



Press release

Crédit Agricole S.A. draws conclusions from the deteriorated economic condition in Greece during the 2nd quarter 2011

The Group welcomes the European support plan and will participate in it

Paris, France – 28th July 2011 – Crédit Agricole S.A. welcomes the statement made by the heads of state and government of the euro area relating to the new support plan to Greece which demonstrates the European authorities' commitment to overcome the country's debt crisis. As far as it is concerned, the Crédit Agricole S.A. Group will participate in the proposed plan.

This agreement will support the local economy, which remains severely impacted, as evidenced by Emporiki Bank's activity for the second quarter 2011. In particular, June 2011 was affected by the following:

- Emporiki Bank's Net Banking Income suffered from a slowdown of its operations as well as an increase in the cost of funding related to the growing competition to attract deposits within the Greek banking system;
- An increase in its cost of risk, which is mainly related to the old loan portfolio. It is expected to be reduced in 2011 compared to 2010, however remaining at a higher level than expected until recently.

In addition, the participation of Emporiki Bank to the support plan to Greece results in an estimated €71 million impairment of its Greek government bond portfolio.

These elements are expected to lead Emporiki Bank to greater losses than those expected for the 2nd quarter 2011. Emporiki Bank financial statements will be submitted to its Board of Directors on 29 July 2011 with the following estimated figures:

- For its individual accounts: Net Banking Income (€169 million)⁽¹⁾, Expenses (€121 million)⁽²⁾, Cost of Risk (€342 million)⁽³⁾.
- For its consolidated accounts: Net Banking Income (€181 million)⁽¹⁾, Expenses (€132 million)⁽²⁾, Cost of Risk (€349 million)⁽³⁾.

Emporiki Bank will propose to its Board of Directors to depreciate €148 million out of the €278 million deferred tax assets registered in its balance sheet.

As a consequence, the net result for the 2nd quarter should show a loss of approximately €451 million after tax and non-controlling interest (4) in Emporiki Bank's consolidated accounts and approximately €444 million in its individual accounts.

In accordance with its conduct since the beginning of the year, Emporiki Bank will continue to seek new sources of liquidity locally, through deposits, thus reducing its refinancing from Crédit Agricole S.A. This refinancing has decreased by about €1 billion as of today compared to the end of March 2011. In this context, Crédit Agricole S.A. will continue participating in the refinancing needs of its Greek subsidiary.

The current and expected situation for the coming quarters makes reaching Emporiki Bank's goal for breakeven of its financial results by the end of 2012 more difficult. In any case Emporiki Bank will continue to implement its restructuring plan, which will keep bearing results, adjusting it whenever necessary to the economic environment, in order to return to breakeven as soon as possible.

Impact of Emporiki Bank's situation and of the European support plan on Crédit Agricole SA Group

Given the present situation, Crédit Agricole S.A. decides to book a depreciation for the remaining balance of the goodwill on Emporiki Bank *i.e.* €359 million in its 2nd quarter 2011 financial statements.

At Crédit Agricole S.A. Group level, the support plan to Greece, including the impairment registered within Emporiki Bank's financial statements, should have an impact of approximately €150 million. The details will be communicated on 25 August 2011 at the time of the publication of the results of Crédit Agricole S.A. for the 1st half 2011.

The loss expected in Emporiki Bank's financial statements as well as the depreciation of the goodwill and the participation to the support plan to Greece will have a negative impact on the net consolidated results of Crédit Agricole SA for the 2nd quarter 2011 which should not exceed €850 million. Crédit Agricole S.A.'s net result group share will remain positive for the 2nd quarter 2011.

(1) Corresponds to net operating income in Emporiki Bank's financial statements.

(2) Corresponds to the total operating expenses excluding impairment losses on loans and advances and excluding other provisions in Emporiki Bank's financial statements.

(3) Corresponds to impairment losses on loans and advances and other provisions in Emporiki Bank's financial statements and includes the Greek government bonds impairment.

(4) Approx. €299 million loss before tax and before non-controlling interest in the consolidated accounts, and approx. €293 million in the individual accounts.

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