



# CRÉDIT AGRICOLE S.A.

Paris, 10 November 2010

## Third quarter and first nine months of 2010: Results confirm positive trends seen in the first half

### Crédit Agricole Group\*

9 months 2010

Net income – Group share: 3.3 billion euros, up 84.3% / 9 months 2009

3<sup>rd</sup> quarter 2010

Net income – Group share: 1,453 million euros, x2.1 / Q3-09

Tier 1 ratio: 10.2%

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

### Crédit Agricole S.A.

9 months 2010

Net income – Group share: 1,591 million euros, x2.3 / 9 months 2009

Tier 1 ratio: 10.0%; Core Tier 1: 9.8%

3<sup>rd</sup> quarter 2010

Net banking income: up 3.1% / Q3-09

Gross operating income: up 0.2% / Q3-09

Cost of risk: down 18.2% / Q3-09

Net income - Group share: 742 million euros, x2.6 / Q3-09

Crédit Agricole S.A.'s board of directors, chaired by Jean-Marie Sander, met on 10 November 2010 to review the accounts for the third quarter and the first nine months of 2010.

In the third quarter, Crédit Agricole S.A.'s net income - Group share was 742 million euros, 2.6 times higher than in the third quarter of 2009. Chief Executive Officer Jean-Paul Chifflet noted that these results, which reflect the favourable trend observed in the first half, were in line with the level of recurring income announced in the past several quarters. In a persistently uncertain and weak macro-economic climate, this performance underlines the solid earnings base of Crédit Agricole S.A. and of the Group as a whole.

Jean-Marie Sander, Chairman of Crédit Agricole S.A., confirmed that Crédit Agricole, as the leading financial partner of the French economy with almost 450 billion euros in loans outstanding, remains fully committed to financing the economy. Loans outstanding thus increased by 4.8% in the first nine months. Moreover, the Group continues to closely monitor current changes in the regulatory framework, in particular the possible impacts of reforms relating to the centralisation of Livret A passbook accounts and the remuneration of corresponding deposit-gathering.

During the third quarter, Crédit Agricole S.A. showed persistently robust business momentum, particularly in retail banking operations. The level of loans outstanding rose significantly in retail banking in France and in Italy. In France, the Regional Banks registered an increase in loan production of over 18% in the first nine months. They continue to actively support development in the regions through loans to specialised markets, which rose by nearly 4%. LCL registered very high growth in the retail customer segment, with an 8.3% increase in residential mortgage loans. Cariparma's loans outstandings advanced by 6.4%, a higher rate than the Italian market. Likewise, Specialised financial services delivered further growth while maintaining its margins.

On-balance sheet deposits continued to expand, for the Regional Banks as well as LCL and Cariparma, up 5% compared with 30 September 2009. Off-balance sheet customer deposits in the retail banking networks increased by more than 3%. In Asset management, inflows remained positive, outperforming the market and confirming the success of the Amundi model. The merger process is complete, with an organisation that is focused on development. Insurance also outperformed the market, with premium income up 20.2% over the first nine months and growth of 21.9% in the life insurance segment.

Lastly, Corporate and investment banking delivered mixed results in different segments. Structured finance registered further growth and commercial banking showed resilience, while capital markets and investment banking did not fare as well in persistently difficult market conditions. The cost of discontinuing operations dropped yet again, as in previous quarters.

The cost of risk, on a downward trend since the first quarter of 2010, continued to decline, down 18.2% compared with the third quarter of 2009. This was achieved in spite of the increase in provisions set aside by the Greek subsidiary Emporiki.

Finally, the Group confirmed its financial strength. Crédit Agricole S.A.'s Tier 1 ratio rose to 10.0% from 9.7% at end- June 2010, with a Core Tier 1 ratio of 9.8% compared with 9.1% at end-June 2010. Moreover, in keeping with its prudent refinancing policy, as of 15 October, Crédit Agricole S.A. had completed its 25 billion-euro long-term financing programme for 2010 and in fact exceeded it by 3%. The average term of this financing was extended to 6.5 years in 2010 from 5.1 years in 2009. The Crédit Agricole Group's Tier 1 ratio was 10.2% at 30 September compared with 10.1% at 30 June 2010. Unfloored, the Tier 1 ratio would be 11.5%.

As part of the new Basel III requirements, and based on currently available information on proposed regulations that are now under discussion, Crédit Agricole S.A. believes that the Crédit Agricole Group's solid capital base, coupled with its ability to generate capital and factors such as the elimination of the floor, give it the capacity and resources to activate internal flexibility using non-dilutive solutions. Crédit Agricole S.A. does not plan to carry out a rights issue for the purpose of meeting regulatory requirements. The final impact of the reform will nevertheless depend on the contents of the definitive regulation and the terms and conditions of its application.

### Financial calendar

24 February 2011	2010 fourth quarter and full-year results
Mid-March 2011	Presentation of Crédit Agricole S.A. medium-term plan
13 May 2011	2011 first quarter results
18 May 2011	Annual General Meeting
25 August 2011	2011 second quarter and first half results
10 November 2011	2011 third quarter results

## CRÉDIT AGRICOLE S.A. CONSOLIDATED RESULTS

(in millions of euros)	Q3-10	Q3-09	Change Q3/Q3	9M 2010	9M-2009	Change 9M/9M
<b>Net banking income</b>	<b>4,977</b>	<b>4,828</b>	<b>+3.1%</b>	<b>15,270</b>	<b>13,448</b>	<b>+13.5%</b>
Operating expenses	(3,198)	(3,053)	+4.7%	(9,765)	(9,017)	+8.3%
<b>Gross operating income</b>	<b>1,779</b>	<b>1,775</b>	<b>+0.2%</b>	<b>5,505</b>	<b>4,431</b>	<b>+24.2%</b>
Cost of risk	(973)	(1,189)	(18.2%)	(3,027)	(3,401)	(11.0%)
<b>Operating income</b>	<b>806</b>	<b>586</b>	<b>+37.5%</b>	<b>2,478</b>	<b>1,030</b>	<b>x2.4</b>
Equity affiliates	368	275	+33.8%	1,077	639	+68.5%
Net gain on other assets and change in value of goodwill	(9)	(438)	nm	(586)	(433)	+35.3%
Tax	(292)	(121)	x2.4	(1,021)	(433)	x2.4
Net income (after tax) from discontinued activities	2	89	(97.8%)	9	100	(91.0%)
<b>Net income</b>	<b>875</b>	<b>391</b>	<b>x2.2</b>	<b>1,957</b>	<b>903</b>	<b>x2.2</b>
<b>Net income - Group share</b>	<b>742</b>	<b>289</b>	<b>x2.6</b>	<b>1,591</b>	<b>692</b>	<b>x2.3</b>

