

# **CREDIT AGRICOLE COVERED BONDS**

**SOCIETE ANONYME (PUBLIC LIMITED COMPANY)**

**With a capital of 70,000,000 Euros**

**91 - 93 boulevard Pasteur**

**75015 PARIS**

**Closed on the**

**31 décembre 2008**

**R.C.S. (Registre du Commerce et des Societes - Register of Trade and Companies)  
PARIS 437 667 371**

## I. FINANCIAL STATEMENTS

ASSET BALANCE SHEET	2
LIABILITY BALANCE SHEET	3
PROFIT AND LOSS ACCOUNT	4

## II. ANNEXES

SIGNIFICANT EVENTS OF THE FINANCIAL YEAR	5
VALUATION METHODS AND ACCOUNTING PRINCIPLES	5
1. PRESENTATION OF THE ANNUAL ACCOUNTS	5
2. INFORMATION ON THE BALANCE SHEET ITEMS	7
3. INFORMATION ON THE PROFIT AND LOSS ACCOUNT	9
4. TABLE OF SUBSIDIARIES AND HOLDINGS	11
5. TAX CONSOLIDATION AND INTEGRATION	11
6. POST CLOSURE EVENTS	11
7. REMUNERATION OF THE MANAGEMENT BODIES	11
8. INFORMATION REGARDING AFFILIATED COMPANIES	12
9. VARIATION OF CAPITAL	13
10. TABLE OF PROFITS AND LOSSES AND OTHER CHARACTERISTIC INFORMATION DURING THE COURSE OF THE LAST FIVE FINANCIAL YEARS	14

<<<<<<< ----- >>>>>>>>>  
<<<<<< ----- >>>>>>  
<<<<<>>>>>>>

Annexe	ASSET BALANCE SHEET (In Euros)	31/12/2008	31/12/2007
	Funds, central banks, C.C.P. (post office accounts)	0	0
	Government securities and assimilated securities	0	0
2.1.1	Credit institution receivables	102 258 848	100 143 850
	Client receivables	0	0
	Factoring	0	0
	Bonds & other fixed income securities	0	0
2.1.2	Shares & other variable income securities	0	243 274
	Holdings and other long term securities	0	0
	Shares in linked companies	0	0
	Lease-back and leasing with purchase option	0	0
	Simple rental	0	0
	Intangible fixed assets	0	0
	Tangible fixed assets	0	0
	Unpaid subscribed capital	0	0
	Treasury shares	0	0
2.1.3	Other assets	4 000	1 687
	Pre-payments and accrued income	0	0
	<b>TOTAL ASSETS</b>	<b>102 262 848</b>	<b>100 388 811</b>

Annexe	LIABILITY BALANCE SHEET (in Euros)	31/12/2008	31/12/2007
	Central banks, C.C.P. (post office account)	0	0
	Credit institution debts	0	0
	Client transactions	0	0
	Debts represented by securities	0	0
2.2.1	Other liabilities	535 136	0
2.2.2	Accruals and deferred liabilities	641 990	324 560
	Provisions	0	0
2.2.3	Subordinated debts	30 067 600	30 093 033
	Fund for General Banking Risks	0	0
9	Shareholders' equity excluding FGBR* (+/-)	71 018 122	69 971 218
	Subscribed capital	70 000 000	70 000 000
	Share premium	0	0
	Reserves	1 103	1 103
	Revaluation difference	0	0
	Regulated provisions and investment subsidies	0	0
	Carried forward (+/-)	(29 885)	10 797
	Income or expenditure pending allocation (+/-)	0	
	Profit or loss for the financial year (+/-)	1 046 904	(40 682)
	<b>TOTAL LIABILITIES</b>	<b>102 262 848</b>	<b>100 388 811</b>

\* Fund for General Banking Risks

Annexe	PROFIT AND LOSS ACCOUNT (in Euros)	31/12/2008	31/12/2007
3.1.1	+ Interest & assimilated income	4 782 412	613 433
3.1.2	- Interest & assimilated charges	(1 659 473)	(213 483)
	+ Income from variable income securities	0	0
	+ Commissions (income)	0	0
3.1.3	- Commissions (charges)	(12 485)	0
	+/- Profit / loss on trading portfolio transactions	0	0
3.1.4	+/- Profit / loss on investment portfolio transactions	10 680	4 315
	+ Other bank operating income	0	0
3.1.5	- Other bank operating charges	(480)	(528)
	<b>NET BANKING INCOME</b>	<b>3 120 655</b>	<b>403 737</b>
3.2.1	- General operating charges	(1 567 592)	(444 419)
	- Depreciation provision and fixed assets' provision	0	0
	<b>GROSS OPERATING PROFIT</b>	<b>1 553 062</b>	<b>(40 682)</b>
	+/- Risk cost	0	0
	<b>OPERATING PROFIT</b>	<b>1 553 062</b>	<b>(40 682)</b>
	+/- Profits or losses on fixed assets	0	0
	<b>PROFIT OR LOSS BEFORE TAX AND EXTRAORDINARY</b>	<b>1 553 062</b>	<b>(40 682)</b>
	+/- Extraordinary profit or loss	0	0
	- Corporate Income Tax	(506 158)	0
	+/- Provisions / recovery of FGFR and regulated provisions	0	0
	<b>NET PROFIT OR LOSS</b>	<b>1 046 904</b>	<b>(40 682)</b>

