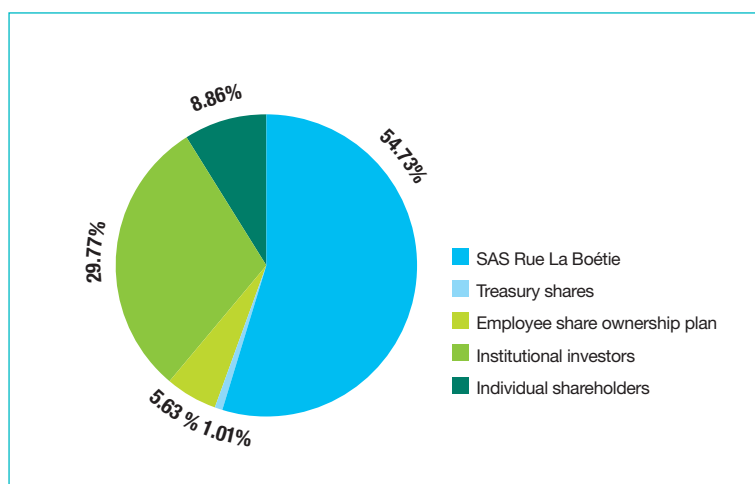
### Average annualised return

20.4 %  
21.4 %  
22.3 %  
25.9 %  
16.7 %  
18.2 %

\* 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 investment (IPO on 14 December 2001 or beginning of the year in other cases), with gross dividends reinvested (including the tax credit until 2005 in respect of 2004, representing 50% of dividends paid). Valuations are based on the closing price on the day of investment. It assumes that investors ceded their preferential subscription rights and reinvested the proceeds in the rights issue at the end of October 2003. All figures are before tax.

## OWNERSHIP STRUCTURE AT 31 DECEMBER 2006



## 2007 FINANCIAL CALENDAR

**7 March** 2006 annual results  
**16 May** 2007 first quarter results  
**23 May** Annual General Meeting in Paris  
**30 August** 2007 half-year results  
**14 November** 2007 nine-month results

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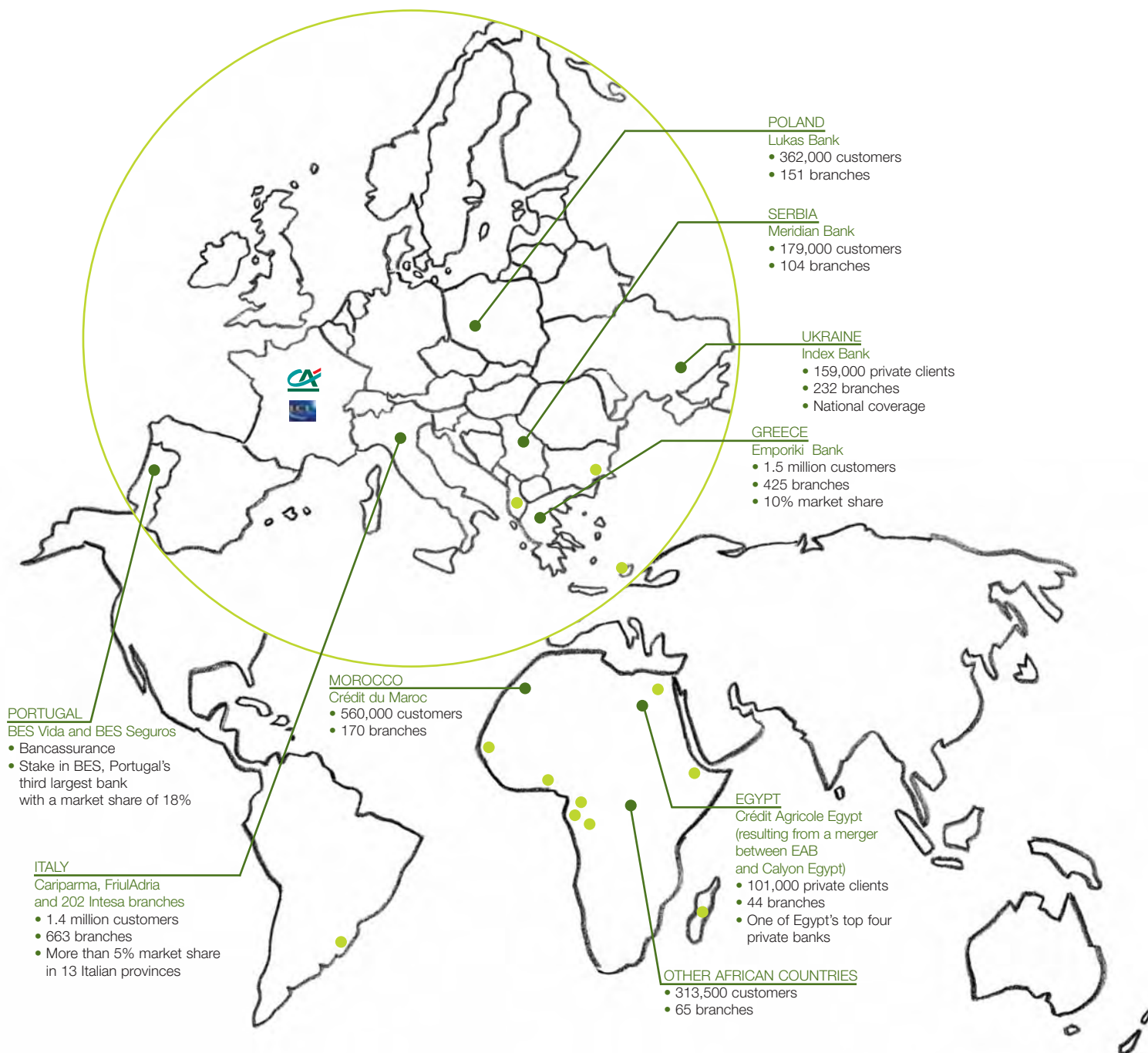
**RETAIL BANKING  
SPECIALISED  
BUSINESS LINES  
CORPORATE AND  
INVESTMENT BANKING**





# PANORAMA OF OUR BUSINESS LINES

<< The effects of the numerous growth drivers brought into play in 2006 should begin to be seen in the coming months. In all business lines, measures have been taken to maintain the Group's development and enhance its performance **in line with the 2006-2008 strategic development plan.**>>



Albania	Cyprus	Italy	Senegal
Bulgaria	Djibouti	Madagascar	Serbia
Cameroon	Egypt	Morocco	Ukraine
Congo	Gabon	Poland	Uruguay
Côte d'Ivoire	Greece	Romania	

**11,000**  
branches

**31**

million customers worldwide



**3**

domestic markets

## RETAIL BANKING

**20 million customers**  
**7,160 branches, 7,500 in-store cashpoints**  
**France's leading retail bank with**  
**a 24% share of all households' deposits**  
**and 22% of loans**

**6 million customers**  
**1,970 branches,**  
**including 50% in towns**  
**with over 200,000 inhabitants**

**4.7 million**  
**customers**  
**1,900 branches**

### CRÉDIT AGRICOLE REGIONAL BANKS

The Crédit Agricole Regional Banks are co-operative entities and fully-fledged banks. They provide a full range of banking and financial products and services to personal customers, farmers, small businesses, companies and local authorities. Crédit Agricole S.A. owns a 25% stake in each Regional Bank (excluding the Regional Bank in Corsica).

### LCL

LCL, which has operated under its new brand name since August 2005, is the only domestic branch-based bank in France to focus exclusively on retail banking for personal and business customers.

### INTERNATIONAL RETAIL BANKING

The Group significantly increased its international retail banking presence in 2006. Following developments in Egypt, Portugal and Ukraine, it has achieved major acquisitions in Greece and Italy.



## FRENCH RETAIL BANKING - REGIONAL BANKS

Having adopted a position based on lasting relationships in mid-2005, the Regional Banks mobilised themselves throughout 2006.

Their policy of ongoing innovation focuses on utility and adapting to the new needs of consumers.

### STRATEGIC OBJECTIVES

A clearly defined desire to win new customers, made formal at the congress in Tours in October 2004:

- 1 in 3 people in France;
  - 1 in 4 people in urban areas;
  - 1 in 3 young people;
- customers in 2014.

### THE REGIONAL BANKS IN 2006

- No. 1 retail bank in France with market share of 23% in personal banking
- 41 Regional Banks (39 following the two mergers planned for 2007)
- 7,160 branches, 7,500 “points verts” set up with local shopkeepers
- 12.7 million bank cards
- 20 million customers
- 73,000 employees, including more than two-third in the branch network.

## Regional Banks' income

(in € billions)	2004	2005	2006
Customer assets*	427	457	485
Customer loans*	243	268	296
(in € millions)			
Net banking income*	11,506	12,181	12,842
Operating income*	4,235	4,857	5,167
Contribution to Crédit Agricole S.A.'s net income**	670	778	759

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

\*\* Crédit Agricole S.A. holds 25% of each of the Regional Banks, except for Caisse régionale de la Corse

## No. 1 retail bank in France

With 16 million sight deposit accounts, Crédit Agricole's Regional Banks are market leaders in personal banking in France, with a leading position in nearly all areas of retail banking: deposits, household demand deposits, mutual funds, life and non-life insurance, home loans. They also enjoy a leading position among farmers, small businesses, companies and local authorities.

**The planned mergers in 2007** of Caisse Régionale Brie-Picardie with Caisse Régionale de l'Oise and of Caisse Régionale du Midi with Caisse Régionale du Gard will result in the emergence of more solid and more competitive Regional Banks, able to offer customers the best service.

### Winning customers and fostering loyalty: lasting relationships.

With its new position, Crédit Agricole's aim is to support its customers at all stages of their life, through the good times and the bad, offering specific products for each different stage. Its policy of ongoing innovation targets all of its customers - personal customers, small businesses and companies, farmers and local authorities. In parallel, the integration of new distribution channels into its sales procedures has been adapted to new consumer behaviour.

## Personal banking

### An innovative and different bank

**In record time since adopting its new positioning**, seven product innovations have been launched, making Crédit Agricole stand out from the rest of the market. It has also initiated a new customer relations approach, developed within the framework of the nationwide project, attesting to the Regional Banks' commitment to social responsibility (see p.25).

### Innovations recognised by commercial success

The Group has enjoyed real success with its bank cards: a total of 326,500 "L'autre carte" cards - which offer essential services - had been sold to end-December, with a 34% increase in Gold Mastercard cards thanks to the "Bonus Gold" card, which rewards customers for their loyalty.

New products for young people and children - winning new child customers - also performed well, with the Group conquering 29% of the market with Mozaïc Micro and 33% with Mozaïc Permis. The number of Tiwi passbook accounts increased by 13% to 1.7 million at end-December 2006.

## TO SUPPORT CUSTOMERS WITH SPECIFIC PRODUCTS FOR EACH DIFFERENT STAGE





## Home loans: tailor-made services for customers

**In home loans**, Crédit Agricole offers one of the most extensive and competitive range of products on the market. Its market share stood at 23.1% at the end of 2006.

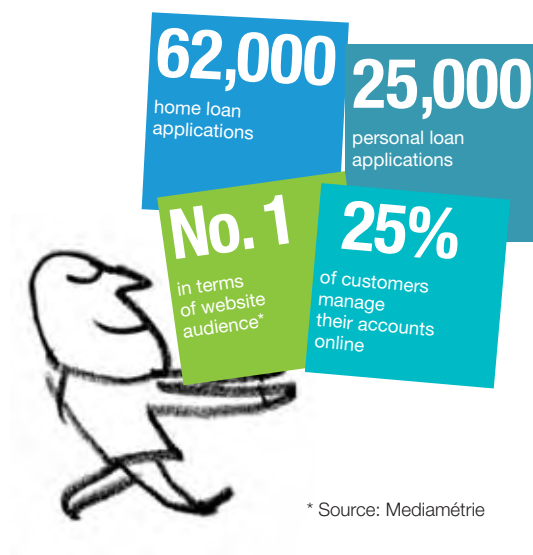
To help first-time buyers with modest incomes, Crédit Agricole offers loans of up to 100% of the property value. It also offers the new interest-free home loan. Finally, its “flexible” loan package allows for the adjustment of payment dates, enabling customers to manage their debt as various life events arise.

For tenants, Crédit Agricole has developed “Good Loc”, which helps people to pay for their deposit, guarantee and even moving costs.

**In order to increase the number of contacts** with prospective home loan customers, Crédit Agricole has signed a partnership agreement with “Seloger.com”, resulting in around 20,000 applications. With “Square Habitat”, Crédit Agricole has launched a national brand that positions the Group as a key player in the property transactions market. A total of 20 Regional Banks have set up their own property divisions, representing 285 branches and 1,400 employees. The Square Habitat website was launched in October 2006.

## 2006: a year of commercial development

**Business was robust** in the various segments thanks to the strong performance of the Group's networks and numerous new product launches.



**The savings and life insurance** offering has been reinforced with two new products: CodeBis, which offers attractive rates of interest for customers that have reached the maximum level for their Codevi account, and Atout Vivactions, which combines investment in European equities with an information process when the index passes certain thresholds. This has enabled the Group to increase its market share in the various segments.

**In non-life insurance**, the new guarantees offered (see box) have also allowed for improvement in market share, with overall growth in the portfolio of 10%.

**In everyday banking services**, the number of service accounts increased further to over 8.5 million.

**In lending activities**, with the new consumer loans on offer (car, personal, “comfort” and consolidation loans) and redeemable loans, consumer loan production increased by 8.4%. To accompany its sustainable development policy, Crédit Agricole launched the “sustainable energy loan”, which will be offered by all Regional Banks.

## DEVELOPMENT

### It's reassuring to be insured by Crédit Agricole!



A range of new insurance products was launched in 2006: buildings and contents insurance, with psychological support in the event of a claim and an option to extend manufacturer warranties

for household electronics; car breakdown insurance, which covers all types of breakdown with no excess or waiting period; Confort Plus, an option covering complementary medicines, and long-term care insurance, covering in particular the payment of contributions in the event of loss of independence.

## CONQUEST

### Key solutions for active young people

As young people starting out in life expect their bank to take better account of their needs, Crédit Agricole has launched “Nouvelle vie jeunes actifs”, a range of solutions to help them get off to a good start.





## Farmers

### Support from the No. 1 bancassurer for farmers

**With a long tradition as the banking partner to the farming community**, Crédit Agricole remains the uncontested leader of this market: 90% of farmers are business customers\*. It provides 73% of financing and nearly 80% of low-interest loans, particularly in helping young farmers to set themselves up. The Group has asserted its desire to meet farmers' needs to secure their income against the backdrop of extensive reforms in the Common Agricultural Policy (CAP).

#### Robust banking business

With loans of €5.7 billion in 2006, the production of loans to farmers increased by 3.7%. Crédit Agricole is still 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\*. With 60% market share\*, the Group is market leader in retirement savings products for farmers.

#### Development of the insurance business

With its network of 318 specialist salespeople, Crédit Agricole has continued to expand its non-life insurance business with the farming industry since 2002. The launch of innovative products such as personal accident insurance for small businesses resulted in a 36% increase in the number of insurance policies in 2006.

\* Source: IPSOS 2005

## Training in "Corporate banking for SMEs" with ESCP-EAP

The Group offers an extensive range of corporate banking services. 2006 saw the mobilisation of this area through the development of network training in partnership with IFCAM, the Crédit Agricole training institute, and ESCP-EAP. The aim is to train all account managers to enable them to provide value-added services on behalf of the Group's specialists.

## Small businesses

### The bank for the key moments of a business's life

**Maintaining its leading position in the small business market** with over 800,000 customers, a penetration rate of 26.6% in business needs and 29.1% in personal needs\*\*, Crédit Agricole's strong momentum is based on winning new customers and ensuring customer satisfaction. This is reflected by efforts to strengthen the presence of specialist spheres of expertise for small business customers in high density areas and to refocus on customers' core needs by rewarding their loyalty.

#### Innovative products and services to meet the specific needs of small business customers.

The business takeover loan, offered in partnership with SIAGI and the European Investment Fund, provides loans of up to €120,000 with no personal deposit or guarantee required. In partnership with Oseo, the Regional Banks granted 2,059 business start-up loans in 2006. In savings, the "Evolution 5" term deposit account launched in May has won nearly 25,000 customers. Bank cards for small businesses increased by 15% thanks to the "temps fort business" campaign.

\*\* Source: CSA Pépites 2006

## EXPERTISE

### The risk rebate account



is a professional savings account to cover the uncertainties of the farming industry while also benefiting from tax advantages. Outstandings of €56 million were recorded in 2006.

## INNOVATION

### "Prêt à Piloter"



is an innovative financing solution tailored to changes in business activity. In the framework of a single loan, it offers flexible instalments and payment holidays, depending

on the customer's revenues.

Launched in May by 34 Regional Banks, this loan has already attracted over 3,500 small business customers, representing around €100 million.

## Middle-market banking

### Becoming the No. 1 bank for corporate customers

**With branches dedicated to corporate customers,** Crédit Agricole enjoys close relationships with its customers. Crédit Agricole is well regarded by its corporate customers: the percentage of “very satisfied” customers amounts 30% in 2006, compared with 24% in 2004.

**The Regional Banks reported a strong performance in 2006,** with loans up 9.4%, money market inflows up 24% and international flows up 13%.

**The cross-selling of products of our specialised business lines** increased sharply, with a growth of 10% in equipment leasing, 14% growth in factoring contracts, 13% growth in unit trust outstandings, and an 80% increase in wealth management, boosted by business transmissions.

**Crédit Agricole continued to support companies in their international expansion** and enhanced its offering of tailor-made services for SMEs by signing a partnership agreement with Ubifrance.

## Public authorities and social housing

### The bank for French regions

**As the long-standing partner of local decision-makers,** Crédit Agricole provides one out of four loans to public authorities in France. 150 specialists look after relations with around 38,000 customers: local authorities, public healthcare establishments and social housing organisations. These local experts offer evolving solutions for public authorities of all sizes, with the support of specialist subsidiaries.

**As a forerunner in public private partnerships,** Crédit Agricole granted 6 long-term leases for hospitals and 73 police stations - 66 in application of LOPSI law and 7 long-term leases in application of 1988 law - at 31/12/06. Ever the pioneer, on 11 May 2006, the Group signed the first PPP contract for a school (construction, financing and maintenance).

**Through its long-term commitment to social housing,** providing financing for one in three social housing loans in France, Crédit Agricole is the No. 1 financier in the sector, excluding Caisse des Dépôts. The Group supports social housing organisations by providing dedicated placements and services.

### PROXIMITY

#### The leading bank for companies

150 business centres and  
670 business advisors serving  
47,000 customers



### INNOVATION

#### Crédit Agricole: a forerunner



Crédit Agricole is the first financial institution to have signed a PPP contract to finance a school

with 550 pupils in Villemandeur, Loiret. There is considerable potential for the development of public-private partnerships in the school sector, in which Crédit Agricole has set the example with this contract.

# SUSTAINABLE DEVELOPMENT AT THE REGIONAL BANKS

As suggested by its byline “*A long-standing relationship makes all the difference*”, listening to the customer and customer satisfaction are key considerations for Crédit Agricole: the customer must be able to choose the right product at the right time and the right price. Keen to support their customers through good times and bad, the Regional Banks are introducing innovative, local actions.

## The “New Customer Relationship” (NCR)

In 2006, the Regional Banks developed this concept as part of a national project, to promote their local relationship approach.

The concept aims to help customers perceive and understand Crédit Agricole's commitment through the quality and personalised nature of its services in areas such as reception, relationship management and clarity of communications.

The NCR approach is expected to produce its main results in 2007.

However, it already aims to:

- provide appropriate, tailored cash management solutions and take account of the customer's life path and loyalty when dealing with current accounts in debit. Based on a panel of 350,000 customers, actions were modelled and tested by five Regional Banks before full roll-out in 2007;



## TARGET 2010: 90% CUSTOMER SATISFACTION

Keen to achieve the target set at the Tours Congress in 2004, the Regional Banks regularly use a series of tools to track customer satisfaction:

- “qualitests” and surveys (regional weather forecasts), which questioned 600,000 customers in 21 Regional Banks in 2006 compared with 500,000 in 2005;
- a twice yearly national customer satisfaction barometer. In 2006, 85% of customers surveyed were satisfied or very satisfied. This score is equal to the banking sector average.

- simplify the inheritance process by supporting the heirs throughout probate. Twenty Regional Banks have already begun to introduce this approach;
- standardise responses given to customers when handling claims with a view to improving customer satisfaction.

## Prevent banking exclusion

As a universal mutual bank, Crédit Agricole aims to provide a service to all its customers, including the most underprivileged. 40% of the Regional Banks have introduced a support mechanism for these underprivileged customers, with three main goals: avoid disputes, listen and counsel, and help them through difficult times.

One of the Group's strengths lies in the Passerelle system, developed by several Regional Banks on the lines of the model first designed by the Nord-Est Regional Bank in 1997. Passerelle aims to nurse people back to financial health after a difficult life experience such as job loss, divorce, or death of a family member. It is a counselling and mediation service framed by banking and financial expertise, where employees and directors receive, counsel and support the customers concerned.

