



# CRÉDIT AGRICOLE S.A.

Montrouge, 28 August 2012

## Second quarter of 2012

### Progress as Group continues to adjust to difficult environment

- Refocusing of activities
- Reinforcement of financial structure
- Strengthening of liquidity situation

### Continued impact of impairment charges

### Results reflect the strength of retail banking and savings management business lines

#### Crédit Agricole Group\*

#### Solid results and reinforced solvency ratios

Net income Group share: €863 million (down 2.1% year-on-year)

Core Tier 1 ratio: 11.3% (up 110 bps from year end 2011) – EBA ratio: 10.7%

Available cash reserves: €151 billion  
considerably higher than short-term net debt (€110 billion)

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

#### Crédit Agricole S.A.

#### Results held up well in a difficult climate

Net income Group share: €111 million

Normalised net income Group share\*: €851 million

Cost of Greece: -€370 million

Impairment of Intesa Sanpaolo shares: -€427 million

Tier 1 ratio: 11.9%; Core Tier 1: 9.6% (up 100bps from year end 2011)

\* Before impairment of Intesa Sanpaolo and SACAM International shares, cost of Greece, revaluation of debt issues, adjustment plan

## **Crédit Agricole Group**

Crédit Agricole Group's net income Group share was 863 million euros in the second quarter of 2012, which is comparable (-2.1%) to the second quarter of 2011 and 7.2% higher than in the first quarter of 2012. Jean-Marie Sander, Chairman of Crédit Agricole S.A., noted that this result reflects resilience of the Group's main business activities in a highly deteriorated and uncertain European macroeconomic climate.

As the leading provider of financing to the French economy with over 482 billion euros in loans allocated by the Regional Banks and LCL, Crédit Agricole Group sustained solid business momentum in Retail banking in order to provide support to both retail and corporate customers. Hence, despite zero GDP growth in France over the last nine months, the Group's banking networks increased their total loans outstanding by 2.4% between June 2011 and June 2012.

The Regional Banks, in particular, continued to develop their business, in both lending (up 2.8% year-on-year) and deposits (up 1.8% overall, as the 3.9% fall in off-balance sheet deposits due to customer risk-aversion for securities was amply offset by a solid performance in on-balance sheet deposits, up 6.4%). As a result, they successfully sustained revenues whilst improving their loan-to-deposit ratio, which contracted to 127%, from 129% at end-December 2011.

All business lines, and particularly the retail banking arms, recorded strong levels of activity. Revenues in the second quarter 2012 decreased by 8.1%, but compared to the historically highest level of revenues achieved in the second quarter of 2011. Adjusted revenues (excluding the impact of revaluation of debt issues linked to the Group's own credit risk, impairment of Intesa Sanpaolo shares, the cost of Greece and the cost of the adjustment plan) were only 4.2% lower than this comparative high base period. In a very deteriorated economic climate and taking into account efforts made toward reducing the Group's debt, this figure reflects strong resilience.

Jean-Paul Chifflet, Chief Executive Officer of Crédit Agricole S.A., reaffirmed the Group's priority to strengthen its financial structure and highlighted the importance of efficiently pursuing the transformation of the Group which was launched one year ago. The achievement rate of the adjustment plan is in advance on the initially planned schedule and the reduction of liquidity needs has been realised for up to 76%. The target to reduce risk-weighted assets has already been met, as these have been reduced by 48 billion euros including the transfer of the correlation book.

In terms of solvency, the Core Tier 1 ratio was 11.3% at 30 June 2012, a rise of 40 basis points in the second quarter and of 110 basis points in the first half of 2012. This includes the results of mutual share issues by the Local Banks (+ 0.4 billion euros in the first half) and the impact of the adjustment plan in terms of risk-weighted assets.

The EBA ratio was 10.7% at 30 June 2012. The Group also reiterated its target of a Basel 3 fully loaded Common Equity Tier 1 ratio of over 10% at end 2013.

## **Crédit Agricole S.A.**

Crédit Agricole S.A.'s Board of Directors, chaired by Jean-Marie Sander, met on 27 August 2012 to review the accounts for the second quarter and first half of 2012.

Net income Group share amounted to 111 million euros compared with 339 million euros in the second quarter of 2011. It includes four specific items: the revaluation of debt issues linked to the Group's own credit risk (impact on net income Group share: +140 million euros), the impairment of Intesa Sanpaolo shares (-427 million euros) and SACAM International shares (-67 million euros), the cost of Greece (-370 million euros) and the cost of the adjustment plan (-16 million euros). Jean-Paul Chifflet, Chief Executive Officer of Crédit Agricole S.A., said that restated for these items, adjusted net income Group share was 851 million euros, reflecting a satisfactory operating performance despite the severely deteriorated conditions which the overall economy and all financial institutions are having to face.

The Retail banking and Savings management business lines confirmed their resilience in a flat economy by registering business growth: In French retail banking, on-balance sheet deposits were up 7.7% on end-June 2011 and loans outstanding moved up 2.4% on a very high basis of comparison in 2011. Assets managed globally by all savings management business lines increased by 33 billion euros (including positive market, currency and scope effects of nearly 19 billion euros) in the first half of 2012.

In Retail banking, LCL's net income Group share increased by 2.6% year-on-year in the second quarter of 2012. Over the same period, Cariparma's net income Group share rose by 6.2%. In the savings management lines, growth remained high in insurance (281 million euros) and in asset servicing (38 million euros). In Asset management, the decline was confined to 18.3% in the second quarter, with growth of 2.8 % over the half year. The two business lines which entered into initiated restructuring plans in September 2011, Corporate and Investment Banking and Specialised financial services, are actively managing the reduction of their business and cash consumption while sustaining satisfactory results (respectively 289 and 56 million euros).

Crédit Agricole S.A. pursued its management policy for its minority equity investments. As such, following disposals staggered over the past several months, Crédit Agricole S.A.'s interest in Intesa Sanpaolo dropped below the 2% threshold end of August. In addition, its interest in Bankinter fell below the 20% threshold following a public exchange offer for preferred shares realised by Bankinter in August, in which Crédit Agricole SA did not participate. Finally, the disposal of BES Vida was completed.

During the second quarter of 2012, the terms and conditions for the sale of the broker CLSA to CITIC Securities were finalised: 19.9% of the shares were sold in a first step, with Crédit Agricole CIB receiving a put option on the remaining 80.1%, exercisable by mid-2013. In addition, Crédit Agricole CIB entered into exclusive negotiations with Kepler Capital Markets to create Kepler Cheuvreux, Europe's leading independent brokerage firm. These two transactions did not produce any financial impact on the accounts for the first half of 2012.

Moreover, the Board of Crédit Agricole S.A. has duly acknowledged the binding offers received on 8 August for the acquisition of its Greek subsidiary Emporiki. No decision has yet been made on entering into more advanced talks regarding any one of these proposals due to continued discussions with the Bank of Greece, the HFSF and the European Commission on the terms and conditions to which the transaction would be subject.

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As a result of these initiatives, Crédit Agricole S.A. continued to strengthen its liquidity and solvency ratios.

- As of 15 August, after raising 12.2 billion euros since the beginning of the year at an average spread of 132 basis points versus mid-swap for an average term of 6.8 years, it had completed 102% of its 2012 programme for medium-to-long term market issues. With the head start secured at the end of 2011, it had raised 16.6 billion euros, compared with a projected programme of 12 billion euros;
- Net short-term debt was reduced by 60 billion euros between 30 June 2011 and 30 June 2012, to 110 billion euros, mainly due to a structural reduction in the business lines' needs, in keeping with adjustment plan targets and the replacement of short-term debt by medium-to-long term debt. Over the same period, liquidity reserves were replenished, rising to 151 billion euros, excluding deposits with central banks (17 billion euros): they account for 137% of net short-term debt.

