

2009

YEAR OVERVIEW



KEYTRADE

BANK

Member of LANDBOUWKREDIET
CRÉDIT AGRICOLE group

keytradebank.com

Consolidated Key Figures¹

	31/12/2009	31/12/2008	Variation
Number of clients	118,790	92,503	28.4%
Number of stock exchange transactions	1,290,572	957,302	33.8%
Balance sheet total (€ 000)	1,643,421	1,174,700	39.9%
Client deposits (€ 000)	1,525,035	1,114,428	36.8%
Operating profit (€ 000)	28,253	21,163	33.5%
Net result ² (€ 000)	14,378	10,284	39.8%
Own assets ² (€ 000)	81,443	34,382	136.9%

Ratio's	2009
Mc Donough ratio	11 %
Cost income ratio	40.9 %
Return on equity	28.2 %

(1) The consolidated figures (expressed according to IFRS standards) include the data of Keytrade Bank N.V./S.A., Keytrade Bank Luxembourg N.V./S.A., RealLease N.V./S.A. and Keytrade Insurance N.V./S.A.

(2) Included interest of third parties before distribution as well as subordinated liabilities eligible as regulatory qualified own funds.

MESSAGE FROM THE CHAIRMEN

Ladies and Gentlemen,
Dear clients,

After an almost apocalyptic 2008, which saw the global financial system teetering on the edge of the abyss, 2009 also began in an atmosphere of major uncertainty and pessimism. Due in part to massive state intervention, we noticed the first signs of the stabilisation of the financial sector in the spring of 2009. The stock markets rejoiced at this positive development and prices soared globally. Since the low point at the beginning of March 2009, the European Stoxx index rose by as much as 50% in 2009. The Dow Jones climbed 47% higher. Credit spreads, which had reached a particularly high level at the height of the crisis, soon dropped back down to acceptable levels. The interbank market, which had become virtually inaccessible between September 2008 and March 2009, eased again and short-term interest rates fell to record lows.

However, the jubilant mood in the stock markets was overshadowed by the precarious situation of government finances, which were deeply in the red due to massive government support for the banking sector. More and more economists are warning that the combination of recession and a sharp rise in budget deficits and government debt in certain countries could create a deadly cocktail. So, the «PIGS» countries (Portugal, Ireland, Greece and Spain) soon fell prey to speculators who sold government bonds from these countries on a massive scale, resulting in a rapid rise in long-term interest rates. The uneasiness of the markets about the PIGS countries and Greece in particular and the possible insolvency of these countries helped to generate high volatility in the financial markets.

In this turbulent situation, Keytrade Bank managed to continue its growth unabated. While most financial institutions were still licking their wounds, the acqui-

sition of the Belgian clientele of the former Kaupthing Bank and the specific marketing campaigns focusing on the theme of «financial evolution» meant that we welcomed more than 26,000 new clients. Our trading activities rose by 26% and our total assets grew by 40%. Our consolidated net profit also rose by 40%. At the end of 2009, our clients entrusted us with total assets of 4.7 billion euros.

More and more savers and investors are won for the online channel and are prepared to switch to an online bank. In the Belgian banking scene, as a pioneer, Keytrade Bank occupies the most prominent role among online banks. The very strong growth we have recorded for several years is the best proof of the success of our strategy.

We are convinced that the market share of the online segment can only grow, to the disadvantage of traditional channels. Keytrade Bank is already generally viewed as the undisputed market leader among pure internet players. The recent title of «Best Online Broker 2009» awarded by the independent research bureau Netprofiler is an extra mark of the quality of our services.

In the next few years, Keytrade Bank will continue to work hard on its range of products and services so that we continue to stand out from our competitors. We will do this by giving our clients what they expect from us: a high-performing banking and stock-broking platform, a transparent, low pricing policy and innovative products and services.

In a highly technology-driven company such as ours, the quality and motivation of staff is surely the main factor in our success. In view of this, on behalf of the entire Board of Directors, we wish to thank our 100 employees in Belgium, Luxembourg and Switzerland sincerely for their daily effort and contribution to running and developing our company.



Thierry Ternier
Chairman, Management Committee



Alain Diéval
Chairman, Board of Directors

ORGANISATION



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MANAGEMENT COMMITTEE

Thierry Ternier

Chairman of the Management Committee, Managing Director and in charge of the commercial and financial activities of Keytrade Bank since January 2007.

Thierry Ternier is the CEO of Keytrade Bank.

Born in Veurne in 1965, Thierry Ternier holds a master's degree in economics from the University of Gent and a master's degree in accountancy from the Vlekho in Brussels. He has two children. Thierry started his career with Unilever as a portfolio manager. In 1991 he joined the JOSI insurance group as the ALM and investment manager.

In 1993 he was appointed as Chief Financial Officer and member of the Management Committee of RealBank, the former Banque Commerciale de Bruxelles. Since the merger of Keytrade Bank with RealBank in 2002, he has been a member of the Keytrade Bank's Management Committee.

With the advent of Crédit Agricole as the majority shareholder, Thierry Ternier has moved up to become the Chairman of the Management Committee and Chief Executive Officer of Keytrade Bank.

Patrick Boulin

Patrick Boulin is a member of the Management Committee and is the Managing Director of Keytrade Bank, ever since the company was acquired by the Crédit Agricole group. Patrick Boulin is in charge of the Accounting, Human Resources and the synergy between the bank and its majority shareholder.

Born in Binche in 1958, Patrick Boulin holds a Bachelor of Law degree from the Catholic University of Louvain and a master's degree in Fiscal Management from the Solvay Business School.

Father of two children, he started his carrier as a TV and press journalist. He extended his experience within various ministerial posts, and with commercial responsibility for a medium-sized business that specialized in management training.

In 1989, he moved to Crédit Agricole Group in Belgium and became Secretary-General for more than 15 years, with responsibility for communications, strategy and acquisitions policy of the Group, until his nomination within Keytrade Bank.