**Net banking income** was 15,270 million euros in the first nine months of 2010, up 13.5% year-on-year, owing to persistently strong growth in all segments of retail banking, to a solid commercial momentum in asset-gathering businesses and to the continued reduction in losses from discontinuing operations in Corporate and investment banking. Payment of *the Echange Image Chèque* fine shaved a 0.3 percentage point off year-on-year growth in net banking income in the third quarter of 2010.

**Operating expenses** showed an 8.3% rise in the first nine months of 2010 due to restructuring transactions carried out in several business lines and to non-recurring charges booked over the period. On a like-for-like basis and at constant exchange rates, this increase was 3.5%. The cost/income ratio was 63.9% in the first nine months of 2010, a substantial 3.2 point reduction year-on-year, reflecting Crédit Agricole S.A.'s operational efficiency.

**Gross operating income** was 5,505 million euros in the first nine months of 2010, up 24.2% year-on-year.

The **cost of risk** declined for the third consecutive quarter, both in nominal amount (down 18.2% year-on-year in the third quarter) and on loans outstanding (76 basis points in the third quarter 2010 compared with 106 basis points on year ago). It amounted to 973 million euros in the third quarter of 2010. The reduction was even more pronounced excluding Emporiki, at 30.7% year-on-year in the third quarter of 2010. In the first nine months of 2010, the cost of risk amounted to 3,027 million euros, down 11.0% year-on-year. Non-performing loans amounted to 20.5 billion euros or 4.2% of gross loans outstanding to customers and credit institutions, compared with 4.1% at 31 December 2009.

**Income from equity affiliates** was 1,077 million euros in the first nine months of 2010 underpinned by the high contribution from the Regional Banks (up 14.9% year-on-year) and the recovery of the contributions of BES and Bankinter during the third quarter of 2010.

**Net income on other assets and change in value of goodwill** showed a loss of 586 million euros in the first nine months of 2010. This includes a 159 million euro negative impact from the disposal of 0.8% of Intesa Sanpaolo in the first quarter and 418 million euros in goodwill impairment for Emporiki in the second quarter.

**Net income from discontinued activities** was 9 million euros in the first nine months. As from the third quarter, it includes the income of Banque Indosuez Mer Rouge (BIMR), which is held for sale.

Overall, Credit Agricole SA's first nine months' **net income - Group share** stands at 1,591 million euros, the double of the same period last year

## FINANCIAL STRUCTURE

At 30 September 2010, Crédit Agricole S.A.'s risk-weighted assets stood at 327 billion euros, a decrease of 17 billion euros compared to 30 June 2010. This reduction is due mainly to a decline of 10 billion euros in credit risk at Crédit Agricole CIB and to a negative impact of 6 billion euros attributable to foreign currency movements.

In terms of regulatory capital, while no significant transaction was carried out during the first nine months, these advanced by 2.2 billion euros (up 2.5% year-on-year), due primarily to capital generation of 1.2 billion euros included in capital and reserves - Group share.

Overall, the CRD ratio rose by 20 basis points from its 30 June 2010 level to 10.3% and the Tier 1 ratio increased from 9.7% at 30 June to 10.0% at 30 September 2010. The Core Tier 1 ratio was 9.8%, a substantial 70 basis point rise from its level at 30 June 2010.

The Crédit Agricole Group's CRD ratio was 11.6% at 30 September 2010, with a Tier 1 ratio of 10.2%. Unfloored, these ratios would have been 13.3% and 11.5%, respectively. As was the case for Crédit Agricole S.A., the increase in ratios was attributable to the decline in Crédit Agricole CIB's risk-weighted assets and to a favourable product mix at the Regional Banks.

With respect to the new Basel 3 requirements, based on information currently available on the proposed Basel regulations, risk-weighted assets in capital market activities should rise by approximately 70 to 90 billion euros, with 20 to 25 billion euros for CRD3 (Basel 2.5), 20 to 30 billion euros for credit valuation adjustments (CVAs) and 30 to 35 billion euros for the gross impact of securitisations.

Some 50% of these additional requirements should disappear between 2013 and 2018 as a result of the natural amortisation of the underlyings, in particular the phase-out of discontinuing activities, and also of measures such as disposals and/or arbitrage.

In line with Basel principles, the investment in the Regional Banks (CCI/CCA) will be accounted for as risk-weighted assets in an amount which could reach around 50 billion euros depending on a Basel timetable yet to be finalised.

New deductions from regulatory capital could amount to a total of between 4.5 to 8.5 billion euros as from 2014. These deductions apply to deferred tax assets, to financial stakes and insurance and to a limited recognition of minority interest. These deductions will partly be covered by the organic generation of the exemption. One-third of the deductible amount could cover deferred tax assets arising from timing differences, with the remaining two-thirds available to mitigate the effect of financial stakes and insurance.

These capital deductions could represent a total of 2.5 to 6.5 billion euros for the Crédit Agricole Group.

Crédit Agricole Group's solid capital base, combined with its ability to generate capital and factors such as the disappearance of the floor, give it the capacity and the resources to activate internal flexibility using non-dilutive solutions. Crédit Agricole S.A. does not plan to carry out any rights issue for the purpose of meeting regulatory requirements. The final impact of Basel 3 will depend on the contents of the definitive regulation and the terms and conditions of its application.

