



# CRÉDIT AGRICOLE S.A.

Paris, 13 May 2011

## 2011 First Quarter Results

- High growth in revenues for both the Group and Crédit Agricole S.A.
- Crédit Agricole Group net income Group share up 60.9% YoY in Q1
  - Crédit Agricole S.A. net income Group share doubled YoY

A good performance underpinned by solid momentum across all Group business lines and reduced cost of risk

### Crédit Agricole Group\*

Revenues: up 7.7% vs Q1-10

Gross Operating Income: up 13.4% vs Q1-10

Cost of risk: down 22.1% vs Q1-10

Net income Group share: €1,527 million, up 60.9% vs Q1-10

Tier 1 ratio: 10.5% and Core Tier 1 ratio: 9.0%

### Crédit Agricole S.A.

Revenues: up 10.0% on Q1-10, up 9.2% on a like-for-like basis and at constant exchange rates

Gross operating income: up 22.0% on Q1-10, up 21.3% on a like-for-like basis and at constant exchange rates

Cost of risk: down 23.5% on Q1-10

Net income Group share: €1 billion, x2.1 vs. Q1-10

Tier 1 ratio: 10.8% of which Core Tier 1: 8.7%

\*Crédit Agricole S.A. and 100% of the Regional Banks

## CREDIT AGRICOLE GROUP

The Crédit Agricole Group's net income Group share was 1.5 billion euros in the first quarter of 2011, a rise of 60.9% year-on-year.

This very good performance was underpinned by solid momentum across all business lines and by a substantial reduction in the cost of risk.

Revenue growth was 7.7% and was not affected by any exceptional items. It was driven primarily by robust business in retail banking, which accounted for 60% of the Group's total revenues. The Regional Banks continued to deliver strong growth in residential mortgage lending approvals, with a 6.5% rise in outstandings, coupled with a solid performance in deposit-taking (sight deposits, *Livret A* passbook accounts, life insurance).

Gross operating income advanced by a significant 13.4%, reflecting enhanced operating efficiency in all segments.

The cost of risk declined by 22.1%, despite an increase in collective reserves, mainly for the Regional Banks and financing activities in Corporate and investment banking. This reflects steady improvement in the financial situation of economic agents.

Operating income, which is representative of the Group's ongoing business activities, moved up 44.4% to 2.5 billion euros.

## CREDIT AGRICOLE S.A.

Crédit Agricole S.A.'s Board of Directors, chaired by Jean-Marie Sander, met on 12 May 2011 to review the accounts for the first quarter of 2011. Net income Group share was 1 billion euros, more than twice as high as in the first quarter of 2010, which was adversely affected by losses from discontinuing operations and on the disposal of part of the interest in Intesa Sanpaolo.

Jean-Marie Sander, Chairman of Crédit Agricole S.A., noted that these results reflect excellent business momentum across all Crédit Agricole S.A. Group business lines. He also stressed the continued improvement in overall operating efficiency and the substantial reduction in the cost of risk.

Jean-Paul Chifflet, Chief Executive Officer of Crédit Agricole S.A., noted that operating income more than doubled to over 1.2 billion euros and that most business segments posted their highest operating income since the listing of Crédit Agricole S.A.. He also commented that the Regional Banks' contribution to Crédit Agricole S.A.'s result was the highest seen in the past several years.

Revenues rose by 9.2% on a like-for-like basis and at constant exchange rates, with improvements in each business line, with increases of 4.2% for LCL in French retail banking<sup>1</sup>, 7% in International retail banking and 2.1% in Specialised financial services. Asset gathering and Corporate and investment banking delivered double-digit growth and were not adversely affected by non-recurring items, as in 2010.

Costs were kept under control (up 2.8% on a like-for-like basis and at constant exchange rate), as a result of efforts initiated several quarters ago to rationalise the business line subsidiaries. The cost/income ratio improved significantly, with a 3.7 percentage point reduction to 61.8%.

The cost of risk was 23.5% lower than in the first three months of 2010, confirming the downward trend of the past several quarters. The decline, which was achieved despite an increase in collective reserves mainly for the Regional Banks and financing activities, related to specific provisions in retail banking, specialised financial services and financing activities.

In the area of social and environmental responsibility, the Group adopted a progressive approach which has been conducted over the past ten years and is reflected by the inclusion of the Crédit Agricole S.A. stock in the three major

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<sup>1</sup> On the basis of the same method; as from Q1-11, reclassification of expenses to revenues applied to payment instruments

social responsibility indices: the ASPI Eurozone (since 2004), the FTSE4Good (since 2005) and the Dow Jones Sustainability Index (DJSI) since 2008 (DJSI Stoxx since 2008 and DJSI World since 2009).

Moreover, Crédit Agricole ranks first among French firms (and eighth worldwide) in the 2011 ranking of most socially responsible corporations established by the Canadian magazine Corporate Knights, and second French firm (twelfth European) of the 2011 ranking of Europe's 300 largest corporations in greenhouse gas emissions established by the British NGO Environmental Investment Organisation.

In the first quarter of 2011, Crédit Agricole S.A. Group's commitment to corporate social responsibility was reinforced through:

- its support to Professor Yunus, Peace Nobel Prize winner, founder of Grameen Bank and co-founder of the Grameen Crédit Agricole Foundation;
- and its contribution to a first tranche of 800,000 euros in aid to Japanese victims of the March 2011 earthquake and tsunami.