In addition, Patrick Boulin coordinated the successful bid by Crédit Agricole for the takeover of Keytrade Bank in the autumn of 2005.

Marie-Ange Marx

Marie-Ange Marx is a member of the Management Committee and the Managing Director who is responsible for Keytrade Bank's operational activities since January 2007 (Chief Operating Officer).

Born in Maastricht in 1969, Marie-Ange Marx is married and also mother of two children. She holds a Law Degree from the Free University of Brussels (VUB) and a Master's degree in European Community Law from the Europa College in Bruges.

Marie-Ange Marx started her career as a lawyer at De Backer & Associates' chambers and then became a member of the Bar in Brussels. In 1999, Keytrade's founders hired her to take charge of setting up Keytrade Luxembourg N.V./S.A. as Delegated Manager. She performed this job until she joined Keytrade Bank's Head Office as Compliance Officer in 2003, followed by her appointment as Chief Operating Officer at the start of 2007.

Paul van Diepen

Paul van Diepen, a member of Keytrade Bank's Management Committee, has been Managing Director and Chief Technology Officer since January 2007.

Paul was born in Helmond (the Netherlands) in 1968. Paul first studied in the Netherlands and obtained diplomas in Electrical Engineering at the Technical University of Eindhoven and Physics at the University of Nijmegen. He also obtained a Degree in Psychology at the University of Nijmegen.

He then moved to Belgium to specialise in experimental psychology and finally obtained a PhD in Psychological Sciences at the Catholic University of Leuven (KUL).

After his studies, he started his first job as a Software Engineer at Keytrade Bank. After only one year, he became Head of IT for the Front Office. In 2005, he also took charge of the Back Office and became Head of IT for Keytrade Bank.



BOARD OF DIRECTORS

- Chairman: Alain Diéval (General Manager of Crédit Agricole Nord de France)
- Vice-Chairmen: Jean-Pierre Dubois (Chairman of the Board of Directors of Agricaïsse) and Thierry Aubertin (General Manager of Crédit Agricole du Nord Est)
- Directors: Luc Versele (CEO of Crédit Agricole Belgium), Fernand George (Chairman of the Federation of the Belgian cooperatives of Crédit Agricole), Jean-Pierre Champagne (Vice-Chairman of the Board of Directors of Agricaïsse), Patrick Lewahert (Member of Executive Committee of Crédit Agricole), Philippe de Cibeins (International Retail Banking Division, Crédit Agricole SA France) and Eric de Keuleneer (Independent Director)
- Chairman of the Management Committee: Thierry Ternier
- Member of the Management Committee: Patrick Boulin
- Member of the Management Committee: Marie-Ange Marx
- Member of the Management Committee: Paul van Diepen

AUDIT COMMISSION

- President : Eric de Keuleneer
Fernand George
Patrick Lewahert

AUDITORS

- DELOITTE audit
represented by Bernard de Meulemeester
- KPMG audit
represented by Erik Clinck

2009 MANAGEMENT REPORT



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2009 was a particularly successful year for Keytrade Bank, in all respects.

26,000 new clients were added to Keytrade Bank's books, bringing the total to 119,000, an increase of 28%. Client deposits witnessed 37% growth, to stand at € 1,525 million. Thus in two years, savings deposits have more than doubled!

Keytrade's reputation and image have come out of the financial crisis strengthened, and an increasing number of Belgians have been discovering the merits of the Keytrade Bank banking platform, which is easy to use, efficient and very good value. The successful takeover of Kaupthing Edge's Belgian client base also contributed strongly to Keytrade Bank's brand awareness.

Significant steps towards future development were taken in 2009: Keytrade Bank obtained a banking licence in Switzerland and Keytrade Luxembourg was granted banking status in Luxembourg, thus becoming Keytrade Bank Luxembourg.

Lastly, the financial statements for the year are particularly healthy. Keytrade Bank's profit according to Belgian Generally Accepted Accounting Principles (BGAAP) stands at € 13.6 million, showing high growth of 40%, and the consolidated net profit (IFRS) is also up 40% to € 14.4 million. The operating result has never been so high.

Following 2009, Keytrade Bank is especially well placed to continue its development, with the support of its burgeoning client base. Keytrade Bank models itself as an online financial supermarket, offering individuals a comprehensive solution for high-performance savings and investment products, as well as a banking service, combining the lowest prices and operational efficiency in Belgium and abroad.

2009 MANAGEMENT REPORT

ACTIVITIES

2009 was a particularly good year. Clients were especially active on the Belgian, Luxembourg and Swiss platforms, allowing a record level of stock market transactions to be registered: 1,290,572, up over a quarter on the 2008 figure. As such, it is not surprising that Keytrade Bank received the best online broker award in Belgium (given by the magazine Trends Tendances, based on a study carried out by Netprofiler).

Client assets have continued to flow into Keytrade Bank accounts. Cash deposits were up by 37%, to stand at € 1,525 million. In principle, savings accounts (€ 1,085 million) saw the biggest rise: € 421 million in one year, representing an increase of 63%.

Keytrade Bank is therefore continuing its success story, which has seen it more than double client cash deposits in the past three years. Very clearly, a number of savers who were shaken by the financial crisis have opened their eyes to the relationship they have with their bank, and have moved forward into diversification of their assets.

The client base's total assets in cash and financial instruments exceeded € 4.7 billion at 31 December 2009.

The number of Keytrade clients was up 26,000, thus bringing the total to 119,000 clients (of which 115,000 in Belgium).

Keytrade Bank was pleased to welcome some 13,000 new «Edge» clients resulting from the unwinding of the Belgium subsidiary of Kaupthing Luxembourg. This successful res-

cue transaction was led in partnership with Crédit Agricole, with the effective cooperation of the «Group K».

Faithful to its role as an innovator, in 2009 Keytrade Bank launched a mobile application allowing clients to place stock market orders via their smartphones, as well as to carry out their regular banking transactions. Another innovation of the year was the Fund Saving Plan, a long-term investment package offering the opportunity to invest, free of charge and over a wholly flexible timeframe, in the best investment funds.

