



CRÉDIT AGRICOLE S.A.

Combined General Shareholders' Meeting

Opening remarks

Having welcomed shareholders and thanked them for their confidence and involvement, as reflected in the high level of attendance for this, the 3rd Annual General Meeting since the market listing of Crédit Agricole S.A., René Carron, Chairman of Crédit Agricole S.A., announced that shareholders attending or represented owned more than one-third of capital for the Annual General Meeting and more than one quarter for the Extraordinary General Meeting. The Meeting was therefore properly constituted to vote on the resolutions before it.

Chairman's address

I. Development of a powerful and ambitious group gathers pace

René Carron reviewed the significant acceleration in the development of Crédit Agricole S.A. with reference to three key moments: 16 December 2002, one year after the group's shares were introduced onto the market, 14 December 2001, when the proposed tie-up with Crédit Lyonnais was announced, and 16 July 2003, when Crédit Agricole S.A.'s stake in Crédit Lyonnais reached 92.5%. Having had time to reflect since 4 August 2003, the date on which the acquisition of Crédit Lyonnais shares was completed, Mr Carron drew three main lessons from the success of the deal.

Firstly, he stressed that Crédit Agricole S.A.'s proposal had succeeded because it had been a friendly bid. Although this was known from the outset, it had been borne out by the facts. In Mr Carron's opinion, a hostile bid would not only have been highly risky but above all would have run counter to the spirit of Crédit Agricole's plan to build a powerful new group.

Secondly, the project was a success because it was ambitious. Its scale, its ambition and the high stakes involved took it beyond the realm of individual destinies whilst at the same time requiring the full commitment of all those involved. Lastly, Mr Carron predicted that the group would continue to enjoy success, as all the necessary conditions are in place. In addition to the involvement of staff and the invaluable support of shareholders, Crédit Agricole S.A. boasts a strong and united management team, under the leadership of Jean Laurent, its Managing Director.

Most importantly the forging of closer links is under way, and already significant progress has been made. René Carron praised all members of staff and the management teams involved for the scale and quality of the work already carried out.

Yet, Mr Carron observed, the group's recent past has not always run smoothly, and there has been no shortage of obstacles. He reviewed the Executive Life affair, the scale of which had been assessed by Crédit Agricole prior to the merger, but the final impact of which – including the diplomatic stand-off between France and the USA – could not have been foreseen. Mr Carron stressed the importance of seeking a settlement in order to avoid a legal case against the French parties. This aim has not been fully achieved. Even so, Mr Carron stressed that he saw the agreement reached as a good solution for Crédit Lyonnais and the other parties involved. Although the fines levied are heavy, the \$100m awarded in civil damages has been taken from general provisions held on Crédit Lyonnais' balance sheet and will thus have no impact on profits at either Crédit Lyonnais or Crédit Agricole SA.

II. Governance

Observing that governance has become a major issue, Mr Carron stressed the importance of establishing a model of governance for an organisation that reflects its values, culture and strategic ambition. With this in mind, the principle of decentralisation means that each company in the group is a separate decision-making centre, with its own Board of Directors. Similarly, for some time now entities within Crédit Agricole S.A. have drawn a distinction between strategic direction, decision making and supervisory roles – which are taken by the Chairman and the Board – and executive responsibilities, which lie with the management team. Mr Carron also observed that the method of election of the Chairmen of the Regional Banks and the nature of their relationships with Crédit Agricole S.A. eliminates conflicts of interest in the governance of the group.

The Board of Crédit Agricole S.A. had a very busy year in 2003, meeting 15 times, including 8 exceptional meetings. The commitment of the directors was reflected in the figures for these meetings, with an average attendance rate of 84%, or 92% for the meetings originally planned. The same was true of Board Committees.

III. Mutuality and the market

Mutuality also enhances governance, in the view of Mr Carron, who reminded the meeting that mutuality was not a fixed doctrine, but rather a philosophy of flexibility and action, a philosophy of balance. Mutuality is expressed primarily through proximity: although Crédit Agricole S.A. has become a major international group, represented in more than 60 countries, it remains France's leading local banking network, its most dense and the one best represented in rural areas.

Mutuality also means stability, both in terms of strategic choices and in the Group's relationships with its partners. The make-up of Crédit Agricole S.A.'s shareholder base, around a clearly identified majority shareholder, protects the Group from any hostile takeover bid.

Whilst this means that individual investors may miss out on a speculative premium, it also shows their confidence in the Group's ability to generate real and lasting value. The strong shareholder base provides

the best possible protection against market turbulence, thus amplifying another benefit of mutuality: its ability to back ambition for the long term, despite a business climate which all too often pays more attention to superficial, short-term phenomena.

In conclusion René Carron set out the three principles that will continue to guide the Group:

- Responsibility, by virtue of which the Group's actions are for the long term;
- Performance;
- Usefulness, both for shareholders, staff, and the country as a whole.

Mr Carron used these terms to underpin the contract of confidence that Crédit Agricole S.A. wishes to establish with its shareholders.