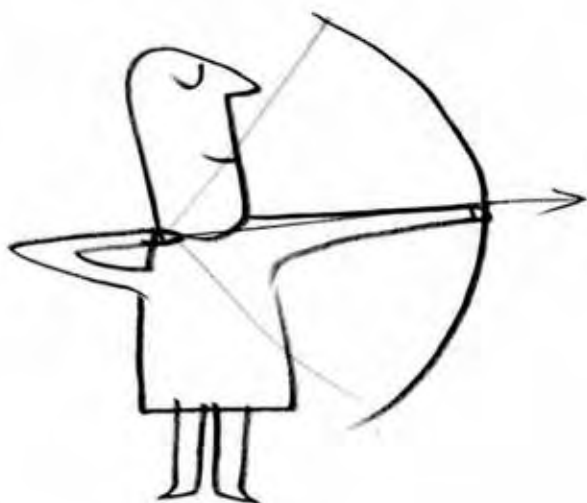
After the Dijon Congress in 2006, Crédit Agricole decided to extend this proven model to all the Regional Banks.

The nine Regional Banks that have successfully tried the Passerelle experience have had a success rate of 50% to 80%.

## PASSERELLE, A DIFFERENT APPROACH

Passerelle involves the directors, employees and retirees of Crédit Agricole, as well as other partners such as the social services, the national employment agency and reintegration associations. People are directed to Passerelle mainly by Crédit Agricole branches and by the network of directors. To benefit from this support, they must have a real commitment to solving their difficulties, which is crucial for the system to work properly.

# FRENCH RETAIL BANKING - LCL



LCL has taken the next step in its development: one year after its launch, the new brand has established itself and the commercial organisation implemented at the start of 2007 will support the bank's strategy of winning new customers.

## STRATEGIC OBJECTIVES

LCL is on track for achieving the objectives set in the context of the Crescendo plan:

- cost/income ratio of about 65% by the end of 2008 (71% at the end of 2005 and 68.3% at the end of 2006)
- growth in net banking income of at least 3% (4.3% in 2006)
- 100,000 net current account openings a year by 2008 (80,000 in 2006)

## LCL IN 2006

- 1,970 branches including 57 dedicated to corporate customers
- 24,000 employees
- 4.5 million current accounts
- 6 million customers
- 12% of Crédit Agricole S.A.'s net income - group share

## Implementation of the business development plan

### Establishing the LCL brand

Launched in August 2005, the new LCL brand has established itself rapidly. It is currently recognised by six out of ten people in France. The successful, advertising campaign and putting up of the new logo at all LCL branches have reinforced the brand's image.

### Asserting its position

LCL's new marketing position is characterised by innovative product ranges and concrete commitments to customers. For example, small business customers are offered a loan in two two-day periods or they receive €400. LCL was also the first national French bank to offer online consumer loans for both customers and non-customers. It has also developed products for students, such as the "€1" bank account.

### New commercial organisation

In 2006, in order to reinforce its local presence and improve customer satisfaction, LCL reviewed its commercial organisation.

"2006 was a year of consolidation. We continued to establish the new LCL brand and laid the foundations for our future growth, primarily by defining our new commercial structure."



**Christian Duillet,**  
Chief Executive Officer of LCL

**Branches - dedicated to serving personal and business banking customers** - have been placed at the heart of customer relations. An extensive modernisation programme has been implemented throughout the network, including notably the opening of around 40 new branches. In addition, private banking will soon be made available to 100,000 customers as opposed to just 6,000 in 2006, with the creation of around 40 private banking centres to serve these customers in France's major cities.

**Business customers will also benefit from enhanced services** with the creation of 43 business centres to provide an improved local service.

## A POSITION SUPPORTED BY CONCRETE COMMITMENTS







## Private banking and business banking: close cooperation



The close relations between the bank's business banking teams and business leaders, coupled with the legal and tax expertise of the private banking division, resulted

in major asset optimisation arrangements becoming concrete in 2006. Developing this synergy, which represents a high level of investment volumes and commission income for LCL, is still one of the key objectives for the coming months.

**An extensive training programme** will accompany the implementation of these new structures, notably with the creation of a National Training Centre for the training of new advisers before they take up their positions and the development of e-learning.

**The bank will continue to optimise and simplify its IT system.** The aim of this is to step up the integration of the Group's platforms and the sharing of software solutions, as well as substantially reducing IT costs and costs relating to the development of new banking applications.

## Personal banking

### Campaign to win new customers and foster loyalty

LCL's customer base has grown substantially, with an increase of 80,000 in the number of deposit accounts in 2006, thanks to its strategy of winning new customers through marketing innovations, as well as its desire to foster customer loyalty, resulting in fewer account closures. The launch of transferable bank account details, allowing customers to change branch

without changing their account information, has been a real success among many customers, with a total of 232,000 changing branch while remaining loyal to LCL.

### High level of inflows

Savings accounts such as Cerise and the "twice as much interest" offering resulted in gains in market share in sight savings accounts (up 0.70 percentage points).

In off-balance sheet savings, gross inflows increased sharply by around 25%. As in previous years, guaranteed and protected funds exceeded 50% of total funds. The success of the Egeris Objectif CAC 7000 mutual fund attests to savers' preference for investment solutions either offering capital protection or tracking the equity markets.

Furthermore, in the two main IPOs of the year (ADP and Natixis), LCL confirmed its position as one of the most active players in the market, with an 18% increase in the number of orders handled.

## PERFORMANCE

### Gains in market share in home loans



LCL's market share increased by 0.4% in outstandings at end 2006 (source: Banque de France). This performance was thanks to its commitment to delivering loans rapidly and an innovative marketing tool of free vehicle hire for removals.

## INNOVATION

### LCL launches its 100% online consumer loan

LCL is the first French bank to offer full online loan applications for its customers or potential customers. The entire range - car loans, job loans, budget loans, student loans and credit reserves - can be applied for online, seven days a week, on [www.lcl.fr](http://www.lcl.fr).



## Rapid expansion of multi-channel banking

The bank has responded to the growing expectations of its customers by providing more features available via the Internet (deferred payments, stock market alerts by e-mail and SMS etc.) and facilitating online subscription. In 2006, 3.5% of products and services were sold online.

LCL also enhanced its 3938 telephone service by providing share prices and access to the "Avantage" loyalty programme.

Finally, the number of e.lcl customers increased by a further 20%, with customers attracted by a fully online banking service.

## Private banking: a year of strong growth

The number of customers covered and their assets under management increased sharply in 2006 - up 21.3% - with the majority of capital (74.5%) coming from outside the Group.

Life insurance premium income on policies in the private banking range also increased significantly (up 57%), thanks in particular to the success of the Acuity policy.

2006 innovations: in the fourth quarter, LCL launched an innovative and unique new investment advisory service, centred around dedicated investment managers and expert tools developed in collaboration with CAAM.

## The multi-channel bank: a reality



With a 23% increase in the use of online account management services on [www.lcl.fr](http://www.lcl.fr), the number of transactions carried out has risen by 30% to over 1.1 million a month. Over 2.7 million unique visitors access the [www.lcl.fr](http://www.lcl.fr) portal, which offers the full range of services for each customer type.

Assets under management in structured products - developed with Calyon - increased by a further 29%.

Finally, sustainable development products (wind energy, photovoltaic power stations, SRI funds etc.) enjoyed growing success.

## Small businesses

LCL continued its strategy of winning new customers with the opening of 44,700 small business accounts. In its lending business, thanks to promotion of the "Propulso" loan and the strong performance of subsidiary Interfimo among self-employed professionals, LCL produced €2.8 billion in medium to long-term equipment loans in 2006, an increase of 23% compared with 2005.

## SYNERGIES

**LCL intends to develop its international personal banking services in synergy with the Group's international retail banking subsidiaries. For example, it carried out a campaign with Crédit du Maroc at the start of the 2006 academic year for the children of Crédit du Maroc customers going to study in France.**

## DEVELOPMENT

### Small business loans up 23%

As a result promotion of the Propulso service commitment (agreement in principle in two days and loan agreement in two days or LCL pays €400) and strong momentum of subsidiary Interfimo among self-employed professionals, LCL produced €2.8 billion in medium to long-term equipment loans in 2006, an increase of 23%.



## Corporate banking

### In line with its ambitious targets

The corporate banking division - an autonomous network dedicated to SMEs, large businesses and institutional investors in France - has 25,000 customers. It operates in two main areas:

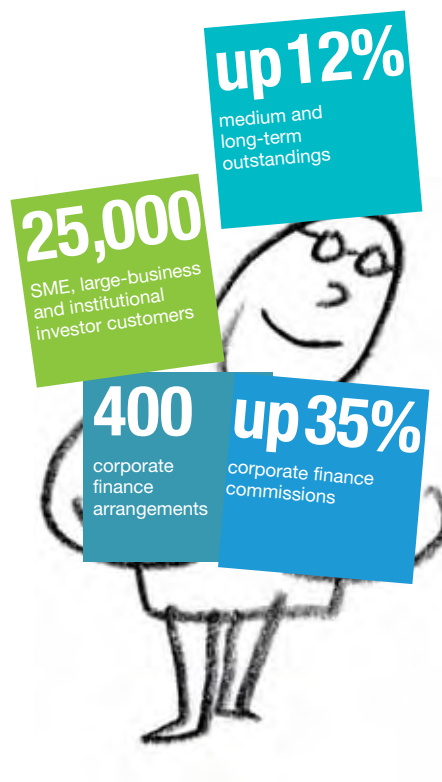
- commercial banking, with a broad range of products and services (e.g. domestic and international payment flows, short, medium and long-term financing);
- corporate finance, specialising primarily in LBOs and company takeovers.

#### Commercial banking: a solid performance

Despite intense competition, medium and long-term outstandings increased by 12%, with particularly low loan loss provisions and significant improvement in commitments under observation.

On-balance sheet customer deposits outstanding increased by a satisfactory rate of 15%.

Domestic and international payment flows production has improved steadily over the last few years, enabling LCL to assert its position among its customers.



#### Strong momentum in corporate finance activities

In a particularly buoyant market, corporate finance activities saw further strong growth, with over 400 arrangements and a 35% increase in commission income. LCL asserted its position as one of the leading middle market structured finance providers and developed its M&A and private equity activities considerably in synergy with the Group's specialist structured products activities.

#### Winning new customers: a fruitful year

As a result of the campaign to win new customers in the SME segment launched at the start of 2005, the number of new customers doubled in 2006. This momentum is one of the main priorities of the corporate banking division's long-term development plan.

## PARTNERSHIPS

### Creation of a later-stage financing fund

With the creation of the "LCL Régions Développement" fund in June 2006, LCL has gone even further in providing support for businesses. As a result of its financing activities, the bank is now even more closely involved in its partnerships with SMEs offering strong growth potential. With initial capital of €40 million, the LCL Régions Développement fund is intended to acquire minority equity investments of €1-3 million in businesses - whether clients of the bank or not-generating sales of €5 million to €50 million.

## QUALITY

### A commitment to ongoing improvement

LCL is one of the first major banks to obtain ISO 9001 certification for business payment instruments. This quality-based management approach is supported by regular customer satisfaction surveys. The next stage is already under way, with certification of documentary credits being extended to all units in 2007.

# SUSTAINABLE DEVELOPMENT AT LCL

As one of France's leading retail and business banks, LCL's responsibility is demonstrated by building on the confidence of its six million customers. LCL achieves this by listening closely to its customers on a regular basis in order to be able to offer the "something more" they are entitled to expect.

## LCL regularly assesses customer satisfaction

**LCL carries out surveys** and has its own systems to measure customer satisfaction and develop products to meet its customers' expectations. The surveys conducted in 2006 showed that personal banking customers were satisfied with the services provided by LCL.

**As part of the "know your customer" project** launched in 2006, LCL decided to standardise all of its customer records. A plan of action was defined for updating records during customer interviews (2,000,000 per year) or when selling products (400,000 per year).

LCL has also made a commitment to improve its quality standards, deployed by the executive team, which defines its strategic direction and focuses chiefly on the most sensitive issues for customers. With its new organisational structure, LCL has renewed its ISO 9001 certifications, including certification for a telephone service for personal banking customers.

## MAKING CONSUMERS AWARE OF ENVIRONMENTAL ISSUES

The 80 million or so account statements sent out to customers every year are printed on paper that meets strict standards in terms of preserving natural balances, reducing energy consumption and improving waste treatment. This will be stated on all documents from early 2007 in order to bring it to customers' attention.  
(For further information see [www.lcl.fr](http://www.lcl.fr))

**80%**  
of customers  
would  
recommend LCL

**90%**  
of customers are  
generally satisfied  
(including around  
50% who are very  
satisfied)



## LCL has integrated the FIDES compliance programme into its customer approach

Product compliance is guaranteed by the "New Activity, New Product" committee, which checks services, processes and products before they are marketed. New product launches in LCL's retail banking network therefore follow a clearly defined process that complies with Group procedures, identifying the risks and impacts for customers and the network.

## LCL is particularly vigilant about complaints

Customer complaints are handled by the ISO 9001-certified customer relations department and a 24-hour "expression" telephone line. The department handles any complaints that cannot be resolved by the branch concerned, as well as those sent directly to executive management by both customers and non-customers.

A complaint monitoring and management tool is also available at all points of sale, allowing dissatisfied customers to track the status of their complaint at any time by simply requesting the information from their branch.

For any disputes that cannot be resolved, customers have access to an arbitration service, implemented in 1996, to facilitate reaching an amicable solution.

# INTERNATIONAL RETAIL BANKING



Crédit Agricole sharply increased its international presence in 2006, in keeping with its strategic objectives. Following developments, in Egypt, Portugal and Ukraine, Crédit Agricole S.A. has achieved major acquisitions in Greece and Italy.

## STRATEGIC OBJECTIVES

Consolidation of acquisitions in Europe and the Mediterranean Basin...  
... coupled with the commercial development of new markets

## INTERNATIONAL RETAIL BANKING IN 2006

- 4.7 million customers
- 1,900 branches
- 27,000 employees
- 9.4% of Crédit Agricole S.A.'s net income - group share



## Position strengthened in Europe and the Mediterranean Basin

### Majority-owned subsidiaries in high potential countries

Having historically held minority stakes in major European banks, the Crédit Agricole S.A. Group wanted to develop its international retail banking network in order to focus on majority-owned subsidiaries in Europe and the Mediterranean region. This strategy stems from the desire to generate greater synergies with the Group's other business lines and to benefit fully from the growth potential of countries where certain financial sector activities are still less developed.

### Rapid and targeted acquisitions

**The successful takeover bid for Emporiki Bank** has enabled the Group to capitalise on its knowledge of the Greek market acquired through the partnership of the last six years. The Group therefore has a second bank network in a country presenting growth well above average for the eurozone.

**Similarly, the move to acquire a high-quality retail network**, with the purchase from Banca Intesa of Cariparma, FriulAdria and an additional 200 branches provides a solid basis for the development of an integrated bancassurance network in Italy.

“Crédit Agricole now has three domestic markets - France, Italy and Greece - in which it is developing all of its banking and finance activities.”



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

**In addition to these two major investments** in the eurozone, Crédit Agricole S.A. has continued with its strategy of acquiring small entities in countries with rapid growth in the use of banking services. On the basis of relatively limited initial investment, the aim is to benefit from the strong growth of the banking sector in these countries in order to establish significant market share by extending its distribution networks and product range.

Three acquisitions were carried out with this aim in 2006: the acquisition of Egyptian American Bank, which has been merged with the Calyon subsidiary to form Crédit Agricole Egypt, the acquisition of Index Bank in Ukraine and the 100% buyout of Meridian Bank in Serbia.

## BRANDS THAT COMBINE STRONG LOCAL TIES WITH BELONGING TO THE GROUP



## The Eurozone

### Emporiki Bank, No. 4 bank in Greece

With market share of around 10% among both personal and business banking customers, Emporiki Bank is the fourth-largest bank in Greece. Against the backdrop of excellent sector growth - with consumer loans up 24% in 2006 - Emporiki Bank ended the year with significant improvement in its operating performance. Net banking income increased by 20%, with improvement in the cost/income ratio of nearly 5 percentage points to 65.7%. However, Emporiki's financial performance is still much weaker than that of its main competitors in Greece, giving the Crédit Agricole Group considerable room for improvement over the coming years.

### Partnership in Portugal reinforced

Crédit Agricole S.A. has reinforced its partnership with Espírito Santo Group and increased its direct stake in the bank to 10.8% in June 2006. As a result of changes in the Portuguese entities' shareholding structure, the Crédit Agricole Group owned 23.8% of Banco Espírito Santo as at 31 December 2006. In addition, Crédit Agricole S.A. now owns 50% of bancassurance companies BES Vida and BES Seguros, in which it is now responsible for the management.

### A network of over 660 branches in Italy

Following the agreement reached with Banca Intesa in October 2006, the Group is to acquire a high quality network of 660 branches, with around 7,000 employees and 1.4 million customers. The Cariparma and FriulAdria branches and 202 Banca Intesa branches are located mainly in northern Italy, a wealthy region with strong economic growth.



A Cariparma branch



A FriulAdria branch

### Italy: reduced stake in Intesa and acquisition of a network comprising more than 660 branches

As Banca Intesa's first shareholder with 17.8% of voting rights as at 31 December 2006, Crédit Agricole S.A. supported its proposed merger with San Paolo IMI. The merger automatically diluted Crédit Agricole S.A.'s stake to 9.1% as at 1 January 2007. In accordance with the agreements signed in the context of the merger, Crédit Agricole S.A. reduced its stake in Intesa-San Paolo IMI to 5.8% at the start of 2007. The contribution, accounted for under the equity method, amounted to €419 million in 2006.

## DEVELOPMENT

### Greece: integration on track for success



"Emporiki Bank has to be a Greek bank in Greece," was the overriding aim in the choice of the bank's chief executive officer, Anthony Crontiras. With the "Joining Forces" project launched at the end of August, the integration of Emporiki

is well under way. Emporiki's management has a clear objective of improving productivity and competitiveness in order to be the best in the market in terms of efficiency and customer service.

## DYNAMISM

### An unconventional and innovative advertising campaign in Greece



## Eastern Europe

With operations in Poland -with Lukas Bank and leasing unit EFL - as well as Serbia with Meridian Bank, and Ukraine with Index Bank, the Group has pursued its strategy of focusing on the organic growth of its four subsidiaries, all of which are 100%-owned, with a view to strengthening their activities.

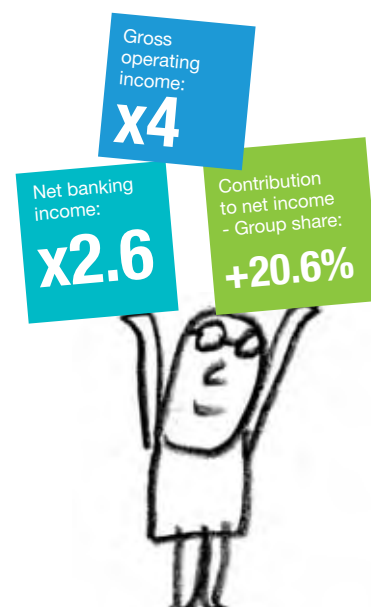
**In Poland,** while consumer finance is still the predominant activity, banking activities are developing rapidly. Thanks to a network of over 150 bank branches, outstanding home loans sharply increased in 2006 (up 71%), reflecting Lukas Bank's breakthrough as a full-service bank, in contrast to its historic perception as a specialist provider.

**In Serbia,** Crédit Agricole S.A. bought out the remainder of Meridian Bank. Major investments were made in 2006 in extending the network, automation of operations and creating specialist entities in areas such as insurance in order to serve its growth ambitions.

**In Ukraine,** the recent acquisition - in September 2006 - of Index Bank has given the Group considerable resources (250 branches, 3,500 employees) to capture a significant part of a market presenting very high growth rates. Rapid integration into the Group's processes resulted in strong growth for this new subsidiary almost immediately: consumer loans increased by 39.3% over the four months after the takeover.

## 10 weeks, 10 months, two years: efficient integration process

The Group has developed a reliable, rapid and efficient process for integrating acquisitions and implementing business plans devised when acquisitions are made. Integration plans meet the following objectives: bringing risk, finance, audit and compliance activities into line with the Group's standards; exchanging expertise and accelerating organic growth; developing acquired entities by adding new business lines through the support of specialist subsidiaries, particularly in insurance, asset management and consumer finance.



Given the time schedule of investments in these entities, their contribution to Crédit Agricole S.A.'s consolidated net income in 2006 remained modest (apart from consumer loans in Poland).

## INNOVATION

### A student branch in Poland

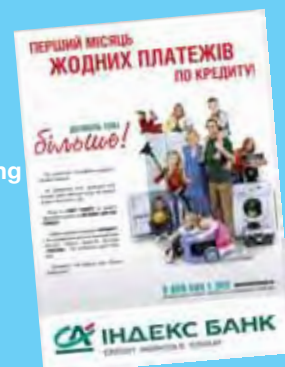
Lukas Bank has created a branch intended solely for students, with the innovative touch of young advisers in order to meet the expectations of its customers.



## CONQUEST

### Rapid development in Ukraine

In December 2006, Index Bank launched a promotional campaign with the aim of developing consumer finance.





## North Africa

In Morocco and Egypt, the Group has focused on entities that already have strong foundations and high rates of return, enabling them to self-finance their growth.

**Crédit du Maroc** stepped up its growth in 2006 with the opening of 19 new branches and the launch of specialist products and services in high potential segments, such as business managers or students pursuing their studies in France. Coupled with tight control of expenses, this growth resulted in a 50% increase in the entity's net income to €32 million.

**In Egypt**, the merger of Egyptian American Bank - acquired in February 2006 - and Calyon Bank Egypt resulted in the creation in September 2006 of Crédit Agricole Egypt, 59%-owned by the Crédit Agricole S.A. Group, alongside its Egyptian partner, the Mansour group. The fourth-largest private bank in the country, Crédit Agricole Egypt is active in both retail banking - with over 100,000 customers - and corporate banking, as well as in capital market activities.

