

# 2010 Annual report

## Eurofactor



# CRÉDIT AGRICOLE GROUP PROFILE

The Crédit Agricole Group is market leader in full-service retail banking in France and one of the largest banks in Europe.

With operations in 70 countries, the Crédit Agricole Group is a leading partner in supporting clients with their projects in all areas of retail banking and associated specialised business lines: day-to-day banking, savings, home and consumer loans, insurance, private banking, asset management, leasing and factoring, and corporate and investment banking.

On the strength of its cooperative and mutualist foundations, the Crédit Agricole Group's expansion is underpinned by balanced growth serving the real economy and respecting the interests of its 54 million customers, 1.2 million shareholders, 6.1 million cooperative shareholders and of its 160,000 employees.

Crédit Agricole is included in the three main sustainable development indices: Aspi Eurozone since 2004, FTSE4Good since 2005 and the DJSI since 2008 (Europe and worldwide). It is ranked the eighth most sustainable corporation in the world and No. 1 in France in the 2011 Global 100 List.

[www.credit-agricole.com](http://www.credit-agricole.com)

**€3.6 billion**

NET INCOME - GROUP SHARE

**€71.5 billion**

SHAREHOLDERS' EQUITY - GROUP SHARE

**10.3%**

TIER ONE RATIO

## The Group's organisation

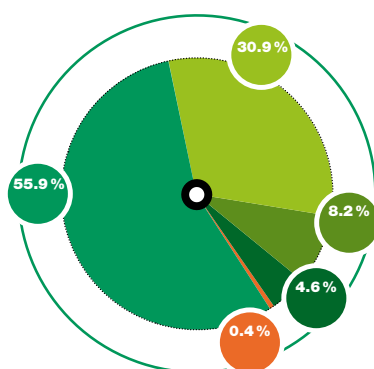


**6.1 million cooperative shareholders** form the basis of Crédit Agricole's cooperative organisational structure. They own the capital of the **2,533 Regional Banks** in the form of shares and select their representatives each year. A total of **32,496 directors** convey their expectations within the Group.

The local banks own the majority of **the Regional Banks' share capital**. The 39 Regional Banks are cooperative regional banks that offer their customers a comprehensive range of products and services. The discussion body for the Regional Banks is the **Fédération Nationale du Crédit Agricole**, where the Group's main directions are decided.

# 55.9 %

OF CRÉDIT AGRICOLE S.A.'S SHARE CAPITAL  
VIA HOLDING COMPANY SAS RUE LA BOÉTIE.



# 43.7 %

OF CRÉDIT AGRICOLE S.A. SHARE CAPITAL

- Institutional investors: 30.9%
- Individual shareholders: 8.2%
- Employees via employee mutual funds: 4.6%

# 0.4 %

TREASURY SHARES



Listed since December 2001, Crédit Agricole S.A. ensures the cohesion of the strategic development and the Group's financial unity. Crédit Agricole S.A. manages and consolidates its subsidiaries in France and abroad.

### Retail banking

#### In France

- 25% of the Regional Banks (excl. the Regional Bank of Corsica)
- LCL

#### International retail banking

- Cariparma FriulAdria group
- Emporiki
- Crédit du Maroc
- Crédit Agricole Egypt
- Lukas Bank

### Specialised business lines

#### Specialised financial services

- Consumer finance
- Lease finance
- Factoring

#### Savings management

- Asset management
- Insurance
- Private banking

### Corporate and investment banking

- Coverage and Investment Banking
- Equity Brokerage and Derivatives
- Fixed Income Markets
- Structured Finance

### Specialised subsidiaries

Crédit Agricole Immobilier, Crédit Agricole Private Equity, Idia-Sodica, Uni-Editions.

Eurofactor,  
**financing** daily and  
development projects,  
**for our clients and  
our partners.**

Eurofactor is a subsidiary of Crédit Agricole Leasing & Factoring, an expert in Factoring.

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# CRÉDIT AGRICOLE LEASING & FACTORING PROFILE

RANKED 1<sup>ST</sup>  
IN LEASING AND  
FACTORING IN FRANCE



## EXPERTS AT THE SERVICE OF ECONOMIC PLAYERS







Present in 12 countries, Crédit Agricole Leasing & Factoring is there to help economic players on their daily management and their development and investment plans for the long-term.

