



European Employee Council of the Groupe Credit Agricole

EDITORIAL

Dear Colleagues,

- The European Employee Council works to ensure that the Group's Senior Management Team duly take into consideration the future prospects of all of the employees who, throughout Europe, remain committed to advancing the goals of Crédit Agricole on a daily basis.
- The European Employee Council works in a spirit of dialogue and with a sense of responsibility so as to protect our enterprise, one of the largest and most important banks in the world.

Our group has finally emerged from the financial turmoil that could well have resulted in its break up.

However, the changes that we have gone through, (fragmentation of business models, new distribution channels and proliferation of financial counterparties) are again bringing about significant changes across the business lines, and could cause us to undergo further corporate restructuring.

The priority now is to draw up a core set of values that could be discussed by the Management of the Group and the International Trade Union Organisations in order to safeguard the rights and prerogatives of the employees of Crédit Agricole in Europe and across the world.

The European Employee Council of Crédit Agricole will be fully committed alongside the Trade Union Organisations with a view to helping to develop and to facilitate the wide adoption of a Global Agreement providing for a baseline set of rights for all.

Furthermore, in total alignment with that approach is the agreement between the European Employee Council and the Management team of the Group with regard to providing financial assistance and job search support for our colleagues in Hungary, Slovakia and the Czech Republic.

Finally, the EEC would like to express its absolute solidarity with our professional colleagues in Ukraine and particularly with the three hundred people living in the war affected regions.



For the European Employee Council

Secretary General,
Pascal FESQUET





→ “ A MTP which would appear to be **challenging to achieve !** ”

Medium Term Plan (MTP) 2014-2016

A mid - way point status report provided by the EEC

Financial Objectives : Achievements

With CA Group earnings totaling € 4.9 billion for 2014 in decline as compared to 2013, the target of € 6.5 billion as per the MTP would appear to be challenging to achieve.

The goal of reducing the cost of risk has been achieved 100% as at the end of the first year. With respect to the cost savings targets, the MTP is ahead with the achievement rate standing at 54% and 46% respectively, across the CA SA perimeter and across the Caisses Régionales / Regional Banks.

In contrast, it has been noted that as at the end of 2014 the achievement rate relating to the growth in income is lagging far behind (with Net Banking Income in Europe at 13% and increase in revenues from synergies at 22%). The Management team has not communicated any new information for the first half of 2015.

From the EEC's standpoint, achievement of the Group's targets and objectives must not rely primarily on the reduction of expenses related to employment.

Objectives Related to Synergies

The CA Group has set an initial target of € 850 million of additional synergy related revenues, of which 70% are to be derived from insurance products : Life Insurance, Health Insurance, General (Non - life) Insurance lines.

With the success rate standing at 22% as at the end of 2014, it has been noted that this goal, which seems to us to be too ambitious for the Group, would place our colleagues under an excessive level of commercial pressure.

However, with the drop in interest rates (resulting from action by the European Central Bank) in the first half of 2015, the CA Group has benefitted from an improvement in revenues over the principle business lines of CA SA (CACIB, Insurance and Amundi).

The Retail Banking sector – in France – is suffering from the continued decline in its margins.

Caisses Régionales / Regional Banks, LCL, International Retail Banking

The Caisses Régionales / Regional Banks are continuing with projects dedicated to digital banking and LCL (Le Crédit Lyonnais) is implementing its “Centricity” plan.

The challenges and issues mainly pertain to the distribution model and the modes of interaction between the physical and digital distribution channels.

The strategic plan relating to the multichannel retail banking division continues to be carried out within the Caisses Régionales /Regional Banks.

The relevant IT works that were launched in 2015 will have a more significant impact on the budgets of the various enterprises.

LCL has had to revise its objectives downwards in the context of its MTP which is drawn up over the period covering 2015 - 2018.

All of these constant and ongoing reorganisation initiatives of the Caisses Régionales / Regional Banks and LCL are serving to place the employees under considerable stress that is becoming increasingly hard to sustain.

In Poland, further transformation of the retail banking business is ongoing. It is to be noted that the ambitious goal of increasing revenues has been maintained despite the decline in margins.

The EEC supports the activities of Crédit Agricole in Romania.

The 2016 MTP Mid - Term Status Update : a situation that appears favourable in Italy

Le Groupe Cariparma has over the first half of the year, largely succeeded in meeting the majority of the targets and objectives of the MTP.

The Management of Crédit Agricole has deemed the growth in Net Banking Income to be satisfactory in Italy resulting from the development of synergies between the various different entities : Groupe Cariparma, Agos Ducato, Insurance, Asset Management.

However, the employees have been required to put in a very considerable degree of effort.

The objective of achieving a reduction by half in the cost of risk for the Cariparma group, seems a difficult goal to attain.

In addition, very good financial results for the partnership between FIAT and Crédit Agricole (FCA Bank) have been announced.

Corporate and Investment Banking : a sustained business activity

After the refocusing of CACIB, the MTP does not offer any significant growth and development objectives but seeks savings in costs that have not yet been communicated to date.

However, the strong growth figures with respect to NBI are higher than had been expected. They have come about mainly due to the opportune movements in markets in the 1st half of 2015.

The use of equity capital proved to be at a higher level than had been expected. CACIB appears to be on a more favourable trajectory after having implemented a restructuring plan that was costly in terms of jobs.