In the area of refinancing, in mid-October 2010, the Group had completed its 2010 refinancing programme for a total of 25 billion euros, with a completion rate of 103%. In September, there was a strong stream of issues, with 5.6 billion euros in long-term issues. The average financing term was also extended, from an average of 5.1 years in 2009 to 6.5 years in 2010. In terms of the outlook for 2011, debt maturities are down, with 12 billion euros to be renewed compared with 19 billion euros in 2010.

Moreover, as it did not tap Central Bank facilities, the Group had 156 billion euros in available reserves at end-September. As such, it confirmed the quality of its internal liquidity management rules (limits, diversification, buffers).

## RESULTS BY BUSINESS LINE

### 1. FRENCH RETAIL BANKING

#### 1.1. - CRÉDIT AGRICOLE REGIONAL BANKS

The Regional Banks' contribution to Crédit Agricole S.A.'s net income - Group share jumped by 33.9% year-on-year to 746 million euros, owing to persistently solid business and operating performances. It also benefited from a reduction in the cost of risk for the second consecutive quarter and from the group tax treatment implemented since the beginning of the year.

(in millions of euros)	Q3-10	Change Q3/Q3	9M-10	Change 9M/9M
Net income accounted for at equity (at 25%)	232	+8.4%	618	+20.0%
Change in share of reserves	-	nm	128	-
<b>Income from equity affiliates</b>	<b>232</b>	<b>+4.2%</b>	<b>746</b>	<b>+14.9%</b>
Tax*	-	nm	-	nm
<b>Net income - Group share</b>	<b>232</b>	<b>+4.2%</b>	<b>746</b>	<b>+33.9%</b>

\* Tax impact of dividends received from the Regional Banks until 2009.

Over the first nine months of 2010, the Regional Banks delivered a solid business performance, with 248,000 net new accounts opened. These good results were achieved by gaining further ground among young customers (135,000 new accounts), particularly in new Livret A passbook accounts. Demand deposits picked up, with 67,000 net new accounts opened in the third quarter of 2010 compared with 46,000 in the previous six months.

Growth in loans outstandings continued to accelerate in the third quarter of 2010, with a year-on-year rise of 4.6% compared with 3.8% in the previous six months. This increase reflects resilience in the personal banking market, with year-on-year increases of 5.3% in residential mortgages outstanding and of 1.7% in the consumer credit outstandings over the same period. The Regional Banks' active support for and involvement in local development in the regions was reflected by a rise of nearly 4% in outstanding loans to specialised markets, and an overall increase in loan production of 18.5% over the first nine months.

On-balance sheet deposits rose to over 533 billion euros, up 4.5% compared to 30 September 2009, despite an adverse market impact. Deposits benefited from a robust increase in on-balance sheet deposits (+5.4%) driven by growth of 8.0% in demand deposits and of 6.2% in passbook accounts. Off-balance sheet deposits increased by 3.5% to 242 billion euros, reflecting a solid performance in life insurance (inflows up 6.5% year-on-year) and despite a downturn in securities (-0.9%), which were adversely affected by unfavourable market conditions and the shifting of funds into on-balance sheet deposits.

Net banking income<sup>1</sup> advanced by 4.4% year-on-year to 9,993 million euros in the first nine months of 2010. Net banking income from customer business rose by 5.7% year-on-year and by 6.8% excluding home purchase savings plans. The interest margin widened sharply, reflecting the average steepening of the yield curve, while commissions and fee income, adjusted for the 53 million euro Echanges Images Chèques fine in the third quarter of 2010, moved up 1.9%.

The first effects of the NICE project initiated in the second quarter of 2010 to establish a single common information system for the Regional Banks began to flow through to the accounts. Operating expenses excluding the NICE project were nearly stable and edged up 0.9% year-on-year. Gross operating income amounted to 4,707 million euros in the first nine months, a rise of 6.10% year-on-year, while the cost/income ratio showed further improvement, with a 0.7 percentage point year-on-year decline to 52.9%.

<sup>1</sup> IAS-restated NBI

The cost of risk fell for the second consecutive quarter, to 193 million euros in the third quarter. The cost of risk to outstandings amounted to 21 basis points compared with 46 basis points in the previous quarter, with a substantial fall in specific reserves, which amply offset the increase in collective reserves.

## 1.2. - LCL

(in millions of euros)	Q3-10	Change Q3/Q3	9M-2010	Change 9M/9M
<b>Net banking income</b>	<b>951</b>	<b>+1.9%</b>	<b>2,922</b>	<b>+3.0%</b>
Operating expenses	(645)	+2.8%	(1,927)	+1.9%
<b>Gross operating income</b>	<b>306</b>	<b>+0.2%</b>	<b>995</b>	<b>+5.1%</b>
Cost of risk	(90)	(5.4%)	(269)	(9.2%)
<b>Operating income</b>	<b>216</b>	<b>+2.7%</b>	<b>726</b>	<b>+11.7%</b>
<b>Net income - Group share</b>	<b>144</b>	<b>+2.7%</b>	<b>483</b>	<b>+11.7%</b>

Over the first nine months of 2010, LCL demonstrated its ability to deliver solid results, underpinned by its proven growth and risk management model. The net income – Group share increased by 11.7% to 483 million euros.

Net banking income continued to rise, with a 3.0% increase over the first nine months. Growth was driven by solid business momentum in both the retail/small business and corporate segments. Commissions and fee income edged up despite the EIC fine, on a high basis of comparison in the third quarter of 2009.

Operating expenses remained tightly controlled, in keeping with the competitiveness plan. They edged up by 1.9% over the first nine months but were stable by comparison with the second quarter of 2010.

In line with the trends in the previous quarters, the cost of risk continued to recede, with a 9.2% decline over the first nine months. Corporate risk remained satisfactory. The ratio of bad and doubtful loans to outstandings was 2.76%, down 5 basis points on the second quarter of 2010, falling to its lowest since the end of 2008.

Business expanded steadily, driven by the branch networks and by innovation. During the first nine months, 125,000 new personal accounts were opened. In non-life insurance, growth accelerated, underpinned by a high level of new business in comprehensive household, motor and health insurance. LCL's expansion is being propelled by innovative services such as personalised cards and the "Livret LCL Banque Privée" account.