A subsidiary of the Crédit Agricole Group, born of the alliance of Crédit Agricole Leasing and Eurofactor in March 2010, Crédit Agricole Leasing & Factoring is number 1 in leasing and factoring in France and is a leader in Europe.

## A diversified clientele across all sectors

- Businesses (small businesses, SME, corporate)
- Professionals
- Farmers
- Public Sector

## Dedicated brands for various distribution channels

	Leasing	Factoring
Crédit Agricole Regional Banks		
LCL		
Direct Sales and Partners		



Key figures  
as of December 31, 2010

34  
LOCATIONS  
IN FRANCE

12  
COUNTRIES

3,100  
EMPLOYEES

160,000  
CUSTOMERS IN FRANCE

# 2010 KEY FIGURES

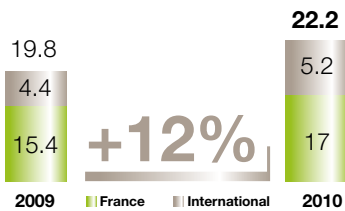


**Outstanding**  
as of December 31, 2010

**€22.2B**

IN AVERAGE  
OUTSTANDING  
FINANCED

24% from abroad



## 2010 Financial Results

**€568M**

IN NET  
BANKING  
INCOME

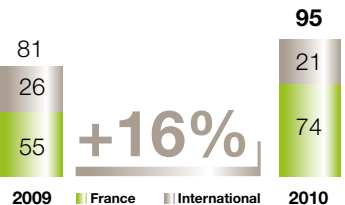
Almost 30% from abroad



**€95M**

IN NET  
INCOME  
GROUPE  
SHARE

22% from abroad



## 2010 Commercial Results-France

**n°1**  
IN LEASING

**€5.1B**  
IN LEASING  
PRODUCTION  
**+5%**

**n°1**  
IN FACTORING

**€35.5B**  
IN ASSIGNED  
TURNOVER  
**+21.5%**

## 2010 Commercial Results-International

**n°1**  
IN LEASING  
IN POLAND

**n°6**  
IN LEASING  
IN EUROPE

&

**€1.6B** IN LEASING PRODUCTION  
ABROAD **+15%**

**n°4**  
IN FACTORING  
IN GERMANY

**n°5**  
IN FACTORING  
IN EUROPE

&

**€22.3B** IN ASSIGNED TURNOVER  
ABROAD **+46%**

# GOVERNANCE

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## EUROFACTOR BOARD OF DIRECTORS

**Michel Michaut**, Chairman of the Board of Directors, President of the Crédit Agricole Champagne-Bourgogne Regional Bank, Member of the Board of Directors of Crédit Agricole S.A.

**Bertrand Chevallier**, Interim Chief Executive Officer\* of Crédit Agricole Leasing & Factoring

**Laurent Darmon**, Director, Head of Commitment of Eurofactor

**Samuel Frugier**, Director, Head of Commercial Bank, Business and Commercial Trade Flow of LCL

**Hervé Leroux**, Director, Head of Corporate and Local Authorities of Crédit Agricole S.A.

**Stéphanie Pellet**, Director, Area Manager, International Division of Crédit Agricole Leasing & Factoring

**François Rauch**, Director, General Secretary of Crédit Agricole Leasing & Factoring

**Hervé Varillon**, Director, Head of Finance, IT and Organisation of Crédit Agricole Leasing & Factoring

\* as of 01/04/2011.

**Bertrand Chevallier**  
Interim Chief Executive  
Officer\*



**Bernard Muselet**  
Deputy Chief Executive  
Officer, Factoring  
in France



EXECUTIVE MANAGEMENT  
COMMITTEE OF CRÉDIT AGRICOLE  
LEASING & FACTORING



**Philippe Zamaron**  
Deputy Chief Executive  
Officer, International  
Development



**Hervé Varillon**  
Head of Finance,  
IT and Organisation



**François Rauch**  
General Secretary



**Dominique de Lastelle**  
Head of Human  
Resources\*\*

\* as of 01/04/2011. \*\* as of 01/02/2011.

# COMMERCIAL RESULTS

## FACTORING ACTIVITY FRANCE



**In factoring, Eurofactor, subsidiary of Crédit Agricole Leasing & Factoring offers a large range of products in France and abroad that meet the needs of companies, for credit management for daily and development projects.**

### **Assigned Turnover**

Eurofactor outperformed a French factoring market that grew by 19.4% with a 21.5% growth in 2010.