## Other African countries

Driven by strong economic growth and stable conditions, the Group's subsidiaries in **Cameroon**, **Gabon** and **Congo** strengthened their position in their respective markets significantly, generating ROE of well over 20%. In **Senegal** and **Côte d'Ivoire**, earnings remained solid thanks to restructuring efforts, against the backdrop of flat revenues.

**In Madagascar**, BNI remained by far the country's leading bank, even though its profitability was dented by competitive pressure, which increased sharply in 2006. In **Djibouti**, banking activities were still characterised by market overliquidity, which was particularly lucrative during a period of rising interest rates.

## Latin America

**Crédit Uruguay Banco**, a 100%-owned subsidiary of the Group, continued its strategy of winning new customers in a healthier market. With market share of around 10%, the subsidiary's profit margins are gradually returning to the Group's levels.

**In Chile**, Crédit Agricole S.A. maintained its 23.8% stake in Banco del Desarrollo, which presents a favourable outlook in the highly prosperous Chilean market.

### INNOVATION

#### New impetus in Morocco

With a slogan incorporating the various customer types, **Crédit du Maroc's** advertising campaign reflects the Bank's ability to meet the expectations of all of its customers by offering innovative and tailored products and services.



### DEVELOPMENT

#### Crédit Agricole Egypt: a universal bank to serve customers





# SUSTAINABLE DEVELOPMENT AT INTERNATIONAL RETAIL BANKING



In accordance with the Group's strategic objectives, the international retail banking business grew in 2006 through acquisitions in Ukraine, Egypt and Greece, increasing the total number of employees by over 10,000.

## FIDES compliance

The international retail banking and compliance departments have planned to introduce FIDES compliance training in these new countries in order to support existing compliance efforts, as well as creating a common benchmark for all of the Group's employees while respecting the specific culture of each entity. Certain African countries, where compliance training was carried out in 2005, have launched a campaign to inform customers of the importance of such procedures (see box).

Finally, both old and new subsidiaries have continued their plans of action in relation to social and environmental issues, in particular BNI Madagascar, Crédit Uruguay Banco and Emporiki Bank.

"Since 2002, Emporiki Bank has led a deliberately defined sustainable policy. When Emporiki joined Crédit Agricole group, I was very enthusiastic to notice that this Group was also involved in a sustainable growth and shared values step. This is crucial and Emporiki and Crédit Agricole's adhesion to Global Compact seems to be a strong introduction."



**Stella Koviaka,**  
Senior Advisor on EU affairs and  
on CSR issues in Emporiki Bank

## Emporiki Bank: an example of successful integration

Already recognised as a "socially responsible" bank (Emporiki Bank is included in the Ethibel Sustainability Index), Emporiki has reinforced its compliance procedures.

With around 7,000 employees, Emporiki accounts for one-quarter of international retail banking staff. The Group's new Greek subsidiary has applied social and environmental responsibility actions for a number of years, underpinned by its adherence to the UN Global Compact and the UNEP Finance Initiative. In March 2006, it introduced an environmental management system and for the last few years has published an annual report on Sustainable Development ([www.emporiki.gr](http://www.emporiki.gr)).

In the context of its integration into the Group, Emporiki has adopted the Group's seven core compliance principles (FIDES) in just a few months: organisation, reporting, procedures, training, financial security, IT systems and controls. Staff in Greece has developed these principles in coordination with Crédit Agricole S.A.



## THE FIDES PROGRAMME HAS BEEN THE SUBJECT OF A PUBLIC AWARENESS CAMPAIGN IN SOME ENTITIES



Some of the subsidiaries operate in a market characterised by limited use of banking services, a large informal economy and the importance of the fiat money system. The bank is in a position to play a key role in raising customer awareness and the roll-out of the FIDES programme has been accompanied by efforts to inform the general public. The aims are to highlight the Group's control procedures by paying attention to customers' expectations regarding the security of their assets. This campaign has provided the opportunity to communicate on the membership of the Crédit Agricole Group.





**50%**  
of consumer finance  
outstandings outside France

**€637**  
billion under management  
(asset management, insurance  
and private banking)



France's  
**SECOND-  
LARGEST**  
insurer

## SPECIALISED BUSINESS LINES

15 million consumer finance  
customers in France  
**Consumer finance outstandings:**  
€49.5 billion  
**Lease outstandings: €12.7 billion**  
**Factored receivables: €35 billion**

**No.1 in asset management**  
in France and a top-10 player  
in Europe, with more than  
€490 billion in assets  
under management  
**Second-largest life insurer and**  
**property/casualty bancassurer**  
in France

### SPECIALISED FINANCIAL SERVICES

The Specialised financial services business line has operations in 19 countries in Europe and Morocco. In these countries, it has strong and rapidly-growing positions. It covers consumer finance (Sofinco and Finaref in France, Lukas in Poland), leasing (Crédit Agricole Leasing and EFL) and factoring (Eurofactor).

### ASSET MANAGEMENT, INSURANCE AND PRIVATE BANKING

This business line consists of activities related to asset management in the broad sense: asset management; life and property/casualty insurance, developed through an efficient bancassurance model first in France then in Europe; private banking, with a presence in 12 countries, outside France.



## SPECIALISED FINANCIAL SERVICES

In 2006, the division made strategic advances in all three of its business lines, with innovation and robust business momentum supporting its market-leading positions in France, and with strengthening of its presence abroad. In this respect, the partnership deal with Fiat Auto at the end of the year has extended its consumer finance operations to 19 European countries.

### STRATEGIC OBJECTIVES

- Growth in net banking income of at least 10% a year
- International activities to account for 45% of revenues by 2008
- Establishing market-leading positions in Europe in all three business lines

### SPECIALISED FINANCIAL SERVICES IN 2006

- Three business lines in France and abroad: consumer finance with Sofinco, Finaref and Lukas; lease finance with Crédit Agricole Leasing and EFL; factoring with Eurofactor
- 8.2% of Crédit Agricole S.A.'s net income - group share, up 15.3%
- 11,500 employees, including 6,000 outside France, in 19 countries

## Consumer finance

### A European market leader present in 19 countries

With 43% of production outside France, the consumer finance business adhered to its strategic targets. The agreement signed with Fiat Auto at the end of the year represents a major step forward. With the two consumer finance specialists Sofinco and Finaref, their international subsidiaries, Lukas in Poland, as well as the Regional Banks' and LCL's activities in France, Crédit Agricole has confirmed its position as one of the market leaders in consumer finance in Europe.

### Sofinco: a successful strategy

#### Market-leading positions in France

Sofinco operates in all areas of consumer finance and distributes a broad range of products and services: repayment loans, revolving credit, bank cards and private label cards, hire purchase products, insurance and extended warranties.

Sofinco has a dominant position in each of its business lines: direct sales to individuals, point-of-sale finance, through commercial networks under the Sofinco and Viaxel brands and through partnerships. Sofinco also benefits from the support of Crédit Agricole Group's banking networks and expertise.



“2006 was a year of strong growth and successes. With the acquisition of a 50% stake in Fiat Auto Financial Services, we have established a leading position in the European consumer finance market.”

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

### 2006: a number of commercial successes

Following the launch of its new slogan at the very start of 2006, Sofinco has enjoyed major successes. A total of 200,000 customers took out its new banking card in the space of one year. Sofinco launched “Crédit Lift” for near prime customers, while also expanding its presence in the sailing and leisure vehicle markets. At the end of the year, the launch of innovative payment service “ReceiveAndPay” reinforced the company's e-commerce related activities.

### A strategy based on three main pillars

Sofinco's consolidation of its leading position in France is based on its capacity for innovation - in particular through the use of new technologies - and its strong business momentum. On an international scale, Sofinco already

## NEW SLOGAN FOR SOFINCO, INNOVATION FOR FINAREF



generates nearly half of its total production outside France thanks to the strong organic growth of its existing subsidiaries, the strengthening of international partnerships and establishing its position in new regions. Finally, through its partnerships, Sofinco forms long-term alliances with institutional investors (banks, insurance companies and mutualist groups), as well as large retailers, specialist retailers and the automotive sector.

#### Quality and profitability enhanced by industry expertise

In order to combine an optimal standard of service with an industrial approach, Sofinco works continually to improve its organisational structure, methods and productivity. In particular, as regards risk control, risk represents around 1% of outstandings, which for many years has been the lowest level for companies specialising in consumer finance.

#### Finaref, leader in private label cards

Finaref specialises in the creation and distance selling of financial services for its partners and their customers. From its beginnings in the retail sector, since 1970 Finaref has formed commercial partnerships with the leading names in mail order - La Redoute, Vertbaudet, Cyrillus, Télésourcing and La Maison de Valérie - as well as market leaders in retail and tourism such as Fnac, Le Printemps, Surcouf and Club Méditerranée. Finaref is building up a second business line of credit insurance with partners in 14 European countries (see p.51).

#### A new market Crédit Lift

Sofinco has launched a service dedicated to near prime customers, which comprises several million people in France. By exercising its social responsibility towards a number of people excluded from credit (see p.45), Sofinco offers loans sold by telephone. Its aim is to serve this customer group by defining a new business model to offset the increased risk through a tailored offering and operating methods.

#### 2006: innovation in private label cards

Finaref's main aim is to strengthen its leading position in private label cards. In addition to the launch of the Kangourou Plus card at the end of the year, 2006 saw two major innovations: electronic signature solutions in France and the first renewable contactless credit card in Denmark.

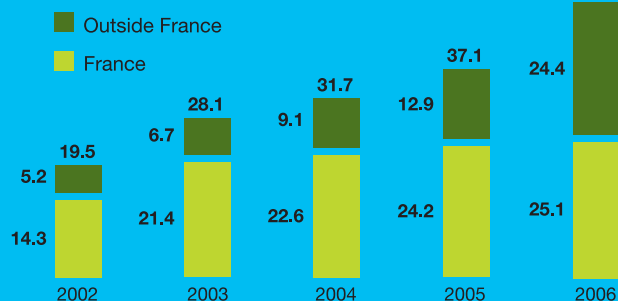
In April, Finaref became the first financial institution to provide electronic signature solutions for its customers. At the end of 2006, the company exceeded its targets both on a commercial level and in terms of customer satisfaction. Following a six-month trial period and a general launch at the end of 2006, this selling technique will be extended to online loan approval as of 2007.

In October, the Group's Danish subsidiary Dan Aktiv launched the Fona card, the first renewable contactless credit card in Denmark. The Fona retail chain has installed optical readers in its stores in order to facilitate the use of private label cards for in-store purchases, as well as to allow customers to check their accounts directly.

## FINANCIAL PERFORMANCE

### Consumer finance outstandings

(in € billions)



## INNOVATION

### The Sofinco bank card

Based on the innovative concept of "ingenious purchases", the new Visa card offers customers three advantages: autonomy, security and recognition.

Customers choose how they wish to pay for their purchases over the month.



In addition to two-year manufacturer's warranty extensions, customers benefit from discounts at a number of retail banks and shopping advice.



## Fiat Auto Financial Services



With the acquisition of 50% of Fiat Auto Financial Services in 2006, Crédit Agricole S.A.'s specialised financial services division has become a market leader in consumer finance in Europe, with operations in 19 countries.

FAFS manages Fiat Auto's financial services: car finance for individuals, dealer finance, long-term leasing and fleet management.

### New commercial partnerships

The commercial partnerships formed at the end of 2005 came into effect in 2006. In partnership with Télésopping, a subsidiary of the TF1 group and number two in the distance shopping sector, the "OK Shopping" card and a range of dedicated financial services were launched in July.

For La Maison de Valérie - Redcats' mail order subsidiary - the "Mandarine" card offers a comprehensive range of services for customers, including revolving credit and credit insurance. The partnership is due to become operational in early 2007.

In Belgium, Finalia, a joint venture with Alpha Crédit (part of the Fortis group), became operational in the third quarter of 2006.

### Lukas, leader in consumer finance in Poland

Lukas achieved further organic growth in 2006, with the opening of 50 new credit centres following 60 openings in 2005. By building on its presence in the region, since the end of September, Lukas has become market leader as credit card issuer in Poland, with 275,000 new cards sold.



## INNOVATION

### Fona card in Denmark

In October, the Group's Danish subsidiary Dan Aktiv launched the Fona card, the first renewable contactless credit card in Denmark.



## INNOVATION



### A new online payment method

Sofinco has launched ReceiveAndPay developed with Fia-Net, market leader in Internet transaction guarantees.

By offering full security for internet purchases, ReceiveAndPay addresses the latest challenges facing Internet users by offering innovative services and guarantees for consumers and online retailers.

## Lease finance

### Crédit Agricole Leasing: reasserting its presence

Market leader in property lease finance and number three in equipment leasing, Crédit Agricole Leasing has strengthened its already impressive position in sustainable development and public sector finance thanks to brisk new business production (+17%).

#### A new customer approach

In September 2006, Crédit Agricole Leasing implemented a new commercial structure in regional areas, bringing together all of its business lines in a single network. This more reactive organisational structure is based on a global approach to the needs of Crédit Agricole Leasing's customers and partners.

#### Launch of medium-term development plan

Crédit Agricole Leasing's medium-term business development plan - Puissance 9 - aims for acceleration in the growth of its expert business lines - property lease finance, public sector finance and sustainable development finance - and international expansion. As part of this strategy, Crédit Agricole Leasing has become a major shareholder in Crédit du Maroc Leasing.

### EFL, leader in leasing in Poland

#### In an equipment leasing market that grew by 41%

compared with 2005, EFL has maintained its leading position with 13.4% market share. Its performance in vehicle finance improved further. 2006 saw the successful launch of the company's property leasing business.

## Factoring

### Eurofactor: number one in France and a pan-European operator

**Number one in France with 23% market share**, which has doubled in seven years, Eurofactor is number four in Europe. International activities currently account for 42% of its business, with operations in five countries (Germany, the Benelux region, Spain, Portugal and the United Kingdom). Eurofactor's expansion is based on its ambition of becoming market leader in terms of quality, service and innovation. In 2006, business production increased by 26%.

#### The most comprehensive range of services in France

Eurofactor enhanced its offering in 2006 with the launch of Alliance, a new guaranteed-results service that allows companies to protect themselves against changes in customer credit terms.

Eurofactor has also developed a syndication solution based on the mutualisation and shared financing of customer cash flows and outstandings between several factors: a first in France.

#### Creating an international Group

Eurofactor is developing an asset-based lending business, a financing activity backed by assets other than receivables. 2006 was a remarkable year for European Pass, the company's European-wide finance and centralised receivables management solution, notably winning a €1.2 billion contract with Packard Bell. Eurofactor is also continuing to develop its collaborations with various Group entities in Europe, including Bankoia and Landbouwkrediet Calyon.

### Public private partnerships

Crédit Agricole Leasing, with its subsidiary Fip, now provides financing for nearly 50% of the hospital construction market, having already established market share of over 50% in the construction of police stations. Following the signature of a deal with the local council of Loiret for the financing, construction and maintenance of a new college in May 2006, Crédit Agricole Leasing has established itself as a leading innovator in public private partnerships.

### A new visual identity



To mark the launch of a new phase of its development, in the first half of the year, Eurofactor launched its new visual identity based on three commercial brands - two dedicated brands for the Group's retail networks - Crédit Agricole Factoring and LCL Factoring - and one autonomous brand - Eurofactor - for brokers and non-banking partners.

BD

# SUSTAINABLE DEVELOPMENT AT SPECIALISED FINANCIAL SERVICES

The Group's consumer finance activities - provided by Sofinco and Finaref - require a specific customer approach. In order to best fulfil their responsibility to their customers, the two companies have identified the key issues relating to their business line.

## Granting consumer loans

At the end of 2006, Sofinco began to offer credit to populations that are currently unable to obtain traditional consumer loans (see p.42).

Finaref has formalised its commitment in granting loans via methods of assessing applicants' ability to make repayments on the basis of their family and professional stability, helping to counter over-indebtedness.

## Customer security

"New activity, new product" committees are in charge of verifying the compliance of any new products before they are launched at both companies.

Finaref has also implemented measures to counter fraud. Between 2005 and 2006, fraud decreased by 11% as a result of the allocation of confidential codes for store cards.

## FINAREF WINS THE SEVENTH "MANAGEMENT & SKILLS" AWARD

The "Management & Skills" awards recognise companies with innovative skills management policies. Finaref received an award for its call centre staff training programmes and various career development programmes offered through business-line specific training and access to a professional qualification.



## DIVERSITY CHARTER: THE GROUP'S PIONEERING SUBSIDIARIES

In 2006, Finaref implemented the diversity charter, signed in 2005. The main emphasis was placed initially on equal opportunities for men and women, with the planned opening of a company crèche at the head office in Roubaix in early 2007, followed by the integration of disabled employees, with a target of 10 employees in 2006. Meanwhile, Sofinco decided in November 2006 to develop its integration efforts by adopting this procedure. In 2007, it will therefore become the second company in the Crédit Agricole S.A. Group to sign the charter.

## Customer relations management

**As part of their quality procedure** focusing on customer satisfaction, Sofinco and Finaref have departments in direct contact with customers and dedicated to the handling of claims. The existence of these departments, as well as a mediation service, is made clear in loan offers. In addition, non-compliance claims from customers can be sent to the Head of Compliance.

Finaref has also set up the "Quality Passport" system for the purpose of optimising the identification, handling and resolution of shortcomings pointed out by customers.

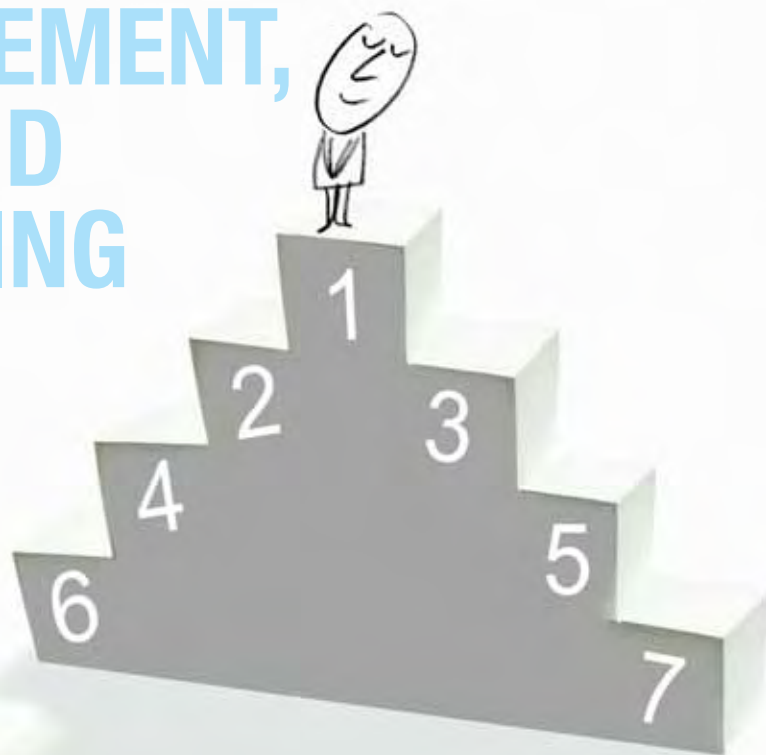
### Relations with consumers

Finally, Sofinco and Finaref, which are members of the ASF\*, meet twice a month with representatives of a dozen or so consumer associations. The aim of the "Consumers - ASF" working party is to make concrete improvements for consumers in the area of consumer loans. It has addressed issues such as publicity in revolving credit facilities and even the development of the EU consumer credit directive.

\* French association of finance companies (Association Française des Sociétés Financières)

N.B.: Sustainable development concerns at Crédit Agricole Leasing are mainly environmental. These are also discussed on page 82.

# ASSET MANAGEMENT, INSURANCE AND PRIVATE BANKING



All activities achieved strong growth in business levels and earnings. Initiatives to develop new sources of growth were also maintained, particularly outside France.

## STRATEGIC OBJECTIVES

- In asset management, the aim is to support the Group's efforts to broaden the customer base and continue developing innovative products.
- In insurance, the objective is to maintain performance in life insurance, boost growth in property/casualty insurance and develop new sources of growth outside France.
- In private banking, the aim is to consolidate positions in France and develop the international network through high-value-added products.

## ASSET MANAGEMENT, INSURANCE AND PRIVATE BANKING IN 2006

- Assets under management (excluding double-counting): €637 billion, up 13.1%
- 7,400 staff, including 3,550 outside France
- 27.7% of Crédit Agricole S.A.'s net income (Group share)

“We had an excellent 2006, with net new money of almost €40 billion and a string of awards recognising the quality of our investment management.”



**Thierry Coste,**  
Head of Asset Management, Securities  
and Institutional Financial Services

## Asset management

The Group's asset management activities are handled by Crédit Agricole Asset Management and its subsidiaries, which manage €535 billion of assets, while BFT specialises in asset management for institutions, companies and regional banks, with AuM of €16 billion.

### Very strong business levels in 2006

2006 brought a substantial increase in business levels. Net new money was almost €40 billion, up more than 12% relative to 2005.

The Group held out well against stiff competition from foreign companies and insurers. Performance was driven by specialist funds and absolute-return products, as well as by euro and global bond products.

As a result, the Crédit Agricole Group bolstered its position as one of Europe's leading asset managers. With assets under management of €551 billion at 31 December 2006, including 22% coming from international subsidiaries, the Group is a top-five player in Europe and remains number one in France.