## II. ANNEXES

### **SIGNIFICANT EVENTS OF THE FINANCIAL YEAR**

The main activity of the company is the issue of financial instruments on all markets for the purposes of financing or re-financing transactions or granting of credit. However, the activity was not launched in 2008.

### **VALUATION METHODS AND ACCOUNTING PRINCIPLES**

The annual accounts, expressed in Euros, were drawn up pursuant to the application of the principles retained by the National Accountancy Council (*Conseil National de la Comptabilité*), of the regulations of the Banking Regulations' Committee (*Comité de la Réglementation Bancaire*) (CRB), and the instructions of the Banking Committee (*Commission Bancaire*).

#### **1. PRESENTATION OF THE ANNUAL ACCOUNTS**

##### **1.1 Debts and receivables**

Debts and receivables have been valued at their nominal value.

The receivables have, as the case may be, been depreciated, in order to take account of the difficulties of recovery to which they are likely to give rise.

##### **1.2 Investment securities**

The investment securities held by CREDIT AGRICOLE COVERED BONDS are entered into the accounts at their purchase value, as decreased by a depreciation in the event of a recording of a latent capital loss.

The balance sheet value is the market value.

The interest accrued as at the date of closure on the investment securities constitutes income to be received attached to the securities account.

##### **1.3 Pre-payments and accrued income and accruals and deferred income**

Pursuant to the application of the principle of separation of financial years, the income and charges should be attached to the financial year in which the operation took place.

The pre-paid expenses correspond to purchases of goods or services the supply or the performance of which will take place at a later date.

These items are deducted from the charges of the financial year as prepayments.

Accrued income constitutes vested but not yet received income, the amount of which has not been registered in the third party debtors' accounts.

Pre-paid income is income received or entered into the accounts prior to the services or supplies justifying them have been carried out or supplied.

Amounts payable correspond to potential debts valued at the close of the accounts of CREDIT AGRICOLE COVERED BONDS which have an irrevocable capacity to be transformed into debts subsequently.

#### **1.4 Provisions**

The risks and losses, which have taken place during the course of the financial year must be taken into account at the close of the financial year.

The risks and charges, clearly specified as regards their subject and which past or current events render probable, entail the setting up of provisions.

No provision has been recorded to date in the accounts of CREDIT AGRICOLE COVERED BONDS.

#### **1.5 Corporate income tax**

In a general manner, only the tax due for payment is recorded in the individual accounts. The tax charge set out in the profit and loss account corresponds to the corporation tax due in respect of the financial year, as decreased by any tax credits.

## 2 INFORMATION ON THE BALANCE SHEET ITEMS

### 2.1 Asset accounts

#### 2.1.1 Credit institution receivables

ANALYSIS BY REMAINING TERM	< 3 months	> 3 mths < 1yr	> 1 yr	Total in principal	Attached receivables	31/12/2008	31/12/2007
Accounts and loans:	41 679 923	60 000 000	0	101 679 923	578 925	102 258 848	100 143 850
· on sight	11 679 923		0	11 679 923		11 679 923	4 912 317
· forward	30 000 000	60 000 000	0	90 000 000	578 925	90 578 925	95 231 533
Repos				0		0	
Repurchase agreements				0		0	
Subordinated loans				0		0	
<b>Total</b>	<b>41 679 923</b>	<b>60 000 000</b>	<b>0</b>	<b>101 679 923</b>	<b>578 925</b>	<b>102 258 848</b>	<b>100 143 850</b>
Depreciation						0	0
<b>NET BALANCE SHEET VALUE</b>						<b>102 258 848</b>	<b>100 143 850</b>

The forward accounts represent the forward subordinated loan and the capital investment pending the launch of the activity.