Assigned turnover had a double-digit increase in every segment (full factoring, management authority, Cré@nces Services\*, reverse factoring...) and reached a record volume of 35.5 billion euros in 2010. Eurofactor reinforced its position as number 1 in factoring in France with a 23.2% market share.

### **Outstanding**

Average factoring outstanding funded by CAL&F in France increased by 10% compared to 2009, to 2.5 billion euros.

### **Commercial Production**

The new commercial production at the end of December 2010 reached almost 7 billion euros and saw a 23% increase in contracts compared to 2009.

### **Cré@nces Services\***

Along with Crédit Agricole Regional Banks, Eurofactor, under the Crédit Agricole Factoring brand, offers Cré@nces Services, an exclusive offer that innovatively meets the needs of small businesses by arranging short-term financing. Cré@nces Services increased the number of contracts by 30% in 2010.

### **Reverse Factoring**

Besides factoring and invoice discounting, Eurofactor offers reverse factoring (supplier financing), a service that was particularly attractive in 2010 to clients making large orders and to their suppliers.

### **Credit Management**

With its subsidiaries New Theo and Clientys, Eurofactor is present in all aspects of credit management, particularly with its offer of recovery for a third party account. This allows clients to manage confidentially the recovery to reduce delays of customers payments without having to establish the expertise internally.

Eurofactor S.A. acquired a complementary interest in its subsidiary Clientys, 99.96% of whose capital it owns as of 31/12/2010.

### **Small businesses Partnership**

In 2010 Eurofactor signed a partnership with OSEO, a public company that supports the innovation and growth of small and medium businesses. The partnership is to promote the creation and development of small businesses (less than 10 employees), enabling the financing of their invoices up to 100,000 euros and complete account receivables management. Numerous contracts were signed in 2010.

\* offer designed for small businesses and provided by Crédit Agricole Regional Banks.

# INTERNATIONAL DEVELOPMENT EUROFACTOR 2010



**Eurofactor is the first integrated factoring network in Europe thanks to its subsidiaries in 7 countries (Germany, Benelux, Spain, Italy, Portugal, the UK and Tunisia) and occupies leading positions.**

Following 2009, a year of mixed performance in which markets in the countries where Eurofactor has operations fell by 8%, there was a rebound in 2010, particularly in Germany (+35%) and in Italy (+15%).

In an Italian market showing 15% growth in 2010, Crédit Agricole Commercial Finance Italia showed strong progress at the beginning of 2011, moving from 19<sup>th</sup> to 13<sup>th</sup> place.

In Germany, Eurofactor AG has seen an increase of 0.2 million euros in outstanding and 3.7 billion euros in assigned turnover, i.e., a 43% increase.

Internationally, average outstanding financed have gone up by 0.5 billion euros (+48%) compared with 2009 to 1.4 billion euros, with a 46% growth in assigned turnover to 22.3 billion euros.

Eurofactor has strengthened its positions abroad with the majority of its subsidiaries achieving record performances.



## Key Figures

**n°5**

IN FACTORING  
IN EUROPE

Source: company data

**n°4**

IN FACTORING  
IN GERMANY

Source: Deutscher Factoring Verband 2010

\* minority shareholding.

# FINANCIAL RESULTS

## FINANCIAL RESULTS EUROFACTOR 2010



### PERFORMANCES THAT CONFIRM EUROFACTOR'S DYNAMISM AND STRENGTH.

At the end of December 2010, Eurofactor's net banking income grew by 10%, compared to 2009, to 219 million euros. This growth which is linked to average outstanding in France and abroad is impacted on the one hand by a negative effect linked to rate drops and on the other to New Theo's entry into the scope of consolidation with a positive impact of up to 6 million euros.

The 7% increase in operating expenses for 2010 is due primarily to the integration of the company New Theo in the scope of consolidation (about 7 million euros).

The cost of risk is at historically low levels both in France and abroad, and drops further by 30% in 2010.

Eurofactor's net income stands at 43.3 million euros, up by 7.5% compared to 2009, 19.2 million euros of which was generated abroad.