### Net new money boosted by innovation in France

In the retail market, the focus for each network in 2006 was on products tailored to specific customer needs.

For Crédit Agricole, net new money was driven mainly by unit-linked products, and by the Atout Vert Horizon and Atout Vivactions open-ended funds. VaR products were popular among Private Banking customers.

At LCL, sales of equity funds to customers not under management mandates saw renewed growth, while diversified products were also boosted by the launch of the Egeris Objectif CAC 7000 fund. There was also a significant increase in net new money flowing into unit-linked life insurance products.

In the institutional segment, sales to Banking, Insurance and Partnership customers were particularly strong.

## A MULTI-EXPERTISE APPROACH DRIVEN BY INNOVATION







### Ongoing international development

CAAM combines a direct presence in all major financial centres with distribution partnerships that allow rapid growth.

In Italy, following the merger between Banca Intesa and San Paolo IMI, the competition authorities have demanded that the Nextra partnership, formed in December 2005, be dissolved. As a result, CAAM's development in Italy will now take place from its base prior to its acquisition of the 65% stake in Nextra. It will also benefit from the newly acquired Cariparma and FriulAdria networks.

In Spain, CAAM Espagne is the leading foreign asset manager. It had assets under management of €10.6 billion at end-2006, equal to more than 25% of the total for all foreign players in Spain.

### CAAM's new products and investment expertise won a number of awards, including:

- *Mieux Vivre Votre Argent* magazine's Corbeille d'Or award for Crédit Agricole, with LCL coming third
- Second place in Amadeis' overall institutional investor rankings, and first place in the euro fixed-income and diversified management category
- On 7 November 2006, Crédit Agricole received the "Structured Products - Best in France" award from Structured Products Magazine, confirming its expertise in the structured products market.

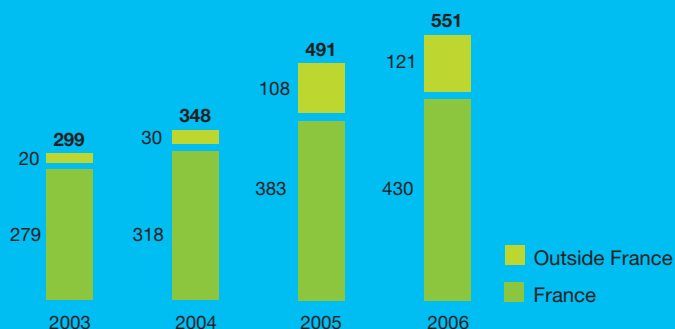
In Greece, CAAM owns around 20% of the two asset management units controlled by Crédit Agricole S.A. subsidiary Emporiki, i.e. Hermes and Emporiki Asset Management. There is a plan to merge these two companies to strengthen their positions and boost their growth.

In Continental Asia, CAAM has two main bases in Hong Kong and Singapore, where it carries out financial management as well as extensive sales operations with institutional investors and the region's leading distributors, including the NACF-CA joint venture in South Korea.

In the Middle East, which is a key strategic region for commercial development, CAAM opened a representative office in Abu Dhabi. CAAM manages more than €2.7 billion of assets for Middle Eastern investors. CAAM is also working to set up an asset management joint venture in Saudi Arabia with Calyon's local subsidiary Banque Saudi Fransi.

### PERFORMANCE

#### Assets under management (in € billions)



### INNOVATION

The Atout Vivactions fund, launched in January 2006 and sold to Regional Bank customers, was a major success. It is an open-ended fund that informs customers when predefined performance targets have been hit, helping them to take profits. Atout Vivactions won the special jury prize in the Agefi Actifs awards.



## Employee savings

In employee savings, net new money was very strong in 2006 at €0.7 billion, benefiting from a favourable market effect. Assets under management increased by nearly €3 billion, taking the total to €15 billion. Linedata Services reached an agreement with CREELIA and the companies involved in the S2E account management platform to buy the Pacteo software package. This software, which CREELIA will continue to use, is intended to become the benchmark system for the account management profession.

## Specialised asset management: firm growth

**In alternative asset management**, CAAM AI continued to post robust growth in AuM, which ended 2006 at €14.8 billion. Systeia Capital Management had AuM of €0.8 billion at year-end.

**In the field of Socially Responsible Investing**, IDEAM offers investment strategies focusing exclusively on SRI to institutional and corporate customers. In 2006, IDEAM won a number of tenders, including those held by ARRCO and Institut Pasteur. AuM totalled €1.4 billion at year-end.

**CAAM Real Estate** (formerly CAAM Immobilier) is aiming to raise the identification of third-party real estate asset management among clients in France and abroad. It had assets under management totalling €2.9 billion at end-2006.

## Acquisition in the USA

Following the acquisition of URSA, CASAM now has a fully operational and integrated US company. It has two subsidiaries that are SEC-registered investment advisors: Starview Capital Management (renamed CASAM Advisers) and Lyra Capital, which has a licensing relationship with the Dow Jones Hedge Fund indexes.

This deal gives CASAM 44 alternative managed accounts, the right to use the Dow Jones Hedge Fund indexes and a database covering more than 4,000 hedge funds and funds of hedge funds.

**CPR Asset Management** is the business line's second brand, with AuM of almost €20 billion. CPR Asset Management specialises in two areas: active management and quantitative management. CPR AM came fourth in the Corbeille Long Terme rankings established by *Mieux Vivre Votre Argent* magazine (5 years, all fund promoters).

**CASAM**, a 50/50 joint venture with Calyon, was set up on 1 September 2005. With AuM totalling €44 billion and more than 500 funds at end-2006, it has more than 100 staff, including around 20 structured fund managers.

**CAAM Capital Investors** saw AuM rise from €0.8 billion at end-2005 to €1.3 billion at end-2006. A new fund of funds (Private Equity Selection no.3) and a new FCPI innovation fund were launched in the second half.

## INNOVATION

In September, the Egeris Objectif CAC 7000 fund was launched for LCL customers.

This fund aims to replicate the CAC 40 index initially, before gradually and automatically reducing equity exposure in favour of more secure investments every time the index rises above predefined index levels.



## PERFORMANCE

### Corbeille d'Or award for Crédit Agricole

This award is presented by *Mieux Vivre Votre Argent* magazine, and acknowledges the one-year performance of Crédit Agricole's mutual fund range, which ranks first among those of all retail banks in France. This comes on top of the award given by *Agafi Actifs* to the Atout Vivactions fund in June.



## Insurance, at the heart of banking relations

### Insurance is currently one of the core tenets of the Group's expansion strategy

By combining its activities in a single Insurance division, Crédit Agricole has highlighted the strengths of its bancassurance model. It has developed an industrial mass market approach with a model that can be exported to other countries.

As a multi-network and multi-market operator, Crédit Agricole covers all of its various customers' insurance needs. As a result of this strategy, in 2006 it confirmed its position as the number one bancassurer and number two insurer in France. The Group is therefore continuing to develop its life, property & casualty and credit insurance activities.

### Predica: continuing strong growth

With assets under management of €162 billion at end-2006, Predica is the number one bancassurer in France. The company benefits from an extensive life insurance distribution network in France, with 9,000 Crédit Agricole and LCL branches, as well as specialist networks: La Médicale de France and independent wealth management advisers through UAF Patrimoine.

"The insurance business is a source of profitable long-term growth and a real strength of the Crédit Agricole Group."



**Jean-Yves Hoher,**  
Head of Insurance  
at Crédit Agricole,  
Chief Executive Officer of Predica

### Excellent performance in 2006, promising outlook for 2007

In 2006, Predica achieved robust growth in pension savings premium income (assets under management up 12%), a sharp increase in unit-linked policy premium income and steady growth in personal risk insurance. In an extremely buoyant market, as a result of the repositioning of Predica's offering to focus on multi-investment policies, these policies now account for 19% of total premium income compared with 13% in 2005.

In 2007, Predica will pursue a strategy of innovation and leadership in its multi-investment offering. Its diversification strategy will be enhanced by expansion of the funeral insurance offering.

### Solid financial management and competitive organisational structure

With the combination of an efficient organisational structure and an industrial approach, which has boosted its competitiveness significantly, Predica offers the lowest ratio of general expenses to assets under management of all bancassurers. Its growth is ensured by maintaining a solid financial basis.

### A market leader...

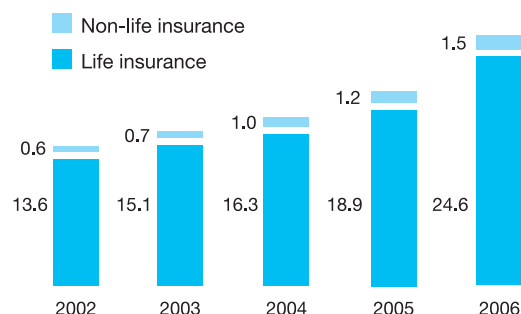
**Crédit Agricole is the number two insurer in France and...**

- number one in PERP pension products**
- number one in pension products for farmers**
- number one in individual death benefits**
- number one in long-term care insurance**
- number one in personal accident insurance**
- number one bancassurer for buildings**
- 16 awards in 2006**

## KEY FACTS

### ... enjoying strong growth

Premium income 2002-2006 (€ billions)



## Pacifica: strong growth outlook

### Sales and marketing efforts centred on customer satisfaction

On the basis of the core concern of customer satisfaction, Pacifica combines permanent innovation with clear presentation of its products. At end-2006, it updated its motor, home and health insurance ranges, resulting in additional cover and lower charges. Pacifica's original claims management model is based on efficiency through entirely call-based customer relations, provided by its 13 claims management centres.

### Innovative products coupled with strong growth

The company's new "breakdown insurance" covers repair costs, an innovative solution offered as home insurance that can be extended to include household electronics. In the health insurance market, reimbursement of complementary medicines has already been a commercial success. Pacifica achieved growth in premium income of 17% to €1.2 billion in 2006, the strongest growth rate in the bancassurance sector.

### Complementary expertise with Finaref Assurances

Finaref develops credit insurance products with partners in 14 European countries, managed from a multilingual administration centre in Ireland. Its insurance offering is mostly consumer finance related, including loan insurance, products related to goods sold by the retail stores (extended warranty, replacement value) and death and disability insurance.

## INNOVATION

### Two prizes for professional personal accident insurance



Pacifica was awarded the 2006 Tribulus prizes for "product innovation, bancassurance category" and "best product innovation since 2002" for its professional personal accident insurance. It is the only insurance product to cover all aspects of everyday life - both private and professional - which is a major advantage for customers for whom there is a fine line between these two worlds.



## INTERNATIONAL EXPANSION

### An exportable model

Crédit Agricole aims to become a pan-European bancassurer by exporting its bancassurance model to the countries in which it is establishing its presence and forming partnerships with European distributors. The strengthening of its partnership with Banco Espírito Santo in Portugal, BES Vida and BES Seguros constitutes a key stage of this strategy.

## STRATEGY

### Considerable growth potential

In addition to its existing market-leading positions, the Group benefits from considerable growth potential, both internationally and in France, driven by pension activities, the personal risk and long-term care insurance market and the development of personal services (see p.53).

It also has potential in terms of market penetration: the Regional Banks and LCL have 26 million customers, compared with just 7.4 million for Predica today.

## Private banking

### Robust growth in France and abroad

Following several years of active acquisitions and extensive restructuring, the Group focused on making the most of its assets in 2006. Against the backdrop of buoyant market conditions, assets under management rose sharply by 10.5% to €88 billion at end-2006.

In France, the "Premium" project has flourished in the context of the partnership between BGPI and all of the Regional Banks. This partnership has resulted in the enlargement of product ranges and the ramp-up of innovative customer relations services such as remote advisory services and after-sales services for investment mandates.

Outside France, the Crédit Agricole Private Bank brand name has been the subject of an international press campaign. The year saw the reinforcement and fertilisation of traditional business assets, as well as improvement in the Group's geographical presence by establishing a foothold in strong growth regions in Asia, the Middle East and Latin America.

Against the backdrop of fiercer competition, operating margins were maintained as a result of the development of high value-added products and restored business momentum. Structured products, alternative investment products and private equity delivered growing success.

## Securities services: CACEIS

### First year marked by commercial and financial successes

Equally owned by Crédit Agricole S.A. and Natixis, CACEIS enjoyed a successful first year: assets increased significantly, with assets under custody of €1,787 billion and assets under administration of €860 billion.

#### A comprehensive offering

With operations in France, Luxembourg, Belgium, Ireland, Switzerland and the Netherlands, CACEIS has 2,400 employees, 40% of whom are based outside France, and three business lines under the single brand name of CACEIS Investor Services: depository and custodial services, fund administration via the Fastnet network and issuer services.

Its comprehensive offering - covering a cross-range of regions and business sectors - is targeted at asset management companies, institutional investors (insurance companies, pension funds, mutual benefit organisations and prudential organisations), banks and large businesses.

#### A leading provider of financial services to institutional investors

CACEIS is the largest mutual fund custodian in France and the leading administrative and accounting fund manager, controlling over one-third of the market (sources: AMF and AFG). In Luxembourg, the Group has established itself as the No. 3 fund administrator by number of funds (source: Fitzrovia). CACEIS is the fourth-largest custodian in Europe and No. 10 worldwide (globalcustody.net).

### Crédit Agricole Private Bank



The new brand's reputation was bolstered by an international campaign.

## INTERNATIONAL

### Strengthening the Group's international presence

Crédit Agricole Switzerland - the No. 3 foreign private bank in Switzerland, already present in Singapore and Nassau (Bahamas) - created subsidiaries in Lebanon and Uruguay, launched a new project in Qatar and, at the start of 2007, opened a branch in Hong Kong. CFM Monaco - the No. 1 bank in Monaco - asserted its market-leading position. Meanwhile, all of the other business entities - in Luxembourg, the US, Spain and Brazil - strengthened their local positions significantly.



# SUSTAINABLE DEVELOPMENT AT ASSET MANAGEMENT AND INSURANCE



The issue of sustainable development in asset management, insurance and private banking\* is based primarily on customers' confidence in the management of their assets. Furthermore, given the €637 billion of assets under management of these business lines, they have a duty to act responsibly on behalf of their customers.

## Being market leader in bancassurance in France means offering innovative services

In order to meet its customers' expectations, in 2006, Pacifica worked on developing a personal service offering at the Regional Bank and LCL networks. This offering is based on innovation and should allow for the development of the Group's activities: the Regional Banks and LCL will distribute different products managed by a single platform. In 2006, the Group was listed as a national provider by the French Personal Services Agency (Agence Nationale des Services à la Personne).

## Being a responsible asset manager

For a number of years, Crédit Agricole Asset Management has implemented an approach focused on responsible finance.

In May 2006, CAAM reasserted its commitment by signing the principles for responsible investment, in order to:

- be a responsible investor by environmental, social and corporate governance considerations into its investment;
- contribute to the promotion of best practices among businesses, the investment industry, and its partners.



## PREDICA 2010

This project has involved around 100 employees from all business lines. One of the working parties focused on human resources in order to establish the company's strengths and areas for improvement, as well as employees' and management's expectations. One of the central values of the corporate culture is team spirit. In the context of this project, an internal survey was carried out by a specialist consulting firm in order to devise a "barometer" measured by regular surveys.

## PRINCIPLES FOR RESPONSIBLE INVESTMENT

Developed in 2006 under the aegis of the UN Environment Programme Finance Initiative, these six principles are currently supported by over 80 institutional investors and asset management companies.

The signatories undertake to integrate environmental, social and corporate governance (ESG) considerations into their analysis procedures and investment decision-making, to encourage these practices among issuers and the investment industry and to collaborate in implementing these principles.

These principles have prompted CAAM to look at how its business is organised and consider the means of managing long-term savings with growing needs and renewing its relationships with customers taking account of the requirements of transparency and responsibility.

CAAM has already implemented several of the Principles\*, including notably:

- the exercise of its voting rights at general shareholders' meetings as of 1996 in France, its application on an international level and the integration of social and environmental considerations since 2003;
- supporting collective and coordinated international initiatives such as IIGCC<sup>(1)</sup> and EITI<sup>(2)</sup>;
- participating in financial markets organisations;
- adherence to the "Transparency Code" for SRI funds, accredited by the Agence Française de Gestion Financière and the Forum for Responsible Investment.

In the future, CAAM intends to extend the scope of its actions, conduct a review of its investment procedures and dialogue with businesses, and integrate more systematic and relevant analysis of ESG factors into its investment practices.

<sup>(1)</sup> Institutional Investors Group on Climate Change.

<sup>(2)</sup> Extractive Industries Transparency Initiative.

\* For more information, see Chapter 4 in the shelf-registration document.




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Algeria	China	Indonesia	Malaysia	Saudi Arabia	Turkey
Argentina	Colombia	Iran	Mexico	Slovakia	Ukraine
Australia	Czech Republic	Israel	The Netherlands	Spain	United Arab Emirates
Austria	Finland	Italy	Norway	South Africa	United Kingdom
Bahrain	Germany	Japan	Philippines	Sweden	United States
Belgium	Greece	Kazakhstan	Poland	Switzerland	Uruguay
Brazil	Hong Kong	Korea	Portugal	Taiwan	Venezuela
Canada	Hungaria	Luxemburg	Russia	Thailand	Vietnam
Chile	India	Libya	Singapore	Tunisia	Yemen

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€5.5

billion net banking income,  
up 22.4%

12,000 staff



55 countries

## CORPORATE AND INVESTMENT BANKING

One of France's top  
three corporate  
and investment banks and  
among the top 10 in Europe.  
World number one  
in project financing.

**CALYON** specialises in capital markets, investment banking and financing. It has almost 12,000 staff across 55 countries, and two thirds of its revenues come from outside France. With a network of more than 250 senior bankers worldwide and local coverage that complements the Regional Banks and LCL networks, Calyon provides large corporations, financial institutions and French SMEs with enhanced access to the world's financial markets.

# CALYON



A record performance in 2006:  
Calyon results ahead of development plan targets.

## STRATEGIC OBJECTIVES

Calyon has three main strategic goals:

- To continue to enhance the product range
- To strengthen origination capacity abroad
- To expand its base of corporate and institutional customers

## CALYON IN 2006

Calyon was ahead of its 2006-2008 development plan targets. It delivered excellent results, with a 30% jump in gross operating income and an improvement in the cost/income ratio, which contracted by more than two points to 60.9%. ROE was 21%, a 4 percentage point rise on 2005.

## Record performance in 2006

### Two years of vibrant growth

Since Calyon was created in 2004, its business has caught up with that of its direct rivals. It has also appreciably boosted productivity, which is now on a par with that of its peers.

### Momentum across all business lines

In a generally favourable business climate, all Calyon business lines delivered growth. The recovery in capital market activities was driven by solid business momentum with financial institutions. With a broader, more complete range than that of its direct rivals, Calyon's brokerage business turned in a handsome performance. Lastly, Calyon's size enabled it fully to tap its expertise in structured finance, in which it is among the world leaders.

### An effective, extensive international network

In 2006, the strength and effectiveness of Calyon's international network translated into revenue growth of 22.4%.

Further the obtaining by Calyon of the status of Financial Holding Company in the USA, it opened two branches in India, and two new sales offices, in Libya and in Kazakhstan. It also secured approval to open a subsidiary in Algeria and converted its offices in Belgium, Poland and Slovakia into branches.

"We are achieving good results and must continue to expand and to set new goals that are consistent with Calyon's potential."



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

## Capital markets and investment banking

### Capital markets: robust momentum

Calyon is extremely active in the world money markets, where it operates in 27 countries from five liquidity centres. In the foreign exchange market, it is No. 1 in France and No. 10 worldwide (source: FX Week's Best Banks Survey 2006).

The worldwide fund management and equity derivatives organisation was consolidated, with an increase in staff, expansion into new customer segments and diversification of the product range. CASAM's development was stepped up with the acquisition of URSA in the USA (see page 49).

## "EXPANDING WAS THE LEAST WE COULD DO..."





The cash and structured products operations were merged, pooling the expertise of over 200 specialists to offer customers a single point of contact for all fixed-income and CDO products. The new debt market business line offers a complete range of instruments to over 500 issuers throughout the world. Calyon is No. 8 worldwide in euro bond issues (source: Thomson Financial). In commodities, Calyon is a market maker for all underlying energy and metals instruments. It is also a specialist in metal derivatives traded over-the-counter. In a climate of strong growth in interest rate derivatives, Calyon developed its customer portfolio, launched new products and enhanced its range of currency offerings.

### Brokerage: excellent performance from our three specialised subsidiaries

#### Calyon Financial

Calyon Financial is one of the world's leading futures and options brokers. Operating in the world's sixteen largest financial centres, it has expanded its operations to Frankfurt, China, Brazil and the Middle East. In 2006, volumes handled increased by 35%. Altura, a joint venture between Calyon Financial and BBVA in Madrid, was named "Best Spanish Listed Derivatives Broker" for the second year running (source: Risk magazine).

#### Crédit Agricole Cheuvreux

Cheuvreux, the Group's European brokerage firm, enjoys significant recognition for its independent research. In early 2006, Cheuvreux expanded its execution capacity

### United States: Calyon acquires Financial Holding Company status under the Bank Holding Company Act.

This will enable Calyon and Crédit Agricole S.A. subsidiaries to expand the scope of their operations in the USA including a comprehensive securities business (underwriting, deal- and market-making), an insurance business (mainly underwriting, agency and brokerage activities), merchant banking (direct investment in non-financial companies within certain limits), and all other businesses in which bank holding companies are authorised to engage in.

"Our international network has demonstrated its strength and effectiveness. It will serve as a springboard for seizing business opportunities for each of our business lines everywhere in the world."