### **Social and environmental responsibility: Crédit Agricole S.A. appoints ombudsman for procurement**

With nearly 6 billion euros in purchases each year, Crédit Agricole S.A. Group is a major buyer in France. As part of its responsible procurement policy, the Group has signed the Charter governing relations between major buyers, small and medium-sized companies and large corporations, under the aegis of the Minister for the Economy and Finance. This Charter contains 10 commitments and is designed to ensure equitable financial treatment of suppliers and to reduce the risk that buyers and suppliers will become mutually dependent. This year, in keeping with the Charter, the Group appointed the Head of Sustainable Development to act as ombudsman for inter-company relations. Suppliers can submit their grievances to the ombudsman in the event of a dispute.

#### **Financial calendar**

9 November 2012	2012 third quarter results
20 February 2013	2012 fourth quarter and full-year results
7 May 2013	2013 first quarter results
23 May 2013	General Shareholders' Meeting
6 August 2013	2013 second quarter results
7 November 2013	2013 third quarter results

## CRÉDIT AGRICOLE S.A. CONSOLIDATED RESULTS

(in millions of euros)	Q2-12	Change Q2/Q2	H1-12	Variation H1/H1
<b>Revenues</b>	4,751	(14.1%)	10,176	(6.1%)
Operating expenses	(3,272)	(1.8%)	(6,479)	(1.9%)
<b>Gross operating income</b>	<b>1,479</b>	<b>(32.8%)</b>	<b>3,697</b>	<b>(12.6%)</b>
Cost of risk	(1,164)	+3.5%	(2,934)	+50.7%
<b>Operating income</b>	<b>315</b>	<b>(70.7%)</b>	<b>763</b>	<b>(66.6%)</b>
Equity affiliates	225	(16.2%)	640	(9.9%)
Net income on other assets	41	nm	36	nm
Change in value of goodwill	-	nm	-	nm
<b>Income before tax</b>	<b>581</b>	<b>(40.6%)</b>	<b>1 439</b>	<b>(45.2%)</b>
Tax	(409)	(30.3%)	(1,004)	(9.3%)
Gains/pertes nettes sur activités arrêtées	2	(86.5%)	4	(69.2%)
<b>Net income</b>	<b>174</b>	<b>(57.5%)</b>	<b>439</b>	<b>(71.4%)</b>
Minority interests	63	(8.8%)	76	(60.8%)
<b>Net income Group share</b>	<b>111</b>	<b>(67.4%)</b>	<b>363</b>	<b>(72.9%)</b>

**Revenues** reached 4.8 billion in the second quarter of 2012 and 10.2 billion euros in the first half of 2012. In the second quarter of 2012, revenues include items that produced offsetting effects totalling -117 million euros compared with +256 million euros in the second quarter of 2011:

- impact of sales of loan portfolios in Financing activities under the adjustment plan: -39 million euros ;
- impairment of Intesa Sanpaolo shares for -427 million euros for prolonged depreciation of the AFS securities ;
- Emporiki's revenues, amounting to 125 million euros compared with 175 million in the second quarter of 2011 ;
- revaluation of debt issues for +224 million euros compared with +82 million euros in the second quarter of 2011.

**Operating expenses** remained under control. They decreased by 1.8% in the second quarter of 2012 and by 1.9% in the first half.

**Gross operating income** was 1,479 million euros in the second quarter, down 32.8% on the second quarter of 2011, and down 16.2% excluding specific items.

The **cost of risk** came to 1,164 million euros in the second quarter compared with 1,125 million in the second quarter of 2011 which included 202 million euros linked to the European support plan to Greece and 277 million euros for the cost of risk associated with the subsidiary Emporiki. Restated for these effects, the cost of risk was 23.8% higher, due primarily to the increase for Cariparma in Italy and the additional 84 million euro provision for Agos booked in the second quarter of 2012.

Impaired loans (excluding lease finance transactions with customers) amounted to 23.8 billion euros and represented 4.6% of gross customer and interbank loans outstanding, representing a level comparable to that of 31 December

2011. Impaired loans were covered by specific reserves up to 55.1%, compared with 54.0% at 31 December 2011. Including collective reserves, the impaired loan cover rate was 70.7%, up 130 basis points compared with the end of December 2011.

**Income from equity affiliates** fell by 16.2% year-on-year to 225 million euros in the second quarter of 2012. The contribution from the Regional Banks decreased by 14.0% to 173 million euros.

**Pre-tax income** was 581 million euros, compared with 978 million euros in the second quarter of 2011.

The tax rate remained apparently high owing to the high level of non-deductible expenses, mainly for Greece and Intesa Sanpaolo. After **tax** of 409 million euros (- 30.3% by comparison with the second quarter of 2011), Crédit Agricole S.A.'s **net income Group share** was 111 million euros compared with 339 million euros in the same period in 2011.

### **Adjustment plan ahead of schedule**

The Group actively continued to implement the adjustment plan announced on 14 December 2011, with the following three main focuses:

- In Retail banking: overall improvement in loan to deposit ratio.  
The increase in on-balance sheet deposits across all Group branch networks, in France and abroad, coupled with measured growth of loans outstanding, resulted in lowering the loan-to-deposit ratio to 123.7% from 128.8% at end-June 2011.
- In Specialised financial services: reduction of liquidity needs and diversification of funding.  
Growth of outstandings was controlled both in Consumer finance and in Leasing and Factoring. CACF sold 0.6 billion euros of non-performing loans in France and in Portugal in the second quarter. In July, CAL&F sold a loan portfolio for some 300 million euros.  
Over the same period, new sources of funding were developed, mainly in the form of deposit inflows and securitisations. CACF started up a retail savings business in Germany and realised a 600 million euro securitisation in France in July. In June, CAL&F realised a securitisation of lease finance receivables for approximately 1 billion euros.
- In Corporate and investment banking: further disposals and control of outstandings.  
Disposal of loan portfolios in Financing activities continued during the first half of 2012, at low discount rates (2.2% on average since the start of the disposals). Sales of CDOs and RMBSs have already exceeded the initial target, thereby helping to reduce Basel 3 risk-weighted assets.

As a result, at end-June 2012, 76% of the target for funding needs reduction had been met. Concerning risk-weighted assets, the plan was fully realised at end-June, with a 48 billion euro reduction in risk-weighted assets, including the transfer of the correlation book.