An innovator is often copied. Keytrade Bank was thus very pleased to see other banks take on the concept of repaying the client for banking transactions, as Keytrade Bank has been doing with its «5 cent» promotion for over a year now. The banking revolution is contagious, and all in the banking consumer's favour.

SYNERGIES WITH THE PARENT COMPANY

Several synergies bring together Keytrade Bank and its shareholder Crédit Agricole. With this in mind, and thanks to its intense savings collection activity, Keytrade Bank is contributing to the liquidity and financing of the group.

An agreement covering the subcontracting of financial management to the parent company, Crédit Agricole, was entered into, as part of a broader project regarding the Crédit Agricole group's financial policy. The definition of financial policy, as well as ALM management, remain under the bank's control.

Large-scale banking and financial projects like SEPA, MiFID and Basel 2 are covered by a joint approach within the Crédit Agricole Group.

Internal audit is carried out by Crédit Agricole's Audit Department (Belgium).

Regular dialogue occurs with regard to risk and compliance monitoring.

CORPORATE GOVERNANCE

The Board of Directors met five times in 2009.

Mr Thierry Aubertin, managing director of the «Caisse de Crédit Agricole du Nord Est» was appointed on 20 April 2009, to take over the mandate of Mr Bernard Mary, who was called upon to oversee other positions within the Crédit Agricole France Group. The Board expresses its full gratitude to Bernard Mary for his contribution to the works and strategic reflection which has guided the bank's development.

In connection with its activities and in addition to its role in defining general strategy and monitoring the management carried out by the Executive Committee, more specifically during the period under review, the Board of Directors:

- drew up the annual accounts for the previous financial year;
- determined the budgetary plan for 2009;
- set about assessing the integrity policy implemented by the bank, and deemed that this was appropriate, allowing effective management of non-compliance and reputation risks;
- updated the good governance memorandum; and

- approved the update to the bank's financial management rules and principles.

The Board also set the following assessment rule: «If the rating of a security in a financial portfolio becomes lower than investment grade, then a corresponding write-down between the accounting value and the market value (or by default the price given by a counterparty), is recorded. The Executive Committee may suggest that the Board of Directors book a write-down if, on the basis of sundry internal or external analyses, and subsequent to an explained opinion from the Investment Committee, it deems that the investment grade rating does not accurately reflect the increase in the risk of defaulting. After deliberation, the Board of Directors decides whether or not to book a write-down».

KPMG, company auditor, represented by Mr Erik Clinck, was appointed as auditor for a term of three years by the General Meeting on 12 May 2009.

On 30 March 2009, the Extraordinary General Meeting decided to amend the date of the ordinary General Meeting, setting the date as the fourth Monday of April at 4pm, for the first time at the ordinary AGM in 2010.

INTERNATIONAL DEVELOPMENT

The Geneva subsidiary obtained permission from FINMA (Swiss Financial Market Supervisory Authority) to offer banking and investment services on 12 March 2009.

Keytradebank.ch is a lightweight structure which offers Swiss and international investors the benefit of making their stock market orders and subscribing to funds at well below market prices in a direct, transparent manner.

A dispute is currently underway regarding the use of the Keytrade name in Switzerland.

Previously limited to stock market brokerage activities, Keytrade Luxembourg was granted a banking licence via a decision by the Minister of Finance on 17 November 2009. This is an important step in the future development of the subsidiary, allowing diversification of both its commercial activities and its client base.

RISK MANAGEMENT POLICY ⁽³⁾

Internal organisation:

Keytrade Bank has a unit to monitor the risks relating to its business. Its aim is to gather relevant information, monitor the various risks to which the bank is exposed and to advise management by formulating proposals regarding the action to be taken to control risks.

The bank has set up an Investment Committee that specifically monitors the risks associated with the financial structure and informs the Executive Committee of action to be taken and opportunities on which it could capitalise. Members of the financial department of Crédit Agricole participate in the Investment Committee's works.

In tandem, a Risk Committee analyses and informs the Executive Committee with regard to matters relating to the organisation, from both an operational and an IT point of view.

The bank also has a Credits Committee of which the objective is to grant and monitor credit facilities provided to clients.

Keytrade Bank's internal audit function, the status of which is outlined in the Audit Charter, has been handed over to the Internal Audit division of Crédit Agricole SA. This delegation does not impact on the responsibility of Keytrade Bank's Board of Directors in this respect. The independent monitoring function served by audit still remains effective within Keytrade Bank, via its Audit Committee, which receives a regular, full report of audit activities.

Interest-rate Risk:

The interest-rate risk is a major risk factor which the bank must face with regard to its banking business. The Executive Committee sets strict limits with regard to the bank's balance sheet duration gap. The risk unit informs the Investment Committee and the Executive Committee of the bank's sensitivity to interest-rate fluctuations in the market and of the knock-on effect on profits.

ASSET MANAGEMENT SENSITIVITY:

Equity sensitivity analysis is carried out on the basis of monitored actuarial rates and the maturity of each of the lines, with duration assumptions for non-due liabilities. The income (or costs) of the periods when the assets or liabilities are not secured are es-

(3) The data given in the "Risk Management Policy" section are consolidated figures as in the IFRS accounting reference system.

timated on the basis of forward rates. Gains on each future due date are discounted to estimate the company's net worth.

Scenarios are applied in all currencies in parallel, which represents only the most restrictive situations in EUR and USD exposures for interest-rate risk. These tested scenarios consist of «parallel shifts», namely parallel rate variations of 1%, 2% and 3% both positively and negatively on all due dates.

The results of the analysis at 31 December 2009 are published in the 2009 IFRS accounts.

PROFIT SENSITIVITY:

Profit sensitivity analysis is carried out on the basis of monitored actuarial rates and the due date linked to each of the lines, with tested repercussion assumptions in respect of rate variations for the costs of non-due liabilities. This does not involve making a forecast in terms of income net of interest, but rather identifying how the market conditions may change the profit level at constant volume.