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

to Poland, Hungary and the Czech Republic. Calyon Securities' equity e-brokerage platform in the US was integrated into Cheuvreux's to offer combined execution services between Europe and North America.

#### CLSA

CLSA is the leader in the Asia-Pacific region, where it offers brokerage, investment banking and private placement services, with a staff of over 900 professionals covering eleven markets. CLSA is renowned for its innovative, independent, prize-winning research and its sales and execution services.

## EXPERTISE

### Credit and CDO markets

**No. 10 worldwide in primary bond issues in euros** (source: IFR)

**No. 2 lead manager for European CDOs** (source: European CDO League Table Informa Global Markets)

**No. 1 European CDO bookrunner for structured and synthetic products** (source: Asset-Backed Alert - 3 November 2006)

**No. 2 synthetic CDO arranger for corporate bonds** (source: CreditFlux, 2006)

## AWARDS

### Brokerage: recognised services



Cheuvreux ranked No. 1 in Europe in French equities by Institutional Investor and No. 2 in SRI research in France by Agefi.



CLSA is recognised for its research and execution services.

## Investment banking: continued deployment abroad

In 2006, the Investment Banking business line continued to deploy its operations abroad by adding to its staff in Latin America, setting up a team in Dubai to cover the Middle East and North Africa, and setting up an ECM team specialising in derivatives in Hong Kong.

Calyon worked on several major deals. It made a significant contribution to the success of the Aéroports de Paris IPO as joint bookrunner. It was the lead for one of the largest exchangeable bond issues recent years, for Artemis Conseil, and for the Banco Espírito Santo share issue. In employee share savings schemes, it structured numerous transactions, namely for ASF, Vallourec, Veolia and Schneider.

In M&A activity, Calyon served as advisor to ASF for its privatisation and for its acquisition by Vinci, a €14 billion deal. Outside France, Calyon advised Casino on the disposal of its Polish operations and participated in many cross-border deals including Seb's acquisition of the Chinese company Supor.

## Financing activities

### Structured finance

#### Project finance

Calyon is a world leader in project finance advisory and arrangement services with nine international teams. In the infrastructure and public/private partnership sector, Calyon played a major role in several deals, including Uejongbu (South Korea), North South Bypass Tunnel (Australia), Optimep (France), Vinci Park (France) and Birmingham M6 (UK). Calyon served as adviser to Gazprom, Alcan Aramco and Total. It was ranked the world's No. 1 Mandated Lead Arranger by Dealogic.

### A strategic merger in brokerage

On 9 January 2007, Calyon Financial and Fimat announced their plan to merge, thereby creating the world leader in execution and clearing of listed derivatives. The new entity is 50/50 owned by Société Générale and Calyon. It will offer its base of international institutional investors access to over 70 regulated derivatives exchanges. It will be competitive and holds substantial potential for cross-selling.

"All our business lines are now in working order. We must continue to expand and to initiate new developments in other customer segments, namely in hedge funds."

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

### Adviser in energy and structured finance

Calyon expanded its product range to include all structured finance in the oil and gas, electricity, metals and infrastructure sectors in conjunction with the investment banking arm. It is developing a range of industry-wide products for the energy sector.

### Property and hotel finance

In this segment, Calyon is active in fifteen countries. It is the No. 1 bank in real estate finance in France and in Spain, and No. 4 worldwide (source: Euromoney). Calyon made its mark with several large deals, including the acquisition of Fairmont Hotels & Resorts Inc. in the US by Colony Capital and Kingdom Hotels International and Starwood Capital's acquisition of Taittinger.

## PERFORMANCE

### Major deals in investment banking



## EXPERTISE

### The Reliance Petroleum transaction was named "Best Project Finance Deal" by Finance Asia, and "Asia Pacific Petrochemical Deal of the Year" by Project Finance International

Calyon participated as joint mandated lead arranger and bookrunner in a €1.5 billion project finance deal for Reliance Petroleum Limited (RPL). The project entails building a new crude oil refinery in Jamnagar in the State of Gujarat. Reliance Industries, India's largest privately held company, is sponsoring the project. The refinery will be the sixth largest complex of its type in the world.

## Telecoms

This business continued to grow at a remarkable pace with major deals such as Softbank's acquisition of Vodafone Japan and participation in the consolidation of cable operators in Europe (NTL in the UK, Ypso-Numéricable in France) and in the USA (Time Warner Cable).

## International trade: four business lines

Calyon is a world leader in export finance with €3.7 billion worth of deals. In 2006, it received the "Deal of the Year Awards" from Trade Finance Magazine (Euromoney Group) for Kia Motors (Slovakia), Russian Regional Jet Thalès (Russia) and Digitel Mobile (Philippines). Calyon ranks among the world leaders in structured commodities finance, with €5.6 billion in deals arranged or co-arranged. In commodities trade finance, Calyon deployed teams in Singapore to support its staff in Hong Kong. Trade finance revenues increased appreciably in Europe, Japan and the Middle East.

## Transportation and rail finance

Calyon is a world leader in this sector. It financed nearly 100 aircraft, set up an aircraft leasing company in China and expanded its business to include railways.

## Ship finance

Net commitments in this segment amounted to over €6.5 billion with a fleet of over 1,000 ships financed. In 2006, Calyon signed 90 new deals for a total volume arranged of €6.5 billion.

## Acquisition finance

2006 was another record year for the LBO markets. In a highly favourable climate, Calyon worked on major LBOs including Elior, Pages Jaunes, Picard and Europcar, earning for it the ranks of No. 1 bookrunner in France from Dealogic and No. 1 mandated arranger from Thomson Financial.

In Western Europe, with important deals in Spain (BAA), Italy (Fiat Avio) and the UK (Iglo-Birds Eye), Calyon was ranked No. 8 top mandated arranger by Thomson Financial.

## Syndicated loans

Calyon's strength in the EMEA region (Europe-Middle East - Africa) lies in an integrated platform operating from London, Paris and Madrid.

Calyon consolidated its position as a recognised lead arranger, with major deals such as BAA in Spain, MTC in Kuwait, Gazprom in Russia, Grupo IMSA in Mexico. Calyon retained its position among the Top Ten in the world (source: Thomson Financial). In France, Calyon is the No. 2 bookrunner (source: Thomson Financial), with 91 deals (including Louis Delhaize and Numéricable) worth €32.7 million and an 18% market share. In the EMEA region, Calyon was ranked No. 4 bookrunner based on number of deals (source: Thomson Financial) and No. 2 arranger for the Asia-Pacific region by Project Finance International.

## Corporate banking: a comprehensive range of products and services

To develop its commercial banking operations in France, the Corporate & Banking Services business line relies on the expertise of Calyon's specialised business lines and on the capacity of the branch networks of the Group, the Regional Banks and LCL, as well as of its specialised subsidiaries.

With 18 branches, the Department of French Regions working in partnership with the Regional Banks, is developing coverage, corporate banking and market activities for a portfolio of mid-size business customers, local community institutions and financial institutions.

## PERFORMANCE

### Rankings in structured finance

- Project finance: World No. 1 mandated lead arranger by Dealogic.
- Real estate and hotel finance: No. 1 real estate finance bank in France and in Spain and world No. 4 bank in 2006 by Euromoney
- Aircraft finance : World No. 1 debt arranger by Airfinance Journal
- Export finance : World No. 4 top mandated arranger by Dealogic.
- Telecom finance: No. 6 bookrunner in Europe and the Middle East by Dealogic

## EXPERTISE

### Creation of Global Islamic Banking Department (GISB)

In 2006, Calyon launched a world-wide range of Islamic banking products for corporate and institutional customers. Islamic financing won two awards : the Murabaha Deal of the Year and the Kuwait Deal of the Year for the USD 1.2 billion Mobile Telecommunications Company of Kuwait (MTC) transaction. This is one of the largest Murabaha finance deals ever arranged for a corporation.

# SUSTAINABLE DEVELOPMENT AT CALYON



With assets of €113 billion, Calyon has to exercise its responsibility within its business activities, notably by taking account of extra-financial risks.

The most closely involved business lines are project financing, which applies the Equator Principles, and equity research and brokerage subsidiary Cheuvreux.

Calyon has also decided to support research efforts in this area by financing the creation of a chair at the University of Paris Dauphine.

## The Equator Principles - making progress

Since 2003, Calyon has integrated social and environmental risks into its project financing choices and is currently the only French bank to have adopted the Equator Principles.

In respect of this commitment, Calyon has created a unit in charge of the worldwide implementation of these principles and developed a system for the classification of projects according to identified risks based on IFC<sup>(1)</sup> directives.

All new projects have to be evaluated using this procedure. In addition, Calyon is also classifying projects financed before these principles were adopted. Any projects prior to 2003 are being reviewed in accordance with the Equator Principles\*.

In collaboration with the IFC and other banks, Calyon has been involved in improving the Equator Principles through dialogue with NGOs, as representatives of civil society.

As a result, a revised version of the Equator Principles was introduced in July 2006.

<sup>(1)</sup> International Finance Corporation.

## THE QUANTITATIVE FINANCE AND SUSTAINABLE DEVELOPMENT CHAIR

By financing this programme, Calyon is lending its expertise to the area of sustainable development. Specialists in mathematics and quantitative finance, as well as experts in the environment and sustainable development, will collaborate for a period of three years in adapting extra-financial criteria to financial issues. The aim of the chair is to develop measurement and financial management tools specifically for sustainable development and to take better account of social and environmental criteria by integrating them into financial mechanisms.

## A QUANDARY - THE FINANCING OF BOTNIA

The Finnish group Metsa Botnia will open a pulp and paper mill in Uruguay in 2007. This project, which received considerable support from public authorities and the local population in Uruguay was faced with opposition from its Argentinean neighbours who had concerns over how this would affect their standard of living.

At the request of our long standing client, the Group studied the project by:

- during June 2006, holding meetings with the NGO's who were opposed to the project Internally;
- reviewing the Impact Study, which was produced in October 2006 by an independent engineer, to ensure that the points raised by the NGO's were addressed and to ensure that the plant would be built to the best possible technical specification;
- validating the economic model.

After taking into account the ability of our clients to manage in a responsible way the environmental impact of the plant, respecting the relevant OECD regulations and the fact that IFC were to be involved in the financing, Calyon finally decided to support Metsa Botnia. Our decision, once made, to support the group on this project was also explained to the NGO's in 2007.



At the end of 2006, Calyon decided to incorporate environmental and social risks into its other business lines by creating a dedicated position.

The "EP2" principles now concern all projects with a total cost of \$10 million or more (as opposed to \$50 million previously) and have been extended to project finance advisory activities. Each signatory bank now has to make public the number of projects financed and their categorisation.

## Innovative research

Since 2005, Cheuvreux has integrated companies' social, environmental and corporate governance performance into its European research. It has therefore included new risk and responsibility issues in its equity research in order to identify the leading companies in this area and provide better visibility for investors.

In addition, Cheuvreux has set up a dedicated analyst team to identify and evaluate SMEs that meet sustainable development criteria and also offer opportunities for investors. In 2006, ten conferences were held with companies, experts and stakeholders to discuss major issues such as the impact of the carbon trading market. A series of studies analysing the sectors and companies producing the highest carbon dioxide emissions illustrates Cheuvreux's expertise in this area.

\* For more information, see Chapter 4 in the shelf-registration document.

# SPECIALISED ACTIVITIES AND SUBSIDIARIES

## Capital investment and finance

### Crédit Agricole Private Equity

Crédit Agricole Private Equity acquires direct equity interests in unlisted companies and operates in venture capital, development capital, LBO and mezzanine financing. This unit developed a number of new activities in 2006: Capénergie, the first institutional fund dedicated to renewable energy Meridiam, an investment fund focused on infrastructure projects developed under public-private partnership (PPP) contracts; Exitis, providing liquidity solutions for equity portfolios.

### Idia Agricapital

Idia Agricapital works with farms, farm co-operatives and food companies in private equity (development capital and business transfers), management of land and forestry organisations and the acquisition of majority stakes in vineyards.

### Sodica

Sodica advises business managers on projects such as disposals, acquisitions and financial engineering. It is one of the leading players in mid-cap M&A, and also has a capital markets engineering activity. Sodica assists its clients with projects in France and internationally.

## Cedicam

### Payment flows platform

Cedicam's high-quality services contribute to the performance of Group banks. It is responsible for IT systems relating to payment flows. In payment systems, it operates mainly in electronic banking. This includes the personalisation of bank cards for the Regional Banks, as well as certain Sofinco and Finaref private label cards. Cedicam is also in charge of the Group's electronic banking system.

In financial flows, Cedicam designs and manages the Group's internal trading systems, as well as access to trading, clearing and settlement systems both in France and abroad. It is also responsible for cash centralisation activities. Cedicam manages accounts opened with Crédit Agricole S.A. and those opened by Crédit Agricole S.A. with foreign banks. It manages the cash held in Crédit Agricole's accounts with Banque de France.

### A key player in payment activities

Cedicam plays a central role in payment activities. It is actively involved in sales and marketing in order to support the development of the Group's banks. In payment security, Cedicam also manages and coordinates efforts to combat electronic banking fraud, as well as organising multimedia security. Cedicam represents the Group's interests in interbanking operations through its involvement in drawing up standards in France and Europe. Finally, it contributes to the development of the Group's strategy in payment activities, which are central to its ambitions in Europe.

## PERFORMANCE

### Firm business momentum in 2006



€2.3bn of assets under management

350 equity interests

Advisor in 31 transactions and 4 IPOs in 2005 and 2006

## EXPERTISE

### The Crédit Agricole Group and the single euro payments area

The single euro payments area (SEPA) is due to be launched on 1 January 2008. The aim is to enable all economic players within the SEPA to make payments in euros under the same terms as national payments at present. Crédit Agricole will not only be able to handle SEPA payments as of 1 January 2008, but it will also support its customers – in particular companies – in migrating to the new system, with the numerous opportunities it presents. Cedicam is leading and coordinating all of the Group's efforts.





## Crédit Agricole Immobilier

### A comprehensive real-estate offering

Crédit Agricole Immobilier is Crédit Agricole S.A.'s real estate unit, and covers all real estate-related activities except financing: property development and equity interests, property management and investment advice, delegated project owner services for public- and private-sector clients, rental management, operating premises and transactions.

With 245 staff, Crédit Agricole Immobilier operates in all areas of the real-estate market: office, residential, retail, hotels, business premises, logistics and public infrastructure, in France and the rest of Europe.

### Firm development in 2006

Crédit Agricole Immobilier developed its regional positions in Nantes, Marseille and Toulouse. It also acquired Toulouse-based developer Litho Promotion, which specialises in residential developments in the Midi-Toulousain, Aquitaine and Basque regions.

Two major developments got underway in 2006: Val Bréon, the largest logistics development zone in the Paris region (see page 82), and Euromed Center.

## Uni-Éditions

### Uni-Editions is Crédit Agricole S.A.'s publishing subsidiary

It publishes several consumer magazines and employs around 50 staff, divided almost equally between sales, administration and accounting on the one hand, and editorial activities on the other. Uni-Editions also has a news agency that provides the Regional Banks with a range of newsletters and guides for their customers.

### Varied range of titles

*Dossier familial* is Uni-Éditions's flagship title, and is France's leading monthly magazine in terms of paid circulation, with 1,230,000 subscribers. *Détente Jardin* celebrated its 10<sup>th</sup> anniversary with its autumn 2006 edition, and is, from two years, France's leading gardening title in terms of circulation (295,000 paid copies on average). *Maison créative* had its 5<sup>th</sup> birthday in early 2007 and is also France's number one title in its segment, with 270,000 copies. *Régál* is building a presence in the cookery segment.

### 2007 projects

The main project for 2007 is the launch of *I comme info*, a monthly practical information magazine based on the same format as *Dossier familial*, but aimed at LCL customers.

## DEVELOPMENT



### Euromed Center

Crédit Agricole Immobilier was selected alongside Cogedim to build this international trading platform in Marseille, as part of one of Europe's largest urban redevelopment projects.

## INNOVATION

### Constantly enhanced offering





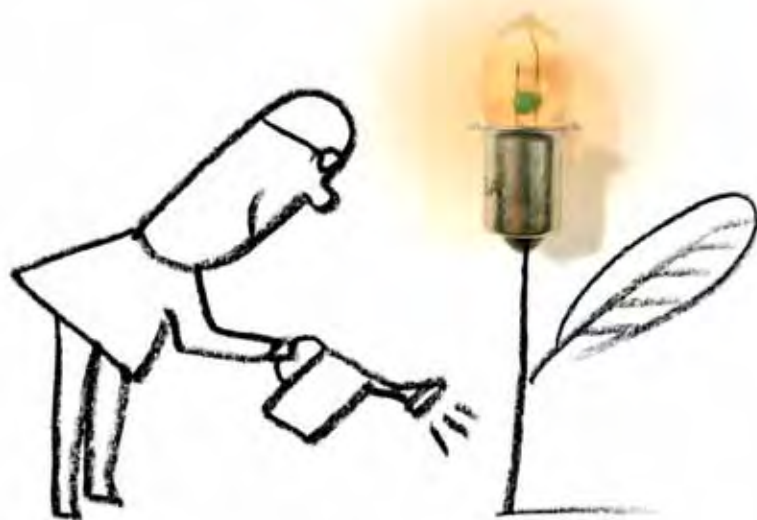


An aerial photograph of a savanna landscape. In the foreground, a dense forest of green trees borders a river. Beyond the forest is a vast, open savanna with scattered trees and shrubs. In the background, there are rolling hills under a cloudy sky. The overall scene is bathed in warm, golden light, suggesting late afternoon or early morning.

# PROTECTING OUR PLANET

<< Faced with the increased diversity of our activities and offices, our vision of our corporate responsibility is evolving. This vision should be expressed as close as possible to the field and in each of our business lines, in order to take account of **the expectations of all those involved.**>>

# SUSTAINABLE DEVELOPMENT



As a leading player in the banking sector that is aware of the responsibility that comes with this position, Crédit Agricole S.A. intends to contribute to the application of the principles of the UN Global Compact, which it signed in March 2003.

## MARCH



### Launch of the "Compte d'Épargne Forestière" savings account

On the occasion of the International Agricultural Fair in Paris, the first "Compte d'Épargne Forestière" savings account for forestry projects was launched by Jean-Marie Saillard, mayor of Lès-Villedieu (Doubs), in the presence of Crédit Agricole S.A.'s Chairman René Carron, Forestry Municipalities National Federation's chairman Yann Gaillard, and French agriculture minister Dominique Bussereau. This product is exclusively distributed by Crédit Agricole S.A. It allows municipalities to set up gradually interest-bearing savings accounts intended for future forestry investments.

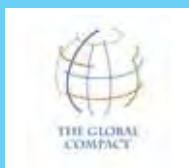
## APRIL



### Launch of the environment-focused offering

The 12 products in the Group's environment-focused offering were presented to business managers of the Regional Banks (businesses, small businesses and personal customers) and the various subsidiaries and operating units of the Crédit Agricole S.A. Group.

## MAY



### Signature of Responsible Investment Principles by CAAM

On the occasion of their European launch, the principles were signed by CAAM with 18 other institutional investors and asset management companies in Europe managing over \$2,000 billion. Each signatory has made a commitment to promote a responsible approach in its business activities. See page 53

## JUNE



### Results of the carbon balance assessment

The organisation in charge of measuring the Crédit Agricole S.A. Group's greenhouse gas emissions presented its conclusions to members of the working party leading the project within their business unit (CAAM, Calyon, Crédit Agricole S.A., LCL). See page 81

Based on the foundations of the values that embody the mutualist ideal - proximity, solidarity and responsibility - and its "unified yet decentralised" organisational structure, Crédit Agricole has undergone extensive changes over recent years both in France and abroad.

Against this backdrop, the Group is working to disseminate these values within each of its business entities, while also maintaining their specific business cultures. It has done this by capitalising on its strengths: one of the largest co-operative banks in the world; the biggest retail bank in France; the long-standing bank of farmers; a bank pursuing extensive international expansion.

The Group needs to adapt its stance towards responsibility in the light of changes in the scope of consolidation and its increased diversity. This should be seen as close to the ground as possible and in each of the Group's business lines in order to take into account the expectations of all of the parties involved. This will be the central tenet of the Group's sustainable development programme over the coming years and will be made concrete by the definition of a plan of action for each business entity.

**The Group's Sustainable Development Committee (p.72) has identified the following key areas for 2007:**

**Responsibility to employees (p.75-77):** maintaining a policy focusing on dialogue, listening, managing employees and mobility.

The implementation of employee opinion surveys in several subsidiaries will be spread in the Crédit Agricole S.A. Group. In addition, given its likely significant recruitment requirements, efforts to make the Group more attractive to potential employees will be consolidated, particularly in terms of non-discrimination.

**Responsibility to clients (p.78-80):** following the launch in 2005 of the new motto, "*une relation durable, ça change la vie*", concrete actions have been taken to strengthen ties

between clients and their bank during both the good times and bad times of life.

Remaining loyal to its original business line, Crédit Agricole supports farmers both in innovations (e.g. renewable energies p.78) and during sector or healthcare crises (e.g. wine growing, poultry farming).

**Responsibility to the environment (p.81-83):** a central issue in 2006, efforts to take account of the direct and indirect impact of the Group's activities on the environment have been stepped up considerably.

Following the results of the carbon balance assessment carried out in 2006 using the ADEME method, the Sustainable Development Committee has identified priority targets for reducing carbon dioxide emissions and appointed working parties to look at the issues of transport, energy and raw materials.