## Reduction of funding needs

€bn At current exchange rate	Realised in H2-11	Realised in Q1-12	Realised in Q2-12	Total realised up to 30/06/12	Target between 30/06/11 and 31/12/12	% realised
• Retail banking	- 9	- 1	-8	- 18	- 23	
• Specialised financial services	- 3	- 2	-2	- 7	- 9	
• <i>Adjustment plan</i>	-1	-1	-1	-3		
• <i>Securitisation and other measures</i>	-2	-1	-1	-4		
• CIB	- 11	- 9	+7*	- 13	- 18	
<i>at constant exchange rate</i>	-16	-7	+3	-20		
<b>Total funding needs reduction</b>	<b>- 23</b>	<b>- 12</b>	<b>-3</b>	<b>- 38</b>	<b>- 50</b>	<b>76%</b>
<b>At constant exchange rate</b>	<b>- 28</b>	<b>-10</b>	<b>-7</b>	<b>- 45</b>		

\*Including negative currency impact (4 billion euros) and reallocation of liquidity to several ongoing activities in CIB (mainly Fixed income and Commercial banking)

## Reduction of risk-weighted assets

€bn At constant exchange rate	Realised in H2-11	Realised in Q1-12	Realised in Q2-12	Total realised up to 30/06/12	Target between 30/06/11 and 31/12/12	% realised
<b>Adjustment plan</b>						
• SFS	- 1	- 2	-1	- 4	~ - 5	
• CIB	- 11	- 16	- 3	- 30	~ - 30	
• <i>Current impact (Basel 2.5)</i>	-7	- 5	-1	- 13	~ - 18	
• <i>2013 impact (Basel 3)</i>	- 4	- 11	- 2	- 17	~ - 12	
<b>Total adjustment plan</b>	<b>- 12</b>	<b>- 18</b>	<b>- 4</b>	<b>- 34</b>	<b>~ - 35</b>	<b>97%</b>
<b>Other measures</b>						
• CIB – sale of market risk of correlation book (net impact)		- 8	- 6	- 14		
<b>Total RWA reduction (including Basel 3 impacts)</b>	<b>- 12</b>	<b>- 26</b>	<b>- 10</b>	<b>- 48</b>		

## FINANCIAL STRUCTURE

Crédit Agricole S.A. further enhanced its financial strength during the second quarter of 2012. The Core Tier 1 ratio was 9.6% at 30 June 2012 compared with 9.4% at 31 March 2012 and 8.6% at 31 December 2011.

The quarter-on-quarter change in the ratio was due primarily to the decline in risk-weighted assets, notably at Crédit Agricole CIB, resulting from the implementation of the adjustment plan and the transfer of the market risk linked to the correlation book. Crédit Agricole S.A.'s Tier 1 and total solvency ratios were 11.9% and 14.1% respectively at 30 June 2012, a rise of 70 basis points for each ratio in the first half of 2012.

Risk-weighted assets declined by 31.5 billion euros, from 333.7 billion euros at 31 December 2011 to 302.2 billion euros at 30 June 2012.

## LIQUIDITY

At 30 June 2012, Crédit Agricole Group's gross short-term debt (outstanding debt due within 370 days raised by the Group's main treasury departments from market counterparties) amounted to 127 billion euros, compared with 185 billion euros at 30 June 2011. The Group had a surplus cash position of 17 billion euros at end-June, corresponding to overnight deposits with the Central Banks.

The dollar situation was stable in the second quarter by comparison with 31 March 2012, with a modest increase in debt from the USA, which now accounts for 5% of gross short-term debt compared with 4% in the first quarter. The percentage of US dollar-denominated debt also increased, to 21% from 17% at 31 March 2012. By country, France still accounts for over half of short-term debt (54%).

Since June 2011, short-term debt, net of deposits with central banks, has been reduced by 60 billion euros.

The decline in short-term debt is due to the structural reduction in the business lines' requirements for 38 billion euros under the adjustment plan, the replacement of 5 billion euros of short term debt by medium and long term debt, and, lastly, to the use of liquidity reserves through repo'ing and access to Central Banks.

At 30 June 2012, reserves of available assets that were liquid on the market or were eligible to Central Banks after discounting, excluding deposits with Central Banks, amounted to 151 billion euros, including 135 billion euros eligible to Central Banks, or 41 billion euros more than at 31 December 2011. They represented 137% of net short-term debt. New reserves have been constituted owing to a broad base of very high-quality assets available for securitisation.

Eligible reserves consist of 60 billion euros in assets eligible to Central Banks (i.e. 40% of total reserves), 67 billion euros in liquid market securities eligible to Central Banks (44%), 16 billion euros in liquid market securities (11%), and 8 billion euros in securitisation and self-securitisation tranches (5%).

In the area of medium/long-term funding, at 15 August 2012, Crédit Agricole S.A. has exceeded its market issue programme, which was fixed at 12 billion euros for 2012. The performance rate is 138% including issues carried out at the end of the year 2011 in addition to the 2011 programme. Not including these 2011 issues, the performance rate was 102%, representing 12.2 billion euros raised since the beginning of the year. The average term of the issues is 6.8 years and the average spread is 132 basis points versus mid-swap. Including the 4.4 billion euros of issues completed at the end of 2011 in addition to the 20 billion euro programme for 2011, the performance rate was 138%.

Concurrently, the Group is developing access to additional funding sources, namely via its retail bank networks and its specialised subsidiaries, with 2.5 billion euros raised through the Regional Banks at 30 June 2012, 3.3 billion euros via LCL and Cariparma in their networks, 2.6 billion euros via Crédit Agricole CIB, mainly in structured private placements, and 1.2 billion euros via Crédit Agricole Consumer Finance.



## RESULTS BY BUSINESS LINE

### 1. FRENCH RETAIL BANKING

#### 1.1. - CRÉDIT AGRICOLE REGIONAL BANKS

(in millions of euros)	Q2-12	Change Q2/Q2	H1-12	Change H1/H1
<b>Net income accounted for at equity method (at about 25%)</b>	<b>164</b>	<b>(10.9%)</b>	<b>391</b>	<b>(4.9%)</b>
Change in share of reserves	9	(43.8%)	154	(5.5%)
<b>Share of income from equity affiliates</b>	<b>173</b>	<b>(14.0%)</b>	<b>545</b>	<b>(5.2%)</b>
<b>Net income Group share</b>	<b>173</b>	<b>(14.0%)</b>	<b>545</b>	<b>(5.2%)</b>

At the Regional Banks, business continued to develop, with balanced growth in lending and on-balance sheet deposits.

Customer deposits amounted to 554.4 billion euros, with on-balance sheet deposits rising by 6.4% year-on-year to nearly 321 billion euros. Growth was driven primarily by time deposits (up 22.9%). Off-balance sheet deposits moved down by 3.9% between June 2011 and June 2012 due to customer risk-aversion for securities, while life insurance deposits remained stable year-on-year despite market pressures.

Loans outstanding rose by 2.8% year-on-year to 394.3 billion euros, with a 4.3% increase in home loans and a resilient performance in the SMEs and small business customer segments. Conversely, consumer credit loans declined.

As a result, the loan-to-deposit ratio showed further improvement, decreasing to 127% at end-June 2012 from 129% at end-December 2011.

The Regional Banks' revenues (restated for intragroup transactions) amounted to 3.2 billion euros in the second quarter of 2012, down by 5.6% by comparison with the second quarter of 2011. Revenues from customer business were stable over the period (even excluding home purchase savings schemes) owing to persistently solid interest margins. Conversely, commissions and fee income declined by 3.9% year-on-year, particularly in the securities business segment. Portfolio revenues were adversely affected by a -268 million euro impairment booked by the Regional Banks on SACAM International which holds their equity investments in Emporiki and Cariparma (-67 million euros impact on Crédit Agricole S.A.'s net income). Excluding this accounting impact, revenues (excluding home purchase savings schemes) were down 0.3% year-on-year.

Expenses remained under control, with a rise of 1.2% to 1.9 billion euros in the quarter.

In the second quarter, the cost of risk declined sharply, by 52.2% year-on-year to 216 million euros, due to a substantial fall in collective reserves. The cost of risk amounted to 22 basis points of outstanding loans in the second quarter of 2012 compared with 48 basis points in the second quarter of 2011. The ratio of reserves (including collective reserves) to impaired loans amounted to 107.8% at 30 June 2012 and the non-performing loan ratio has remained stable over the past year at 2.4%.

Consequently, for the six months to 30 June 2012, the Regional Banks' contribution to Crédit Agricole S.A.'s net income Group share amounted to 545 million euros. Excluding impairment losses booked in the accounts of the Regional Banks on SACAM International shares which holds the equity investments in Emporiki and Cariparma, their contribution would have been 612 million euros, up 6.5%.