Scenarios are applied in all currencies in parallel, which represents the most restrictive situations.

The results of the analysis at 31 December 2009 are published in the 2009 IFRS accounts.

Credit Risk:

Credit risk consists of the potential loss that the bank could incur following default by a counterparty. Risk linked to portfolio bonds is monitored on the basis of issuer quality.

Concentration maxima are defined by the Executive Committee individually for each counterparty and approved by the Board of Directors. Concentration maxima are defined generally speaking (unless an exception is authorised) as regards loans to individuals. These limits are permanently monitored and are the subject of a report made to the Investment Committee every month.

SECURITIES PORTFOLIO AVAILABLE FOR SALE

98.0% of the bond portfolio, totaling € 1,347 million, is comprised of securities which have at least an A-rating. Securities with a lesser rating make up just over one percent and those with no rating make up less than one percent. Volume growth compared to the previous year (+46.2%) followed the expansion in client deposits with the bank. The main investment projects which were completed over the year were mainly centered around government and financial risks (covered bonds or those with a government guarantee) for AA level ratings, while paying attention to opportunities which appeared in the commercial company sphere.

By issuer type, the portfolio's distribution is as follows at 31 December 2009: 38.3% is made up of public paper, with 46.9% issued by companies in the financial sector, 12.7% by commercial companies and the remainder by sundry bodies.

After the financial crisis and the spread widening this entailed, a move back towards normality in terms of credit spreads was witnessed; long-term yields also declined, with a positive effect on the valuation of portfolio securities.

Provision was made for all Collateralised Debt Obligation positions following the substantial downgrades which these underwent and subsequent to the in-depth analyses which were carried out. Among them, one position was provisioned in its entirety.

Numerous downgrades occurred in the banking world, with several names seeing their ratings go from AA to A. However, no asset impairment was booked.

The whole portfolio is invested with issuers from the OECD A zone, and more specifically, within the European Union and North America (excluding Mexico).

Non-rated positions mainly cover companies based in Belgium, in which the bank has invested, and about which the bank has in-depth internal knowledge, to justify the investment quality. It should be noted that there has not been any defaulting in this investment category over the past few years.

LOAN PORTFOLIO:

Outstanding Loans and Debts Receivable total € 253.9 million at the end of 2009.

Within the framework of its treasury management, the bank reinvests its cash assets in leading financial institutions in the Belgian and Luxembourg marketplace, with an AA rating, taking into account margins available in terms of concentration maxima set down in the financial management rules and principles, and taking into account investments agreed within the framework of the portfolio of securities available for sale. The outstanding at 31 December 2009 represent 80.3% of the total loans and debts receivable.

Loans to commercial companies (€ 36.9 million) are mainly composed of finance lease

debts which are granted by the RealLease subsidiary to small and medium-sized companies for the financing of private vehicles. The subsidiary respects a concentration maximum of EUR 250,000 for each client (unless an exception is authorised by the Board of Directors).

Loans to individuals (€ 5.4 million) are mainly credit lines granted for current accounts, as well as credit lines granted for its clients' stock market activity. As regards the latter lines, the bank requires guarantees in the form of securities, whose market value must permanently be greater than the line used (when guarantees fall below 130% of the line used, the bank is authorised to dispose of securities to settle the client's debt).

Client loans are granted to individuals or bodies corporate based mainly in Belgium.

Liquidity Risk:

Liquidity risk lies in a banking institution's inability to have the necessary funds to honour its obligations within a reasonable period. The bank ensures that it constantly has sufficient funds available in line with its clients' business and its own investment activity. The Investment Committee monitors this specific risk.

The bank bears liquidity risk relating to schedule differences between its assets and liabilities.

In order to cover this liquidity risk, the bank keeps a sufficient interbank position to have assurance regarding its short-term obligations (currently above 10% of debts). The bank has also adopted minima liquidity limits, to be respected per maturity band in the short term, which are continuously moni-

tored, so as to ensure sufficient availability of funds, and can rely on its ability to use its available for sale portfolio via repos or sales. However, the bank has never had to resort to using these resources in order to ensure its liquidity.

Exchange Risk:

Exchange risk consists of the variation in value of the bank's foreign-currency positions following a movement in the exchange rates of various currencies. The bank's objective is to not maintain net exchange exposure. This check is carried out on a daily basis, and the necessary adjustments are made each day on the spot market. The Investment Committee and the Executive Committee are informed about changes in residual exchange exposure.

Operational Risk:

The operational risk is the risk of loss that could result from substandard procedures, staff action, system problems, or even external events beyond the bank's control.

The Risk Committee monitors these risks, analyses the bank's potential exposure and identifies any actions to undertake.

The bank has developed a Business Continuity Plan (BCP) aimed at dealing with not only disaster scenarios, but also less critical problems the bank could have to tackle.

At the beginning of 2010, an agreement scheduling access to a new transaction continuity site was entered into with a specialist external firm.

The bank's head office witnessed an armed holdup in May 2009. Financial losses were

limited. The appropriate measures were taken to reduce risks and consequences of any new organised crime. Physical security will be further strengthened in 2010.

Reputation Risk:

Reputation risk occurs when the institution's name is associated with a case of fraud or money-laundering or any illegal transaction. The Compliance Officer oversees and monitors all the preventive measures put in place by the bank. He or she also ensures that these measures are adequate and comply with the relevant statutory requirements.

The compliance role is subject to an annual evaluation by the Board of Directors.

The Compliance Officer also monitors internal and external disputes and cases of fraud.

A Transaction Monitoring tool was acquired by the bank. A dedicated unit has been set up and monitors clients' transactions on a daily basis.

Staff regularly attends internal training on the prevention of fraud and money-laundering.

The IT security systems used correspond to the best tools available in the market and the IT team is responsible for updating the technology. The bank makes regular investments to improve the security of its systems.