LCL continued to support the domestic economy, with growth in loans outstanding accelerating to 5.3% year-on-year. Loan production reached its highest level in five years, mainly due to mortgage loans. In addition, lending to business customers picked up with a recovery in growth in medium-to-long term loans.

Growth in on-balance sheet and off-balance sheet deposits remained high, at 4.7% year-on-year. Life insurance delivered another solid performance, with business in force rising by nearly 11%. Demand deposits remained on their first-half trend, with an increase of 13.4% year-on-year.



## 2. INTERNATIONAL RETAIL BANKING

*Note: The figures presented below are adjusted for the transfer to discontinued operations of Crédit Uruguay Banco in the first quarter of 2010 and of BIMR in the third quarter of 2010.*

During the third quarter, results from International retail banking remained adversely affected by the impact of deteriorating conditions in Greece on Emporiki's operations as reflected in the updated restructuring and development plan unveiled on 22 June 2010.

The business line's **net income - Group share** was a loss of 839 million euros in the first nine months and of 99 million euros in the third quarter. This includes losses from Emporiki of 1.1 billion euros in the first nine months and of 191 million euros in the third quarter.

Excluding **Emporiki**, net banking income rose by 1.8% in the first nine months of 2010, reflecting a gradual improvement in the third quarter after a difficult start to the year. In particular, Cariparma's net banking income stabilised, following the trend seen in the second quarter. Crédit du Maroc and Crédit Agricole Egypt delivered robust business growth. Operating expenses were contained, edging up 2.8% over the first nine months. Growth in the cost of risk was confined to 4.2% in the first nine months, following a decline of nearly 11% in the third quarter. The contribution from BES and Bankinter to income from equity affiliates advanced by 16% in the third quarter.

(in millions of euros)	Q3-10	Change Q3/Q3	9M 2010	Change 9M/9M	Change 9M/9M*
<b>Net banking income</b>	<b>758</b>	<b>+8.5%</b>	<b>2,210</b>	<b>+3.7%</b>	<b>+1.8%</b>
Operating expenses	(476)	+1.7%	(1,467)	+1.5%	+2.8%
<b>Gross operating income</b>	<b>282</b>	<b>+22.4%</b>	<b>743</b>	<b>+8.3%</b>	<b>+0.2%</b>
Cost of risk	(362)	+32.2%	(1,135)	+39.6%	+4.2%
<b>Operating income</b>	<b>(80)</b>	<b>+85.5%</b>	<b>(392)</b>	<b>x2.1</b>	<b>(3.1%)</b>
Equity affiliates	41	+9.1%	113	(8.8%)	(8.8%)
Net income from other assets	1	nm	(418)	(7.8%)	nm
<b>Pre-tax income</b>	<b>(38)</b>	<b>(91.6%)</b>	<b>(697)</b>	<b>+52.8%</b>	<b>(4.4%)</b>
Tax	(54)	+18.4%	(149)	(3.1%)	(0.3%)
Net income (after tax) from discontinued activities	1	nm	10	(91.2%)	nm
<b>Net income - Group share</b>	<b>(99)</b>	<b>(76.3%)</b>	<b>(839)</b>	<b>(71.5%)</b>	<b>(29.3%)</b>

\* Excluding Emporiki

In **Italy**, the Cariparma group showed solid business momentum in a climate of intense market pressure. Business growth over one year outpaced the market, in a persistently uncertain economic and banking climate. The loan book expanded by 6.4%, even though lending to corporate customers was deliberately scaled back. On-balance sheet deposits rose by 5.9%, while off-balance sheet deposits picked up owing to an upturn in investments in life insurance and mutual funds.

After the recovery initiated in the second quarter, net banking income registered further growth, with a rise of 2% on the second quarter despite the traditionally unfavourable seasonal effect, owing to the upturn in the interest margin and the contribution from ALM. Over the first nine months, robust growth in commissions and fee income (up 10%) partly offset the fall in the interest margin at the beginning of the year due to the unfavourable impact of low interest rates.

Operating expenses remained under control. They edged up only 1.3% over the first nine months, and declined by 0.7% from their level in the second quarter. The cost/income ratio was 57.9%, still among the best in Italy.

The cost of risk was nearly stable year-on-year in the third quarter. It was higher than in the second quarter 2010, at 59 million euros. The loan cover rate increased by 14 basis points between the second and third quarters.

In all, Cariparma's contribution to net income - Group share was 44 million euros in the third quarter 2010 and net income - Group share for Cariparma in Italy was 62 million euros over the same period.

In Greece, Emporiki continues to implement its restructuring plan in a climate of persistent deterioration, while keeping close watch on the environment to ensure that it can react and adjust on an ongoing basis.

The action plans are producing a tangible impact. The recovery in gross operating income is solid and has been confirmed since the beginning of 2010. GOI was 94 million euros in the first nine months 2010 and 53 million euros in the third quarter. Over the first nine months of 2010, the cost/income ratio (excluding restructuring charges) receded by 15 points year-on-year to 73.5%.

In the third quarter, net banking income rose by 11.9% to 196 million euros, mainly reflecting the improvement in the interest margin generated by commercial efforts. Operating expenses declined by 4.5% (excluding restructuring charges) as a result of stringent cost control measures. The cost/income ratio fell to under 70% in the third quarter.

The cost of risk remained high in the third quarter at 259 million euros (828 million euros in the first nine months), most of it concentrated on the old generations of loans. The cost of risk was pushed up by stepped-up cover of corporate loans and a persistently stringent loan cover policy.

In all, Emporiki's contribution to net income - Group share was a loss of 191 million euros in the third quarter of 2010. In the first nine months of 2010, it was a loss of 670 million euros, compared with 358 million euros in the first nine months of 2009, excluding goodwill impairment of 418 million euro in the second quarter of 2010 and of 485 million euros in the third quarter of 2009.