#### **Financial calendar**

18 May 2011	Annual General Meeting in Strasbourg
26 May 2011	Ex-dividend date (dividend pay-out on 20 June 2011)
25 August 2011	2011 second quarter and first half results
10 November 2011	2011 third quarter and nine month results

## CRÉDIT AGRICOLE S.A. CONSOLIDATED RESULTS

(in millions of euros)	Q1-2011	Q1-2010	Change Q1 / Q1	Change Q1 / Q1 *
<b>Revenues</b>	<b>5,304</b>	<b>4,824</b>	<b>+10.0%</b>	<b>+9.2%</b>
Operating expenses	(3,276)	(3,162)	+3.6%	+2.8%
<b>Gross operating income</b>	<b>2,028</b>	<b>1,662</b>	<b>+22.0%</b>	<b>+21.3%</b>
Cost of risk	(822)	(1,074)	(23.5%)	
<b>Operating income</b>	<b>1,206</b>	<b>588</b>	<b>x2.1</b>	
Equity affiliates	441	425	+3.8%	
Net income on other assets	1	(159)	nm	
Change in value of goodwill	0	(4)	nm	
Tax	(520)	(270)	+92.6%	
Net income (after tax) from discontinued activities	(4)	4	nm	
<b>Net income</b>	<b>1,124</b>	<b>584</b>	<b>+92.5%</b>	
<b>Net income Group share</b>	<b>1,000</b>	<b>470</b>	<b>x2.1</b>	

\* On a like-for-like-basis and at constant exchange rates

In the first quarter of 2011, the Crédit Agricole S.A. Group reported **revenues** of 5.3 billion euros, a rise of 9.2% on a like-for-like basis and at constant exchange rates, reflecting solid momentum across all business lines.

In the first quarter, all business lines delivered higher revenues, with no significant effects from foreign exchange fluctuations or changes in scope other than the first-time consolidation of Carispezia's results, with rises of 4.2% in French retail banking – LCL<sup>1</sup>, 7.0% in International retail banking, 2.1% in Specialised financial services, 10.9% in Asset management, insurance and private banking and 20.6% in Corporate and investment banking.

Along with this high revenue growth, costs remained tightly controlled. The cost/income ratio was 61.8%, reflecting a 3.7 point improvement on the first quarter of 2010.

**Gross operating income** advanced by a significant 22.0% to 2.0 billion euros in the first quarter.

The **cost of risk** was 23.5% lower than in the first quarter of 2010, reflecting improvement in the business climate, with declines of 17.3% at LCL (to 80 million euros), 9.3% in International retail banking (to 318 million euros) and 55% in Corporate and investment banking (to 130 million euros).

Impaired loans (excluding lease finance transactions with customers) amounted to 4.4% of gross customer and interbank loans outstanding at 31 March 2011. They were 65.5% covered by provisions, including collective reserves.

**Income from equity affiliates** was 441 million euros owing to a record high performance by the Regional Banks, whose contribution to net income Group share increased by 12.3% to an all-time high since the listing.

**Net income on other assets** was not materially affected by any special items during the quarter. In the first quarter of 2010, it included the loss on the disposal of the 0.8% stake in Intesa Sanpaolo.

In all, **net income Group share** was 1.0 billion euros, 2.1x higher than in the first quarter of 2010, which was adversely affected by losses from discontinuing operations.

<sup>1</sup> On the basis of the same method: as from Q1-11, reclassification of expenses to revenues applied to payment instruments.

## **FINANCIAL POSITION**

**Crédit Agricole S.A.**'s financial position remains extremely sound, with strengthened Tier 1 capital and contained risk-weighted assets. Tier 1 capital stood at 64.7 billion euros (before deductions) at 31 March 2011, a rise of 0.6% on 31 December 2010. Risk-weighted assets edged down 0.8% to 369 billion euros, due mainly to market risk.

The Core Tier 1 ratio rose by 30 basis points to 8.7% at 31 March 2011, owing to increases in reserves and in minority interests.

The Tier 1 solvency ratio increased by 20 basis points from its level in the last quarter of 2010 to 10.8% in the first quarter of 2011.

Crédit Agricole S.A.'s CRD ratio was 12.8%, stable compared to the fourth quarter of 2010.

**Crédit Agricole Group**'s CRD ratio was 11.8% at end-March 2011, and the Tier 1 ratio was 10.5%. Unfloored, these ratios would be 13.8% and 12.0%, respectively.

## RESULTS BY BUSINESS LINE

### 1. FRENCH RETAIL BANKING

During the first quarter, French retail banking delivered a solid business and financial performance, in line with the trend seen in the previous quarters. Revenues rose by over 4% year-on-year in the first quarter, while the cost of risk fell sharply at both the Regional Banks and LCL.

#### 1.1. - CRÉDIT AGRICOLE REGIONAL BANKS

In the first quarter of 2011, the Regional Banks turned in record-high results owing to excellent momentum in all areas.

Customer business remained strong, in line with the previous quarters, with business momentum underpinned by the full range of products. The Regional Banks opened 47,000 net new accounts during the quarter. Growth was particularly pronounced in the young customer segment, with 22,000 net new accounts opened. In insurance, the number of policies written rose by 5.3% year-on-year. The number of service accounts was 1.2% higher than in the first quarter of 2010, and the number of bank cards in issue rose by 1.0% year-on-year, with a sharp increase in Double Action and premium cards.