## 1.2. - LCL

<i>(in millions of euros)</i>	<b>Q2-12</b>	<b>Change Q2/Q2</b>	<b>H1-12</b>	<b>Change H1/H1</b>
Revenues	<b>1,001</b>	<b>+2.2%</b>	<b>2,013</b>	<b>+2.3%</b>
Operating expenses	(630)	+1.2%	(1,246)	+0.9%
<b>Gross operating income</b>	<b>371</b>	<b>+3.8%</b>	<b>767</b>	<b>+4.6%</b>
Cost of risk	(66)	(12.5%)	(144)	(7.2%)
<b>Operating income</b>	<b>305</b>	<b>+8.2%</b>	<b>623</b>	<b>+7.7%</b>
Net income on other assets	1	nm	-	-
<b>Income before tax</b>	<b>306</b>	<b>+8.6%</b>	<b>623</b>	<b>+7.7%</b>
Tax	(107)	+21.6%	(209)	+17.1%
<b>Net income</b>	<b>199</b>	<b>+2.6%</b>	<b>414</b>	<b>+3.5%</b>
Minority interests	9	+3.2%	20	+3.6%
<b>Net income Group share</b>	<b>190</b>	<b>+2.6%</b>	<b>394</b>	<b>+3.5%</b>

LCL continues to back the economy by supporting SMEs and individual customers in financing their projects. Nonetheless, the second quarter of 2012 confirmed the trend initiated at the end of 2011, with a combination of higher deposits and controlled growth in lending.

Loans outstanding rose by 0.7% year-on-year to 87.8 billion euros at 30 June 2012. This modest growth was driven by home loans, which increased by 3.1% year-on-year to 54.2 billion euros. By contrast, loans to SMEs, which had risen substantially during the first half of 2011 (+7.4% between end-June 2010 and end-June 2011), remained stable year-on-year.

Total deposits rose by 1.6% year-on-year to 151.5 billion euros. In line with the first quarter of 2012, on-balance sheet deposits registered growth of 13.7% year-on-year, driven by an increase of 12.2% in demand deposits and high growth in term accounts and deposits. Off-balance sheet customer deposits declined by 8.6% year-on-year, due mainly to mutual funds (down 23.3%) and securities portfolios (down 9.2%).

The loan-to-deposit ratio improved by 13bp, at 116% at end-June 2012 compared with 129% at end-June 2011.

Revenues for the second quarter came to 1,001 million euros, up 2.2% on the second quarter of 2011 and up 0.1% restated for the provision for home purchase savings schemes. This resilience was supported by strong business momentum and by an upturn in interest income, which was 5.4%<sup>(1)</sup> higher than in the second quarter of 2011, in line with improvement in lending margins and the reduction of funding. Fee income fell by 6.1%<sup>(1)</sup> over the same period. This item was negatively affected by the decline in volumes, particularly in securities transactions.

Operating expenses were tightly controlled, edging up by 1.2% between the second quarter of 2011 and the second quarter of 2012 ; the cost of risk was limited to 28 basis points of outstanding loans. As a result, operating income rose by 8.2% between the second quarter of 2011 and the second quarter of 2012 (by 1.0% restated for the provision for home purchase savings plans), to 305 million euros.

The ratio of impaired loans to outstandings was stable at 2.4% by comparison with the previous quarter, while the impaired loan coverage ratio was increased to 77.4% compared with 76.7% at end-March 2012.

In all, net income Group share was 190 million euros in the second quarter, a rise of 2.6% on the second quarter of 2011.

<sup>(1)</sup> excluding home purchase savings schemes

## 2. INTERNATIONAL RETAIL BANKING

After a first quarter marked by the implementation of the European support plan for Greece, difficult economic conditions persisted during the second quarter. **Net income Group share** for the business line was a loss of 271 million euros in the second quarter of 2012, compared with a loss of 695 million in the second quarter of 2011 and of 846 million in the first quarter of 2012. For the first half of 2012, it registered a loss of 1,117 million euros, compared with a loss of 754 million euros in the first half of 2011.

(in millions of euros)	Q2-12	Change Q2/Q2	H1-12	Change H1/H1
<b>Revenues</b>	<b>769</b>	<b>+1.8%</b>	<b>1,515</b>	<b>(0.8%)</b>
Operating expenses	(585)	+13.1%	(1,092)	+7.9%
<b>Gross operating income</b>	<b>184</b>	<b>(22.8%)</b>	<b>423</b>	<b>(17.9%)</b>
Cost of risk	(502)	+14.7%	(1,446)	+91.5%
<b>Operating income</b>	<b>(318)</b>	<b>+59.3%</b>	<b>(1,023)</b>	<b>x4.3</b>
Equity affiliates	28	+3.7%	52	(4.7%)
Net income on other assets	(2)	nm	-	nm
Change in value of goodwill	-	nm	-	nm
<b>Income before tax</b>	<b>(292)</b>	<b>(45.1%)</b>	<b>(971)</b>	<b>+78.5%</b>
Tax	26	nm	(150)	(38.9%)
Net income (after tax) from discontinued activities	2	(82.4%)	4	(71.2%)
<b>Net income</b>	<b>(264)</b>	<b>(63.0%)</b>	<b>(1,117)</b>	<b>+44.0%</b>
Minority interests	(7)	nm	-	nm
<b>Net income Group share</b>	<b>(271)</b>	<b>(60.9%)</b>	<b>(1,117)</b>	<b>+48.2%</b>

**In Italy**, where GDP growth forecast for 2012 is negative by 2%, Cariparma shows good resilience thanks to its specific position as a regional network located in the north of the country. Lending and margins stood up well and net income Group share was 6.2% higher than in the second quarter of 2011. Customer liquidity surplus, which was stable compared with end-March 2012 at 1.2 billion euros, helped fund the Group's other business activities in Italy.

Loans outstanding were 33.7 billion euros, 0.4% higher than at 31 December 2011 (excluding financing of the Group's other activities), in a market that declined by 1.0% (source: *Associazione Bancaria Italiana*). Loans to retail customers moved up by 1.4%, driven primarily by home loans. Corporate lending was down by 0.6%, in line with the market. Deposits were maintained at 34.9 billion euros at 30 June 2012, in a highly competitive market, owing primarily to long-term household savings deposits.

Cariparma is enjoying healthy momentum, which is allowing it to cope with increased cost of risk. Revenues were 429 million euros, reflecting year-on-year rises of 9.0% in the second quarter and of 5.5% in the first half of 2012. This performance was due to resilient interest margins due to an upturn in commissions and fee income driven by higher production in life insurance and private banking.

At the same time, Cariparma initiated extensive cost-cutting programmes. Alongside its on-going review of the branch networks' processes and organisation, the bank is implementing a voluntary departure plan. A 54 million euro charge was booked as a provision for this plan in the second quarter of 2012 to cover approximately 400 departures by the end of 2014. The cost/income ratio was comparable to its level of the second quarter of 2011: it decreased by 0.6 point at 59.2%, excluding the cost of the departure plan and integration-related costs registered in 2011.

The cost of risk was adversely affected by the deterioration in the business climate, yet remained below the Italian market average. It rose by 68.8% to 89 million euros in the second quarter of 2012, and for the first half of 2012, it increased by 50.2% to 162 million euros. The non-performing loan ratio was 7.1% at 30 June 2012, with a cover rate of 44.5%. Cost of risk was 98 basis points to outstanding loans for the first half of 2012.