CACEIS has had to withstand the adverse effect on its margins caused by the drop in interest rates which however masks the significant commercial growth of assets in custody / under management and an expansion in Europe (Italy, Switzerland and United Kingdom).

Online Development with respect to Amundi, Private Banking and Insurance Divisions

With regard to Amundi, the growth and development of the business activity (excluding the effects of the market and exchange rates) has also made it possible to close in on the objective of the 2016 MTP of € 1000 billion in assets under management.

With regard to the Private Banking division, development is being brought about at a pace which is close to that of Amundi, with the management of assets being of paramount importance to this business line.

With regard to the Insurance Services division, the development and growth in cross - selling amongst Predica, Pacifica, CACI and the Retail Banking networks, in France and Europe, has been ongoing, amidst tightening regulation.

In Poland, the general (non - life) insurance business has been launched.

With the planned offering on the public market of Amundi, the EEC is raising questions in respect of Senior Management's expectations with regard to external growth in the Asset Management business.

Specialised Financing, a business activity that is improving in line with the MTP

With regard to CACF (Crédit Agricole Consumer Finance) a continuing decline in NBI has been noted as a result of the decision made by Management to reduce the size of the consumer credit loan portfolio.

The recovery of net earnings has come about from the reduction in the cost of risk in France and Italy in 2014.

The German subsidiary "Crédit Plus" is being highlighted in the communication of the Group on account of its development model, which is oriented towards both deposit collection and credit. It is intended for this model to be further developed in the near future in Austria and Spain.

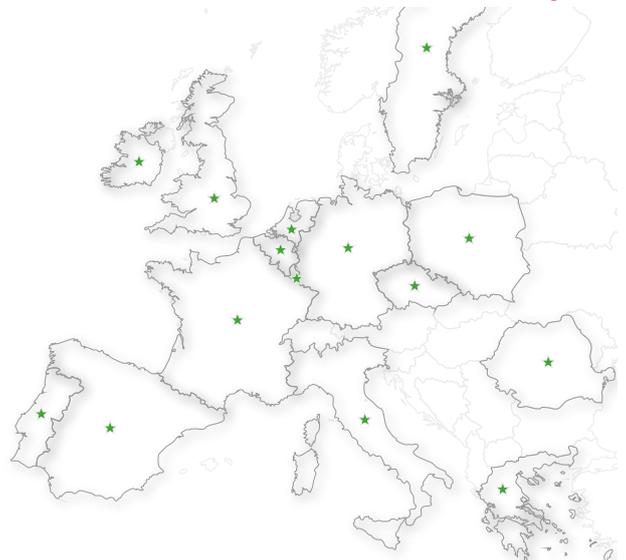


Deputy Secretary General,
Cédric MOUTIER

Members' list of Crédit Agricole's European Employee Council

(as of September 2015)

Country	Name and Surname.....Position	Locations
Belgium	Naima AHSSAINERegular Member	Germany
Belgium	Current designation.....Substitute Member	Belgium
Czech Republic	Leos SYPTAKRegular Member	Czech Republic
Czech Republic	Eric RIHOSEKSubstitute Member	Spain
France	Pascal FESQUETSecretary General, Select Committee Member	France
France	Cédric MOUTIERDeputy Secretary General, Select Committee Member	Greece
France	Michaël GAUJOURSelect Committee Member	Ireland
France	François POUJOLSelect Committee Member	Italy
France	Odile BAUDET-COLLINETRegular Member, Treasurer	Luxembourg
France	Current designation.....Substitute Member	Netherlands
France	Peggy THEISSSubstitute Member	Poland
France	Colette GIRARDSubstitute Member	Portugal
France	Jacques LONDEIXSubstitute Member	Romania
France	Philippe RELINSubstitute Member	Sweden
France	Eric ALEXISRegular Member	United Kingdom
France	Christine FOURNIERRegular Member	
France	Christophe RAVACHESubstitute Member	
France	Fabien REINERTSubstitute Member	
Germany	Ralf LUCANTONIRegular Member	
Germany	Verena PRODEHISubstitute Member	
Greece	Current designation.....Regular Member	
Greece	Current designation.....Substitute Member	
Ireland	Françoise GILRegular Member	
Ireland	To be designatedSubstitute Member	
Italy	Matteo SALSISelect Committee Member	
Italy	Leonello BOSCHIROLISelect Committee Member	
Italy	Lucia CASTAGNETTISubstitute Member	
Italy	Franco CAPPELLINISubstitute Member	
Luxembourg	Dominique MENDESSelect Committee Member	
Luxembourg	Christophe BOURSubstitute Member	
Netherlands	Rob RUITENBEEKRegular Member	
Netherlands	Richard GROENENDAALSubstitute Member	
Poland	Elżbieta CHWALIBÓGRegular Member	
Poland	Maciej GŁĄBSubstitute Member	
Poland	Karina JANIKSelect Committee Member	
Poland	To be designatedSubstitute Member	
Portugal	Eduardo REGORegular Member	
Portugal	Maria Manuela SOARESSubstitute Member	
Romania	Ioana GHEORGHIURegular Member	
Romania	Current designation.....Substitute Member	
Spain	Rafael PARDORegular Member	
Spain	Ignacio PÉREZ DE HERRASTISubstitute Member	
Sweden	Erik de ROUVILLERegular Member	
Sweden	Ann-Katrin HOLMBERGSubstitute Member	
UK	Liam O'KEEFFESelect Committee Member	
UK	Steve ELLIOTTSubstitute Member	



Delegation members in UK (07/2015)

