



2011 YEAR OVERVIEW

 **Groupe Cr dit Agricole**
Groep Landbouwkrediet



KEY FIGURES

Consolidated Key Figures *

31/12/11 ▼

31/12/10 ▼

Variation ▼

Number of clients	150.870	139.310	8,3%
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Balance sheet total (€ 000)	2.272.517	2.050.910	10,8%
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Client deposits (€ 000)	2.108.314	1.910.012	10,4%
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Net result (€ 000)	8.958	18.979	-52,8%
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Own assets ** (€ 000)	86.458	83.338	3,7%
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Ratio's ▼

2011 ▼

Mc Donough ratio	12,2%
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Cost income ratio	46,8%
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Return on equity	14,7%
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* 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.

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

MESSAGE FROM THE CHAIRMAN

**Ladies and Gentlemen,
Dear clients,**

Calm has still not returned to the financial markets almost four years after the collapse of Lehman Brothers, the US merchant bank. First there was the subprime crisis, followed by the global banking crisis, and then 2011 brought a very severe debt crisis in Europe. The large-scale assistance to the financial sector saddled governments with enormous deficits, and as a result the markets lost confidence in the solvency of a number of European countries. The so-called PIIGS countries (Portugal, Ireland, Italy, Greece and Spain) were particularly hard hit by the lack of liquidity on the bond markets and rising interest rates. Greece, Ireland and Portugal all had to request enormous amounts of emergency funding because they could not call upon the international capital markets.

With the exception of Germany, most European countries had to contend with rating downgrades and rapidly rising interest rates for their sovereign debt. Belgium, too, became caught up in the downward spiral in late 2011, with the 10-year rate surging to almost 6%. In addition, the draconian budgetary measures that European governments have to impose are depressing the economic growth outlook.

In these very difficult circumstances, the stock exchanges put in a below-par performance: the Euro Stoxx index lost 18% and Belgium's BEL 20 index dipped by 19%. The Asian markets also performed badly. One striking feature was the comparatively strong performance by the US stock markets: the Dow Jones, for instance, gained 6%.

In these particularly gloomy economic circumstances, Keytrade Bank managed to increase its operating profit

by almost 9%. However, the net profit was significantly lower, largely due to a major restructuring of the bond portfolio. In view of the runaway debt crisis, we decided to reduce the positions that might imply a potential risk if the crisis were to escalate. Sizeable one-off losses were booked as a result of this 'tidying up' of the bond portfolio. At the start of 2012, Keytrade Bank still held just EUR 10 million worth of PIIGS government paper, i.e. a single Italian government issue.

Keytrade Bank also succeeded in continuing to roll out its business model in 2011. Both the customer base and savings and investment deposits increased by some 10%.

This was recognised in mid-2011 when Keytrade Bank was named 'Best Retail Bank of the Year' by the influential Trends/Moneytalk magazine.

Despite the difficult economic environment facing us at present, we have confidence in our company's future.

Although conventional banks have had to contend with the increased use of online banking for some years, we firmly believe that as an innovative, competitive pure-player we will be able to continue to have a head start on competing services. The fact that Keytrade Bank systematically scores best in independent surveys of customer satisfaction confirms our belief in the ongoing added value we offer retail investors.

In the years ahead we will continue to expand our business according to the same successful model, based on the key principles of customer satisfaction, operational performance, transparency, cost efficiency and innovation.

Finally, we would like to thank our 120 motivated, hard-working staff, who without any doubt are the major factor in our company's success.



Thierry TERNIER
Chairman
of the Executive
Committee

ORGANIZATION

keytradebank.com



Chapter 2

 Groupe Cr dit Agricole
Groep Landbouwkrediet



MANAGEMENT / ADMINISTRATION AND AUDIT BODIES

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 Vlekhoe 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 Human Resources, Risk Department and Accounting.

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.

Married and father of two children, this lawyer started his career as a TV and press journalist. He extended his experience within various ministerial posts and the private sector.

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.