After tax relief, which generated savings of 47 million euros in the second quarter of 2012 and of 51 million euros in the first half of 2012, Cariparma's contribution to net income Group share was 41 million euros in the second quarter, (a rise of 6.2% year-on-year), and 72 million euros in the first half (down 10.5% compared with the first half of 2011).

**In Greece**, several Greek banks submitted binding offers for Emporiki, subject to the usual regulatory authority approvals, to approval by HFSF and to the review by European Commission of compliance with the State aid rules.

During the second quarter of 2012, Crédit Agricole S.A.'s net funding to Emporiki Bank was stable, i.e. 4.6 billion euros at 30 June. It benefited from access to ELA funding obtained at the beginning of June, but suffered from reduction of ECB financing. Crédit Agricole S.A.'s capital exposure amounted to 0.4 billion euros at 30 June 2012, compared with 0.6 billion at 31 March 2012. A 2.3 billion euro capital increase was carried out in July and financed through an offset from the refinancing provided by Crédit Agricole S.A. Adjusted for this capital increase, based on the figures at end-June, Crédit Agricole S.A.'s capital exposure was 2.7 billion euros and net funding amounted to 2.3 billion euros. Furthermore, the transfers of loans from the shipping loan portfolio to Crédit Agricole S.A. are set to begin in September.

The completed or on-going disposals of Emporiki's Romanian, Bulgarian and Albanian subsidiaries to Crédit Agricole S.A. had no impact on results.

Revenues declined by 28.6% year-on-year in the second quarter of 2012 to 125 million euros owing to the higher costs of deposits.

Operating expenses rose by 9.2% year-on-year to 146 million euros in the second quarter of 2012. In absolute terms, they increased by 22 million euros quarter-on-quarter, with half of this amount due to incentivised departures (140 departures in the second quarter of 2012), and the remainder attributable to various tax increases.

The cost of risk was 377 million euros in the second quarter of 2012, up 8.5% on the second quarter of 2011. It includes a business sector and country risk provision for 143 million euros. The non-performing loan ratio rose by 0.9 percentage point quarter-on-quarter to 36.8% in the second quarter of 2012. The cover rate reached 57.3%, of which 76.8% for corporate loans.

In all, Emporiki's contribution to net income Group share amounted to -370 million euros in the second quarter of 2012 and to -1,275 million euros in the first half of 2012.

**Excluding Italy and Greece**, the Group's other entities strengthened their deposit-to-loan balance, which showed a surplus of 340 million euros at 30 June 2012, with 9.6 billion euros of on-balance sheet deposits and 9.3 billion euros of gross loans. Their contribution to net income Group share amounted to +58 million euros in the second quarter of 2012 compared with +43 million euros in the second quarter of 2011.

### 3. SPECIALISED FINANCIAL SERVICES

<i>(in millions of euros)</i>	<b>Q2-12</b>	<b>Q2-12*</b>	<b>Change Q2/Q2*</b>	<b>H1-12</b>	<b>H1-12*</b>	<b>Change H1/H1*</b>
Revenues	884	884	(11.2%)	1,805	1,805	(9.7%)
Operating expenses	(384)	(384)	(10.1%)	(794)	(794)	(6.4%)
<b>Gross operating income</b>	<b>500</b>	<b>500</b>	<b>(12.0%)</b>	<b>1,011</b>	<b>1,011</b>	<b>(12.2%)</b>
Cost of risk	(444)	(372)	+3.8%	(1,069)	(752)	+11.1%
<b>Operating income</b>	<b>56</b>	<b>128</b>	<b>(39.4%)</b>	<b>(58)</b>	<b>259</b>	<b>(45.4%)</b>
Equity affiliates	5	5	+28.6%	10	10	+34.2%
<b>Income before tax</b>	<b>61</b>	<b>133</b>	<b>(38.1%)</b>	<b>(48)</b>	<b>269</b>	<b>(44.1%)</b>
Tax	(34)	(53)	(25.9%)	(37)	(120)	(26.5%)
<b>Net income</b>	<b>27</b>	<b>80</b>	<b>(45.9%)</b>	<b>(85)</b>	<b>149</b>	<b>(53.9%)</b>
Minority interests	(29)	(4)	nm	(113)	(10)	nm
<b>Net income Group share</b>	<b>56</b>	<b>84</b>	<b>(38.7%)</b>	<b>28</b>	<b>159</b>	<b>(46.8%)</b>

\* Restated for impacts of the adjustment plan and additional provision for Agos

**Specialised Financial Services** continued its managed reduction in business activity and liquidity consumption, in keeping with the adjustment plan announced on 14 December 2011. In consumer finance, the consolidated outstanding loans of Crédit Agricole Consumer Finance (CACF) fell by 1.3 billion euros between end-March and end-June 2012 to 49.7 billion euros. The decline was due to the combined effect of three factors: the slowdown in the consumer finance market, the adjustment plan and the sale of 0.6 billion euros of doubtful loans. CACF's managed loan book, including consolidated outstandings and outstandings managed on behalf of Crédit Agricole Group or third parties, also declined, to 76.1 billion euros. They are booked mainly in France (37%) and Italy (36%), with the other countries accounting for 27% of outstandings. CACF also continued to diversify its external funding sources which have risen by 3.7 billion euros since 30 June 2011. Crédit Agricole Leasing and Factoring (CAL&F) is also on track with its operating plan. The managed loan book in lease finance amounted to 19.5 billion euros at end-June 2012, down 1.0% year on year. Factored receivables fell by 11.4% to 28.6 billion euros, with a far smaller decline in France.

The business line's first-half results reached break-even thanks to a substantial improvement in the second quarter by comparison with the first. Revenues came to 884 million euros in the second quarter. They were adversely affected by a fall in volumes, which was partially offset by an increase in margins. Revenues were 11.2% lower than in the second quarter of 2011. Expenses followed a similar trend, with a decline of 10.1%, reflecting efforts to enhance operating efficiency. The cost of risk was stable by comparison with the second quarter of 2011 excluding additional provisions for Agos. In consumer finance in France, the cost of risk continued on the downtrend initiated in the third quarter of 2011. Abroad, consumer finance was negatively affected by deteriorating conditions, mainly for the Italian subsidiary Agos. An additional 84 million euros was booked to provisions in the second quarter (net impact Group share: 37 million euros), following a charge of -280 million euros in the first quarter of 2012. At end-June 2012, Agos' non-performing loans amounted to 13.8% of total outstandings, with a coverage ratio of 84%. Substantial measures were adopted in the areas of governance and risk management for this subsidiary since March. Besides, the cost of risk in lease finance and factoring was stable by comparison with the second quarter of 2011, but with a different breakdown (11 million euros for Emporiki Leasing in the second quarter of 2012 compared with 20 million euros in the second quarter of 2011, charges booked to provisions for several international files in the second quarter of 2012). Finally, the business line booked a write-back of 12 million euros related to the plan in the second quarter of 2012. In all, restated for the plan impact and additional provisions for Agos, the cost of risk rose by 3.8% to 372 million euros in the second quarter of 2012.

Net income Group share for the business line was 56 million euros in the second quarter, and 84 million euros excluding the plan impact and additional provisions for Agos, down 38.7% on the second quarter of 2011. Consumer

finance contributed 41 million euros to this result (69 million excluding the plan impact and additional provisions for Agos) and Lease finance and factoring contributed 15 million euros.

#### 4. SAVINGS MANAGEMENT

The business line includes asset management, insurance, private banking and asset servicing.