Loans outstanding remained on an uptrend, with growth of 4.7% year-on-year. Growth was solid across all customer segments, with high growth in residential mortgages (up 6.5% year-on-year) driven by a highly favourable interest rate environment for buyers. Customer assets expanded by 3.4% year-on-year, propelled by on-balance sheet deposits and life insurance. On-balance sheet deposits moved up 5.2%, driven by all segments and more particularly by sight deposits (up 5.5%) and *Livret A* passbook accounts, with 19 billion euros of customer assets and 5.4 million accounts. Growth in off-balance sheet deposits slowed to 1.2%, as the solid 5.1% increase in life insurance was offset by a 5.0% fall in securities and mutual funds.

Under this impetus, revenues from customer business advanced by 4.6% year-on-year in the first quarter of 2011 (by 3.6% excluding home purchase savings plans), on a high basis of comparison in the first quarter 2010. The Regional Banks held down their cost/income ratio to 52.1% (up 0.2 point on the first quarter of 2010), despite investments in the NICE project. Excluding NICE, expenses rose by 2.4% and the cost/income ratio was 50.5% or 1.3 point lower than in the first quarter of 2010.

The cost of risk dropped by 17.1% year-on-year in the first quarter, despite high charges to collective reserves.

Aggregate operating income advanced by 13.3% to 1,293 million euros. The Regional Banks' contribution to net income Group share was 374 million euros, up 12.3% year-on-year. This contribution in the first quarter of 2011 reached an all-time high since Crédit Agricole S.A.'s flotation.

(in millions of euros)	Q1-11*	Q1-10	Change Q1/Q1*
Net income accounted for at equity (approx. 25%)	227	209	+10.6%
Change in share of reserves	147	124	+15.4%
<b>Share of income from equity affiliates</b>	<b>374</b>	<b>333</b>	<b>+12.3%</b>
<b>Net income Group share</b>	<b>374</b>	<b>333</b>	<b>+12.3%</b>

\* IFRS consolidated contribution (restated for intragroup transactions) of the 38 equity-accounted Regional Banks

## 1.2. - LCL

(in millions of euros)	Q1-11	Q1-10	Change Q1/Q1	Change Q1/Q1 <sup>1</sup>
<b>Revenues</b>	<b>988</b>	<b>965</b>	<b>+2.4%</b>	<b>+ 4.2%</b>
Operating expenses	(612)	(641)	(4.6%)	(1.9%)
<b>Gross operating income</b>	<b>376</b>	<b>324</b>	<b>+16.0%</b>	<b>+ 16.0%</b>
Cost of risk	(80)	(96)	(17.3%)	
<b>Operating income</b>	<b>296</b>	<b>228</b>	<b>+30.1%</b>	
<b>Net income Group share</b>	<b>195</b>	<b>151</b>	<b>+28.9%</b>	

During the first quarter of 2011, the innovative product range combined with a high level of production and a sharp drop in the cost of risk boosted LCL's results year-on-year in the first quarter.

Revenues advanced by 2.4% year-on-year in the first quarter. On the basis of the same method, the increase would have been 4.2%<sup>1</sup>. The interest margin rose by 7.4% owing to solid growth in lending, while commissions and fee income remained stable on the basis of the same method<sup>1</sup>. The substantial year-on-year rise in the number of loan files on mortgages and SMEs nearly offset the fall in commissions and fee income from securities management (down 10.0%) and from insurance (down 4.6%), where production declined owing to uncertainties concerning the future tax treatment of life insurance.

Operating expenses declined sharply in the first quarter, mainly due to a reclassification of expenses to revenues applied to payment instruments. On the basis of the same method, operating expenses would have moved down 1.9% year-on-year in the first quarter, mainly due to a time lag in IT projects. The cost/income ratio was very low, at 61.9% in the first quarter.

The cost of risk declined sharply in the first quarter of 2011, with a 17.3% year-on-year drop. It amounted to 38 basis points of outstandings in the first quarter of 2011, down 11 points year-on-year. The cover rate (including collective reserves) advanced by 2.8 points year-on-year to 75.5% – the highest level since 2009. Bad and doubtful debts (CDL) amounted to 2.48% of outstandings, the lowest level since 2009.

In all, net income Group share was very high in the first quarter of 2011 at 195 million euros, a rise of 28.9% on the first quarter of 2010.

Customer business remained on a solid uptrend, as evidenced by growth in on-balance sheet deposits (up 8.9% year-on-year in the first quarter) and in loans outstanding (up 9.0% over the same period). Growth in deposits was particularly high for term accounts and deposits (up 33.7% year-on-year in the first quarter of 2011), sight deposits (up 8.5%) and passbook accounts (up 5.7% over the same period). The loan book continued to expand at a robust pace, with mortgage loan production doubling from the first quarter of 2010 and loans outstanding to SMEs up 5.2% year-on-year in the first quarter.

Finally, LCL continued to innovate as part of its *Centricité Clients 2013* plan, with an enhanced, customer-focused range: improved facilities for receiving customers in the different distribution channels, *Droit de changer d'avis* (the right to change one's mind) with the *Contrat de reconnaissance*, etc. Growth in property and casualty insurance production (comprehensive household, automobile and healthcare) accelerated, with a 49% jump year-on-year in the first quarter of 2011.

<sup>1</sup>As from Q1-11, reclassification of expenses to revenues applied to payment instruments.

## 2. INTERNATIONAL RETAIL BANKING

In the first quarter of 2011, International retail banking delivered impressive growth (excluding Emporiki). Operating income moved up 17.3%.

The first stage in the integration of the new Italian organisation began during the quarter, with the merger of the Carispezia network into Cariparma. The transaction will be completed during the second quarter of 2011 with the integration of the new branches.