Crédit Agricole S.A.: 2003 performance and 2004 prospects

Noting that 2003 was a year of significant change for the Group during which it acquired Crédit Lyonnais and took control of Finaref, Gilles de Margerie, the Chief Financial Officer of Groupe Crédit Agricole S.A., reported that net income group share, before goodwill amortisation and integration related costs, was EUR 2.4 billion, an increase of 28.5%. Net income group share after goodwill and integration-related costs was EUR 1.14 billion. Return on equity over the year was 10.6%. Net Banking Income, excluding Finaref, rose 4.1% on 2002, to EUR 12.13 billion.

An analysis by business line showed that all areas enjoyed a highly satisfactory year:

- The Regional Banks benefited from a strong sales performance, whilst the cost of risk remained under tight control.
- Crédit Lyonnais' personal and professional banking saw strong lending growth in both areas.
- In specialised financial services, business was driven by demand from individuals and partners, against a background of a controlled rise in costs and the cost of risk.
- In asset management, funds under management rose 10.6% on 2002, to EUR 380 billion. The insurance business also saw a 10.6% increase in volumes.
- Corporate and investment banking also enjoyed strong growth in 2003, with Gross Operating Income (GOI) up 30.7% over the year.
- The contribution from international retail banking recovered in 2003, moving back into positive territory (EUR 115 million).

The 1st quarter of 2004 (consolidated accounts to 31 March 2004) saw very strong growth on 2003, with net income group share after goodwill and integration-related costs rising 68.1% to EUR 506 million. All Group business lines contributed to this strong performance.

Lastly, the tie-up between Crédit Agricole and Crédit Lyonnais is continuing and is meeting the schedule set for mergers and links between entities. The target of EUR 760 million in synergies by 2006 has been confirmed.

Auditor's Report

Valérie Meeus, representing Barbier, Frinault et autres/Ernst & Young, certified that the Group's consolidated annual financial statements were, with regard to French law and regulations, a fair and accurate representation of the Group's assets, financial situation and annual consolidated profits.

Managing Director's Remarks

I. Earnings growth in 2003

Jean Laurent, Managing Director of Crédit Agricole S.A., reviewed the Group's performance in 2003, which was typified by strong showings in all business lines, the main details of which are set out above. Mr Laurent stressed that this robust performance came without breaking with the prudent policies "which are one of the Group's trademarks". In the light of these figures, the Board of Directors proposed to the AGM that a dividend of EUR 0.55 per share should be paid. This would give a payout rate of 70%. This exceptionally high level is an expression of the Board's recognition of the loyalty and support of their shareholders.

Mr Laurent noted that this dividend comes alongside a good performance by Crédit Agricole S.A. shares. The liquidity of the shares has been enhanced by the increase in the free float and in the number of shares in issue, following the share exchange tender for Crédit Lyonnais and by the capital increase carried out at the end of 2003. Moreover, the shares have consistently outperformed the CAC 40 since the IPO in late 2001. In more general terms, Mr Laurent observed that with 1.8 million shareholders, Crédit Agricole S.A. remains one of the leading CAC 40 companies, and stressed that he was aware of the responsibilities that this entails. This is why various channels of regular communication with shareholders have been established: the Shareholders' Newsletter, a free-phone number with an interactive voice server, a website, information meetings, the Shareholder Liaison Committee and so on.

II. The birth of a new leader

Jean Laurent stressed that the tie-up with Crédit Lyonnais is making rapid progress. Its structure is built on a number of factors:

- Two retail banks, operating independently, with different structures and distinct brands;
- A single corporate bank, in the form of a dedicated subsidiary Calyon;
- Major business line subsidiaries, created from the merger of Crédit Agricole S.A. and Crédit Lyonnais;

- Reorganised and strengthened central services, to ensure effective control and management of the Group.

Mr Laurent highlighted the impressive achievements of the past year. Having prepared the ground, notably through the creation of 250 working parties, the new Group is now in the implementation phase, based on a clear, realistic and fully respected schedule. At the end of March, Sofinco and Finalion were merged, and the new company is already operational. In early May a key stage was reached with the transfer to Crédit Agricole Indosuez of the Corporate and Investment Banking activities of Crédit Lyonnais, creating Calyon, which will be responsible for the Group's work with major clients in France and abroad.

Before this summer, mergers will be completed in asset management, life assurance, leasing and securities services, backed by the definitive implementation of central services. During the second half it will be the turn of international private banking. The physical regrouping of all the various teams is also progressing rapidly.

III. Future prospects

Looking ahead Mr Laurent highlighted the need to optimise some of the Group's businesses. As part of this process, private banking businesses in the UK and Italy had been sold, as had CLSE (Crédit Lyonnais Securities Europe). Conversely, a consumer credit company has recently been acquired in Denmark to complete the Group's coverage of northern Europe.

In more general terms, the Regional Banks are in the process of defining their growth plans, which will be discussed at their autumn congresses, whilst the new Crédit Lyonnais is going through a similar process in a bid to enhance its commercial growth and economic effectiveness. By the end of the year, the main directions and prospects for all business lines will have been defined. A powerful period of change is therefore under way, driven by reorganisation, new development, organic growth and acquisitions. This reflects the need for short-term performance within the framework of the Group's long-term ambitions.

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