At 30 June 2012, the business line had 1,039.4 billion euros in total assets under management, or 33 billion euros more than at 31 December 2011. This sharp increase was due to solid business momentum enhanced by a highly positive market effect over the period. Excluding market, scope and currency effects totalling +18.7 billion euros, this growth was driven primarily by a 13.8 billion euro increase in AUM for the asset management line.

At CACEIS, business followed the same positive trend in the first half of 2012, with assets under custody up 5.7% and assets under administration up 6.6%.

After four consecutive quarters during which the business line's results (at the insurance's level) were adversely affected by the cost of exchange of Greek government bonds (PSI), second-quarter results do not reflect any exceptional items as such, but they do include 28 million euros of capital gain on the sale of BES Vida shares to BES.

The business line's net income Group share reached 413 million euros in the second quarter, up 19.0% on the same quarter in the previous year (in the second quarter of 2011, net income Group share registered a cost of 81 million euros for insurance operations following implementation of the PSI).

<i>(in millions of euros)</i>	<b>Q2-12</b>	<b>Change Q2/Q2</b>	<b>H1-12</b>	<b>Change H1/H1</b>
Revenues	<b>1,215</b>	<b>(8.9%)</b>	<b>2,602</b>	<b>(1.7%)</b>
Operating expenses	(606)	(3.1%)	(1,194)	(3.7%)
<b>Gross operating income</b>	<b>609</b>	<b>(14.0%)</b>	<b>1,408</b>	<b>+0.1%</b>
Cost of risk	(4)	nm	(55)	(49.8%)
<b>Operating income</b>	<b>605</b>	<b>+3.5%</b>	<b>1,353</b>	<b>+4.4%</b>
Equity affiliates	3	+70.0%	5	+2.0%
Net income on other assets	28	nm	28	nm
<b>Income before tax</b>	<b>636</b>	<b>+8.5%</b>	<b>1,386</b>	<b>+6.6%</b>
Tax	(187)	(10.1%)	(428)	(1.4%)
<b>Net income</b>	<b>449</b>	<b>+18.7%</b>	<b>958</b>	<b>+10.5%</b>
Minority interests	36	+15.2%	90	+16.7%
<b>Net income Group share</b>	<b>413</b>	<b>+19.0%</b>	<b>868</b>	<b>+9.9%</b>

In **Asset management**, Amundi (including BFT's asset management operations, acquired on 1 July 2011) delivered very solid business performances, with assets under management amounting to almost 693 billion euros at end-June 2012, a rise of 5.2% by comparison with the end of 2011. Over the same period, Amundi was No. 1 in mutual fund deposits in Europe. Net new inflows excluding branch bank networks were 20.9 billion euros in the first half of 2012 with 13.4 billion euros in the institutional and corporate segment, driven by money market inflows, and 2.2 billion euros in the third-party distributor segment, primarily in Europe. Inflows into employee savings management came to 5.3 billion euros, with a 16.6% increase in assets under management in the first half. Outflows from branch bank networks continued (-7.1 billion euros in the first half of 2012), albeit at a slower pace than in the previous semesters. In all, net new inflows amounted to 13.8 billion euros in the first half, including a market and currency impact of +20.5 billion euros.

In the second quarter of 2012, **Amundi** continue to deliver a satisfactory operating performance. Revenues decreased by 12.4% year-on-year owing to the decline in income from fixed fees due to a less favourable product mix. However, operating expenses continued to recede (down 7.5% year-on-year in the second quarter of 2012) and the cost/income ratio came to a satisfactory level of 59.0% for the quarter (up 3.1 points on the second quarter of 2011).

Revenues also declined sharply in the first half, by 0.5% on a reported basis, but by 8.4% restated for the gain on disposal registered in the first quarter of 2012. Even so, performance-based commissions increased from 43 million euros in the first half of 2011 to 61 million euros in the first half of 2012. The cost/income ratio in the first half stayed highly competitive at 55.4%<sup>2</sup>. Amundi's net income rose by 3.0% year-on-year to 253 million euros in the first half of 2012 and its contribution to net income Group share was 186 million euros (up 2.8%).

In asset servicing, **CACEIS** has been engaged in robust business development since the beginning of the year. This, coupled with a favourable market effect on fixed-income business, generated growth in assets under management. As a result, assets under custody were 2,388 billion euros, a rise of 5.7% by comparison with 31 December 2011; cash deposits rose sharply year-on-year in the first half-year. Compared to 31 December 2011, funds under administration rose by 6.6% to 1,109 billion euros.

Net income Group share was 80 million euros, in the first half of 2012, up 25.4% on the first half of the previous year.

**Private Banking** showed resilience in a climate of financial crisis. It registered modest outflows in the first half, which was adversely affected by competition from on-balance sheet products in France and by concerns related to the eurozone. Assets under management benefited from a positive market and currency impact and came to 128.1 billion euros at 30 June 2012. In France, assets under management were 54.2 billion euros, at a level comparable to that of 31 December 2011. Internationally, they rose by 2.6% to 70.9 billion euros over the same period.

Net income Group share was 57.2 million euros in the first half 2012, down 12.8% by comparison with the first half of the previous year.

In **Insurance**, premium income was 5.3 billion euros in the second quarter of 2012, with a mixed performance in the different markets. In life insurance in France, premium income fell by 14.9% quarter-on-quarter to 3.7 billion euros in the second quarter of 2012. Property & Casualty insurance continued to grow in France, with premium income of 520 million euros in the second quarter of 2012, up 5.1% on the second quarter of 2011, while market growth was limited to 4%<sup>3</sup>. In creditor insurance, with premium income of 256 million euros, business remained solid owing to mortgage credit insurance but was hurt by the slowdown in consumer finance. Conversely, in international business, premium income continued to recover (excluding BES Vida, which was excluded from the scope of consolidation as from the second quarter of 2012), with a rise of 6% on the first quarter of 2012, to 785 million euros.

Life insurance funds under management amounted to 218.4 billion euros at 30 June 2012, including 39.2 billion euros in unit-linked accounts. Excluding BES Vida, which had funds under management of 5.4 billion euros at 31 December 2011, they rose by 1.0% in the first half of 2012.

Investments are conservatively managed. As a result, during the second quarter of 2012, an additional 3 billion euros in peripheral sovereign debt was sold. Gross exposure of Crédit Agricole Group's insurance companies to the sovereign debt of peripheral countries (Greece, Ireland, Portugal, Italy and Spain) had been reduced to 8.5 billion euros at 30 June 2012 from 15.3 billion euros at 31 December 2011. Investments are also innovatively managed. The Group is developing its investments in new asset classes designed to provide financing for the French economy, and particularly for local authorities.

Net income Group share for the insurance business amounted to 281 million euros in the second quarter of 2012 after a 28 million euro gain on the disposal of BES Vida shares to BES. Revenues fell by 14.3% year-on-year to 494 million euros in the second quarter of 2012 due to the exclusion of BES Vida from the scope of consolidation (it accounted for 11 million euros in the second quarter of 2011 in revenues) and to an unfavourable base effect. Operating expenses remained under control; they are stable year-on-year, excluding non-recurring gains related to PSI losses that are deductible from tax bases.

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<sup>2</sup> Restated for €60m gain on disposal registered in Q1-12

<sup>3</sup> FFSA figures

## 5. CORPORATE AND INVESTMENT BANKING

Net income Group share in Corporate and investment banking amounted to 289 million euros in the second quarter of 2012 and to 445 million euros in the first half of 2012.

In the second quarter of 2012, net income Group share for on-going activities was 296 million euros. Restated for the positive impact from revaluation of debt issues and loan hedges (185 million euros) as well as the limited impact of the adjustment plan this quarter (-24 million euros), it was 135 million euros in the second quarter of 2012, down by 58.3% by comparison with the second quarter of the previous year.