**Excluding Emporiki**, results also reflect enhanced operating efficiency, with year-on-year growth of 8.5% in revenues and of 9.5% in gross operating income in the first three months of 2011. Organic growth was robust, at nearly 11%, excluding changes in scope due to the consolidation of Carispezia and integration-related costs.

The cost of risk showed improvement. It was nearly stable by comparison with the first quarter of 2010 (up 1.1%) and down 15.2% on the previous quarter.

Operating income moved up sharply, to 120 million euros in the first quarter of 2011. Year-on-year growth was 20.9% excluding changes due to the consolidation of Carispezia and integration costs.

On the whole, **including Emporiki**, the business line's performance was adversely affected by deterioration in the business climate in Greece. Net income Group share for the business line was a loss of 59 million euros.

(in millions of euros)	Q1-11	Q1-10	Change Q1/Q1
<b>Revenues</b>	<b>773</b>	<b>722</b>	<b>+7.0%</b>
Operating expenses	(495)	(478)	+3.6%
<b>Gross operating income</b>	<b>278</b>	<b>244</b>	<b>+13.7%</b>
Cost of risk	(318)	(350)	(9.3%)
Equity affiliates	28	47	(40.7%)
<b>Pre-tax income</b>	<b>(12)</b>	<b>(59)</b>	<b>(79.5%)</b>
Net income from discontinued activities	1	4	nm
<b>Net income Group share</b>	<b>(59)</b>	<b>(97)</b>	<b>(38.5%)</b>

**In Italy**, Cariparma's gross operating income rose by 18.7% year-on-year to 156 million euros in the first quarter of 2011, reflecting both the change in scope of consolidation with the integration of Carispezia and robust organic growth.

Cariparma's results include Carispezia for the first time. This is the first stage in the consolidation of the new Italian organisation. The bank has strengthened its positions in its geographies with 123,000 additional customers<sup>1</sup> brought in by the new network, which is the No. 1 bank in La Spezia province, with a 39.7% market share in terms of branches and No. 2 in Massa Carrara province (14.2% market share).

Excluding Carispezia and integration costs, Cariparma generated high organic growth, with a 20.5% increase in gross operating income. The cost/income ratio was 57.4%, reflecting persistently high operating efficiency.

The cost of risk was under control, at 55 million euros in the first quarter of 2011. Excluding Carispezia, it was 3.5% higher than in the first quarter of 2010 and down 17.5% on the fourth quarter of 2010. The percentage of loans in litigation "sofferenze" was below the market average, at 1.4% for the Cariparma Group vs. 2.5% for the market.<sup>2</sup>

Overall, operating income rose appreciably, with increases of 14.3% quarter-on-quarter and of 27.0% year-on-year in the first three months of 2011. Cariparma's contribution to net income Group share came to 41 million euros.

<sup>1</sup> 2010 figures

<sup>2</sup> Source: ABI Monthly Outlook, April 2011.



**In Greece**, in a difficult economic climate, Emporiki showed flexibility and continued to implement its recovery plan. Its contribution to revenues was resilient at 191 million euros, a rise of 2.6% on the first quarter of 2010. Expenses remained tightly controlled, with contractions of 7.0% year-on-year and 1.9% quarter-on-quarter in the first three months of 2011. The cost/income ratio to 68.4%, was held below the 2010 average.

The high cost of risk (220 million euros) reflects the increase in provisioning up to Group standards and obscures the quality of the new production: reduction in the volume of loans classified as doubtful during the quarter and improvement in the cover rate for loans other than mortgages which reached 64%. The improvement in credit/collections procedures is in process, with centralisation of credit approval procedures completed for all customer segments and the collections process scaled up.

Emporiki's contribution to net income Group share was a loss of 139 million euros in the first quarter.

### 3. SPECIALISED FINANCIAL SERVICES

<i>(in millions of euros)</i>	Q1-11	Q1-10	Change Q1/Q1
<b>Revenues</b>	<b>1,004</b>	<b>983</b>	<b>+2.1%</b>
Operating expenses	(421)	(429)	(2.0%)
<b>Gross operating income</b>	<b>583</b>	<b>554</b>	<b>+5.2%</b>
Cost of risk	(318)	(328)	(3.2%)
<b>Operating income</b>	<b>265</b>	<b>226</b>	<b>+17.3%</b>
Equity affiliates	3	3	(3.1%)
<b>Pre-tax income</b>	<b>268</b>	<b>229</b>	<b>+16.9%</b>
<b>Net income Group share</b>	<b>160</b>	<b>127</b>	<b>+26.4%</b>

In the first quarter of 2011, operating income in **Specialised financial services** remained high, which combined with a stable cost of risk, boosted net income Group share by 26.4% year-on-year.

The business line continued to enhance its operating efficiency. Revenues rose by 2.1% year-on-year to 1,004 million euros in the first quarter of 2011, while operating expenses declined by 2.0% over the same period despite continued investments within the business line. As a result, gross operating income moved up 5.2% year-on-year and the cost/income ratio contracted by 1.7 percentage point to 41.9%.

The cost of risk showed further signs of stabilisation, with a 3.2% contraction year-on-year in the first quarter of 2011. As a result, the intermediation ratio improved by 3.4 points over the same period to 73.6% in the first quarter of 2011, one of the lowest levels in the industry.

Net income Group share was 160 million euros in the first quarter of 2011.