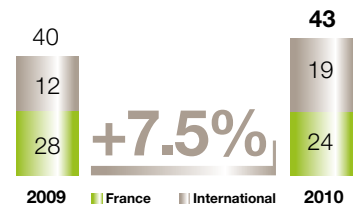
**€219M**

IN NET  
BANKING  
INCOME



**€43M**

IN  
NET  
INCOME



# EUROFACTOR PROFILE

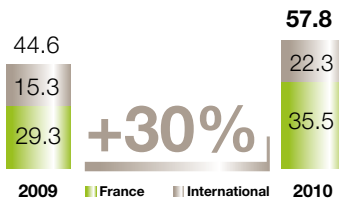
## KEY FIGURES EUROFACTOR 2010



**Assigned Turnover in France  
and abroad**

**€57.8B**

IN  
ASSIGNED  
TURNOVER



**n°1**  
IN FACTORING  
IN FRANCE

**23.2%**  
MARKET SHARE  
IN FRANCE

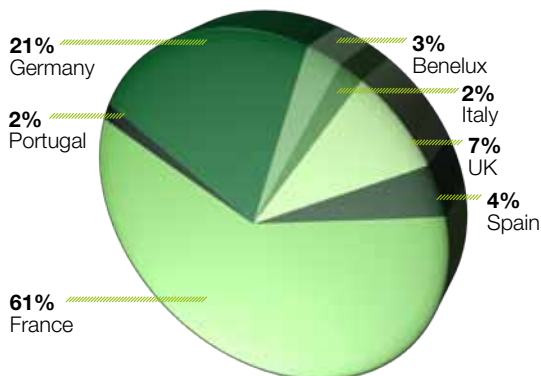
**8**  
COUNTRIES

**10,376**  
CUSTOMERS IN FRANCE

**n°5**  
IN FACTORING  
IN EUROPE  
Source: company data

**n°4**  
IN FACTORING  
IN GERMANY  
Source: Deutscher Factoring Verband 2010

### Breakdown of assigned turnover per country



[ TOTAL: €58B ]

### 2010 financial results in France and abroad

**€43M**  
IN NET INCOME  
(+7.5%)

**€219M**  
IN NET BANKING  
INCOME (+10%)

# CONSOLIDATED FINANCIAL STATEMENTS

## BALANCE SHEET ASSETS

### CONSOLIDATION

As of December 31, 2010, Eurofactor is made up of the following companies:

### Fully Integrated Companies

Eurofactor AG Germany - Eurofactor Hispania - Eurofactor Italia - Eurofactor Portugal - Eurofactor SA-NV Belgique - Eurofactor UK - Clientys - New Theo

### Equity-accounted companies

Tunisie Factoring

### BALANCE SHEET ASSETS (IN THOUSANDS OF EUROS)

	31/12/2010	31/12/2009
<b>Inter-bank and similar transactions</b>	<b>837,315</b>	<b>225,251</b>
■ Cash	6	7
■ Central Banks and public treasury	55,402	41,220
■ Client overdraft accounts	756,613	151,213
■ Advances and loans	24,007	30,662
■ Receivables from affiliated companies	1,287	2,149
<b>Customer transactions</b>	<b>8,583,796</b>	<b>6,885,021</b>
■ Factoring	8,558,061	6,857,294
■ Cash advances	25,735	27,727
<b>Fixed and variable-interest bonds, stocks and other securities</b>	<b>0</b>	<b>106</b>
<b>Equity investments and other long-term securities</b>	<b>227</b>	<b>3,726</b>
<b>Equity investment shares</b>	<b>3,090</b>	<b>2,796</b>
<b>Holdings in affiliated companies</b>	<b>0</b>	<b>0</b>
<b>Tangible fixed assets</b>	<b>4,695</b>	<b>5,493</b>
<b>Intangible fixed assets</b>	<b>7,057</b>	<b>3,412</b>
<b>Goodwill</b>	<b>0</b>	<b>2,601</b>
<b>Other assets</b>	<b>24,703</b>	<b>27,751</b>
<b>Accruals</b>	<b>10,892</b>	<b>5,723</b>
<b>Total assets</b>	<b>9,471,777</b>	<b>7,161,880</b>