Use of financial instruments:

Keytrade Bank does not hold any financial instruments for trading purposes. The bank holds only one financial instrument for the purpose of interest-rate risk hedging, namely a rate swap hedging an Italian government bond for a nominal value of € 10.0 million.

Capital management:

Capital management is a broader concept than the shareholders' equity given on the balance sheet. The bank's objectives in this area are as follows:

- Respect the capital requirements defined by the supervisory bodies
- Ensure the bank is able to provide for the shareholders' profitability requirements and the benefits of other stakeholders.
- Maintain a strong capital base to support business development.

The level of capital and use of regulatory capital are permanently monitored by the bank's Board of Management, using methods which respect the prescriptions defined by the Basel Committee as implemented by the Banking, Financial and Insurance Commission via their supervisory activities. The requisite information is reported to the regulator every quarter.

On 30 March 2009, the extraordinary AGM decided to increase the capital by € 2,500,000.00 so as to increase the share capital from € 15,838,364.27 to € 18,338,364.27, without creating any new shares. Crédit Agricole also granted a subordinated loan of € 7.5 million. These two measures aimed at strengthening equity capital are part of supporting Keytrade Bank's growth policy.

The bank respected all capital requirements to which it is subject during the financial year.

HUMAN RESOURCES

As at 31 December 2009, Keytrade Bank and its subsidiaries employed 102 staff. Expressed

in full-time equivalents (FTEs), the total workforce was 99.7 at the end of 2009, representing an increase of 9.0%.

In terms of Keytrade Bank head office, there were 86.7 FTEs at the end of 2009, representing an increase of 7.7%, along with 2 staff working in the Geneva branch.

KEYTRADE BANK SA BALANCE SHEET AND INCOME STATEMENT (BGAAP STANDARDS)

Balance sheet:

Total assets amounted to € 1,571.31 million at the end of 2009, representing a 38.2% increase, driven by growth in savings deposits.

Client debts (€ 1,462.49 million) witnessed a 39.0% increase over the year.

Savings deposits (€ 1,085.32 million) advanced by 63.4%. In two years, regulated saving has more than doubled! The high-yield Azur savings account permanently gives one of the market's highest returns. Belgian individuals are becoming more and more aware that Keytrade Bank offers an effective and much higher-yield alternative for their banking activity.

Interbank liabilities total € 17.64 million, representing about one percent of the balance sheet.

On the asset side, the bond portfolio was € 1,302.56 million at the end of 2009, representing 40.1% growth. Government bonds accounted for 38% of the portfolio. The bank does not hold equities for its own account within its financial portfolio.

Interbank debts receivable stood at € 195.65 million, showing an increase of 35.7%. Deposits are chiefly placed with Crédit Agricole, the shareholder, as part of group policy.

Equity, including subordinated debts that qualify as such with the approval of the Banking, Finance and Insurance Commission, increased by 32.7%, to € 47.54 million as at 31 December 2009.

Income statement:

Despite an extraordinarily difficult financial and economic environment, Keytrade Bank's operating revenues (€ 42.90 million) increased significantly in 2009 (+25.8%). Interest income saw sound growth, driven by cash deposits from clients, while fee income increased as investors' appetites returned in terms of the stock markets.

Operating expenses (€ 16.89 million) increased by 15.2% in 2009. This increase can be explained by the development of activities and the launch of the Geneva branch.

The operating result (€ 26.01 million) rose sharply, by 33.9% compared with the previous year, and constitutes the best performance ever achieved by Keytrade Bank.

At 43.0%, the operating ratio is at a particularly low level.

In line with the previous year, the bank booked write-downs on its financial portfolio (€ 5.97 million). These write-downs concern four CDOs whose total position is marginal in terms of the bank's total portfolio (1%). In line with

the rule adopted by the Board of Directors, these write-downs were made as soon as the downgrade in the securities' rating (CDO) by the rating agencies fell to below the investment grade level. As regards the other securities held in the portfolio which still have an investment-grade rating, the bank performed an internal analysis and as a result, decided not to record any further impairment.

After extraordinary items and taxes, Keytrade Bank's profit for the period totaled € 13.60 million, showing a marked increase of 39.5%.

APPROPRIATION OF PROFIT OF KEYTRADE BANK

The Board of Directors is proposing the following appropriation of 2009 earnings to the General Meeting (in € 000):

Profit for the period to appropriate: 13,597
Retained earnings brought forward from the previous year: 9,983
Profit carried forward: 11,443
Return on capital (gross dividends): 11,888

CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT (IFRS) ⁽⁴⁾

Balance sheet:

Consolidated total assets equaled € 1,643.42 million at end-2009, representing a 39.9% or € 468.72 million year-on-year increase.

(4) The companies included in the consolidation of Keytrade are Keytrade Bank SA (Belgian credit institution), Keytrade Bank Luxembourg SA (Luxembourg bank), RealLease SA (Belgian leasing company) and Keytrade Insurance SA (Belgian insurance brokerage firm of which the business has become residual).

The increase in the two principal items – that is, «Available for sale financial assets» and «Loans and accounts receivable», which account for more than 97% of total assets – is due to the reinvestment of client deposits, which themselves grew strongly.

- Available for sale financial assets totaled € 1,347.04 million at the end of 2009, or an increase of 46.2%. This expansion is attributable to reinvestment of client assets, which also increased sharply. Government bonds make up more than a third of this item. The investment policy only provides for investment in bonds with an investment grade rating.
- Loans and accounts receivable, consisting mainly of interbank investments essentially with the parent company, Crédit Agricole, and leasing operations by Reallease, the automobile leasing subsidiary, totaled € 253.87 million at the end of 2009, or an increase of 20.5%.

At the end of 2009, total liabilities stood at € 1,574.48 million, an increase of 37.5%, due to the growing success of the new proactive policy for attracting deposits online. Client deposits increased by € 410.61 million, or 36.8%. Most of these deposits are in the form of savings accounts, which totaled € 1,085.32 million at the end of December 2009.

Interbank debts remain at a very low level, at just over € 5 million.