These results reflect the downturn in capital market activities from a very high level of business in the first quarter of 2012, while financing activities were resilient in a persistently difficult environment, despite an increase in the cost of risk in the second quarter of 2012.

The cost of discontinuing operations was negligible over the quarter (-7 million euros).

### On-going activities

<i>(in millions of euros)</i>	Q2-12	Q2-12*	Change Q2*/Q2*	H1-12	H1-12*	Change H1*/H1*
Revenues	1,348	1,091	(19.9%)	2,753	2,516	(13.9%)
Operating expenses	(830)	(830)	(3.3%)	(1,666)	(1,706)	(3.0%)
<b>Gross operating income</b>	<b>518</b>	<b>261</b>	<b>(48.0%)</b>	<b>1,087</b>	<b>810</b>	<b>(30.4%)</b>
Cost of risk	(101)	(101)	+62.2%	(132)	(132)	(2.5%)
<b>Operating income</b>	<b>417</b>	<b>160</b>	<b>(63.6%)</b>	<b>955</b>	<b>678</b>	<b>(34.1%)</b>
Equity affiliates	40	40	+14.9%	80	80	+16.7%
Net income on other assets	12	12	nm	12	12	nm
Change in value of goodwill	-	-	nm	-	-	nm
<b>Income before tax</b>	<b>469</b>	<b>212</b>	<b>(54.6%)</b>	<b>1,047</b>	<b>770</b>	<b>(29.4%)</b>
Tax	(174)	(81)	(42.7%)	(343)	(243)	(34.1%)
Net income (after tax) from discontinued activities	-	-	nm	-	-	nm
<b>Net income</b>	<b>295</b>	<b>131</b>	<b>(59.8%)</b>	<b>704</b>	<b>527</b>	<b>(27.1%)</b>
Minority interests	(1)	(4)	nm	(2)	(6)	nm
<b>Net income Group share</b>	<b>296</b>	<b>135</b>	<b>(58.3%)</b>	<b>706</b>	<b>533</b>	<b>(25.4%)</b>

\*Restated for revaluation of debt issues and loan hedges, and before cost of adjustment plan



## Financing activities

<i>(in millions of euros)</i>	Q2-12	Q2-12*	Change Q2*/Q2*	H1-12	H1-12*	Change H1*/H1*
Revenues	524	492	(23.1%)	1,029	1,018	(20.3%)
Operating expenses	(234)	(234)	(0.7%)	(468)	(468)	+2.3%
<b>Gross operating income</b>	<b>290</b>	<b>258</b>	<b>(36.1%)</b>	<b>561</b>	<b>550</b>	<b>(32.9%)</b>
Cost of risk	(84)	(84)	+68.1%	(111)	(111)	(13.7%)
<b>Operating income</b>	<b>206</b>	<b>174</b>	<b>(50.9%)</b>	<b>450</b>	<b>439</b>	<b>(36.5%)</b>
Equity affiliates	40	40	+15.8%	80	80	+16.7%
Net income on other assets	1	1	nm	1	1	nm
Change in value of goodwill	-	-	nm	-	-	nm
<b>Income before tax</b>	<b>247</b>	<b>215</b>	<b>(43.4%)</b>	<b>531</b>	<b>520</b>	<b>(30.8%)</b>
Tax	(81)	(69)	(39.4%)	(154)	(150)	(41.6%)
Net income (after tax) from discontinued activities	-	-	nm	-	-	nm
<b>Net income</b>	<b>166</b>	<b>146</b>	<b>(45.0%)</b>	<b>377</b>	<b>370</b>	<b>(25.3%)</b>
Minority interests	(5)	(5)	nm	(12)	(12)	nm
<b>Net income Group share</b>	<b>171</b>	<b>151</b>	<b>(43.2%)</b>	<b>389</b>	<b>382</b>	<b>(22.6%)</b>

\* Restated for revaluation of loan hedges, and before cost of adjustment plan

During the second quarter of 2012, **Financing activities** proved resilient on the whole. As announced on 14 December 2011, the new "Distribute To Originate" model was gradually rolled out during the second quarter and the first partnerships were set up, namely with Predica in the local authority segment. As in the previous quarters, to reduce its financing requirements, Crédit Agricole CIB continued its disposal program, and sold 1.4 billion euros of loans. Since 2011, it has sold a total of 9 billion euros at an average discount of 2.2%. In Commercial banking, following a period of significant reduction in production, business picked up in the second quarter, and Crédit Agricole CIB restored its position as No. 1 in the syndication business in Western Europe and the EMEA region (Source: Thomson Financial).

Revenues include -39 million euros for the cost of loans disposals under the adjustment plan. Loan hedges produced a stronger impact in the second quarter, with revenues of 72 million euros compared with 10 million euros in the previous quarter, which reflected deterioration in the financial position of counterparties.

After remaining relatively low over the past several quarters, in the second quarter of 2012, the cost of risk registered a charge of 84 million euros, an increase of 68.1% on the second quarter of 2011. This incorporates non-material charges to specific reserves for a limited number of deals.

In all, net income group share in Financing activities was 151 million euros<sup>4</sup> in the second quarter of 2012, down 43.2% on the second quarter of the previous year.

<sup>4</sup> Restated for revaluation of debt issues and impact of adjustment plan

## Capital markets and investment banking

<i>(in millions of euros)</i>	Q2-12	Q2-12*	Change Q2*/Q2*	H1-12	H1-12*	Change H1*/H1*
Revenues	824	599	(16.9%)	1,724	1,498	(8.9%)
Operating expenses	(596)	(596)	(4.3%)	(1,198)	(1,238)	(4.8%)
<b>Gross operating income</b>	<b>228</b>	<b>3</b>	<b>(97.0%)</b>	<b>526</b>	<b>260</b>	<b>(24.3%)</b>
Cost of risk	(17)	(17)	+38.2%	(21)	(21)	x 3.3
<b>Operating income</b>	<b>211</b>	<b>(14)</b>	<b>nm</b>	<b>505</b>	<b>239</b>	<b>(29.0%)</b>
Equity affiliates	-	-	nm	-	-	nm
Net income on other assets	11	11	nm	11	11	nm
Change in value of goodwill	-	-	nm	-	-	nm
<b>Income before tax</b>	<b>222</b>	<b>(3)</b>	<b>nm</b>	<b>516</b>	<b>250</b>	<b>(26.4%)</b>
Tax	(93)	(12)	(56.1%)	(189)	(93)	(17.0%)
Net income (after tax) from discontinued activities	-	-	nm	-	-	nm
<b>Net income</b>	<b>129</b>	<b>(15)</b>	<b>nm</b>	<b>327</b>	<b>157</b>	<b>(31.0%)</b>
Minority interests	4	1	(63.1%)	10	6	(6.7%)
<b>Net income Group share</b>	<b>125</b>	<b>(16)</b>	<b>nm</b>	<b>317</b>	<b>151</b>	<b>(31.7%)</b>

\* Restated for revaluation of debt issues and before cost of adjustment plan

In the second quarter, results were upheld in **Capital markets and investment banking** this quarter but were adversely affected by a downturn in capital market activities following a very strong first quarter. In the second quarter, Crédit Agricole CIB won market share in the primary bond market, moving up to No. 4 for all euro issues combined (source: Thomson Financial). Business in fixed-income derivatives was also solid in a weakened and fairly inactive market.