**In Consumer finance**, business was buoyant in a period which combined the completion of the business line's reorganisation (creation of CA Consumer Finance and CALEF), the application of responsible lending policies and preparation for forthcoming changes in legislation both in France and Italy. In France, credit outstandings rose by 1.8% in the first quarter of 2011 year-on-year, driven by car and household equipment finance. Abroad, business slowed in Italy, where outstandings contracted by 1.8% year-on-year, but expanded appreciably in the Group's other markets, with total outstandings increasing by 8.2% between the first quarter of 2010 and the first quarter of 2011. The first quarter of 2011 was namely marked by robust business in Germany, mainly due to the partnership with Suzuki, and the closure of unprofitable businesses in Saudi Arabia and in Hungary.

CA Consumer Finance, which already ranks among the most profitable entities in its sector, further enhanced its operating efficiency. The cost/income ratio in consumer finance improved by 1.2 point year-on-year to 39.0% in the first quarter of 2011. Gross operating income increased by 3.8% to 524 million euros owing to the combination of a 1.8% increase in revenues and a 1.2% decline in expenses.

The cost of risk stabilised but remained relatively high, at 216 basis points of outstandings at end-March 2011.

Overall, in Consumer finance, net income was 150 million euros, a rise of 21.7% on the first quarter of 2010.

In **lease finance and factoring**, the Group delivered another strong performance with both segments recording healthy growth in business and a respectable increase in results. Lease finance outstandings moved up 7.2% year-on-year in the first quarter of 2011, with growth of 8.4% in France and despite the slowdown in the Italian and Greek markets owing to adverse economic conditions. In Factoring, receivables rose by 19.6% over twelve months with growth driven both by France (up 13.2%) and international operations (up 29.5%). In all, operating income rose by 6.4% year-on-year to 37 million euros in the first quarter of 2011, resulting from a 3.7% increase revenues and a moderate 2.6% decline in the cost of risk. Net income was 25 million euros in the first quarter of 2011, up 2.1% year-on-year.

#### 4. ASSET MANAGEMENT, INSURANCE AND PRIVATE BANKING

Business momentum was robust for the business line, which delivered a strong growth in results in the first quarter. Assets under management rose by 2.5% year-on-year to 1,062 billion euros in the first quarter of 2011. Net inflows amounted to 11.1 billion euros in the first quarter. This sound performance reflects resilience by Amundi and Cr dit Agricole Assurances in a relatively unfavourable climate of outflows from money-market products and a substantial decline in the life insurance market during the quarter.

Net income Group share, at a high level, was 26.8% higher than in the first quarter of 2010. Higher revenues coupled with controlled costs strengthened operating efficiency. The cost/income ratio showed a 5.2 point improvement compared with the first quarter of 2010, and gross operating income moved up 23.0%.

(in millions of euros)	Q1-11	Q1-10	Change Q1/Q1
<b>Revenues</b>	<b>1,312</b>	<b>1,183</b>	<b>+10.9%</b>
Operating expenses	(614)	(615)	(0.3%)
<b>Gross operating income</b>	<b>698</b>	<b>568</b>	<b>+23.0%</b>
Cost of risk	13	(2)	nm
Equity affiliates	3	1	nm
<b>Pre-tax income</b>	<b>714</b>	<b>564</b>	<b>+26.8%</b>
<b>Net income Group share</b>	<b>443</b>	<b>349</b>	<b>+26.8%</b>

In Asset management, Amundi's performance outpaced the market, with inflows of 3 billion euros, driven by institutional investors and employee saving. Amundi confirmed its success among institutional investors, both in France (provident-pension institutions) and abroad, particularly in Asia and in the Middle East. The branch networks in France were resilient in a general climate of outflows. In employee share ownership plans, funds under

management were 33 billion euros, a rise of 8% by comparison with December 2010. After a positive market effect of 1.3 billion euros, which was offset by an unfavourable currency impact (primarily due to depreciation in the yen), assets under management amounted to 711.7 billion euros at 31 March 2011 compared with 709.3 billion euros a year earlier and 710.3 billion euros at 31 December 2010. Funds distributed outside France expanded by more than 8% over the year as a result of the international expansion strategy.

Net income rose by 23.0% year-on-year to 129 million euros in the first quarter of 2011, mainly as a result of cost-controlling efforts. The cost/income ratio improved by 0.6 point (excluding restructuring costs in the first quarter of 2010), to 53.6%. Gross operating income advanced by 9.4% year-on-year in the first quarter.

**Asset servicing** delivered a satisfactory level of business, with stable assets under custody and administration despite outflows from money-market products. Solid business development coupled with the recovery in equity markets were offset by unfavourable trends in the bond markets and in money market funds. At 31 March 2011, assets under custody amounted to 2,370 billion euros, up 1.2% year-on-year, and funds under administration edged down 0.8% to 1,143 billion euros.

Net income was 10.4% higher in the first quarter of 2011 than in the first quarter of 2010. This improvement in profitability is due primarily to revenue growth of 3.4% in the first quarter of 2011, owing mainly to diversification of revenues (particularly in securities lending/borrowing). Costs were tightly controlled and remained stable. The cost/income ratio was 70.8% – one of the lowest in the industry – and reflected an improvement of 2.6 points on the first quarter of 2010.

**In Private Banking**, business was solid in the first quarter. Assets under management by Crédit Agricole Private Banking and LCL Banque Privée expanded by 10.4% year-on-year to 129.7 billion euros in the first quarter, with rises of 7.0% in France and 13.4% in international business. In the first quarter of 2011, net inflows came to 1.2 billion euros. They were adversely affected by a negative exchange rate impact of 1.8 billion euros, which offset the positive market effect of 1.4 billion euros. The consolidation as from 1 January of CA Van Moer Courtens in Luxembourg, contributed 0.7 billion euros.