#### 2.1.2 Shares and other variable income securities

	31/12/2008	31/12/2007
Securitised commercial receivables	0	243 274
CAAM Treasury Institution	0	243 274
<b>Total</b>	<b>0</b>	<b>243 274</b>

All of the UCITS were transferred during the course of the year 2008 for a value of € 253 954.

The estimated value for these UCITS was of €248 615 as at the 31<sup>st</sup> December 2007.



**2.1.3 Other assets**

	31/12/2008	31/12/2007
State, corporate income tax	0	1 687
<i>Corporation tax instalments</i>	0	1 687
BDF margin deposits	4 000	
<b>Total</b>	<b>4 000</b>	<b>1 687</b>

**2.2 Liability accounts****2.2.1 Other liabilities**

	31/12/2008	31/12/2007
Suppliers	0	0
State, Corporate income tax	535 136	0
<i>Corporation tax charges - as at the</i>		
<i>31/12/08 - Crédit Agricole S.A.</i>	505 736	0
<i>VAT to be paid</i>	29 400	
<b>Total</b>	<b>535 136</b>	<b>0</b>

**2.2.2 Accruals and deferred liabilities**

	31/12/2008	31/12/2007
<i>Other external services</i>	604 111	294 580
<i>Fees</i>	31 096	29 900
<i>Bank account management fees</i>	40	80
<i>Social solidarity companies contribution</i>	6 743	
<b>Total</b>	<b>641 990</b>	<b>324 560</b>

**2.2.3 Subordinated debt**

	31/12/2008	31/12/2007
Repayable subordinated debt	30 067 600	30 093 033
<i>Principal</i>	30 000 000	30 000 000
<i>Attached debt</i>	67 600	93 033
<b>Total</b>	<b>30 067 600</b>	<b>30 093 033</b>

This forward subordinated loan was taken out in 2007 in Euros with the London branch of Crédit Agricole S.A. for a term of 10 years and shall bear interest at a variable rate.

It complies with article 4(d) of the regulation 90-02 dated the 23<sup>rd</sup> February 1990 of the Banking and Financial Regulations Committee (*Comité de la Réglementation Bancaire et Financière*) and is classified as equity of CREDIT AGRICOLE COVERED BONDS.

The borrower has the right to repay all or part of this subordinated loan at its own initiative on any interest payment date as from the 12/11/2012, subject to the prior agreement of the General Secretariat of the Banking Commission.

**3 INFORMATION ON THE PROFIT AND LOSS ACCOUNT****3.1 Net banking income****3.1.1 Interest and assimilated income**

	31/12/2008	31/12/2007
On credit institution transactions	4 782 412	613 433
<i>Ordinary accounts</i>	222 752	367 455
<i>Forward accounts</i>	4 559 660	245 978
<b>Total</b>	<b>4 782 412</b>	<b>613 433</b>

**3.1.2 Interest and assimilated charges**

	31/12/2008	31/12/2007
On credit institution transactions	(1 659 473)	(213 483)
<i>Repayable subordinated securities</i>	(1 659 473)	(213 483)
<b>Total</b>	<b>(1 659 473)</b>	<b>(213 483)</b>

**3.1.3 Commissions**

	31/12/2008	31/12/2007
Commissions (charges) <i>CACEIS CSSF case file</i> <i>Transfer charges</i>	(12 485) (12 450) (35)	0
<b>Total</b>	<b>(12 485)</b>	<b>0</b>

**3.1.4 Profits or losses on investment portfolio transactions**

	31/12/2008	31/12/2007
Profit on Investment portfolio transactions <i>Transfer of CAAM Treasury Instit</i>	10 680 10 680	4 315 4 315
<b>Total</b>	<b>10 680</b>	<b>4 315</b>

**3.1.5 Bank operating charges**

	31/12/2008	31/12/2007
Bank account management charges	(480)	(528)
<b>Total</b>	<b>(480)</b>	<b>(528)</b>

**3.2 Operating charges**

**3.2.1 General operating charges**

	31/12/2008	31/12/2007
Taxes and duties	(8 098)	(68)
Missions, Trips and Travel	(50 186)	
Fees	(1 166 744)	(149 530)
Dues	(22 724)	0
External services: re-invoicing Crédit Agricole S.A.	(309 532)	(294 580)
External services (invoiced and paid)	(10 309)	(241)
<b>Total</b>	<b>(1 567 592)</b>	<b>(444 419)</b>

**3.2.2 Costs of Work force**

CREDIT AGRICOLE COVERED BONDS does not employ any staff.

**4 TABLE OF SUBSIDIARIES AND HOLDINGS**

CREDIT AGRICOLE COVERED BONDS does not own any subsidiary or holding.