## BALANCE SHEET LIABILITIES

### BALANCE SHEET LIABILITIES (IN THOUSANDS OF EUROS)

	31/12/2010	31/12/2009
<b>Inter-bank transactions and similar transactions</b>	<b>4,047,110</b>	<b>2,687,229</b>
■ Accounts payable	475,888	285,532
■ Advances and loans	3,566,768	2,399,383
■ Payables to affiliated companies	4,454	2,314
<b>Customer transactions</b>	<b>4,009,258</b>	<b>3,107,685</b>
■ Factoring	4,009,258	3,107,685
<b>Debts represented by a security</b>	<b>730,887</b>	<b>709,463</b>
■ Negotiable debt securities	623,500	619,000
■ Other negotiable debt instruments	106,497	90,142
■ Payables to affiliated companies	890	321
<b>Other sundry liabilities</b>	<b>32,407</b>	<b>30,683</b>
<b>Liabilities adjustment accounts</b>	<b>47,755</b>	<b>31,093</b>
<b>Goodwill</b>	<b>0</b>	<b>332</b>
<b>Provision for risks and charges</b>	<b>21,480</b>	<b>21,248</b>
<b>Subordinated debt</b>	<b>74,027</b>	<b>75,547</b>
<b>Reserve for general banking risks</b>	<b>26,115</b>	<b>26,115</b>
<b>Minority interests</b>	<b>- 280</b>	<b>278</b>
<b>Shareholder's equity Group Share</b>	<b>483,017</b>	<b>472,207</b>
■ Subscribed capital	110,607	110,607
■ Share premiums and merger premiums	280,982	280,982
■ Consolidated and other reserves	48,178	40,809
■ Annual result	43,250	39,809
<b>Total liabilities</b>	<b>9,471,777</b>	<b>7,161,880</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## PROFIT AND LOSS ACCOUNT

### PROFIT AND LOSS ACCOUNT (IN THOUSANDS OF EUROS)

	31/12/2010	31/12/2009
<b>Interest and similar income</b>	<b>105,552</b>	<b>118,063</b>
■ Interest and similar income from credit institutions transactions	16,574	17,558
■ Interest and similar income from customers transactions	88,978	100,504
■ Interest and similar income from bonds and other fixed-interest securities	0	1
■ Other interest and similar income	0	0
<b>Interest and similar charges</b>	<b>-31,119</b>	<b>-36,206</b>
■ Interest and similar charges on credit institutions transactions	-26,872	-28,920
■ Interest and similar expenses on customers transactions	0	0
■ Interest and similar expenses from bonds and fixed-income securities	-4,247	-7,286
■ Other interest and similar charges	0	0
<b>Income from variable-income securities</b>	<b>0</b>	<b>0</b>
<b>Commissions (income)</b>	<b>127,450</b>	<b>108,063</b>
<b>Commissions (expenses)</b>	<b>-14,538</b>	<b>-15,118</b>
<b>Profits or losses on trading book transactions</b>	<b>29</b>	<b>114</b>
■ Credit balance of investment securities transactions	0	0
■ Credit balance of foreign exchange transactions	29	114
■ Credit balance of transactions on financial instruments	0	0
<b>Profits or losses on investment portfolio transactions</b>	<b>0</b>	<b>0</b>
■ Net income from investment securities	0	0
<b>Other bank revenues</b>	<b>24,474</b>	<b>20,890</b>
■ Other bank revenues	24,474	20,890
<b>Other bank expenses</b>	<b>-2,475</b>	<b>-234</b>
■ Other bank expenses	-2,475	-234
<b>Net income from other business activity</b>	<b>9,250</b>	<b>3,765</b>
<b>Net banking income</b>	<b>218,623</b>	<b>199,337</b>

## PROFIT AND LOSS ACCOUNT (CONTINUED)

	31/12/2010	31/12/2009
<b>General operating expenses</b>	<b>-138,909</b>	<b>-129,835</b>
■ Payroll expenses	-79,264	-72,057
■ Other administrative expenses	-59,646	-57,778
<b>Amortisation and provision expenses on tangible and intangible assets</b>	<b>-2,976</b>	<b>-2,539</b>
<b>Gross operating income</b>	<b>76,737</b>	<b>66,963</b>
<b>Cost of risk</b>	<b>-5,814</b>	<b>-8,344</b>
<b>Operating income</b>	<b>70,923</b>	<b>58,619</b>
Share of net income of companies consolidated using the equity method	437	354
Profits or losses on fixed assets	228	-13
<b>Pre-tax operating result</b>	<b>71,588</b>	<b>58,960</b>
<b>Income tax</b>	<b>-22,983</b>	<b>-19,139</b>
<b>Goodwill amortisation</b>	<b>-5,806</b>	<b>7</b>
<b>Net income</b>	<b>42,799</b>	<b>39,828</b>
Minority interests	-451	19
<b>Net income – Group share</b>	<b>43,250</b>	<b>39,809</b>