Crédit Agricole Private Banking's assets under management moved up to 94.8 billion euros at 31 March 2011 from 93.8 billion euros at 31 December 2010 and 84.8 billion euros at 31 March 2010.

Crédit Agricole Private Banking registered a 23.3% jump in net income year-on-year in the first quarter. Revenue growth was 15.7% or 8.6% on a like-for-like basis and at constant exchange rates. This growth was driven by higher commissions and fee income in all markets where the Group operates. Expenses were controlled, with a rise of 4.0% on a like-for-like basis and at constant exchange rates, leading to a 22.5% increase in gross operating income (like-for like and at constant exchange rates.)

In an unfavourable market climate for life insurance, premium income for the **Insurance** segment was 8.0 billion euros, down from a particularly high basis of comparison in the first quarter of 2010.

**In France, life insurance** was adversely affected by concerns over the reform of estate taxes and competition in Livret A passbook accounts, on which the interest rate paid to customers was increased to 2.0% on 1<sup>st</sup> February 2011. Premium income in life insurance in France only declined by 11% year-on-year in the first quarter of 2011, i.e. by less than the French market average of 13%. Despite this decrease, funds under management in life insurance were 1% higher than at 31 December 2010.

**Non-life insurance in France** delivered a strong performance. Premium income rose by 17% year-on-year (by 9% on a like-for-like basis) to 915 million euros in the first quarter of 2011. This growth was far above the market average and was particularly high in the motor insurance sector, with a rise of 26% compared with 5% for the market, and in housing insurance, with an increase of 25% compared with 7% for the market. The number of policies in force also expanded by 7% year-on-year.

**In international operations**, business slowed (except in creditor insurance), mainly due to difficult economic and financial conditions in Portugal. Even so, the contribution of other countries to premium income remained stable.

**In creditor insurance**, business was buoyed by the success of the partnerships in retail banking with LCL in France and Cariparma in Italy. Premium income was 243 million euros in the first quarter.

In all, **Insurance revenues** totalled 556 million euros in the first quarter of 2011, a rise of 23.4% year-on-year. Expenses remained under control and the cost/income ratio was held down to 25.4%, reflecting a 4.3 point improvement year-on-year. Gross operating income advanced by 30.9% year-on-year to 415 million euros and the **business line's net income moved up appreciably, to 284 million euros**. This growth was due to the combination of the 6% year-on-year increase in funds under management in life insurance and to a sharp decline in property and casualty insurance claims compared with the first quarter of 2010, when winter storm Xynthia produced a negative impact of 26 million euros.

## 5. CORPORATE AND INVESTMENT BANKING

Corporate and investment banking recorded a solid performance in the first quarter, in line with the model adopted by the business line. Net income Group share was 330 million euros in the first quarter, up 25.3% on the fourth quarter of 2010 and more than twice as high as in the first quarter of 2010.

(in millions of euros)	Q1-11	Q1-11 Ongoing activities	Q1-10 Ongoing activities	Change Q1/Q1 Ongoing activities
<b>Revenues</b>	<b>1,545</b>	<b>1,518</b>	<b>1,463</b>	<b>+3.8%</b>
Operating expenses	(924)	(901)	(804)	+12.0%
<b>Gross operating income</b>	<b>621</b>	<b>617</b>	<b>659</b>	<b>(6.2%)</b>
Cost of risk	(130)	(73)	(147)	(50.0%)
<b>Operating income</b>	<b>491</b>	<b>544</b>	<b>512</b>	<b>+6.3%</b>
Equity affiliates	34	34	34	(0.6%)
Net income on other assets	3	3	-	nm
<b>Pre-tax income</b>	<b>528</b>	<b>581</b>	<b>546</b>	<b>+6.4%</b>
Tax	(193)	(212)	(154)	+37.8%
<b>Net income</b>	<b>335</b>	<b>369</b>	<b>392</b>	<b>(5.9%)</b>
<b>Net income Group share</b>	<b>330</b>	<b>363</b>	<b>379</b>	<b>(4.2%)</b>
<b>Cost/income ratio</b>	<b>59.8%</b>	<b>59.3%</b>	<b>55.0%</b>	

Ongoing activities confirmed their resilience, with solid revenue growth. Revenues (restated for loan hedges and the revaluation of debt issues) rose by 2.1% year-on-year in the first quarter, owing to persistently high revenues from financing activities and to the recovery in capital market activities, which returned to the very high level seen in the first quarter of 2010. Costs were controlled and edged down 1.6% by comparison with the fourth quarter of 2010. The cost/income ratio was held under 60% in the first quarter of 2011. The cost of risk was adversely affected by charges to collective reserves due to uncertainties in the Middle East. Net income Group share was 363 million euros.

Discontinuing operations produced a limited negative impact in the first quarter. They contributed a loss of 33 million euros to net income Group share, compared with a loss of 222 million euros in the first quarter of 2010.

### Financing activities

Operational segments of financing activities assure a solid base of recurring revenues. Revenues from structured finance came to 400 million euros and remained comparable to the very high level registered in the fourth quarter of 2010. The Group recorded an excellent performance in shipping and commodities finance businesses. Crédit Agricole CIB moved from No. 3 to No. 2 position in project finance in the EMEA region<sup>1</sup>. In commercial banking, operating activities also stood up well in a climate of falling margins and rising liquidity costs. Crédit Agricole CIB now ranks No. 1 in the syndication business in France, in Western Europe and in the EMEA region<sup>1</sup>. Active management of loan hedges reduced the impact of these items on the accounts.