### 3. SPECIALISED FINANCIAL SERVICES

(in millions of euros)	Q3-10	Change Q3/Q3	9M-2010	Change 9M/9M
<b>Net banking income</b>	<b>968</b>	<b>+2.2%</b>	<b>2,944</b>	<b>+8.9%</b>
Operating expenses	(430)	+1.9%	(1,293)	+2.4%
<b>Gross operating income</b>	<b>538</b>	<b>+2.3%</b>	<b>1,651</b>	<b>+14.5%</b>
Cost of risk	(321)	+1.0%	(984)	+10.1%
<b>Operating income</b>	<b>217</b>	<b>+4.4%</b>	<b>667</b>	<b>+21.8%</b>
Equity affiliates	3	x2.1	9	+79.6%
<b>Pre-tax income</b>	<b>220</b>	<b>+5.1%</b>	<b>676</b>	<b>+22.2%</b>
<b>Net income - Group share</b>	<b>134</b>	<b>+19.0%</b>	<b>387</b>	<b>+26.2%</b>

During the first nine months of 2010, Specialised Financial Services demonstrated its ability to generate solid results and continued to enhance its operating efficiency. The intermediation coefficient remained among the lowest in the market at around 77%.

Over the first nine months of 2010, net banking income came to 2,944 million euros. It moved up sharply across all segments, with an 8.9% year-on-year rise, due to persistently favourable margins. Expenses edged up by 1.9% year-on-year in the third quarter but they remained controlled in a climate of expansion in the international lease finance and factoring businesses, particularly in Italy. The currency impact was unfavourable in Poland over the period. Gross operating income remained high with a 14.5% jump year-on-year. Lastly, in the third quarter of 2010, the cost of risk began to recede. It declined by 4.2% quarter-on-quarter and by 9 basis points as a percentage of outstandings. Overall, net income - Group share continued to rise rapidly, with a 26.2% year-on-year increase to 387 million euros.

In **Consumer finance**, business was brisk despite the restrictive economic and regulatory climate. Total outstandings moved up 3.7% year-on-year on an unchanged consolidation basis, to 77 billion euros. In France, business continued to expand, with loans outstanding up 2.8% year-on-year, despite the phased-in implementation of the Consumer Finance Act since 1 September 2010 and the steady decline in government subsidies to the car sector. The build-up of online business was confirmed with the initiation of a partnership with Pixmania, reflecting CACF's sense of innovation and its expertise in support to e-commerce sites. In other countries, business slowed moderately following the implementation of action plans to mitigate risk and the negative impact of the end of government subsidies for car buyers in several countries, including Italy.

Over the first nine months of 2010, CACF's results rose steadily. Net banking income advanced by 8.9% year-on-year to 2,524 million euros on an unchanged scope of consolidation, while expenses remained stable during a period of restructuring, with the creation of CACF last April born from the merger of Sofinco and Finaref (up 0.7% year-on-year). Overall, gross operating income came to 1,501 million euros, up 15.0% year-on-year. The cost/income ratio was 40.5%, down 3.3 points over the same period.

The cost of risk began to recede, with a drop of 1.6% quarter-on-quarter and a decline by 11 basis points on loans outstandings ; it increased by 9.1% year-on-year. The intermediation ratio declined by 3.1 percentage points to 76.6%.

Overall, net income was 380 million euros in the first nine months of 2010, up 31.2% on the same year-ago period.

In **Lease finance and Factoring**, business momentum was strong in France and in other countries. Growth in lease finance outstandings confirmed the positive trend seen in the previous quarter. It came to 10.7% year-on-year and was driven by robust momentum for the international subsidiaries, particularly in Italy. Production advanced by 17.9% over the same period while the cost of risk stabilised in France. In factoring, business rebounded, with a 34.5% year-on-year surge in factored receivables. France generated 45% of this growth and over 60% of business despite the Economic Modernisation Act, which reduced supplier payment times and cut into the margin. The cost of risk was tightly controlled and net income rose by 32.6% year-on-year.

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

In the first nine months of 2010, Asset management, insurance and private banking registered a substantial rise in income and solid business growth despite lacklustre market conditions. All segments delivered a performance that compares favourably with their respective markets and all segments of the business line registered positive inflows over the period. Net new inflows amounted to 28.4 billion euros at 30 September 2010, a rise of 13% year-on-year. This drove up the business line's total assets under management by 29.5% year-on-year to 1,050 billion euros at 30 September 2010, including the assets contributed by SGAM. AUM rose to almost 710 billion euros in Asset management (up 42.5% year-on-year in the first nine months including assets contributed by SGAM), almost 216 billion euros in Life insurance (up 8.3% over the period), and near to 125 billion euros in Private Banking (up 9.9%).

This solid business momentum pushed up revenues by 13.6% on a like-for-like basis year-on-year in the first nine months. All segments of the business line contributed to this growth, with a particularly strong performance in Asset management and Insurance. Expenses remained tightly controlled. Excluding restructuring costs and on a like-for-like basis, expenses edged up by only 4.0% over the period and the business line's cost/income ratio declined by 4.5 percentage points to 48.2% at 30 September 2010. Excluding restructuring costs and on a like-for-like basis, gross operating income was 1,941 million euros in the first nine months of 2010 (669 million euros in the third quarter 2010), a rise of 19.7% on 2009. For the first nine months of 2010, net income - Group share rose by 14.6% compared to a year earlier to 1,136 million euros including 71 million euros in restructuring costs for Amundi\*.

(in millions of euros)	Q3-10 *	Change Q3/Q3 *	9M-2010 *	Change 9M/9M *
<b>Net banking income</b>	1,271	+2.5%	3,748	+13.6%
Operating expenses	(617)	+2.1%	(1,878)	+8.1%
Of which: restructuring costs	(15)	-	(71)	-
<b>Gross operating income</b>	654	+3.0%	1,870	+19.7%
Cost of risk	4	nm	(13)	+24.8%
<b>Operating income</b>	658	+4.1%	1,857	+19.7%
Equity affiliates	(1)	nm	1	(60.9%)
<b>Pre-tax income</b>	657	+3.8%	1,857	+19.6%
<b>Net income - Group share</b>	392	(7.0%)	1,136	+14.6%

(\*On a like-for-like basis, including BFT's asset management businesses.