As regards its indirect impact on the environment, Crédit Agricole has provided incentives for its customers by launching environmentally-friendly financial products. The Group - notably Calyon - has also decided to increase its efforts to take into account environmental and social risks in its activities beyond the Equator Principles, which now apply to project financing. This responds to the society's expectations, as conveyed by certain NGOs.

**Responsibility to society:** traditionally guided by the values that embody the mutualist ideal, Crédit Agricole - with its strong regional presence - is continuing to implement concrete actions to bolster its core value of proximity, especially for excluded people.

As in 2006, these efforts will be supported by actions to raise awareness internally (p.72).

## JULY



### Implementation of the new version of the Equator Principles (EP2)

Calyon implemented the EP2 principles and published the main procedures put in place on its website.  
See [www.calyon.com](http://www.calyon.com)

## OCTOBER



### Regional Banks congress in Dijon

During the biennial Regional Banks congress, several resolutions were adopted as:

- being more representative of the society;
- being a key player in prevention of banking exclusion.

The extension of the "Points Passerelle" programme to all of the Regional Banks was thus asserted.

## NOVEMBER



### Signature of a partnership agreement with EDF to manage carbon dioxide quotas

On the occasion of the Pollutec exhibition in Lyons, Crédit Agricole S.A. signed a partnership agreement with EDF concerning the trading of carbon dioxide quotas for the Regional Banks' business customers. All volumes will be traded, from orders below 6,000 tonnes via the intermediary of EDF, to orders above handled by Calyon.

## DECEMBER



### LCL obtains equality accreditation between men and women

LCL received equality accreditation in recognition of its efforts and results. This provides encouragement for the bank to continue with its efforts in this area. Initiated in March 2004 by the minister for social cohesion and quality, the system supports professional equality between men and women in the workplace.



# GOVERNANCE

## BOARD OF DIRECTORS AT 6 MARCH 2007

DIRECTORS ELECTED  
BY THE AGM



**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: 2009  
Representing SAS Rue La Boétie  
Chairman, Caisse régionale Alsace-Vosges  
Chairman, FNCA and SAS Rue La Boétie



**Jean-Paul Chifflet, Deputy Chairman**  
First appointed: 31/01/2007  
Term of office ends: 2007  
Chief Executive Officer, Caisse régionale Centre-Est  
Deputy Chairman, SAS Rue La Boétie  
General Secretary, FNCA



**Noël Dupuy, Deputy Chairman**  
First appointed: 21/05/2003  
Term of office ends: 2009  
Chairman, Caisse régionale de la Touraine et du Poitou  
Deputy Chairman, FNCA



**Pierre Bru<sup>(1)</sup>**  
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<sup>(1)</sup>**  
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

## Governance

Crédit Agricole S.A. is majority-owned by the Regional Banks, and defines its governance model by drawing upon the legacy of mutual values held by the Group companies, and on 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 operating procedures of the Board of Directors, and in particular in:

- the proactive involvement of Directors in the company's corporate life, and oversight of management and strategy;
- an open, even balance of power in the organisation and in the composition of management bodies;
- an ongoing desire to allow all individuals to perform their duties effectively, with the necessary objectivity and independence, with a focus on quality of dialogue and transparent reporting to the Directors.

## Governance: key achievements in 2006

Crédit Agricole S.A. maintained its efforts to achieve ongoing improvements in its governance system by adjusting to 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 implementation of Basel II systems and HR management policy.
- The Strategic Committee played a very active role in reviewing the implementation of the Group's development plan, which was approved by the Board in late 2005.
- The Appointments and Governance Committee developed proposals to improve the work done by committees and to carry out a new assessment of the Board of Directors' operating procedures in 2007, with the assistance of an external consultancy.

*More detailed information on governance is available in the shelf-registration document, in the chapter entitled "Governance and internal control".*



**Jean-Roger Drouet**

First appointed: 16/11/2005  
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**

First appointed: 29/11/2001  
Term of office ends: 2009  
Director representing the Regional  
Banks employees



**Roger Gobin**

First appointed: 25/05/2000  
Term of office ends: 2009  
Chairman, Caisse régionale  
Atlantique-Vendée



**Bruno de Laage<sup>(1)</sup>**

First appointed: 17/05/2006  
Term of office ends: 2007  
Chief Executive Officer,  
Caisse régionale de l'Anjou  
et du Maine



**Daniel Lebègue**

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



**Bernard Mary**

First appointed: 29/11/2001  
Term of office ends: 2009  
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**

First appointed: 23/05/1996  
Term of office ends: 2009  
Chairman, Caisse régionale  
d'Aquitaine



**DIRECTOR REPRESENTING  
PROFESSIONAL FARMING  
ORGANISATIONS  
Jean-Michel Lemétayer**

First appointed:  
November 2001  
Term of office ends:  
September 2008  
Chairman, FNSEA (French  
national farmers' union)



**DIRECTORS ELECTED BY THE EMPLOYEES  
Daniel Coussens**

First appointed: June 2006  
Term of office ends: 2009



**Guy Savarin**

First appointed: June 2006  
Term of office ends: 2009



**NON-VOTING DIRECTOR  
Henri Moulard**

First appointed: May 2003  
Term of office ends: 2009  
Chairman, Truffle Venture  
(Invest in Europe)



**REPRESENTATIVE  
OF THE WORK COUNCIL  
Catherine Abalain-Angeli**

Appointed in June 2006



<sup>(1)</sup> Standing for election or re-election of the  
annual general meeting of 23 May 2007

**STATUTORY AUDITORS**

- Barbier Frinault et Autres, Ernst & Young
- Pricewaterhouse Coopers Audit

## Governance of subsidiaries

In keeping with the governance principles of Crédit Agricole S.A. and the rules on internal control within the Group, the subsidiaries that are the most active in terms of bank loans have adopted rules designed to facilitate the work done by administrative and executive bodies and to enhance the oversight of operations and risks by their Board.

Accordingly, one or more external Directors sit on the Boards of Directors of Calyon, LCL and Finaref. These subsidiaries, along with Predica, have an Audit and Risks Committee. Calyon, Sofinco and Predica also have a Compensation Committee.



## Crédit Agricole S.A.'s Board of Directors in 2006

The Board of Directors and its various specialist committees met 27 times in 2006:

- 12 meetings for the Board of Directors
- 6 meetings for the Audit and Risks Committee
- 3 meetings for the Compensation Committee
- 5 meetings for the Strategic Committee
- 1 meeting for the Appointments and Governance Committee

The average attendance rate was almost 90%.

# EXECUTIVE COMMITTEE

AT 6 MARCH 2007



**01 GEORGES PAUGET**

Chief Executive Officer, Crédit Agricole S.A.



**02 ÉDOUARD ESPARBÈS**

Deputy Chief Executive Officer, Crédit Agricole S.A.  
Chief Executive Officer, Calyon



**03**



**06**



**04**

**03 MOHAMMED AGOUMI**

Deputy Chief Executive Officer, LCL

**04 ALINE BEC**

Head of Group Information systems and technology

**05 JÉRÔME BRUNEL**

Head of the Regional Banks business line,  
Head of Private equity

**06 AGNÈS DE CLERMONT TONNERRE**

Head of General Secretariat, Secretary of the Executive Committee

**07 THIERRY COSTE**

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

**08 MARIE-CHRISTINE DUMONAL**

Group Head of Human Resources

**09 CHRISTIAN DUVILLET**

Chief Executive Officer, LCL

**10 ARIBERTO FASSATI**

Head of Crédit Agricole S.A. Group for Italy

**11 PATRICK GALLET**

Group Head of Corporate Development

**12 MARC GHINSBERG**

Head of Management Control and planning, Subsidiaries and Affiliates,  
Head of Strategy and development

**13 JÉRÔME GRIVET**

Corporate Secretary and Head of Strategy and Finance, Calyon

**14 JEAN-YVES HOCHER**

Head of Insurance, Chief Executive Officer, Predica

**15 JACQUES LENORMAND**

Group Head of Business development in France

**16 JEAN-FRÉDÉRIC DE LEUSSE**

Group Head of International business development, Head of International retail banking and Head of Private banking



**05**



**07**

**17 MARC LITZLER**

Deputy Chief Executive Officer, Calyon

**18 GILLES DE MARGERIE**

Chief Financial Officer, Head of Strategy

**19 BERNARD MICHEL**

Head of the Property division and the Purchasing and logistics department

**20 YVES PERRIER**

Deputy Chief Executive Officer, Calyon





**21 AUGUSTIN DE ROMANET DE BEAUNE**  
Deputy Chief Financial Officer,  
Deputy Head of Strategy

**22 ALAIN STRUB**  
Head of Risk management  
and permanent controls

**23 PATRICK VALROFF**  
Head of Specialised financial services,  
Chairman and Chief Executive Officer, Sofinco

## Group guidance and management

Senior executive management has reaffirmed the importance of social and environmental responsibility within the Group. This has notably led to a change in the reporting lines of the dedicated teams, a broadening of the Sustainable Development Committee and a strengthening of the management mechanisms.

**The Sustainable Development Committee** sets out the main guidelines for action at the proposal of the Sustainable Development Mission which reports to it regularly. The Committee is chaired by the Chief Executive Officer. In 2006, the number of members was increased from 5 to 8 and, alongside the General Secretary, the head of Development of the Regional Banks and the head of the Sustainable Development Mission, now includes the heads of Group Human Resources, Group Risk Management and Permanent Controls, Group Finance and Strategy and Group Development in France. The Committee met three times in 2006.

**The Sustainable Development Mission**, which has been part of the Regional Banks division since its creation, reports to the General Secretary to facilitate its cross-functional management and coordination role. In addition, the initial team of three people has been bolstered by a fourth full-time person.

It is supported by a network of sustainable development officers appointed by the heads of the Regional Banks, subsidiaries and various departments. At the end of 2006, this network comprised 91 people compared with 79 in 2005, reflecting each entity's commitment to better understanding its fields of responsibility in order to define the appropriate action plans. The officers are equally divided between each entity: 48 from the Crédit Agricole S.A. Group and 43 from the Regional Banks.

The Crédit Agricole S.A. Group sustainable development officers met four times in 2006, including one plenary session with their colleagues from the Regional Banks, which also held their own meeting in Chambéry. These meetings focused on the environment and diversity in 2006, and provided an opportunity to share best practices and to listen to the various stakeholders (e.g. non-governmental organisations, analysts, etc.). Senior executive management (Chairman, General Secretary and heads of subsidiaries) also took this opportunity to reaffirm the importance of having a responsible policy borne out by actions in the field.

Meanwhile, the Environment Unit, which has twelve members, met twice in 2006 and worked on the environment offering, the results of the carbon balance assessment and new product ideas.

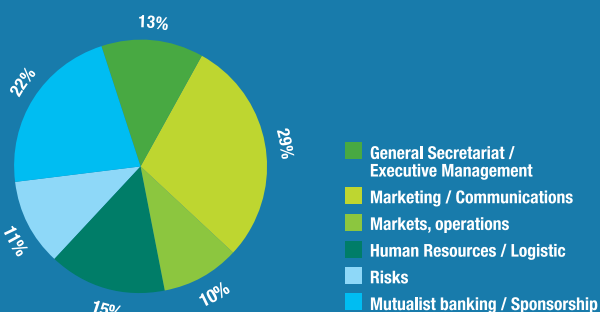
At the request of certain departments, passed on through their officers, the Sustainable Development Mission undertook training and awareness actions. The team members acted as specialists, both in the Group's challenges and actions and in challenges related to public awareness, during some twenty seminars for managers involving various business lines of Crédit Agricole S.A., the subsidiaries and the Regional Banks. A presentation was also made to the Works Council.

In addition, the IFCAM\* decided that an initial class of the Group's young managers (aged 30-35) should work as a team on a nine-month project on three sustainable development-related issues.

Lastly, every new managerial recruit is offered an initiation seminar, SESAME, which includes a section on sustainable development.

*\*Crédit Agricole's Training Institute*

### Breakdown of the 91 sustainable development officers



**"This training course, provided by the IFCAM, is attended by the Group's young managerial staff and lasts for a year. I learnt a lot: I got to know how a large group works, I met colleagues from a very wide range of backgrounds and I learnt about the values of mutualist ideal. We all attended a presentation on sustainable development, which was a theme of our group projects. This gave me a better understanding of how important this issue is and why, but also of how complex it is for a manager."**



**Fabrice Deotto**, head of the Victor Hugo group of branches (Lyon Centre Regional Division, LCL)



## Preventative measures

### Confidence is a central part of our banking business.

This is backed up by our efforts in terms of compliance, as well as customer-focused measures to ensure the quality of our products (see page 130 of the shelf-registration document). This confidence also means finding a balance between the rights and duties of the business, shareholders, member-stakeholders, customers and employees.

These principles are reflected by:

- the nine pillars of the **compliance charter** adopted by the Group in 2003 and translated into ten or so languages (see box);
- the **FIDES** Group compliance programme defined in 2004, led by the Group Compliance Department, grouping together the Compliance and Financial Security units. Since 2004, almost 80% of the total workforce have received compliance training in France and abroad. The knowledge developed by Crédit Agricole S.A. Group employees was tested in early 2006 with a 20-question electronic quiz. The participation rate reached 75%.

Under the chairmanship of the General Secretary of Crédit Agricole S.A., the **Compliance Management Committee**, which meets once a month, monitors the organisation of Group compliance and the implementation of procedures and training within the Group\*. The Group Compliance department also has tools such as risk mapping, covering corruption and money laundering\*, as well as monitoring compliance with securities regulations in the US\*.

In addition, **the Group continued to reinforce its financial security and measures to counter corruption in 2006** in accordance with the 10<sup>th</sup> principle of the UN Global Compact.

After France, the European Union and the Americas, the syntactic system to ensure compliance with national and international embargos and asset freezes for persons subject to economic sanctions (due to terrorism or other reasons) has been rolled out in Asia and the Middle East. A new software system to analyse and monitor customer accounts in both retail banking and corporate and investment banking will also be installed initially in the French retail banking business line.

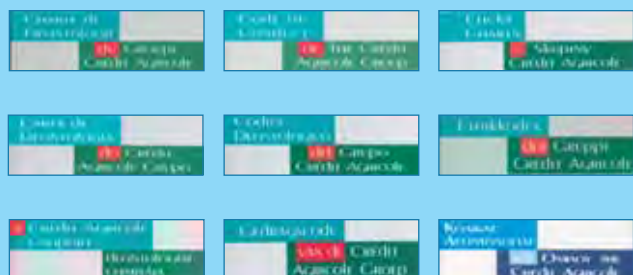
The prevention of money laundering is ensured by internal procedures that are updated in accordance with legal and regulatory changes. For example, the need for vigilance in preventing fraud in the interests of the European communities (VAT fraud) and preventing corruption is mentioned. These instructions are included in training material.

Moreover, Crédit Agricole is a member of France-Transparency International, an anti-corruption NGO.

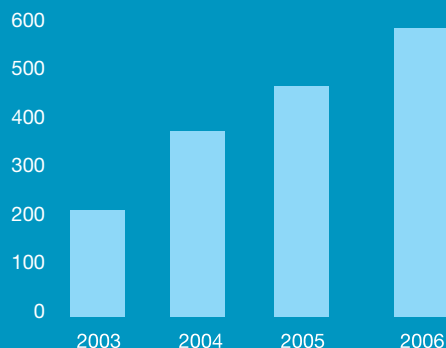
As a result of these efforts, in September 2006 the Crédit Agricole Group obtained Financial Holding Company status from the US Federal Reserve, ensuring the continuation of some of its activities in the United States which had been granted provisional status, as well as allowing it to develop its operations in peripheral sectors (insurance, securities activities, investment banking, asset management).

\* For more information, see Chapter 4 of the shelf-registration document.

### The compliance charter adopted in 2003 by the Group has been declined in its subsidiaries all over the world.



### Growth of employees working for the Compliance function



# SUMMARY OF 2006 AND OUTLOOK FOR 2007

2006 TRENDS	ACTIONS	STATUS	2007 TRENDS
Continued roll-out of the compliance training programme	<ul style="list-style-type: none"> <li>• Organisation of training sessions at new subsidiaries acquired by the Group</li> <li>• Quiz to test the knowledge acquired by Group employees having received training, over 80% of the total workforce</li> </ul>	<p>In progress</p> <p>Achieved</p>	<ul style="list-style-type: none"> <li>• Further training at the Group's new acquisitions</li> </ul>
Reinforcing bank/customer confidence	<ul style="list-style-type: none"> <li>• Development of the nationwide "New Customer Relations" project</li> <li>• Measurement of satisfaction of customers of the Regional Banks network</li> <li>• Creation of an offering dedicated entirely to environmentally-friendly products                             <ul style="list-style-type: none"> <li>- launch of the offering</li> <li>- distribution by the Regional Banks</li> </ul> </li> </ul>	<p>In progress</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>In progress</p>	<ul style="list-style-type: none"> <li>• Continued roll-out at the Regional Banks</li> <li>• Yearly customer satisfaction barometer (every two years for over 10 years)</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>• Social barometers and employee opinion surveys: Finaref/Eurofactor/Calyon</li> <li>• Non-discrimination policy:                             <ul style="list-style-type: none"> <li>- Application of the diversity charter at Finaref and Sofinco</li> <li>- LCL obtains equality accreditation</li> </ul> </li> </ul>	<p>Achieved</p> <p>In progress</p> <p>Achieved</p>	<ul style="list-style-type: none"> <li>• Extension of the implementation of social barometers in the Crédit Agricole S.A. Group</li> <li>• Continuation of the policy favouring employment of disabled workers</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• ILO clauses systematically included in contracts drawn up by the Group</li> <li>• Roll-out of a sustainable development questionnaire for suppliers</li> <li>• Integration of social and environmental criteria into tender invitations</li> </ul>	<p>Achieved</p> <p>In progress</p> <p>In progress</p>	<ul style="list-style-type: none"> <li>• Quotation of suppliers' CSR risks</li> </ul>
Taking account of social and environmental risks	<ul style="list-style-type: none"> <li>• Publication of procedures implemented at Calyon on <a href="http://www.calyon.com">www.calyon.com</a> in the context of the application of the second version of the Equator Principles</li> </ul>	<p>Achieved</p>	<ul style="list-style-type: none"> <li>• Appointment at Calyon of a person responsible for environmental and social risk</li> </ul>
Implementation of reporting systems for environmental issues	<ul style="list-style-type: none"> <li>• Carbon balance assessment of the Group's operations in the Ile-de-France region in 2005: 480,000m<sup>2</sup>, 17,700 employees</li> <li>• Carbon balance assessment by two Regional Banks</li> <li>• Implementation of an environmental management system at Crédit Agricole Immobilier</li> </ul>	<p>Achieved</p> <p>Achieved</p> <p>In progress</p>	<ul style="list-style-type: none"> <li>• Definition of three priority areas of action to reduce carbon dioxide emissions</li> <li>• Continuation of Regional Banks incentives to assess their carbon dioxide emissions</li> <li>• ISO 14001 certification for the Group's operations in the Ile-de-France region managed by Crédit Agricole Immobilier</li> </ul>
Internal efforts to raise employee awareness of sustainable development	<ul style="list-style-type: none"> <li>• Raising awareness of sustainable development among certain business units</li> <li>• Distribution to employees of a guide to environmentally and socially responsible actions at work</li> <li>• Four Regional Banks have opted for a social responsibility rating</li> </ul>	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p>	<ul style="list-style-type: none"> <li>• Repeated</li> <li>• CAAM has made a commitment to undergo the social responsibility rating procedure</li> </ul>
Helping people in difficulty (in France and abroad)	<ul style="list-style-type: none"> <li>• Support and assistance from the Regional Banks ("Points Passerelle", "Coups de Pouce", microcredit for small businesses etc.)</li> </ul>	<p>Achieved</p>	<ul style="list-style-type: none"> <li>• Development of the "Points Passerelle" programme at all Regional Banks</li> <li>• Coordination of all of the Group's microcredit activities in France and abroad</li> </ul>
Certification	<ul style="list-style-type: none"> <li>• First verification of social and environmental information</li> </ul>	<p>Achieved</p>	<ul style="list-style-type: none"> <li>• Continuing certification efforts</li> </ul>

## Social responsibility

**In the area of human resources, the Group's social responsibility reflects its mutualist roots, based on a local presence, responsibility and solidarity.**

The Crédit Agricole S.A. Group's core values of cohesion, openness, responsibility and entrepreneurship also guide the various components of its social policy. Three major pillars have been defined:

- ensuring the qualitative and quantitative adequacy of its skills;
- reconciling targets for profitability and expansion with the development of employees;
- optimising the performance of the Human Resources department, by a work of harmonization of the processes of recruitment, management (mobility, etc.), training and remuneration.

The Crédit Agricole S.A. Group's responsibility falls against the backdrop of extensive changes, relating primarily to the effects of the expansion of the Crédit Agricole S.A. Group's workforce – which has increased five-fold in 10 years – and its growing recruitment needs.

### Recruitment

The Group's recruitment policy, relating to its development targets and the need to rejuvenate the workforce given the number of employees due to retire between now and 2016, falls against the backdrop of a more competitive job market. As a result, the Group has prioritised making itself more attractive to potential employees, highlighting its traditional focus on the principles of equality and responsibility. These principles are applied in the form of specific procedures and recruitment tools aiming to ensure objectivity in the selection of candidates, in accordance with the internal compliance code's provisions concerning non-discrimination.

Crédit Agricole S.A.'s recruitment process was reviewed in 2006 and this is the first area to benefit from a new IT system in 2007, in order to help meet the aforementioned challenges.