<sup>1</sup> Source: Thomson Financial

(in millions of euros)	Q1-11	Q1-10	Change Q1/Q1
<b>Revenues</b>	<b>640</b>	<b>651</b>	<b>(1.7%)</b>
Operating expenses	(222)	(202)	+9.9%
<b>Gross operating income</b>	<b>418</b>	<b>449</b>	<b>(6.9%)</b>
Cost of risk	(79)	(131)	(39.6%)
<b>Operating income</b>	<b>339</b>	<b>318</b>	<b>+6.7%</b>
Equity affiliates	34	33	+3.3%
Net income on other assets	1	-	nm
<b>Pre-tax income</b>	<b>374</b>	<b>351</b>	<b>+6.6%</b>
Tax	(143)	(95)	+50.7%
<b>Net income</b>	<b>231</b>	<b>256</b>	<b>(9.7%)</b>
<b>Net income Group share</b>	<b>229</b>	<b>246</b>	<b>(7.0%)</b>

The cost of risk highly declined by 39.6% on the first quarter of 2010, despite a 79 million euro charge to collective reserves, mainly owing to uncertainties in the Middle East. The stock of collective reserves amounted to 1.5 billion euros at 31 March 2010. Cost of risk to customer loans outstanding fell to 26 basis points in the first quarter of 2011 from 45 basis points in the first quarter of 2010.

In all, pre-tax income for financing activities came to 374 million euros in the first quarter, up 6.6% on the 351 million euros registered in the first quarter of 2010.

### Capital markets and investment banking

Revenues in Capital markets and investment banking, on the whole, benefited from the recovery in market momentum. Revenues (excluding revaluation of debt issues) were 48 % higher than in the fourth quarter of 2010 and 1.4% compared to the first quarter of 2010.

(in millions of euros)	Q1-11	Q1-10	Change Q1/Q1
<b>Revenues</b>	<b>878</b>	<b>812</b>	<b>+8.1%</b>
Operating expenses	(679)	(602)	+12.7%
<b>Gross operating income</b>	<b>199</b>	<b>210</b>	<b>(4.8%)</b>
Cost of risk	6	(16)	nm
<b>Operating income</b>	<b>205</b>	<b>194</b>	<b>+5.7%</b>
Equity affiliates	-	1	nm
Net income on other assets	2	-	nm
<b>Pre-tax income</b>	<b>207</b>	<b>195</b>	<b>+6.0%</b>
Tax	(69)	(59)	+17.1%
<b>Net income</b>	<b>138</b>	<b>136</b>	<b>+1.2%</b>
<b>Net income Group share</b>	<b>134</b>	<b>133</b>	<b>+0.9%</b>

In Fixed income business, operating revenues increased in the first quarter of 2011. Growth was driven by high revenues from fixed-income derivatives and excellent performances in debt and credit market business, with strong

momentum in primary issues (mainly covered bonds and corporates) and in the secondary market. Treasury management also registered a solid performance, which benefited from stabilisation of European sovereigns over the period. In all, revenues moved up to 528 million euros from 228 million euros in the previous quarter, which included a 120 million euro charge due to a change in valuation parameters for collateralised swaps.

In Equities business, revenues amounted to 395 million euros, in slight rise with regard to the previous quarter under the impetus of strong market momentum. "Flow" equity derivatives activities and investment banking showed a solid performance in a more favourable market climate. Crédit Agricole CIB is now No. 1 in M&A advisory services in France<sup>1</sup>. It moved up from seventeenth place compared to 2010. Brokerage business benefited from volatile conditions, mainly due to the geopolitical climate in Africa and in Japan.

The revaluation of structured debt issues produced a negative impact of 45 million euros on revenues.

Overall, revenues from ongoing activities in Capital markets and investment banking came to 878 million euros, an increase of 8.1% on the first quarter of 2010. This growth was achieved while keeping risks contained, with VaR for ongoing activities held well below its limit of 35 million euros. After tax, net income Group share in Capital markets and investment banking was 134 million euros, stable compared to the first quarter of 2010.

## Discontinuing operations

(in millions of euros)	Q1-11	Q1-10	Change Q1/Q1
<b>Revenues</b>	<b>27</b>	<b>(182)</b>	<b>nm</b>
Operating expenses	(23)	(25)	(8.0%)
<b>Gross operating income</b>	<b>4</b>	<b>(207)</b>	<b>nm</b>
Cost of risk	(57)	(140)	(59.3%)
<b>Pre-tax income</b>	<b>(53)</b>	<b>(347)</b>	<b>(84.7%)</b>
Tax	19	120	(84.2%)
<b>Net income</b>	<b>(34)</b>	<b>(227)</b>	<b>(85.0%)</b>
<b>Net income Group share</b>	<b>(33)</b>	<b>(222)</b>	<b>(85.1%)</b>

Discontinuing operations produced a limited impact in the first quarter, with positive revenues of 27 million euros.

The CDO, CLO and ABS portfolios made a negative contribution of 57 million euros in cost of risk, mainly due to the mechanical effect of entries into default and to the adoption of higher loss assumptions for underlyings other than residential mortgages.

The behaviour and monitoring indicators for the correlation business portfolio remained consistent with the stabilisation scheme established in 2009. The residual exotic equity derivatives business generated revenues of 14 million euros over the quarter.

In all, net income of discontinuing operations was a loss of 34 million euros over the quarter compared with a loss of 227 million euros in the first quarter of 2010 and of 93 million euros in the fourth quarter of 2010.