In **Asset management**, Amundi (including BFT Gestion) registered high net new inflows across all asset classes other than money market assets, where outflows tracked the overall market trend. Net new inflows amounted to 2.1 billion euros between December 2009 and September 2010, driven mainly by institutional investors, strong sales in the branch networks of high value-added products (mainly guaranteed funds), and the successful launch of ETFs initiated 18 months ago (AUM of 5 billion euros at 30 September 2010). In addition, the market effect contributed 18.9 billion euros over the same period. These elements resulted in a rise of the AUM by 6.9% year-on-year in the first nine months to 710 billion euros.

These strong performances were accompanied by and reflected in enhanced operating efficiency. On a like-for-like basis and excluding restructuring costs, Amundi's net banking income rose by 11.6% between September 2009 and September 2010, to 1,160 million euros (including 385 million euros for the third quarter 2010 on the same basis). Together with tightly controlled costs, which rose by only 1.6% excluding restructuring costs, this resulted in a 26.1% rise in Amundi's gross operating income over the same period, which amounted to 535 million euros in the first nine months on a like-for-like basis excluding restructuring costs (including 176 million euros in the third quarter). Excluding restructuring costs, the cost/income ratio shrank by 5.3 percentage points over the period to 53.9% at 30 September 2010 on a like-for-like basis.

After taking into account 71.1 million euros in restructuring costs since January 2010 (of which 14.4 million euros in the third quarter), net income for Asset management was almost 309 million euros in the first nine months of 2010 (up 8.8% year-on-year on a like-for-like basis) and over 113 million euros in the third quarter.

**Securities and issuer services** delivered another handsome performance. Funds under administration increased up 11.1% between September 2009 and September 2010 and assets under custody rose by 5.0% over the same period. Underpinned by this robust business momentum, the segment generated net banking income of 612 million euros between September 2009 and September 2010, a rise of 3.5% on a like-for-like basis. Growth was driven by an 11.6% jump in commissions and fee income, which offset the decline in interest income due to the fall in interest rates. The segment continued to enhance its operating efficiency. Expenses were stable over the period on a like-for-like basis, resulting in a decline of the cost/income ratio by 2.0 percentage points between September 2009 and September 2010. The cost/income ratio was 68.0% for the third quarter of 2010, down sharply by 4.4 points over the third quarter of 2009 on a like-for-like basis.

**Private Banking** registered net new inflows of 5.7 billion euros in the first nine months, including 4.3 billion outside France. It benefited from 3.9 billion euros from combined positive currency and market effects. At 30 September 2010, assets under management totalled 124.6 billion euros, including 69.1 billion euros outside France.

Net income was 97 million euros, up 20.3% year-on-year. This good performance was driven by a 12.6% year-on-year rise in growth in net banking income, owing mainly to the uptrend in commissions and fee income underpinned by favourable stock market conditions and strong new inflows.

**Insurance** delivered net income of 727 million euros in the first nine months of 2010, a 20.1% year-on-year rise. This excellent performance is due to strong business momentum in the insurance businesses coupled with effective management of investments and tightly controlled costs, at a time when the segment's organisation is undergoing reinforcement. The cost/income ratio remained low at 27.2%, a 3.3 points reduction year-on-year. The segment also confirmed its financial strength. QIS5 simulations showed Crédit Agricole Assurances' ability to cover Solvency II requirements, based on its current capital funds.

Life insurance continued to outperform the market and confirmed its position as French leader in bancassurance. Premium income was 16.3 billion euros. It rose by 21.9% year-on-year, by far more than the market's 7% <sup>2</sup> increase. Market share of business in force remained at 15.1%<sup>2</sup> at 30 September 2010. The percentage of assets in unit linked products increased and these now account for nearly 20% of the total. The cost/income ratio remained low at 27.2% at 30 September 2010, a 3.3 point reduction year-on-year.

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<sup>2</sup> Source : FFSA

Non-life insurance also turned in an excellent performance over the period. Business in force rose by 6.2% year-on-year. Premium income moved up 9.7% over the period, outperforming the market for its main products (motor up 7% vs. 2%<sup>2</sup> for the market, comprehensive household up 10% vs. 5%<sup>2</sup> for the market, etc.)

Internationally, premium income increased sharply by 22.5%, driven by strong performances in both Italy and Portugal.

Borrowers' insurance business was stable year-on-year. It was adversely affected by Lukas' more stringent loan approval policy. Excluding Poland, premium income advanced by 12% year-on-year, driven by the deployment of the partnership with LCL, which is bearing fruit.

## 5. CORPORATE AND INVESTMENT BANKING

Corporate and investment banking showed a profit for the third consecutive quarter. Net income - Group share amounted to 225 million euros and net income - Group share from ongoing activities, restated for revaluation of debt issues and loan hedges, came to 358 million euros in the third quarter and to 1,178 million euros in the first nine months of 2010.

These positive results were underpinned by an excellent performance in Financing activities owing to a strong level of business in structured finance. Income from Capital markets was affected by opposing factors, including very low market volumes, lower losses on CDOs, ABSs and CLOs and a reduction in risks in exotic equity derivatives activities.

Restated for revaluation of debt issues and loan hedges, net banking income from ongoing activities was down 12.4% on the first nine months of 2009. This decrease is attributable to Capital markets and investment banking, which was adversely affected by a lower contribution from Fixed income business (net banking income down 16.2% year-on-year in the first nine months of 2010), while Financing activities continued to deliver impressive results in terms of business and operating income, with a 38.3% jump in net banking income over the period.

The cost of discontinuing operations continued to decline in line with the previous quarters, to -73 million euros in the third quarter of 2010. Correlation business generated a profit of 67 million euros in the third quarter of 2010 due to the mechanical decline in risk bases following the narrowing of spreads during the period. Market risk remained under control, in keeping with the stabilisation plan instituted in 2009.