The **Regional Banks** hired 4,720 new permanent employees. Between 2006 and 2014, an additional 35,000 staff will be recruited. The Regional Banks have also developed four ways of making themselves more attractive:

- Developing a differentiating recruitment advertising
- Optimising their internship policy, already very active
- Confirming recruitment through work-study programmes
- Enriching partnerships with universities

### Development and support

Analysis of skills through interviews between employees and their line manager allows for:

- assessment to identify areas for improvement and training requirements;
- individual management (salary increases, performance-related remuneration).

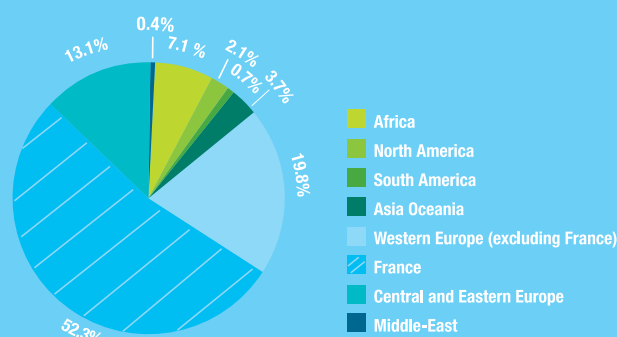
82% of the Crédit Agricole S.A. Group employees benefit from individual assessment interviews.

Training is key in maintaining employability throughout a person's career. Investment in training benefits over 90% of employees and represents over 4.5% of the wage bill (compared with the legal requirement of 1.6%).

Professional qualifications are also among the Group's priorities. Efforts to ensure the effectiveness of training are based on annual interviews and assessments, for example of language skills and compliance (see p.73).

Finaref initiated a system to identify employees with management potential in 2003, the scope of which was extended in 2006 (see p.45).

**Breakdown of Crédit Agricole S.A. Group headcount by region (77,000 employees)**  
(at 31/12/2006 in full-time equivalents)



**"After joining Pacifica in 2005, I took part in Sesame, a seminar attended by the Group's newly recruited managerial staff, in 2006. This training session taught us about the Group's history and organisation, but also covered sustainable development. I found this interesting, since it shows how the Group's social and environmental policy fits with its values. The presentation raised our awareness of the initiatives undertaken by the Group, and encouraged us to develop initiatives in our own business lines"**



Yolande Delahaye-Bueno,  
Communications (Insurance - Pacifica)

The **Regional Banks** are continuing to pursue their training policy by reasserting their desire to dedicate 6% of the wage bill to professional training. In addition, they awarded 1,100 worked-based training contracts in 2006, thereby confirming their desire to lend their full support to youth employment.

## Remuneration and rewards

The Group's remuneration policy is based on three tenets:

- fixed remuneration relating to the level of responsibility and position;
- individual variable remuneration calculated on the basis of yearly targets achieved;
- collective variable remuneration in the form of profit-sharing.

Nearly all of the Crédit Agricole S.A. Group's business entities have implemented profit-sharing agreements for their employees. The Group's subsidiaries determine their wage policy in accordance with the principles defined by the Group Human Resources department, which plays a leadership role and promotes best practices.

As regards employee savings schemes, most employees benefit from a company savings plan, enabling them to build up savings in the form of securities under favourable terms. As at 31 December 2006, Crédit Agricole S.A. Group's the employee savings amounted to more than €2 billion.

Negotiations about the creation of a Group pension plan began in order to allow employees to build up pension savings.

Employee shareholders are also a key part of the Group's culture. As at 31 December 2006, 5.63% of Crédit Agricole S.A.'s share capital was held by Group employees, including employees of the Regional Banks, either directly or through mutual funds. Employee shareholding remained at a similar level to 2005, even though there were no rights issues reserved for employees in 2006. This is being considered

for 2007. On choosing how to invest employee savings, the Group's employees favoured funds investing in Crédit Agricole S.A. shares, demonstrating their confidence in the Group.

The **Regional Banks** include fixed, variable, individual and collective components in their remuneration. In 2006, performance-related bonuses represented 14% of gross annual remuneration. An agreement signed in February 2006 also provided for a general salary increase of 1.5%, and the valuation of skills-related remuneration was agreed at each Regional Bank.

## Managing mobility and transfers

Professional mobility is a major part of Human Resources management. This allows for the skills and potential of each employee to be recognised on an individual level, as well as optimal management of resources on a Group level.

A number of programmes - such as the Mobility Unit, Management Committees including Cogeworld, an international management body for managerial staff, and a jobs' exchange on the Intranet site - have been rolled out, including some outside France in order to accompany the Group's international expansion. International employees accounted for 46% of the total workforce at the end of 2006, compared with 33% in 2005.

In 2006, over 530 Crédit Agricole S.A. Group employees benefited from mobility between different business units, in addition to over 4,000 mobility assignments resulting from job changes within Group companies.

In order to improve visibility in terms of career opportunities and enable all employees to be involved in their own career development, the **Regional Banks** send out their job offers as well as the Group's ones in electronic format each week.

## Recruitment of young graduates at the Crédit Agricole S.A. Group

Young graduates accounted for nearly half of the 3,000 new permanent staff hired in 2006. The large majority - with two to four years' higher education - are in commercial positions in the retail banking division, while graduates with five years' higher education tend to go into corporate and investment banking. 2006 saw the launch of a new external advertising campaign, as well as the development of relationships with French universities. The work-study programme, which is an important



part of the pre-recruitment process, was also maintained with 1,000 participants (primarily at LCL and Sofinco), 90% of whom had two to four years' higher education. After signing the Apprenticeship Charter in 2005, specific training for tutors with the aim of covering key educational aspects was introduced. Finally, the Group continued to pursue its international voluntary placement programme, concerning primarily the United States, the United Kingdom and Asia.

## Listen, inform and discuss

As regards listening, employee opinion surveys are organised regularly at the Group's subsidiaries: Finaref, Eurofactor and Calyon. In 2006, this company conducted a worldwide opinion survey to find out the views of over 10,000 employees and their suggestions concerning its development.

As regards employee information, the individual employee report ("Bilan Social Individuel" or BSI) system, which gives precise details of all remuneration received over the year, will be extended in 2007. Over 40,000 employees from 11 Crédit Agricole S.A. Group companies – as opposed to seven companies last year – will receive a "BSI".

Dialogue with employees has been maintained at the various subsidiaries, resulting notably in the signature at Group level of a human resource management agreement concerning all of the Group's majority-owned subsidiaries in France (42 companies and over 41,600 employees). Synonymous with the Group's medium-term HR management, the agreement aims to ensure that all needs are met in terms of the number of employees and skills required for the key business units. The agreement will be implemented in 2007.

In 2006, four branch agreements were signed at the **Regional Banks** concerning salaries, pensions, the application of the collective bargaining agreement to interns and retirement options. Other agreements in each Regional Bank have also been signed to enhance common device or implement new human resources initiatives.

## Managing diversity and taking on social responsibility

In addition to the signature of the Diversity Charter by Finaref and Sofinco (see p.45), the Group has asserted its professional equality between men and women, with women accounting for 57% of total employees in France.

Certain subsidiaries stand out in terms of women's access to positions that were previously quite closed to them, as well as policies to increase the number of women at managerial

level and develop the promotion of female staff, such as LCL obtaining accreditation for equality between men and women from the French Ministry for Social Cohesion.

The **Regional Banks** are pursuing their efforts to increase the number of women at managerial level and, once again, no differences were recorded between the remuneration of men and women for comparable levels of responsibility and experience.

Furthermore, several subsidiaries such as LCL and Sofinco are pursuing a policy to favour mature employees in order to enhance their employability in the latter half of their career.

In 2006, the **Regional Banks** signed an agreement to provide support for employees on retirement. This is in addition to the 2004 agreement concerning human resources management throughout an employee's life. It sets out the procedure for individual interviews at key stages of an employee's career, collective and individual monitoring of skills development until retirement and ongoing access to training. The 2006 agreement allows for flexible working hours during the last few years of the working life.

Finally, taking on full social responsibility also means addressing healthcare issues. Prevention policies have been implemented in association with the company medical service and measures to be taken in the event of a bird flu epidemic have been discussed at group level. In addition, several measures to raise awareness and inform employees have been implemented at Crédit Agricole S.A., as well as at several subsidiaries such as LCL, Finaref and Calyon\*.

In 2007, the Crédit Agricole S.A. Group has committed itself to an innovative plan to improve employees' health by promoting correct nutrition and physical activity. This plan includes a voluntary lifestyle assessment, based on personalised monitoring.

*\* For more information, see Chapter 4 in the shelf-registration document.*

## Employment of workers with disabilities

50 new hires were made out of the 110 set out in the Group agreement signed in 2005 by all of the trade union organisations. The difficulties encountered relate to the gap between candidates' qualifications and the requirements of the positions offered by the Group. Efforts to raise awareness and develop recruitment procedures are currently being looked at with other companies and AGEFIPH<sup>1</sup>. In addition, over 200 disabled employees benefited from the introduction of measures to improve their working conditions or safeguard their jobs.

At the end of 2006, 1,180 registered disabled employees in France accounted for 1.98% of the core workforce, compared with 1,700 (4.1%) in 2005. This increase relates primarily to the new calculation method introduced by the law of February 2005, which came into effect on 1 January 2006\*.

The Regional Banks have also launched an external and internal advertising campaign, created work-study programmes and developed training modules for disabled employees. These efforts follow an agreement to support the employment of workers with disabilities signed by the Regional Banks, FNCA and six trade union organisations.

<sup>1</sup>AGEFIPH is the French agency responsible for facilitating the employment and retention of workers with disabilities in the private sector.



## Economic efficiency

One of the three core aspects of sustainable development directly concerns economic efficiency. As a result, the company has taken account of the expectations of all parties involved, in particular those of its shareholders, customers and suppliers.

### Shareholders

#### Dialogue and close ties with individual shareholders

When Crédit Agricole S.A. floated on the stockmarket, it immediately set up a comprehensive shareholder relations operation for its 1.5 million individual shareholders, managed by five dedicated staff. The service includes an automated freephone information line, a website, a quarterly Shareholder's Club Newsletter and regular meetings, of which there were 25 in 2006. The 12-member Liaison Committee supports these initiatives and provides advice during its three annual meetings.

The Shareholder's Club, open to the great majority with a very low entry level, is open to shareholders owning at least 50 bearer or one registered shares, and 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 meetings on various themes related to wealth and investments. Crédit Agricole S.A.'s senior executives attend three or four of these meetings a year to present the Group's strategy to shareholders.

In recognition of these efforts, Crédit Agricole S.A. won the 2005 *Fils d'Or* award for the best CAC 40 shareholder relations department.

#### A proactive approach to institutional investors

With its dedicated team, Crédit Agricole S.A. provides in-depth information and develops close relations with its institutional investors. The team organises roadshows, conference calls, visits to Crédit Agricole S.A. and its subsidiaries, as well as arranging the attendance of senior executives at major international conferences. It also plays a role in the Group's corporate announcements, such as results



presentations, news of acquisitions and the January 2007 capital increase. Investor Days have also been held. The 2005 Investor Day allowed the Group to present its 2006-2008 development plan, while last year's edition set out the international strategy. The aim of these Investor Days is to shed more light on and promote understanding of the Group's businesses.

### Customers

Crédit Agricole regularly assesses society developments through a number of studies, which highlight customers' main expectations in terms of social and environmental responsibility and create opportunities for the distribution of socially responsible products and financing.

They also confirm the importance of taking account of the social and environmental risks that face an international banking group.

#### Socially responsible investment (SRI)

IDEAM, a subsidiary of the CAAM Group, is the only French asset management company focusing entirely on SRI and one of the leading names in this market in France.

- number five by SRI assets under management, with €1,4 billion at end-2006 (Open Undertaking for Collective Investment in Transferable Securities traded in France);
- number two in equities (source: Novethic indicator for the fourth quarter of 2006)
- the third most involved company in the management of SRI funds according to a survey of November 2006 of a panel representing 50 French institutional investors (Source: Amadeis-Novethic "*Etat des lieux et perspectives du marché institutionnel français*" - November 2006).

"As a long-standing individual shareholder of Crédit Agricole S.A., my confidence in the Group is based on a long-term view. As a result, Crédit Agricole's sustainable development policy makes a lot of sense to me. The amount of capital it deals with means that it is a major bank, which gives it significant responsibilities in terms of both its internal and external environment. The sustainable development policy meets my expectations as both a shareholder and a citizen."



Thierry Savidan, individual shareholder of Crédit Agricole S.A.

### Encouraging innovation

With a long tradition as the banking partner of the farming community, Crédit Agricole supports the innovations of its customers in the farming and food manufacturing industries. Its various entities finance industrial projects concerning new energy sources (biofuel, wind energy, biogas etc.) developed by a number of operators. By supporting these developments, Crédit Agricole plays an active role in adapting farming activities to the new challenges facing society, in particular taking account of new environmental concerns.

Eurosociétale, with €272 million assets under management at the end of 2006, is one of IDEAM's leading products. Second French SRI Share fund in terms of amounts managed, and among the top ten best performing French SRI Share funds (from Europerformance, December 2006), this mutual fund is based on environmental, social and corporate governance criteria.

On an international level, IDEAM has been selected as manager and advisor for the Green Fund, a personal pension savings product launched by AIG and JP Morgan in 2006. Shares in the fund are selected on the basis of environmental criteria.

IDEAM also manages two SRI funds delegated by CAAM Luxembourg, launched in late 2006 targeting private and institutional investors in Europe, Asia and Latin America. The first fund, Euro SRI, is based on environmental, social and corporate governance criteria and offered primarily to European foundations. The second one, Aqua Global, concerns exclusively water-related investments.

Predica offers "sustainable development" investments in its insurance policies. In 2006, assets under management for these products grew by almost 300%. In 2007, two Predica SRI funds dedicated to general assets will be created and then managed by IDEAM. The target is premium income of €25 million for each fund in one year.

SRI and shared return funds are also sold by the Regional Banks and LCL.

#### Employee savings

CAAM has launched a new range of socially responsible funds - CAAM Label - formed from combining existing ranges. Thanks to quality of work of CAAM's staff (extra-financial analysis, management, marketing and distribution), the range maintained the CIES (Inter-union Employee Savings Committee) label, which had already been renewed in 2005. As at 30 June 2006, the range was ranked number three by assets under management for all CIES-labelled products (source: CIES).

#### Supporting micro-credit for small businesses

The Regional Banks have stepped up their efforts to help business start-ups and takeovers that do not necessarily have access to conventional banking services. Nearly all of the Regional Banks are working with at least one local initiative platform (PFIL). In 2006, Crédit Agricole granted supplementary bank loans of over €80 million. A quarter of the Regional Banks are also working with ADIE<sup>(1)</sup> and have granted €1 million to regional branches since 2000.

Certain Regional Banks have also entered into collaborations with other networks such as France Active, Boutiques de Gestion and Entreprendre or decentralised organisations such as business incubators and consular chambers. Partnerships generally include contributions to loans on trust ("fonds de prêts d'honneur"), a contribution to operating costs and volunteers.

Over ten Regional Banks have also devised their own programmes, such as Caisse Régionale de la Touraine et du Poitou's "Starter" programme and Caisse Régionale du Finistère's "Ideca 29" programme.

#### Making access to credit easier

The "Loi de cohésion sociale", e.g. Borloo's Law, led to the creation and the implementation of a system of guarantees of social micro-credits in order to make access to credit easier for people usually excluded from the process.

Crédit Agricole signed an agreement with the "Caisse des Dépôts et Consignations" (Deposit and Consignment Office), the guarantee fund manager. This underlines Crédit Agricole's wish to take part in this system, through the voluntary commitment of Regional Banks. The distribution of these micro-credits will be set up gradually.

<sup>(1)</sup> The French association for the right to economic initiative ("Association pour le Droit à l'Initiative Economique"): a network providing support and financing for unemployed people looking to start their own businesses.



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### Local initiative platforms and the Regional Banks

Since the national agreement signed with France Initiative in 2003, the Regional Banks have created a structure for their actions, working with 157 of the 237 local initiative platforms in the network. Its objectives include increasing the activities of the local initiative platforms and developing synergies between the two networks. The agreement signed by Caisse Régionale Sud Rhône Alpes and the 16 local initiative platforms in the region is emblematic: the €100,000 allocated by the Regional Bank has boosted loan funds, which are now active throughout the region.

## Risks and training

Because of the Group's decentralised structure, each business line has to identify its own risks, thereby increasing the relevance of actions to be implemented.

Initially, in order to accompany this process, actions to increase awareness and provide training have been integrated into the annual seminars of several business lines: Human Resources and Procurement managers at Crédit Agricole S.A. and employees of the Risks and Export Credits department worldwide at Calyon.

These two training programmes have reasserted the importance among 250 managers for their business line of:

- assessing social and environmental impacts when analysing financing;
- adapting analysis to different types of financing (e.g. the Equator Principles p.61);
- listening to those involved, in particular civil society and NGOs.

In addition to the immediate approach to counterparty risk, these training sessions have enabled participants to gain a better understanding of the issues of image and responsibility for a group that has signed the Global Compact.

## Suppliers

A large proportion of the Crédit Agricole S.A. Group's purchases (over €3 billion in 2006) are mutualised, while specific purchases are still on the initiative of the subsidiaries, provided that they respect the Group's compliance rules. The Procurement Department has been reorganised and in 2006 made a commitment to sustainable development to provide a framework for and reinforce actions initiated in prior years:

- The inclusion of "sustainable development" training in procurement training programmes. Every buyer will be gradually trained.



- The implementation of standards, procedures and tools with the aim of establishing a sustainable development policy with suppliers by encouraging transparency and integrity among buyers. Contracts with suppliers drawn up by the Group therefore systematically take into account the rules of the International Labour Organisation, in particular concerning the banning of forced or child labour.
- Gradual integration of social and environmental criteria into tender invitations, using a sustainable development questionnaire sent to suppliers, adapted to each sector. This procedure should be applied generally in 2007.

As regards social criteria and in accordance with the policy supporting the integration of disabled persons, the Procurement Department favours partnerships with sheltered workshops<sup>(1)</sup> such as Anaïs\*. A second example concerning environmental criteria is the purchasing of environmentally-friendly paper, coming from labelled forests, such as FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification).

In 2007, procurement systems should be adapted to allow for the quotation of suppliers' corporate social responsibility risks.

<sup>(1)</sup> Sheltered workshops are organisations that employ and pay disabled people unable to work in an ordinary environment but who have demonstrated their ability to pick up professional skills.

\* For more information, see Chapter 4 in the shelf-registration document.



**"The training course emphasised the whole Group's commitment to sustainable development, and helped me to understand all aspects of sustainable development in my job. It was also very useful in explaining the framework of our relationship with NGOs, as dialogue with them is very important.**

**The seminar encouraged me to pay closer attention to Corporate Social Responsibility issues as part of the Export Credit business, in which I have 20 years of experience, especially as CSR fits closely with my own values."**

**Deborah Bass**, Head of Export & Trade Finance, Calyon London Branch.



**"In ALS (Procurement, Logistics and Security Department) seminars, sustainable development sessions raise awareness of how important this**



**issue is in the purchasing process. Three major aspects are covered: consistency with the Group's commitment through its signature of the Global Compact; the need to include the three aspects of sustainable development in the purchasing policy;**

**the implementation of environmental initiatives following the carbon balance assessment. This training ensures that purchasing staff comply with the Group's approach and encourages them to find practical applications in their own area of work."**

**Marie-Christine Bronner**, Head of Procurement and Printing, Crédit Agricole S.A.

## Environment

In 2006, the Group took action to reduce its direct impact on the environment. This was done by measuring its carbon balance in order to determine which actions should be taken to reduce consumption levels within the Group. In parallel, Crédit Agricole Immobilier implemented an environmental management system.

Crédit Agricole has also launched a range of “green” products available to customers and increased its support of the renewable energy sector via the actions of its subsidiaries.

### Internal measures

In accordance with the decision of the Sustainable Development Committee, the Crédit Agricole Group carried out a **carbon balance assessment** in spring 2006. The objective was to provide a basis for the Group’s environmental management system and step up its commitment to reducing greenhouse gas emissions. The carbon balance assessment was conducted by an independent research organisation accredited by Ademe, the French agency for the environment and energy management.

An initial carbon balance assessment was carried out concerning the Crédit Agricole S.A. Group’s operations in the Ile de France region, representing 45 buildings covering 480,000m<sup>2</sup> occupied by 17,700 employees. Four other assessments were also carried out at Calyon, CAAM, LCL and Crédit Agricole S.A.

The conclusions show that the Group generates greenhouse gas emissions of 250,000 tonnes, equivalent to the 100th-largest emission producing production plant in France and to 0.045% of French emissions.



Over half of its waste relates to outsourced services activities (IT, other services), while the other main sources of emissions relate to travel and energy consumption (heating, air conditioning etc.).

In the light of these results, the Sustainable Development Committee has identified **three priority areas for action** in 2007:

- Reducing energy consumption by 10% over one year;
- Promoting environmentally friendly travel (review of travel procedures, encouraging the use of public transport or bicycles) and favouring alternatives to travel such as audio and video conferences;
- Encouraging cautious consumption of raw materials and taking action to limit the impact of IT equipment on the environment.

Finally, the Sustainable Development Committee has decided to offset 10% of carbon dioxide emissions produced in 2006 (100% of energy-related emissions). The Group is studying the most efficient way to reach its objectives from 2007.