# STATUTORY AUDITOR'S REPORT

## STATUTORY AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS



**Ladies and Gentlemen,**

**Pursuant to the task entrusted to us by your general shareholders meeting, we submit to you our report for the fiscal year ended 31 December 2010, on:**

- **the auditing of the consolidated financial statements of Eurofactor, which are attached to this report,**
- **the justification for our assessments,**
- **the Audits and specific information set forth by the law.**

**The consolidated financial statements have been approved by the Board of Directors. It is our role, based on our audit, to express an opinion on these accounts.**

### **Opinion on consolidated financial statements**

We have conducted our audit according to professional working standards applicable in France. These standards require that we implement due care to obtain reasonable assurance that the consolidated financial statements are free from material misstatements. An audit includes examining, on a test basis or using other selection methods, evidence supporting the amounts and information appearing in the consolidated accounts. It also includes assessing the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that the evidence we have gathered provides a sufficient, reasonable basis for our opinion.

We certify that the consolidated accounts, with regard to French accounting rules and principles, are consistent, sincere, and provide an accurate view of the property, financial situation and overall result constituted by the individuals and the entities that it is made up of.

Without calling into question the opinion expressed above, we would like to draw your attention to note 4.1 entitled "Change in accounting methods", which states the changes in accounting methods and presentation on the instruments and regulations that come into force from the 2010 financial year.



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## **Justification for our assessments**

In application of articles L. 823-9 of the commercial code that relate to the justification for our evaluation, we would like to bring to your attention the following elements:

### **Change in accounting rules and principles**

In our assessment of the accounting rules and principles used by your company, we checked the well-foundedness of the change in accounting method mentioned above and the way it was presented.

### **Provisioning of credit risks**

As stated in notes 4.2 entitled "Claims and debts" and 4.3 entitled "Depreciations" in the annex, Eurofactor builds up depreciations to cover credit risks inherent in its activities. In our assessment of the significant estimates made in the statement of accounts, we reviewed the process put in place by management to identify and evaluate risks of non-collection and their coverage by depreciations on individual and collective bases.

In making our assessments, we ensured that the estimates were reasonable.

The assessments thus made are in line with our procedure for auditing overall consolidated accounts, and thus informed our opinion as expressed in the first part of this report.

## **Specific information**

By law, we have also conducted specific information audits as they relate to the Group, provided in the management report.

We have not expressed an opinion on the truthfulness and their sincerity with the consolidated accounts.

*Courbevoie and Neuilly-sur-Seine, 27 April 2011*

ERNST & YOUNG ET AUTRES

41, rue Ybry

92576 Neuilly-sur-Seine Cedex

Simplified stock company

(Société par actions simplifiée)

with variable capital

Statutory Auditors, member,

Compagnie régionale des Commissaires

aux comptes de Versailles

MAZARS

61, rue Henri Regnault

92400 Courbevoie

Limited Company,

with a capital of 8.320.000 euros

Statutory Auditors, member,

Compagnie régionale des Commissaires

aux comptes de Versailles

Eurofactor  
Public Limited Company with a capital of 110,606,820 euros  
Headquarters: 1-3 rue du Passeur de Boulogne  
92130 Issy-les-Moulineaux - phone +33 (0)1 43 23 70 00  
333 871 259 RCS Nanterre

 **CRÉDIT AGRICOLE**  
LEASING & FACTORING  
Crédit Agricole Leasing & Factoring  
Public Limited Company with a capital of 195,257,220 euros  
Headquarters: 1-3 rue du Passeur de Boulogne  
92861 Issy-les-Moulineaux France Cedex 9 - phone +33 (0)1 43 23 70 00  
692 029 457 RCS Nanterre - n° Orias 07 030 220 ([www.orias.fr](http://www.orias.fr))  
[www.ca-leasingfactoring.com](http://www.ca-leasingfactoring.com)