A new subordinated loan of € 7.5 million, qualifying as equity for compliance with the capital adequacy requirements with the approval of the Banking, Finance and Insurance Commission, was taken out with the parent company, taking total subordinated debt to € 12.5 million. This additional equity is necessary in or-

der to ensure the development of the commercial growth and the upturn in deposits made.

Total shareholders' equity including profit for the period under review was € 68.94 million. This figure includes the unrealised gain on the AFS portfolio and hedging derivatives of € 13.47 million.

Income statement (€):

Operating revenues (€ 46.08 million) increased by 25.1% in 2009. The bank was able to take advantage of the marked increase in stock market brokerage income from clients and a volume effect on interest income.

Operating expenses (€ 17.83 million) increased by 13.7%. This increase can be explained by the launch costs for the Geneva subsidiary and staff costs incurred by the development of activities.

The operating profit excluding write-downs and impairment (€ 28.25 million) saw an increase of 33.5%, which constitutes excellent performance given the economic and financial climate along with fees relating to development projects. The consolidated operating profit is the highest ever achieved in Keytrade Bank's history.

Total value adjustments (€ 7.42 million) – amortisation, depreciation, provisions and impairment – increased by 17.1%. The increase is due to the adverse financial situation persisting, which resulted in further write-downs on four instruments for which the rating agencies downgraded the rating significantly. Although payment of interest due has not been in jeopardy thus far, the bank decided to book write-downs on these

securities, which now have a rating below investment grade. The position subject to the write-down entry is negligible in terms of total consolidated balance sheet items (less than one percent) and is subject to a 70% provision. The Bank is confident in its provisions made for these financial instruments.

Consolidated profit for the period equaled € 14.38 million (after third-party interests) at end-2009, or a 39.8% expansion against the 2008 figure.

Ratios:

ROE (average own earnings under IFRS, excluding unrealised gains or losses on assets) stands at 28.2% for 2009.

The ROA (total average assets under IFRS standards) stood at 1.0% for 2009.

The McDonough ratio, in consolidated terms, equaled 10.57% at the end of 2009 (before appropriation of profit), compared with a regulatory requirement of 8%. The Tier One ratio stands at 8.07%.

The general solvency ratio stands at 123%, against the required standard of 100%.

SUBSEQUENT EVENTS

Any significant events occurring after the financial year was closed are outlined here.

The Board would like to thank the clients for the loyalty to the Keytrade brand and the employees for their contribution to the success in 2009.

It has been decided to liquidate the Keytrade Insurance company whose activity has become almost non-existent. Insurance brokerage is carried out by Keytrade Bank, which has the necessary authorisations to do so.

DISCHARGE

The Board will put the discharge of the directors and auditors to the vote at the General Meeting.

CONCLUSIONS

Against the backdrop of a very difficult financial and economic climate, Keytrade Bank has once again shown it is able to bear up well.

Keytrade Bank took advantage of the change in behaviour of banking consumers, who, in the depths of the banking crisis, discovered the advantages available to them from a solid and efficient institution such as Keytrade Bank.

These benefits and the backing of the Crédit Agricole Group will continue to sustain the bank's growth in the future.

The bank also intends to replicate its business model in other countries and continue its expansion abroad.

Brussels, 29 March 2010
The Board of Directors

BALANCE SHEET AND INCOME STATEMENT



KEYTRADE

B A N K

Member of LANDBOUWKREDIET
CRÉDIT AGRICOLE group

BALANCE SHEET AND INCOME STATEMENT⁽⁵⁾

2009 2008
(€ 000)

1. BALANCE SHEET AFTER APPROPRIATION ASSETS

I. Cash, assets lodged at central banks and post office and giro accounts	192	838
II. Treasury bills that can be refinanced at the central bank	0	0
III. Receivables from credit institutions	195,646	144,124
A. Payable on demand	29,382	16,105
B. Other debts (future or notice)	166,264	128,019
IV. Loans and advances to customers	45,106	40,620
V. Bonds and other fixed-income securities	1,302,556	930,035
A. Of public issuers	495,584	286,576
B. Of other issuers	806,972	643,459
VI. Stocks, shares and other securities at variable income	0	0
VII. Financial fixed assets	656	656
A. Long-term intercorporate investment in related companies	652	652
B. Long-term intercorporate investment in companies where a link exists by virtue of participating interests.	0	0
C. Other stocks and shares making up long-term investments	4	4
D. Subordinated receivables from related companies and others where a link exists by virtue of participating interests	0	0
VIII. Formation costs and intangible assets	383	484
IX. Tangible assets	1,305	1,166
X. Own assets	0	0
XI. Other assets	2,053	1,356
XII. Deferrals and accruals	23,416	18,101
TOTAL ASSETS	1,571,313	1,137,380

(5) Abridged presentation of the financial statements for 2009, according to Belgian standards. The complete financial statements, and also the report of the auditors, can be simply requested via info@keytradebank.com

2009 2008
(€ 000)

LIABILITIES

I. Debts to banks	17,641	13,764
A. Payable on demand	4,290	403
B. Dettes résultant de mobilisation	0	0
C. Other debts with fixed terms or periods of notice	13,351	13,361
II. Debts to customers	1,462,495	1,052,349
A. Savings accounts	1,085,319	664,336
B. Other debts	377,176	388,013
1) payable on demand	369,693	257,782
2) with fixed terms or periods of notice	7,483	130,231
3) commercial paper discounting results	0	0
III. Liabilities represented by a security	285	332
A. Bonds and fixed-interest securities in circulation	285	332
B. Other	0	0
IV. Other debts	16,076	11,916
V. Deferrals and accruals	27,016	22,875
VI. A. Provisions for risks and charges	263	317
1) Pensions and similar commitments	61	71
2) Tax expenses	0	0
3) Other risks and charges	202	246
B. Deferred taxes	0	0
VII. General banking risk provisions	0	0
VIII. Subordinated liabilities	12,500	5,000
CAPITAL AND RESERVES	35,037	30,827
IX. Capital	18,338	15,838
A. Subscribed capital	18,338	15,838
B. Uncalled capital (-)	0	0
X. Share premium	3,087	3,087
XI. Revaluation gains	0	0
XII. Reserves	2,168	1,919
A. Reserve legal	1,834	1,585
B. Restricted reserves	0	0
1) for treasury shares	0	0
2) other	0	0
C. Tax-free reserves	51	51
D. Available reserves	283	283
XIII. Retained earnings (losses carried forward (-))	11,444	9,983
TOTAL LIABILITIES	1,571,313	1,137,380