<sup>1</sup> Source: Thomson Financial

## 6. CORPORATE CENTRE

(in millions of euros)	Q1-11	Q1-10	Change Q1/Q1
<b>Revenues</b>	<b>(318)</b>	<b>(310)</b>	<b>+2.1%</b>
Operating expenses	(210)	(170)	+25.0%
<b>Gross operating income</b>	<b>(528)</b>	<b>(480)</b>	<b>+10.1%</b>
Cost of risk	11	(11)	nm
<b>Operating income</b>	<b>(517)</b>	<b>(491)</b>	<b>+5.6%</b>
Equity affiliates	(1)	7	nm
Net income on other assets	(2)	(160)	nm
<b>Pre-tax income</b>	<b>(520)</b>	<b>(644)</b>	<b>(19.2%)</b>
<b>Net income Group share</b>	<b>(443)</b>	<b>(550)</b>	<b>(19.6%)</b>

In the first quarter of 2011, revenues amounted to -318 million euros compared with -310 million euros in the same period in 2010. This reflects less favourable market conditions, which resulted in funding costs edging up by 2.5% on the first quarter of 2010 and a smaller contribution from financial management. These items were partly offset by higher revenues from Private Equity, which increased to 34 million euros.

Operating expenses reflect the cost of the Group's core projects, i.e. Evergreen, NICE and the Chartres datacentre.

Net income on other assets in the first quarter of 2010 reflected the 159 million euro loss on the disposal of the 0.8% stake in Intesa Sanpaolo.

In all, net income Group share of the Corporate centre was a loss of 443 million euros in the first quarter of 2011 compared with a loss of 550 million euros in the first quarter of 2010.



## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

In the area of social and environmental responsibility, the ongoing progress-based approach initiated several years ago within the Group was confirmed, and the Crédit Agricole S.A. shares remained in the social responsibility indices. They are now included in three major extra-financial indices: the ASPI Eurozone since 2004, the FTSE4Good since 2005 and the Dow Jones Sustainability Index (DJSI) since 2008 (DJSI Stoxx since 2008 and DJSI World since 2009).

Crédit Agricole came in second among the French firms with the lowest CO<sub>2</sub> emissions and placed twelfth in the carbon ranking of the 300 largest European corporations (source: *Environmental investment organisation*).

In the first quarter of 2011, the Crédit Agricole S.A. Group's commitment to corporate social responsibility was evidenced by:

- Its affirmation of support for Nobel Peace Prize laureate Muhammad Yunus, founder of the Grameen Bank and co-founder of the Grameen Crédit Agricole Foundation;
- Its contribution of a first tranche of 800,000 euros in aid to Japanese victims of the March 2011 earthquake and tsunami.

## CRÉDIT AGRICOLE CONSOLIDATED RESULTS

Crédit Agricole's net income Group share was 1,527 million euros, a rise of 60.9% on the first quarter of 2010. This reflects enhanced operating efficiency in retail banking, solid momentum in asset-gathering businesses and the decline in losses from discontinuing operations. In addition, 2010 first-quarter results reflected the loss on the disposal of the Group's 0.8% stake in Intesa Sanpaolo.

In the first quarter of 2011, revenues were 9.0 billion euros, up 7.7% year-on-year, while expenses moved up 4.0% over the same period. Gross operating income expanded by 13.4% year-on-year to 3.7 billion euros in the first quarter, including 1.7 billion euros from the Regional Banks.

The cost of risk declined by 22.1% year-on-year but slightly edged up quarter-on-quarter owing to the substantial charges to collective reserves in financing activities and in the Regional Banks.

€m	Q1-11	Q1-10	Δ Q1/Q1
<b>Revenues</b>	<b>8,978</b>	<b>8,335</b>	<b>+7.7%</b>
Operating expenses	(5,231)	(5,030)	+4.0%
<b>Gross operating income</b>	<b>3,747</b>	<b>3,305</b>	<b>+13.4%</b>
Cost of risk	(1,200)	(1,541)	(22.1%)
<b>Operating income</b>	<b>2,547</b>	<b>1,764</b>	<b>+44.4%</b>
Equity affiliates	64	89	(28.1%)
Net income on other assets	4	(158)	nm
Change in value of goodwill	-	(4)	nm
<b>Pre-tax income</b>	<b>2,615</b>	<b>1,691</b>	<b>+54.6%</b>
Tax	(971)	(633)	+53.4%
Net gain/(loss) on discontinued operations	(4)	4	nm
<b>Net income</b>	<b>1,640</b>	<b>1,062</b>	<b>+54.4%</b>
<b>Net income Group share</b>	<b>1,527</b>	<b>949</b>	<b>+60.9%</b>

\* \* \*

Crédit Agricole S.A.'s financial information for the first quarter of 2011 consists of this press release and the attached presentation. All regulated information, including the registration document, is available on the website [www.credit-agricole.com/Finance-and-Shareholders](http://www.credit-agricole.com/Finance-and-Shareholders) under "Financial reporting" and is published by Crédit Agricole S.A. pursuant to the provisions of article L. 451-1-2 of the Code Monétaire et Financier and articles 222-1 *et seq.* of the AMF General Regulation.

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### Disclaimer

This presentation may include prospective information on the Group, supplied as information on trends. This data does not represent forecasts within the meaning of European Regulation 809/2004 of 29 April 2004 (chapter 1, article 2, § 10).

This information was developed from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors that could cause actual results to differ from projections.

Likewise, the financial statements are based on estimates, particularly in calculating market value and asset depreciation.

Readers must take all these risk factors and uncertainties into consideration before making their own judgement.

### Applicable standards and comparability

The figures in this document have been drawn up in accordance with the IFRS accounting standards adopted by the European Union.