(in millions of euros)	Q3-10 Ongoing activities*	Q3-09 Ongoing activities*	Change Q3/Q3 Ongoing activities*	9M-10 Ongoing activities*	9M 2009 Ongoing activities*	Change 9M/9M Ongoing activities*
<b>Net banking income</b>	1,420	1,508	(5.8%)	4,384	5,008	(12.4%)
Operating expenses	(832)	(764)	+8.9%	(2,484)	(2,272)	+9.3%
<b>Gross operating income</b>	588	744	(21.0%)	1,900	2,736	(30.5%)
Cost of risk	(114)	(287)	(60.3%)	(299)	(839)	(64.4%)
<b>Operating income</b>	473	457	+3.7%	1,601	1,897	(15.5%)
<b>Net income - Group share</b>	358	359	(0.4%)	1,178	1,392	(15.3%)

\* Restated for revaluation of debt issues and loan hedges.

## Financing activities

(in millions of euros)	Q3-10	Change Q3/Q3	9M-2010	Change 9M/9M
<b>Net banking income</b>	<b>657</b>	<b>+31.2%</b>	<b>1,965</b>	<b>+38.3%</b>
Operating expenses	(211)	+1.1%	(631)	+3.3%
<b>Gross operating income</b>	<b>446</b>	<b>+52.7%</b>	<b>1,334</b>	<b>+64.6%</b>
Cost of risk	(33)	(87.0%)	(189)	(74.8%)
<b>Operating income</b>	<b>413</b>	<b>x12.1</b>	<b>1,145</b>	<b>x 20.7</b>
Equity affiliates	31	(6.4%)	103	nm
Net income on other assets	-	nm	1	nm
<b>Pre-tax income</b>	<b>444</b>	<b>x6.5</b>	<b>1,249</b>	<b>x 7.7</b>
Tax	(117)	x7.7	(343)	x 11.0
<b>Net income</b>	<b>327</b>	<b>x6.2</b>	<b>906</b>	<b>x 6.9</b>

Financing activities remained on the trend observed during the previous quarters and delivered another excellent performance in the third quarter of 2010. Net banking income was 657 million euros in the third quarter of 2010, up 31.2% year-on-year, and net income was multiplied by 6.2 over the period to 327 million euros. In the nine months to 30 September 2010, net income was 906 million euros, 6.9 times higher than in the same period one year ago.

Revenues from structured finance increased sharply, by 36% year-on-year in the third quarter, owing to a strong performance in all structured finance segments, and particularly project finance, shipping finance and aircraft finance. Commercial banking showed resilience in a climate of intensifying pressure on margins. Combined revenues in Commercial banking and Structured finance expanded by 11.1% year-on-year in the first nine months of 2010 excluding revaluation of own debt issues and loan hedges.

Lastly, active management of loan hedges significantly mitigated the volatility of these items: their financial impact has been non-material over the past several quarters (-22 million euros in the third quarter of 2010).

The cost of risk declined significantly year-on-year, by 87.0% in the third quarter of 2010 and by 74.8% in the first nine months. It remained low in the third quarter, following an exceptionally low level in the previous quarter, and stood at 11 basis points of customer loans outstandings (compared to 85 basis points in the third quarter of 2009). No new significant problem loans emerged during the third quarter of 2010; additional charges were booked to provisions for existing problem loans. The stock of collective reserves amounted to almost 1.5 billion euros at 30 September 2010.

## Capital markets and investment banking

(in millions of euros)	Q3-10	Change Q3/Q3	9M-2010	Change 9M/9M
<b>Net banking income</b>	<b>672</b>	<b>(0.7%)</b>	<b>2,401</b>	<b>(16.2%)</b>
Operating expenses	(621)	+11.7%	(1,853)	+11.5%
<b>Gross operating income</b>	<b>51</b>	<b>(58.0%)</b>	<b>548</b>	<b>(54.5%)</b>
Cost of risk	(81)	x2.8	(110)	+28.9%
<b>Operating income</b>	<b>(30)</b>	<b>nm</b>	<b>438</b>	<b>(60.8%)</b>
Equity affiliates	1	nm	1	nm
<b>Pre-tax income</b>	<b>(29)</b>	<b>nm</b>	<b>439</b>	<b>(60.8%)</b>
Tax	10	x5.2	(139)	(53.7%)
<b>Net income</b>	<b>(19)</b>	<b>nm</b>	<b>300</b>	<b>(63.5%)</b>

Capital markets and investment banking showed resilience in a tough market environment characterised by very low volumes. Revenues declined by only 0.7% year-on-year in the third quarter and by 16.2% year-on-year in the first nine months of 2010, following a base of strong performance in the first half of 2009.

In Fixed income, net income was comparable to that of the previous quarter at 369 million euros, owing to resilience in the treasury and securitisation businesses, in which Crédit Agricole CIB's rank rose from 5<sup>th</sup> to 2<sup>nd</sup> in bookrunning worldwide (source: Bank of France). While client-driven revenues remained comparable to those in the third quarter of 2009, fixed-income business remained relatively weak.

In Equity business, revenues declined by 8% year-on-year to 354 million euros in the third quarter of 2010. While CLSA continued to benefit from high growth in the Asian markets, its performance partially offset the slowdown in business in the European markets which remained lacklustre in the third quarter. Investment banking also delivered a solid performance in the third quarter. In M&A advisory services in France, Crédit Agricole CIB moved from 14<sup>th</sup> to 5<sup>th</sup> rank during the quarter (source: Thomson Financial).

In a persistently difficult market climate, VaR for ongoing activities remained consistently well below its 35 million euro limit in the third quarter of 2010.