2009 2008
(€ 000)

OFF-BALANCE-SHEET ITEMS

I. Potential liabilities	0	0
A. Non-traded acceptances	0	0
B. Guarantees instead of loans	0	0
C. Other guarantees	0	0
D. Documentary credits	0	0
E. Assets pledged as real security for third parties	0	0
II. Commitments that may give rise to a risk	15,783	10,553
A. Firm funding commitments	0	0
B. Commitments due to cash purchases of securities or other values	12,362	5,889
C. Available margin on confirmed credit lines	3,421	4,664
D. Firm securities underwriting and placement commitments	0	0
E. Open buyback commitments under sales/resales.		
III. Values assigned to companies included in the consolidation	2,794,167	1,587,530
A. Securities held under formal trust status	0	0
B. Safe-custody accounts and similar deposits	2,794,167	1,587,530
IV. Amounts to be paid-in for shares and equity interests	0	0

2009 2008
(€ 000)

2. INCOME STATEMENT

(presentation in list form)

I. Interest received and similar income	47,344	47,262
including : from fixed-income securities	43,842	41,885
II. Interest paid and similar charges (-)	(27,035)	(30,067)
III. Income from variable-income securities	168	13
A. Stocks, shares and other securities at variable income	0	0
B. Long-term intercorporate investment in related companies	0	0
C. Long-term intercorporate investment in companies where a link exists by virtue of participating interests	0	0
D. From other participations and shares forming part of the fixed assets	168	13
IV. Commissions received	22,887	18,138
V. Commissions paid (-)	(4,453)	(4,628)
VI. Profit (Loss(-)) on financial transactions	3,337	2,312
A. From exchange and trade in securities and other financial instruments	2,817	2,292
B. From exercising investment securities	520	20
VII. General administrative costs (-)	(14,200)	(12,224)
A. Remuneration, social security and pensions	6,679	5,715
B. Other administrative costs	7,521	6,509
VIII. Depreciation, amortisation and impairment (-) of start-up expenses, intangible assets and property, plant and equipment	(873)	(828)
IX. Writebacks on reductions in value (reductions in value (-)) on receivables and writebacks on reserves (reserves(-)) for items I. Potential liabilities and "II. Commitments that can give rise to a credit risk" off-balance-sheet	-54	-80
X. Reversals of impairment (impairment (-)) of the portfolio of stocks, shares, bonds and other securities at fixed or variable income	-5,974	-5,182
XI. Uses and writebacks on reserves for risks and other costs than those envisaged by the items I. Potential liabilities and "II. Commitments that may give rise to a credit risk" off-balance-sheet	13	10

2009 2008
(€ 000)

XII.	Reserves for risks and costs other than those envisaged by the items "I. Potential liabilities" and II. Commitments that can give rise to a credit risk off-balance-sheet (-)	(3)	(27)
XIII.	Uses of (allocations to (-)) general banking risk provisions	0	0
XIV.	Other operating income	656	1,070
XV.	Other operating costs (-)	(1,822)	(1,629)
XVI.	Ordinary profit (loss (-)) for the period before tax	19,991	14,150
XVII.	Extraordinary income	56	135
	A. Reversals of depreciation, amortisation and impairment of start-up expenses, intangible assets and property, plant and equipment	0	0
	B. Writebacks on depreciation and reductions in value on intangible and tangible fixed assets	0	0
	C. Reversals of provisions for exceptional risks and charges	56	84
	D. Added value on the realisation of fixed assets	0	51
	E. Other extraordinary income	0	0
XVIII.	Extraordinary costs (-)	(182)	(78)
	A. Depreciation and reductions in value on formation costs, and on intangible and tangible fixed assets	0	0
	B. Reductions in value on financial fixed assets	0	0
	C. Reserves for risks and extraordinary costs	12	16
	D. Losses on realisation of fixed assets	15	8
	E. Other extraordinary costs	155	54
XIX.	Profit (Loss(-)) for the financial year before taxes	19,865	14,207
XIXbis.	A. Transfer to deferred taxes (-)	(0)	(0)
	B. Deductions on deferred taxes	0	0
XX.	Taxes on result	6,268	4,461
	A. Taxes (-)	(6,268)	(4,461)
	B. Adjustment of income taxes and write-back of tax provisions	0	0
XXI.	Profit (Loss(-)) for the companies	13,597	9,746
XXII.	Transfer to tax-free reserves (-)	(0)	(0)
	Uses of tax-free reserves	0	0
XXIII.	Profit (loss(-)) for the period to appropriate	13,597	9,746

2009 2008

(€ 000)

APPROPRIATIONS AND DEDUCTIONS

I. A. Profit (loss (-)) to appropriate	23,581	18,926
A. Profit (loss (-)) for the period to appropriate	13,597	9,746
B. Retained earnings (loss brought forward (-)) from previous year	9,983	9,180
II. Deductions from equity	249	0
A. From share capital and premiums	0	0
B. From reserves	0	0
III. Appropriations to equity (-)	(249)	(0)
A. To share capital and premiums	0	0
B. To the legal reserve	249	0
C. To other reserves	0	0
IV. Profit (loss (-)) to carry forward	-11,443	-9,983
A. Retained earnings (-)	(-11,443)	(9,983)
B. Losses carried forward	0	0
V. Share of associates in loss	0	0
VI. Profit for the period to be distributed (-)	(11,888)	(8,943)
A. Return on capital	11,888	8,943
B. Directors or managers	0	0
C. Other recipients	0	0