### SILCA: a solid example of sustainable development

In 2006, the Group’s IT production economic interest group initiated a project to recycle obsolete IT equipment. The aim is to recycle 100% of the Crédit Agricole S.A. Group’s IT equipment. The system will be launched in 2007 and gradually extended.

After assessing computers’ operability, those that can still be used will be given to associations, while those that are no longer usable will be destroyed in accordance with environmentally-friendly criteria. This project also guarantees the optimisation of premises belonging to Crédit Agricole close to Tours and safeguards employees’ jobs in the region.

### Pacifica is raising employee awareness about environmental issues

Pacifica has launched the “Paper challenge” in order to raise awareness of sustainable development among its 800 employees by making them adopt paper-saving and socially aware actions. Over a period of six months, through direct communication and via the Intranet, staff have been encouraged to reduce their paper consumption. These actions have played a unifying role within the company and enabled Pacifica to reduce its paper consumption. The significant savings made by Pacifica have been passed onto an association.



In early 2006, the Group's collection and recycling system for batteries and ink cartridges was extended to all sites in the Ile-de-France region. In 2006, 960kg of batteries were collected and 8,800 ink cartridges were reconditioned (excluding LCL).

In 2006, paper recycling was introduced at the Saint-Quentin-en-Yvelines site. This will be extended to other sites in the Ile-de-France region when contracts with maintenance companies are renewed.

Certain Regional Banks are also sorting and collecting waste, using recyclable materials and encouraging car pooling or the use of shuttle services. In addition, two Regional Banks carried out a carbon balance assessment in 2006 and one Regional Bank is planning to do so in 2007.

### Environmental management at Crédit Agricole Immobilier

Crédit Agricole Immobilier, a subsidiary of Crédit Agricole S.A., comprises all of the Group's property activities apart from financing and operates in a variety of areas: promoting, asset management, management of private- and public-sector building projects, and rental and facilities management. Crédit Agricole Immobilier manages the Group's property assets, comprising four sites in the Ile-de-France region covering 465,000m<sup>2</sup>.

In 2006, Crédit Agricole Immobilier's management began to define an environmental policy, entailing primarily the construction and the introduction of an environmental management system as defined by ISO 14001, for which certification will be obtained in 2007.

It is also in keeping with the ISO 9001 quality and certification procedures implemented at Crédit Agricole Immobilier since 2001. For example, residential and business rental management subsidiary Unibiens has been certified since August 2005.

In this respect, Crédit Agricole Immobilier has committed itself to a number of actions aiming to:

- create a dynamic of prevention in order to minimise its impact on the environment;
- comply with management standards applicable to sites managed by the company;
- involve service providers and suppliers;
- train the property division's staff in environmental issues;
- raise the awareness of occupants of the buildings managed.

In 2007, energy audits have been carried out at sites in the Ile-de-France region and targets set to reduce energy consumption. In addition, all staff responsible for the running of these sites (46 employees) will receive appropriate training.

Moreover, an Environment and Quality Management body has been created in order to coordinate the application of environmental procedures within Crédit Agricole Immobilier, comprising 10 people from the team in charge of site management, which will meet at least once a month.

## Seventh prize for innovation in logistics - "sustainable development" category - awarded to the Val Bréon planned development zone and its 11 partners.



As developer of the largest planned development zone in the Ile de France region, UNIMO\*, Crédit Agricole Immobilier's subsidiary, in partnership with PRD (property investor and developer), was selected

by a jury of industry professionals during the 2006 international transport and logistics week. The Val Bréon planned development zone covers 90 hectares of natural land that has been preserved or created for the development of a business park that will eventually comprise seven buildings with a total surface area of 380,000m<sup>2</sup>. This major project is in accordance with HQE® environmental quality standards.

\* UNIMO handles the organisation, realisation and marketing of residential or office property developments targeted institutional and private investors.



## External measures

In April 2006, Cr dit Agricole S.A. launched an **“environmentally-friendly” range of products** available to all customers: businesses, small businesses and personal customers. This range of 12 products has been developed by Cr dit Agricole S.A. and presented to the Regional Banks, which are currently distributing the products among their customers.

According to a questionnaire sent to all of the 41 Regional Banks<sup>(1)</sup>, 14 have decided to launch several products adapted to their customers.

The personal customer market is the main target, as of the majority of the Regional Banks offer the “renewable energy loan” - a seven-year loan at an attractive rate of interest, benefiting from deferred payment of up to 18 months. Half of the 14 Regional Banks also offer other products on other markets.

### **Certain Cr dit Agricole S.A. subsidiaries also provide financing for environmentally-friendly investments.**

In 2006, Unifergie - the Group’s “Sofergie” company<sup>(2)</sup> - continued to expand in the energy and environmental sectors. For example, in 2006 it provided financing for a household waste treatment centre for an intermunicipal association comprising 360,000 residents, as well as the construction of a cogeneration plant in Martinique.

<sup>(1)</sup> Survey realized by the Sustainable Development Mission in December 2006. 17 answers were collected.

<sup>(2)</sup> Sofergie: a company specialising in lease financing for investments in energy management or protecting the environment.



Unifergie has continued to support the development of wind energy in France, increasing its total projects from 200 MW to 336 MW, confirming its market share of 25%.

In 2006, the private equity subsidiary created the Capenergie fund, the first institutional private equity mutual fund (“FCPR”) for renewable energies. The Capenergie fund invests in companies in the renewable energy sector, as well as in the financing of energy projects. The fund operates in France in investments of €1 million to €5 million. In 2006, it acquired shares in two major French wind energy companies. The first investment will enable the company to establish its presence in metropolitan France and develop capacity of 126 MW between 2007 and 2010. The second concerns a company operating a wind farm producing 6 MW.

“In the presentation about “environmental risk” software for companies, we were told about sustainable development and its implications for the bank. Having experienced environmental risks at certain clients, I was already aware of these issues, but I hadn’t realised how important this approach is for all companies. Taking environmental factors into account can shed a different light on commercial relations.”



**Alain Gautru**, Business Branch Manager, Fiers  
(Cr dit Agricole Normandie)

## Financing of renewable energy projects

Over the last 10 or so years, Calyon has focused its project financing strategy on the renewable energy sector, financing its first wind farms in 1997. In 2006, Calyon acted as mandated lead arranger for the financing of a total of 1,235 MW of wind farm projects in Spain, Germany and Ireland. It is also working on projects representing around 300 MW in France, for which financing should be obtained in 2007.

## Crédit Agricole: helping to support civil society

### €21.6 million allocated to socially-responsible projects

With its 5.6 million member-stakeholders and an average of one director for each municipal division, Crédit Agricole benefits from a strong local presence, helping it to support regional growth. Over three-quarters of the Regional Banks support the local development fund created for this purpose. Four of them have set up a foundation and seven have created an association. In 2006, the Regional Banks provided financing for 6,000 projects representing a total of €18 million: 51% concerned regional programmes, 24% concerned solidarity, 19% concerned economic development and 6% concerned cultural heritage.

With national associations and foundations, Crédit Agricole has invested nearly €21.6 million in development and solidarity projects in France and worldwide.

*A summary of the amounts paid by Crédit Agricole Group's companies in 2006 is provided on p.124 of the shelf-registration document.*

### Greater employee solidarity

The Crédit Agricole Solidarité Développement association and the Fondation Solidarité Mutualiste supported the Regional Banks in 44 projects in France and Southern Europe in 2006. Two socially responsible investment funds (FCPs) - Pacte Vert Tiers Monde and Pacte Solidarité Logement - were created, allowing Regional Bank customers to contribute a portion of interest earned to social projects. One of these programmes - the Sahel Vert II programme - led by the Eau Vive NGO, involves the Group's employees in supporting the "Water in Sahel" project.



School in Senegal,  
part of the Sahel Vert development programme.

The Group therefore demonstrates its social solidarity at times of severe crises. Of the €2 million provided for the reconstruction of villages destroyed by the tsunami at the end of 2005, around €1.5 million has been committed to specific projects. A total of 20 projects have been financed, including PlanetFinance, Care France and Architectes de l'Urgence projects. 260 boats, 18 schools, one hospital, one orphanage, an operating block and 360 houses have been rebuilt or renovated.

During the Chikungunya crisis, the Group worked with Caisse Régionale de La Réunion by providing €1 million to help customers in difficulty.

### Actively supporting young people

In addition to building schools and training centres in countries in the southern hemisphere, Crédit Agricole is also involved in healthcare projects in France. It is partner of Rire Médecin (the "laughing doctors") through Crédit Agricole S.A. and the Caisse Régionale de la Touraine et du Poitou and the Mécénat Chirurgie Cardiaque Enfants du Monde association for children with heart diseases through Crédit Lyonnais.

### A useful mutualist approach

The projects supported by the Local Banks focus mainly on regional programmes. One-third of the Regional Banks allocate a proportion of their profits to these programmes. For example the Caisse Régionale des Savoie "mutualist fund" benefits from a contribution equal to 2% of net profit. This is used to finance the most deserving projects selected by Local Bank directors and chairmen in the areas of solidarity, the economy, national heritage and local life.

### Developing microfinance in Madagascar

ICAR, an association created by Caisse Régionale du Nord-Est and professionals in the cereals industry to support the CECAM cooperative agricultural financial institutions ("Caisses d'Epargne et de Crédit Mutuels") in Madagascar, has provided assistance for two new Madagascan microfinance networks. Thanks to the support of eight Regional Banks and Crédit Agricole Solidarité Développement, in addition to acquiring an equity investment, the association provides technical help (restructuring of networks, training, sponsorship, audit, accounting etc.). In total, close to €1.3 million will be mobilised between now and 2009.

Since 2006, Crédit Agricole has been the main partner of the "Envie d'Agir" competition, organised by the French ministry of youth, national education and research, in which the Regional Banks support projects involving young people. In order to improve young people's access to culture, Crédit Agricole supports the educational programmes of institutions it sponsors, such as Musée Guimet and the Théâtre du Châtelet.

### A strong attachment to national heritage

For more than 25 years, the Crédit Agricole Pays de France Foundation has invested in numerous projects with the aim of preserving and enhancing France's architectural, cultural and natural heritage. In 2006, it provided financing for an additional 49 projects, representing a total of over €1.2 million. In order to encourage as many people as possible to discover the country's rich national heritage, for the last five years, Crédit Agricole has partnered the European Heritage Days project, which attracted over 12 million visitors in 2006.

By creating eco-museums and supporting local crafts, the Crédit Agricole Pays de France Foundation has helped arts that are at risk of dying out. Crédit Agricole S.A. has lent its support through its partnership with the musée des Arts décoratifs, initiated in 2006 on the reopening of the museum, allowing for the restoration of its collections by experts over a number of years. It is also continuing to support Les Amis du Livre Contemporain, an association publishing art books designed by typographers, lithographers and bookbinders.

In keeping with its international dimension and its ties with Asia, where Calyon - formerly Indosuez - has a strong presence, Crédit Agricole has also chosen to support the protection of Asian cultural heritage in France. As the leading partner of Musée Guimet for the last 17 years, Crédit Agricole S.A. sponsors several major exhibitions each year and helps to enhance the museum's collections. In 2006, it sponsored two major exhibitions - "*The finest hours of the Court of China*" and "*Afghanistan - rediscovered treasures*".

### A commitment to musical creation

Thanks to the Regional Banks' sponsorship of a number of music festivals, Crédit Agricole helps to support regional events and encourage musical creation. As partners of the Saintes Festival, the Comminges International Music Festival and - with Crédit Agricole S.A. - the Aix-en-Provence Festival, the Regional Banks enable both well known artists and young talents to perform to the public.

Extending these efforts to a national level, Crédit Agricole S.A. is the main sponsor of the théâtre du Châtelet for the fifth consecutive season. It has supported new productions, including *Le Chanteur de Mexico* by Francis Lopez and *Candide* by Leonard Bernstein, as well as the return to the Châtelet stage of Rameau's *Les Paladins*.

It also encourages musical events in other countries. In 2006, it supported the *Les Paladins* tour to Tokyo and Athens, while subsidiary CAAM sponsored a concert in Korea by Myung-Whun Chung, musical director of the Radio France Philharmonic Orchestra, of which CAAM is partner.

### Protecting international cultural heritage

In order to help to protect the cultural heritage of other countries, in 2006 Crédit Agricole S.A. formed a partnership with the Patrimoine Sans Frontières association, which is dedicated to preserving endangered or neglected cultural heritage sites and issues worldwide following crises such as natural disasters, war and conflict. The association not only addresses issues of preservation of cultural heritage sites and buildings but also aims to encourage the conveyance of memories and expertise in order to ensure that the sites can be looked after by the populations concerned themselves.

### The fight against waste

Crédit Agricole S.A. has decided to combine sustainable development with efforts to combat job insecurity in 2006 by partnering the Dons Solidaires association, which collects unsold new products from businesses - apart from pharmaceutical and food products - and passes them on to charities at a very low price. This enables people in difficulty to access high quality products that otherwise would have been destroyed.

# GRI AND NRE CROSS-REFERENCE TABLE

	NRE ACT DECRET	GRI INDICATORS Completed	Partly completed	PAGE NUMBER Business review: pages specified below, Shelf-registration Doc: pages 109 to 131
<b>Vision and strategy</b> Reporting entity's vision and strategy with regard to its contribution to sustainable development and statement by the Group CEO		1.1		<ul style="list-style-type: none"> <li>pp. 6-7, 65-67</li> </ul>
<b>Organizational profile</b>		2.1 to 2.10		<ul style="list-style-type: none"> <li>the whole business review and shelf-registration Doc</li> </ul>
<b>Report parameters</b>			3.1 to 3.13	<ul style="list-style-type: none"> <li>shelf-registration Doc</li> </ul>
<b>Governance structure and management systems</b> Governance structure Externally developed initiatives (Charters, principles...) Commitments towards stakeholders Management strategy and systems	3.6	4.1 to 4.10 4.11 to 4.13 4.14 to 4.17 5		<ul style="list-style-type: none"> <li>pp. 68-71</li> <li>pp. 45, 53, 61, 66-67, 73</li> <li>pp. 61, 75-77, 78-80</li> <li>pp. 37, 66-67, 72, 74, 81-82</li> </ul>
<b>Economic impacts</b> Direct Customers  Suppliers Public sector (including community support activities) Indirect	1.6	IB3/AM3  EC6 EC1	EC2/INS3   EC8/EC9	<ul style="list-style-type: none"> <li>pp. 16-63, 78-79, 83 and shelf-registration Doc</li> <li>p. 80 and shelf-registration Doc</li> <li>p. 84 and shelf-registration Doc</li> <li>pp. 53, 61, 78-79 and shelf-registration Doc</li> </ul>
<b>Environmental</b> Direct impacts Materials, energy, water  Biodiversity Emissions, effluents and waste Transport Indirect impacts resulting from Crédit Agricole S.A. operations Strategy  Systems et processus  "Engagement"  Environmental products and services  Statistics	2.1  2.2 2.1  2.2, 2.6, 2.9 2.3, 2.6, 2.9	  EN16 à EN18  F1 F2 to F5 F7/F9 to F11  F12	EN1/EN3/EN6 to EN8 EN11/EN12 EN22 EN29   F13	<ul style="list-style-type: none"> <li>pp. 31, 66-67, 74, 81-83 and shelf-registration Doc</li> <li>pp. 53, 61, 66-67, 74, 81-83 and shelf-registration Doc</li> <li>pp. 61, 72, 74, 81-83 and shelf-registration Doc</li> <li>pp. 53, 61, 66-67, 81-83 and shelf-registration Doc</li> <li>pp. 61, 66-67, 78-79, 83 and shelf-registration Doc</li> <li>shelf-registration Doc</li> </ul>

	NRE ACT DECRET	GRI INDICATORS Completed	Partly completed	PAGE NUMBER Business review: pages specified below, Shelf-registration Doc: pages 109 to 131
<b>Social Policy</b>		INT1		<ul style="list-style-type: none"> <li>pp. 67, 74-77 and shelf-registration Doc</li> </ul>
Labor Practices and Decent Work				
Employment	1.1, 1.2, 1.3	LA1	LA2/LA3, INT2	<ul style="list-style-type: none"> <li>p. 75-76 and shelf-registration Doc</li> </ul>
Labor / management relations	1.4	LA4		<ul style="list-style-type: none"> <li>p. 77 and shelf-registration Doc</li> </ul>
Health and safety (including for subcontractors)	1.4, 1.5		LA6 to LA9	<ul style="list-style-type: none"> <li>p. 77 and shelf-registration Doc</li> </ul>
Training and education	1.6	LA10 to LA12		<ul style="list-style-type: none"> <li>p. 75-76 and shelf-registration Doc</li> </ul>
Diversity and equal opportunity (including disabled workers)	1.3, 1.7	LA4/INT6	LA13/INT7	<ul style="list-style-type: none"> <li>pp. 45, 67, 77 and shelf-registration Doc</li> </ul>
<b>Human Rights</b>				
Strategy and management (including for subcontractors)	1.9		HR1 to HR3	<ul style="list-style-type: none"> <li>pp. 61, 66-67, 73, 77, 80 and shelf-registration Doc</li> </ul>
Non-discrimination	1.3, 1.7		HR4/INT7	<ul style="list-style-type: none"> <li>pp. 45, 67, 77 and shelf-registration Doc</li> </ul>
Freedom of association and collective bargaining	1.4		HR5	<ul style="list-style-type: none"> <li>p. 77 and shelf-registration Doc</li> </ul>
Child labor, forced and compulsory labor		HR6/HR7		<ul style="list-style-type: none"> <li>p. 80 and shelf-registration Doc</li> </ul>
<b>Society</b>				
Community, stakeholder relations	1.8		SO1	<ul style="list-style-type: none"> <li>pp. 25, 61, 72, 78-79, 84-85 and shelf-registration Doc</li> </ul>
Bribery and corruption			SO2 to SO4	<ul style="list-style-type: none"> <li>pp. 37, 73 and shelf-registration Doc</li> </ul>
<b>Product Responsibility</b>				
Customer health and safety		PR1		<ul style="list-style-type: none"> <li>pp. 31, 37, 45 and shelf-registration Doc</li> </ul>
Product and services		PR5		<ul style="list-style-type: none"> <li>pp. 25, 31, 45 and shelf-registration Doc</li> </ul>

The table shows NRE Act and GRI indicators that have been completely and partially completed.

Other indicators that do not apply to Crédit Agricole S.A.'s operations have not been completed: GRI indicators EN 2/4/5/9/10/ 13 through 15 / 19 through 21 /23 through 25; Sections 2.4, 2.5, 2.7, 2.8 of the NRE Act

We are currently not in position to complete the following GRI indicators: EC 2 through 5/7, F6 / 8, LA 13/14, HR 8/9, SO 5 through 8, PR2 through 4/ 6 through 9.

GRI: Global Reporting Initiative

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



# Statutory Auditor's representation letter on the procedure for preparing the environmental and social indicators as well as on certain non-financial information presented in Crédit Agricole S.A.'s business review

(This is a translation into English of our representation letter, the original of which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information therein, the original language version of our letter takes precedence over this translation.)

Further to the request made to us in our capacity as Statutory Auditor of Crédit Agricole S.A., we performed the work described below on the procedures for preparing the environmental and social indicators, as well as a selection of relevant information, as specified hereinafter, relating to the Crédit Agricole S.A. Group for the 2006 financial year and published in the business review.

These procedures and the information selected were prepared by the Crédit Agricole S.A. Group. Our role is to express our findings based on our work.

## Nature and scope of the work

We performed the following procedures:

Regarding the procedures for preparing the environmental indicators (electricity, gas, steam and water consumption) and social indicators (in their entirety), we reviewed the system of organisation, the existing procedures and the dedicated reporting tools. These reviews were based on interviews carried out at Group headquarters with:

- the persons responsible for environmental reporting in Crédit Agricole Immobilier's Corporate Real Estate division;
- the persons responsible for social reporting in the Group Human Resources division.

Regarding the selection of relevant information, we reviewed the consistency and substance of the information provided in the business review based on interviews:

- For information on the environmental offering (page 83 of the business review):
  - with the Sustainable Development Mission.
- For information on Crédit Agricole Immobilier's environmental management approach (page 82 of the business review):
  - with Crédit Agricole Immobilier's Corporate Real Estate division.
- For information regarding sustainable development training and awareness-raising for Group employees (page 72 of the business review):
  - with the Sustainable Development Mission.
- For information on the application of the Fides sustainable development approach at Emporiki (page 37 of the business review):
  - with the Group Compliance department.
- For information on the application of the Equator Principles (page 61 of the business review):
  - with the Equator Principles coordination unit attached to Calyon's project financing business;
  - with two Calyon entities: Project Finance Group Americas and Project & Structured Finance Asia.

We were assisted in our work by experts from our Sustainable Development Department.

Our work was not intended, and does not permit us, to express an opinion or provide moderate or reasonable assurance on the information reviewed.

## Findings

We have the following remarks to make as a result of our work:

- Regarding the procedures for preparing the environmental and social indicators:
  - Crédit Agricole S.A. has developed information-gathering procedures with respect to environmental and social data. These are based on a set of documented processes, notably as regards social data.
  - These procedures could nevertheless be improved, notably vis-à-vis managing and documenting the measures for gathering and consolidating the environmental information.

Regarding the selection of relevant information: we have no particular comments to make regarding the description and presentation of this information in the business review.

2 March 2007

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**Production and realisation:**

Harrison&Wolf

**Photo credits:**

Illustrations Serge Bloch / Agence Virginie

Yann Arthus Bertrand / Altitude

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Crédit Agricole S.A.



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