## Discontinuing operations

(in millions of euros)	Q3-10	Change Q3/Q3	9M-2010	Change 9M/9M
<b>Net banking income</b>	5	nm	(298)	(72.3%)
Operating expenses	(27)	(12.9%)	(79)	(13.2%)
<b>Gross operating income</b>	(22)	(84.8%)	(377)	(67.7%)
Cost of risk	(92)	(55.1%)	(308)	(40.0%)
<b>Pre-tax income</b>	(114)	(67.4%)	(685)	(59.3%)
Tax	40	(61.2%)	221	(58.6%)
<b>Net income</b>	(74)	(70.0%)	(464)	(59.6%)

Through continued active management of its portfolio, Crédit Agricole CIB further reduced its losses on discontinuing operations. These amounted to 74 million euros in the third quarter of 2010 (down 70.0% year-on-year) and to 464 million euros in the first nine months of 2010 (down 59.6% year-on-year). The contribution from exotic equity derivatives business remained marginally positive in the third quarter, with net banking income of 6 million euros.

On the trading book, assumptions on final losses and recovery rates on CDOs, CLOs and ABSs were the same as those used in the first half of 2010. On the banking book, certain assumptions were revised based on observed historical data in terms of duration and default probability. Net banking income on CDOs, ABSs and CLOs was a loss of 40 million euros in the third quarter of 2010 compared with -345 million euros in the same period in 2009. In the first nine months of 2010, net banking income was a loss of 221 million euros, compared with -745 million euros in the first nine months of 2009. Residual exposures continued to be actively managed through restructuring, disposals, etc.

Lastly, Correlation business did not produce a material impact over the quarter other than the positive effect on guarantor risk. This business generated a profit of 67 million euros in the third quarter of 2010 due to the mechanical decline in risk bases following the narrowing of spreads during the period.

The reclassification of financial assets into loans and receivables carried out in October 2008 neutralised a pre-tax gain of 53 million euros in the third quarter of 2010.

## 6. CORPORATE CENTRE

(in millions of euros)	Q3-10	Change Q3/Q3	9M-2010	Change 9M/9M
<b>Net banking income</b>	<b>(301)</b>	<b>nm</b>	<b>(631)</b>	<b>+81.9%</b>
Operating expenses	(172)	(4.7%)	(625)	+2.6%
<b>Gross operating income</b>	<b>(473)</b>	<b>x2.6</b>	<b>(1,256)</b>	<b>+31.3%</b>
Cost of risk	2	nm	(18)	(51.3%)
<b>Operating income</b>	<b>(471)</b>	<b>x2.4</b>	<b>(1,274)</b>	<b>+28.2%</b>
Equity affiliates	61	nm	105	nm
Net income on other assets	(9)	nm	(169)	nm
<b>Pre-tax income</b>	<b>(419)</b>	<b>x2.0</b>	<b>(1,338)</b>	<b>+9.1%</b>
<b>Net income - Group share</b>	<b>(285)</b>	<b>x2.8</b>	<b>(1,032)</b>	<b>+13.6%</b>

Over the first nine months of 2010, net banking income was negative by 631 million euros, including -301 million euros in the third quarter, compared with -2.3 million euros in the third quarter of 2009. Over the first nine months, net banking income benefited from a modest 3.9% fall in the Group's cost of funds and from a substantial contribution from noncore businesses, primarily Private equity, which generated net banking income of 95 million euros over the period. In ALM management, results were down year-on-year in the first nine months of 2010 coming from a very high basis of comparison in September 2009 which included exceptional profits from subordinated debt management. Businesses undergoing reorganisation registered net banking income of 125 million euros in the first nine months of 2010, compared with 343 million euros in the same period in 2009.

Costs were tightly controlled. They edged up by just 2.6% year-on-year in the first nine months, despite the non-recurring charges booked in the first half of 2010, and were down 4.7% year-on-year in the third quarter of 2010.

Corporate centre net income - Group share was a loss of 1,032 million euros in the first nine months of 2010 including a loss of 285 million euros in the third quarter.

## CRÉDIT AGRICOLE GROUP CONSOLIDATED RESULTS

In the first nine months of 2010, the Crédit Agricole Group's net banking income was 25.8 billion euros, up 10.5% on the same period in 2009. The rise in operating expenses was confined to 6.5%, including restructuring charges and a significant impact from changes in scope of consolidation. Gross operating income jumped by 17.0% to 10.3 billion euros. This reflects solid performances by the Regional Banks and by Asset management, Insurance and Private Banking

The cost of risk receded by 12.8% owing to the improvement for French retail banking and Financing activities, which more than offset the rise in provisions for the Greek subsidiary Emporiki and, to a lesser extent, for Specialised financial services.

Net income from other assets and change in value of goodwill mainly includes goodwill impairment for Emporiki (445 million euros in the second quarter of 2010) and the loss on the disposal of the 0.8% stake in Intesa Sanpaolo. Overall, net income - Group share was 3,299 million euros, a rise of 84.3% on the first nine months of 2009.

€m	Q3-10	Δ Q3/Q3	9M-10	Δ 9M/9M
<b>Net banking income</b>	<b>8,455</b>	<b>+2.9%</b>	<b>25,752</b>	<b>+10.5%</b>
Operating expenses	(5,042)	+4.3%	(15,422)	+6.5%
<b>Gross operating income</b>	<b>3,413</b>	<b>+1.0%</b>	<b>10,330</b>	<b>+17.0%</b>
Cost of risk	(1,178)	(24.1%)	(4,127)	(12.8%)
<b>Operating income</b>	<b>2,235</b>	<b>+22.3%</b>	<b>6,203</b>	<b>+51.4%</b>
Equity affiliates	137	x2.8	325	nm
Net income on other assets	(10)	nm	(168)	nm
Change in the value of goodwill	-	nm	(446)	(15.0%)
<b>Pre-tax income</b>	<b>2,362</b>	<b>+70.5%</b>	<b>5,914</b>	<b>+65.9%</b>
Tax	(781)	+16.0%	(2,262)	+36.0%
<b>Net income</b>	<b>1,583</b>	<b>+97.6%</b>	<b>3,661</b>	<b>+83.0%</b>
<b>Net income - Group share</b>	<b>1,453</b>	<b>x2.1</b>	<b>3,299</b>	<b>+84.3%</b>

Crédit Agricole S.A.'s financial information for the third quarter of 2010 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/en/Finance-and-Shareholders](http://www.credit-agricole.com/en/Finance-and-Shareholders) under "Financial information" 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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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.