YEARLY ACCOUNTS

IFRS



KEYTRADE

B A N K

Member of LANDBOUWKREDIET
CRÉDIT AGRICOLE group

keytradebank.com

YEARLY ACCOUNTS IFRS⁽⁶⁾

Consolidated Balance Sheet		Total carrying amount	
Assets (€)	31/12/2009	31/12/2008	
Treasury and current accounts with central banks	36,333,162	28,569,882	
Financial assets held for trading			
Financial assets available for sale	1,347,041,241	921,578,295	
Loans and receivables (including finance lease agreements)	253,870,135	210,632,666	
Derivatives used for hedging			
Fair value changes of the hedged items in portfolio hedge of interest rate risk			
Tangible assets	1,520,655	1,518,948	
Goodwill and other intangible assets	746,274	502,116	
Tax assets	1,621,376	10,142,140	
outstanding taxation	1,621,376	813,036	
deferred taxation	0	9,329,104	
Other assets	2,288,619	1,756,245	
Non-current assets and disposal groups classified as held in view of sale			
TOTAL ASSETS	1,643,421,462	1,174,700,292	

(6) Abridged presentation according to Belgian standards of the financial statements for 2009. The complete financial statements, as well as the auditors' report can be simply requested via info@keytradebank.com

Consolidated Balance Sheet		Total carrying amount	
Liabilities (€)	31/12/2009	31/12/2008	
Central banks deposits			
Financial liabilities held for trading			
Financial liabilities assessed at depreciated cost	1,545,784,307	1,123,531,330	
Deposits	1,530,173,555	1,115,423,412	
Credit institutions	5,138,202	995,490	
Other non-credit institutions	1,525,035,353	1,114,427,922	
Debt securities including bonds	286,648	355,155	
Subordinated liabilities	12,500,558	5,001,200	
Other financial liabilities	2,823,546	2,771,563	
Financial liabilities linked to transferred assets	10,017,802	10,089,231	
Derivatives used for hedging	5,875,662	5,919,324	
Fair value charges of the hedged items in a portfolio hedge of interest rate risk			
Provisions	277,714	591,251	
Tax liabilities	6,988,783	1,046,563	
Outstanding tax	55,172	1,046,563	
Deferred tax	6,933,611		
Other liabilities (including finance lease agreements)	5,534,930	4,141,575	
Corporate capital repayable on demand			
TOTAL LIABILITIES	1,574,479,198	1,145,319,274	

Consolidated Balance Sheet Statement (€)	Total carrying amount	
	31/12/2009	31/12/2008
Own funds and minority interest		
Issued capital		
Paid-up capital	18,338,364	15,838,364
Non paid-up capital called		
Issue premiums	3,086,541	3,086,541
Other own funds		
Component of own capital of composed financial instruments		
Others		
Revaluation reserves (valuation gaps)		
Revaluation reserve for tangible assets		
Revaluation reserve for intangible assets		
Hedging reserve for net investment in business abroad (efficient part)		
Reserve for conversion variances with foreign currencies		
Hedging reserve for treasury flows (efficient part)		
Revaluation reserve for fair value on financial assets available for sale	13,465,386	-17,279,702
Linked to non-current assets or disposal groups held in view of sale		
Other revaluation reserves		
Reserves (including retained earnings)	19,586,913	17,375,188
Own shares		
Profit for the financial year	14,378,471	10,283,953
Interim dividends		
Minority interest	86,589	76,674
Revaluation reserves		
Others		
TOTAL EQUITY AND MINORITY INTEREST	68,942,264	29,381,018
TOTAL LIABILITIES, MINORITY INTEREST AND EQUITY	1,643,421,462	1,174,700.292

Consolidated profit or loss (€)	Total carrying amount	
	31/12/2009	31/12/2008
Financial & operating income and expenses	46,080,620	36,837,413
Interest net income	49,434,230	50,950,672
Expenses on share capital repayable on demand	-27,655,294	-31,285,840
Dividend income	168,017	13,412
Fee and commission net income	24,449,873	19,277,102
Fee and commission charges	-4,456,903	-4,592,042
Realised gains and losses on financial assets & liabilities not measured at fair value through profit or loss (net)	519,679	68,282
Gains and losses on financial assets and liabilities held for trading (net)	3,126,493	2,484,674
Gains and losses on financial assets and liabilities designated at fair value through profit or loss (net)	-35,838	-1,334,733
Exchange differences revaluations		
Gains and losses on derecognition of assets other than held for sale	-15,206	-4,220
Other operating net income	545,569	1,260,106
Administration costs	-17,827,331	-15,674,657
Staff expenses	-7,161,351	-6,282,618
General and administrative expenses	-10,665,980	-9,392,039
Depreciation	-1,039,309	-991,474
Property, Plant and Equipment	-737,547	-686,322
Investment Properties		
Intangible assets (other than goodwill)	-301,762	-305,152
Provisions	313,537	-197,471
Impairment	-6,691,782	-5,146,164
Impairment losses on financial assets not measured at fair value through profit or loss		
Financial assets measured at cost (unquoted equity and related derivatives)	-6,640,400	-5,181,600
Loans and receivables measured at amortized cost (including finance leases)	-51,382	35,436

	Total carrying amount	
	31/12/2009	31/12/2008
TOTAL PROFIT OR LOSS BEFORE TAX AND MINORITY INTEREST FROM CONTINUING OPERATIONS	20,835,735	14,827,647
Tax expense (income) related to profit or loss from continuing operations	6,447,349	4,529,796
TOTAL PROFIT OR LOSS AFTER TAX AND BEFORE MINORITY INTEREST FROM CONTINUING OPERATIONS	14,388,386	10,297,851
TOTAL PROFIT OR LOSS AFTER TAX AND DISCONTINUED OPERATIONS AND BEFORE MINORITY INTEREST	14,388,386	10,297,851
Minority interest	9,915	13,898
NET PROFIT OR LOSS	14,378,471	10,283,953

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