

Press release

Credit Agricole S.A. presents Calyon's new strategic plan 2008-2010

Corporate & investment bank to focus on core activities and expertise – role within Credit Agricole group confirmed

Paris, 10 September 2008 - As announced at the time of the capital increase and reiterated at the Group's first-half results presentation on 28 August 2008, Crédit Agricole S.A. today presented Calyon's, its corporate and investment banking subsidiary, new strategic plan for the period 2008-2010. Going forward, Calyon will focus exclusively on core activities and business lines where it has recognised expertise. On 9 September 2008 the plan was presented to, and approved unanimously by, the boards of directors of Calyon and Crédit Agricole S.A.

Following the Board meeting, René Carron, chairman of Crédit Agricole S.A., commented: *"Calyon plays a key role in the group's development. The plan presented today is an integral part of Credit Agricole's overall strategy, which focuses on the development of our traditional business lines. We are confident this new plan will ensure that Calyon is well positioned to take advantage of the changing corporate and investment banking environment, once the current crisis is over".*

The Crédit Agricole Group has learnt from the financial market crisis and taken quick and decisive action. It reconfirms Calyon's role within the Group. Calyon will focus on its historic strengths; international presence spanning nearly 60 countries, a solid customer base of around 3,800 corporate and institutional clients and recognised expertise in the areas of structured finance, brokerage and fixed income activities, and continue its development in these areas.

By 2010, the objective of the plan is to ensure recurring net income of €1 billion, a cost-income ratio of 60 per cent and ROE of 14-16 per cent on the basis of normalised risk-related costs.

The strategy in place is based on:

- **Confirmation of Calyon's role within the Crédit Agricole Group:**
There will be increased focus on cross-selling. In addition to its own target client base, Calyon will meet the requirements of clients of other Crédit Agricole Group companies in France and abroad by offering specific products and services. It will also share production resources with other parts of the Group. Also, Calyon's international network constitutes a platform for international expansion for the Group's other business lines.
- **Focus Calyon's business model on its historic strengths: structured finance, brokerage and fixed income:**
These three core business lines - in which Calyon has critical mass and is recognised for its expertise - will be developed based on three main axes: systematic cross-selling, improving productivity through

industrialisation and enhancing the range of value-added products and services on offer by pooling expertise.

This reengineering is accompanied by a new, more customer-focused organisational structure implemented in July, centred around three business lines (structured finance, equities including brokerage and equity derivatives, and fixed income) and a unified global client coverage.

Patrick Valroff, chief executive officer of Calyon, said about this new organisational structure: *"The new Calyon will be the bank for the Crédit Agricole Group's large corporate and institutional clients. Our fundamental concern will be serving our clients".*

- **Exit from capital market activities that are incompatible with the targeted risk profile:** consequently, structured credit and derivatives activities resulting in accumulated risks that may be difficult to cover during periods of instability are being discontinued.
- **Strengthened risk management:**
The risk management department and support functions will benefit from enhanced resources and will benefit from investments of €100 million in 2008 and a further €100 million in 2009. In parallel, a review of risk limits, monitoring and more stringent risk controls are being implemented to allow for closer supervision of market positions.
- **Aggressive cost-cutting programme:**
A cost-cutting plan is being implemented with the objective of achieving savings of €300 million by the end of 2009. Lowering the breakeven point will be achieved as a result of the combined effect of withdrawing from certain activities, a simpler organisational structure, tighter control of running costs, a complete review of variable remuneration models and headcount restrictions. As a result of these measures, Calyon expects to cut about 500 positions split equally between French and international operations. In France these will be based on voluntary redundancies and internal mobility. This project has been subject to a first presentation to the French works council in order to start the consultation process. International job cuts will be implemented by the end of 2008 and will be handled according to local legislation.
- **A long-established international network**
Calyon has a presence in 58 countries, either through regional centres or local office, depending on the activity. Calyon thus benefits from a solid and diversified commercial platform and numerous development opportunities. In addition this network allows the other group entities access to a first rate international network.

Commenting on the plan, Georges Pauget, chief executive officer of Crédit Agricole S.A. and chairman of Calyon, noted: *"Like the majority of corporate and investment banks, Calyon has been severely affected by the current financial market crisis. In this climate, rapid and significant action is required. We have decided to focus Calyon on its core areas of expertise, structured finance, brokerage including equity derivatives and fixed income. Its development is fully in line with Crédit Agricole S.A. Group's strategy".*

About Calyon

Calyon is the Crédit Agricole Group's corporate and investment banking subsidiary. Credit Agricole Group is ranked No. 7 worldwide, No. 3 in Europe and No. 1 in France in terms of Tier One capital.

With more than 13,000 employees in 58 countries, Calyon offers its clients a full range of products and services spanning capital market activities, brokerage, investment banking, structured finance, commercial banking and international private banking.

Its business lines are:

- **Coverage and Investment Banking** comprises the coverage and development of corporate clients and financial institutions in France and abroad and combines structuring and execution teams in M&A, Equity Capital Markets, Corporate Equity Derivatives and Loan Syndication. A dedicated team responds to clients' specific needs in Islamic finance.
- The **Equity Brokerage and Derivatives** division comprises equity brokerage activities structured around two top-ranking subsidiaries, **Crédit Agricole Cheuvreux in Europe** and **CLSA** in Asia, plus **Calyon Securities (USA) Inc.** in the United States.
Calyon is also involved in the trading, sale and arbitrage of equity derivatives, index derivatives, simple and hybrid structured products, warrants, certificates and fund-indexed products. Lastly, **Crédit Agricole Structured Asset Management** (CASAM), a joint venture equally owned by Crédit Agricole Asset Management and Calyon, is Crédit Agricole's centre of expertise in exchange-traded funds (ETFs).
- The **Fixed Income Markets** division covers all activities concerning the trading and sale of market products via a network of 30 trading floors, including five liquidity centres in London, Paris, New York, Tokyo and Hong Kong. Its sales teams specialise in five main areas: **treasury, forex, commodities, interest rate derivatives, debt and credit markets.**
- The **Structured Finance** division, chiefly a credit and advisory business line, consists of about 800 professionals covering eight areas: aircraft and rail finance, ship finance, natural resources, infrastructure and power, real estate, hotels, leisure, export and trade finance, acquisition finance, transactional commodity finance and structured finance advisory. **Calyon is one of the world market leaders in each of these activities.**

Press contacts

CALYON

Bertrand Hugonet – T. +33 (0)1 41 89 30 44

E-mail : bertrand.hugonet@calyon.com

Anne Robert – T. +33 (0)1 41 89 03 77

E-mail : anne.robert@calyon.com

CREDIT AGRICOLE S.A.

Anne-Sophie Gentil - T. + 33 (0)1 43 23 37 51

E-mail : anne-sophie.gentil@credit-agricole-sa.fr

Stéphanie Ozenne -T. + 33 (0)1 43 23 59 44

E-mail : stephanie.ozenne@credit-agricole-sa.fr

M: Communication

Louise Tingström T. +44 (0) 789 906 6995