In the Equity business, two major transactions were announced in July. The first one, on 20 July 2012, concerns CLSA with the announcement of the sale by Crédit Agricole CIB to CITICS International of 19.9% interests in CLSA, and the attribution of a put option to Crédit Agricole CIB for CITICS International to acquire the remaining 80.1% interest in CLSA. The second, on 17 July 2012, concerns Cheuvreux, with the announcement of the entry into exclusive negotiations with Kepler Capital Markets concerning the merger of Crédit Agricole Cheuvreux and Kepler. These two transactions did not produce any financial impact on the accounts for the second quarter of 2012.

In Capital markets and investment banking, revenues in the second quarter include a high positive impact from the revaluation of debt issues (224 million euros). This impact, which was modest in the previous quarters (1 million euros in the first quarter of 2012), reflects deterioration in Crédit Agricole S.A.'s refinancing conditions during the second quarter. Restated for this impact, revenues were 599 million euros, a limited decline of 16.9% by comparison with the second quarter of the previous year.

## Discontinuing operations

<i>(in millions of euros)</i>	Q2-12	Q2-12*	Change Q2*/Q2	H1-12	H1-12*	Change H1*/H1
Revenues	37	37	nm	(298)	65	nm
Operating expenses	(23)	(23)	(14.8%)	(50)	(50)	+0.0%
<b>Gross operating income</b>	<b>14</b>	<b>14</b>	<b>nm</b>	<b>(348)</b>	<b>15</b>	<b>nm</b>
Cost of risk	(27)	(27)	+28.6%	(78)	(39)	(49.9%)
<b>Operating income</b>	<b>(13)</b>	<b>(13)</b>	<b>(81.9%)</b>	<b>(426)</b>	<b>(24)</b>	<b>(81.0%)</b>
Equity affiliates	-	-		-	-	nm
Net income on other assets	-	-		-	-	nm
Change in value of goodwill	-	-		-	-	nm
<b>Income before tax</b>	<b>(13)</b>	<b>(13)</b>	<b>(81.9%)</b>	<b>(426)</b>	<b>(24)</b>	<b>(81.0%)</b>
Tax	6	6	(73.9%)	159	14	(87.2%)
Net income (after tax) from discontinued activities	-	-	nm	-	-	nm
<b>Net income</b>	<b>(7)</b>	<b>(7)</b>	<b>(85.7%)</b>	<b>(267)</b>	<b>(10)</b>	<b>(88.0%)</b>
Minority interests	-	-		(6)	-	nm
<b>Net income Group share</b>	<b>(7)</b>	<b>(7)</b>	<b>(85.4%)</b>	<b>(261)</b>	<b>(10)</b>	<b>(88.1%)</b>

\*Restated for impact of adjustment plan

The discontinuing operations' net income Group share was negligible in the second quarter. It amounted to -7 million euros with no impact linked to the adjustment plan.

## 6. CORPORATE CENTRE

<i>(in millions of euros)</i>	<b>Q2-12</b>	<b>Change Q2/Q2</b>	<b>H1-12</b>	<b>Change H1/H1</b>
<b>Revenues</b>	<b>(503)</b>	<b>nm</b>	<b>(214)</b>	<b>(22.0%)</b>
Operating expenses	(214)	(15.4%)	(437)	(5.7%)
<b>Gross operating income</b>	<b>(717)</b>	<b>x3.4</b>	<b>(651)</b>	<b>(11.7%)</b>
Cost of risk	(20)	(58.3%)	(10)	(76.3%)
<b>Operating income</b>	<b>(737)</b>	<b>x2.9</b>	<b>(661)</b>	<b>(14.7%)</b>
Equity affiliates	(24)	nm	(52)	nm
Net income on other assets	2	x2.3	(4)	x6.1
<b>Income before tax</b>	<b>(759)</b>	<b>x3.0</b>	<b>(717)</b>	<b>(7.5%)</b>
Tax	61	(51.2%)	4	(98.5%)
<b>Net income</b>	<b>(698)</b>	<b>x5.4</b>	<b>(713)</b>	<b>+36.2%</b>
Minority interests	41	2.6%	87	(1.4%)
<b>Net income Group share</b>	<b>(739)</b>	<b>x4.4</b>	<b>(800)</b>	<b>+30.8%</b>

In the second quarter of 2012, Corporate Centre revenues amounted to -503 million euros, compared with +43 million euros in the second quarter of 2011. The main item in the second quarter was an impairment charge of 427 million euros on the Intesa Sanpaolo shares.

It is worth noting that the second quarter of 2011 incorporated high revenues from financial management due to the sharp rise in the return on inflation-indexed assets.

Furthermore, operating expenses fell by 15.4% year-on-year in the second quarter of 2012.

## CRÉDIT AGRICOLE GROUP CONSOLIDATED RESULTS

<i>(in millions of euros)</i>	Q2-12	Change Q2/Q2	H1-12	Change H1/H1
<b>Revenues</b>	<b>8,398</b>	<b>(8.1%)</b>	<b>17,492</b>	<b>(3.5%)</b>
Operating expenses	(5,319)	+0.0%	(10,545)	(0.0%)
<b>Gross operating income</b>	<b>3,079</b>	<b>(19.5%)</b>	<b>6,947</b>	<b>(8.2%)</b>
Cost of risk	(1,394)	(12.4%)	(3,504)	+25.5%
<b>Operating income</b>	<b>1,685</b>	<b>(24.5%)</b>	<b>3,443</b>	<b>(28.0%)</b>
Equity affiliates	74	+12.4%	137	+5.3%
Net income on other assets	44	nm	40	nm
Change in value of goodwill	(6)	(98.4%)	(6)	(98.4%)
<b>Income before tax</b>	<b>1,797</b>	<b>(6.0%)</b>	<b>3,614</b>	<b>(20.2%)</b>
Tax	(880)	(9.1%)	(1,881)	(3.0%)
Net gain on discontinued operations	2	(87.1%)	4	(69.2%)
<b>Net income</b>	<b>919</b>	<b>(4.4%)</b>	<b>1,737</b>	<b>(33.2%)</b>
<b>Net income Group share</b>	<b>863</b>	<b>(2.1%)</b>	<b>1,667</b>	<b>(30.8%)</b>

In the second quarter, the Group enhanced its financial strength, with a Core Tier 1 (Basel 2.5) ratio of 11.3%, or 110 basis points higher than at the end of 2011.

The Group's loans outstanding rose by 3.9% year-on-year to 805.6 billion euros, due mainly to the 2.4% growth in lending over twelve months in French retail banking alone. In terms of funding sources, the Group's on-balance sheet customer deposits were up by 9.9% year-on-year, rising by over 61 billion euros to 678.1 billion euros. The Regional Banks and LCL boosted their on-balance sheet deposits by 7.7% over the same period.

Crédit Agricole Group's revenues fell by 8.1% year-on-year to 8,398 million euros in the second quarter of 2012. Over this period, despite the sluggish business climate, French retail banking remained strong, with a 1.3% increase in revenues.

Expenses were controlled and remained stable.

The cost of risk, which includes -377 million euros in cost of risk for Emporiki, declined by 12.4%. Excluding the impact of the support plan to Greece, the cost of risk to loans outstanding represented 61 basis points in the second quarter of 2012, compared with 63 basis points in the second quarter of 2011.

In all, net income Group share was 863 million euros in the second quarter of 2012, relatively stable by comparison with the second quarter of 2011.

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Crédit Agricole S.A.'s financial information for the second quarter of 2012 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 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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Disclaimer

Review procedures have been conducted by the statutory auditors on the half-year consolidated summarised accounts. The statutory auditors' review report is being issued.

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 presented have been prepared in accordance with IAS 34.