**5 TAX CONSOLIDATION AND INTEGRATION**

CREDIT AGRICOLE COVERED BONDS is consolidated by global integration within the consolidation perimeter of Crédit Agricole S.A.

In consequence, the information on the fees of the statutory auditors to the corporate accounts is indicated in the annexe to the consolidated accounts of the Crédit Agricole S.A. Group.

The company has been tax consolidated since the 1<sup>st</sup> January 2008.

**6 POST CLOSURE EVENTS**

No event having occurred after the closure and having an impact on the accounts of the financial year has been recorded.

**7 REMUNERATION OF THE MANAGEMENT BODIES**

The members of the management bodies do not receive any remuneration in respect of their duties.

No advance payment or loan was granted to them in the course of the 2008 financial year.

## 8 INFORMATION REGARDING LINKED COMPANIES

ITEMS	NAME OF THE LINKED ENTITY	Amount
<b>Balance sheet</b>		
<i>ASSETS</i>		
Credit institution receivables	Crédit Agricole S.A.	102 258 848
<i>LIABILITIES</i>		
Subordinated debts	Crédit Agricole S.A.	30 067 600
Accruals and deferred liabilities	Crédit Agricole S.A.	604 151
Other liabilities	Crédit Agricole S.A.	505 736
<b>Profit and loss account</b>		
<i>CHARGES</i>		
Bank charges	Crédit Agricole S.A.	1 659 988
Bank charges	CACEIS Luxembourg	12 450
General operating charges	Crédit Agricole S.A.	309 532
General operating charges	Calyon	2 312
General operating charges	Calyon London	47 873
<i>INCOME</i>		
Banking income	Crédit Agricole S.A.	4 782 412

## 9 VARIATION OF CAPITAL

	Capital	Premiums and reserves	Carried forward	Regulated provisions and investment subsidies	Profit / Loss	Total equity
<b>Balance as at the 31st December 2006</b>	<b>230 000</b>	<b>699</b>	<b>3 117</b>	<b>0</b>	<b>8 084</b>	<b>241 900</b>
Dividends paid in respect of 2006						0
Variation of capital	69 770 000					69 770 000
Variation of premiums and reserves						0
Allocation of 2006 company profit		404	7 680		(8 084)	0
Profit / loss for the 2007 financial year					(40 682)	(40 682)
Other variations						0
<b>Balance as at the 31st December 2007</b>	<b>70 000 000</b>	<b>1 103</b>	<b>10 797</b>	<b>0</b>	<b>(40 682)</b>	<b>69 971 218</b>
Dividends paid in respect of 2007						0
Variation of capital						0
Variation of premiums and reserves						0
Allocation of 2007 company profit			(40 682)		40 682	0
profit / loss for the 2008 financial year					1 046 904	1 046 904
Other variations						0
<b>Balance as at the 31st December 2008</b>	<b>70 000 000</b>	<b>1 103</b>	<b>(29 885)</b>	<b>0</b>	<b>1 046 904</b>	<b>71 018 122</b>

CREDIT AGRICOLE COVERED BONDS is a wholly held subsidiary of Crédit Agricole S.A.

The share capital is fixed at €70 000 000, divided into 7 000 000 fully paid up shares of €10.

The contribution in capital is invested in short term investments.

**10 TABLE OF PROFITS AND LOSSES AND OTHER CHARACTERISTIC INFORMATION DURING THE COURSE OF THE LAST FIVE FINANCIAL YEARS**

<i>Date of closure</i> <i>Duration of the financial year</i> <i>(months)</i>	<i>31/12/2008</i> <i>12</i>	<i>31/12/2007</i> <i>12</i>	<i>31/12/2006</i> <i>12</i>	<i>31/12/2005</i> <i>12</i>	<i>31/12/2004</i> <i>12</i>
<b><i>CAPITAL AT THE CLOSE OF THE FINANCIAL YEAR</i></b>					
Share capital	70 000 000	70 000 000	230 000	230 000	230 000
Number of shares	7 000 000	7 000 000	14 375	14 375	14 375
<b><i>TRANSACTIONS AND PROFIT / LOSS</i></b>					
Total income					
Profit / loss before tax, contributions, depreciation, amortisation and provisions	1 553 062	(40 682)	9 771	(2 206)	14 849
Corporate income tax	506 158	0	1 687	833	864
Net profit / loss	1 046 904	(40 682)	8 084	(3 039)	13 985
Distributed profit / loss					
<b><i>PROFIT / LOSS PER SHARE</i></b>					
Profit / loss after tax, contributions, depreciation, amortisation and provisions	0,15	(0,01)	0,56	(0,21)	0,97
Dividend allocated to each share	0,00	0,00	0,00	0,00	0,00