Groupe Crédit Agricole
Groep Landbouwkrediet



Thierry TERNIER
Chairman
of the Executive
Committee



Patrick BOULIN
Member of the
Management
Committee



Marie-Ange MARX
Member of the
Management
Committee

BOARD OF DIRECTORS

- Chairman: Luc Versele
(CEO of Crédit Agricole Belgium)
- 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: Fernand George (Chairman of the Federation of the Belgian cooperatives of Crédit Agricole), Yvan Hayez (Vice-Chairman of the Board of Directors of Agricaïsse), Patrick Lewahert (Member of Executive Committee of Crédit Agricole), François Macé (General Manager of Crédit Agricole Nord de France), François Pinchon (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

AUDITORS

- DELOITTE audit represented
by Bernard de Meulemeester
- KPMG audit represented by Pierre Berger

AUDIT COMMITTEE

- President: Eric de Keuleneer
Fernand George
Patrick Lewahert

REMUNERATION COMMITTEE

- Luc Versele
Eric de Keuleneer

2011 MANAGEMENT REPORT

keytradebank.com



Chapter 3

 **Groupe Cr dit Agricole**
Groep Landbouwkrediet



2011 MANAGEMENT REPORT

In a financial context marked by a serious eurozone crisis, Keytrade Bank managed to remain on course with its growth. Belgium's leading on-line bank expanded on three fronts in 2011: increases in customer numbers, customer deposits and operating profit.

11.560 new customers were added to Keytrade Bank's books, bringing the total to 150.870 - an increase of 8%. Customer deposits grew by 10%, reaching €2.108 million. Customer deposits have therefore almost doubled in three years! A success borne out by Keytrade being named «*Bank of the Year*», both by the public and a professional panel from the MoneyTalk magazine. Not only does Keytrade Bank offer the best charges and rates in general, but sets itself apart with its policy of transparency and on-line service quality.

After a 9% increase, operating profit reached a record level.

This growth bears witness to the robustness of the Keytrade Bank business model, at a time when many banking institutions are in a fragile condition. Thus Keytrade Bank finds itself again well placed to continue its development, with the support of an ever larger customer base. Keytrade Bank is a fully-owned subsidiary of Crédit Agricole, and models itself as an on-line 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 high operational efficiency in Belgium and abroad.

The Bank, however, is unfortunately being overwhelmed by what has become unbearable tax pressure: a tax burden of almost 50% of income profoundly affects the conditions of competition with other institutions operating in Belgium that are not subject to the banking tax.

Commercial activities

Keytrade Bank again experienced a year of strong commercial growth. More than 11.000 new customers opened an account this year. At the end of December 2011, Keytrade Bank had 150.870 customers (an 8% increase against 31 December 2010) including 143.872 in Belgium. Customer deposits grew by 10% in 2011, reaching €2,1 billion. With securities and cash combined, the total assets of these customers at the end of December 2011 equalled €5,5 billion. This is a slight decrease compared to the end of December 2010, due to 2011's stock market weakness. Although private investors have not yet wholeheartedly returned to the stock markets, trading volumes increased by 6% in 2011 thanks to the Luxembourg platform (www.keytradebank.lu), the development of the Swiss branch's business (www.keytradebank.ch) and Keytrade Pro (www.keytradepro.com), the specialist derivative product platform.

Keytrade Bank was voted «*Bank of the Year*» by both the public and a professional panel from the MoneyTalk magazine. This prize rewards Keytrade Bank for its policy of transparency and on-line service quality.

Since May 2011, Keytrade Bank has offered its investor customers access to Equiduct. Equiduct, a European regulated market, is an alternative investment platform run by Börse Berlin AG. This platform analyses and compares prices of orders on different platforms (such as Chi-x, Turquoise and BATS) and Euronext and then performs execution at the best price. The customer is thus assured of «best execution» for these shares.

Keytrade Bank also carried out some very successful commercial actions in 2011, such as the partnership with BMW, the car maker, plus sponsorships, which always yield very positive results, given that Keytrade Bank enjoys the highest net promoter score in the Belgian banking sector (study Test-Achat).

Faithful to its reputation for transparency, Keytrade Bank allows its customers to see the simulation of their saving account's annual return at all times. Premiums calculated in complete transparency.

True to its «mission statement», Keytrade Bank – a fully owned subsidiary of Crédit Agricole – is strengthening its leading role as an on-line financial supermarket where customers can carry out their financial purchases at the lowest cost and with complete transparency.

Synergies with the parent company

Several synergies bring together Keytrade Bank and its shareholder Crédit Agricole. It is, in this respect, thanks to its ability to attract high levels of savings, that Keytrade Bank is contributing to the liquidity and financing of the group, which, from the point of view of Basel III and the new liquidity requirements, is an undeniable advantage.

The subcontracting of financing management to the parent company, Crédit Agricole, forms part of a broader financial-policy project for the Crédit Agricole group as a whole. The Bank is still in control of financial policy, as well as ALM management.

There is a concerted approach to large-scale banking and financial projects, such as SEPA, MiFID and Basel III, within the Crédit Agricole Group.

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

Regular dialogue has taken place with regard to risk and compliance monitoring.

Corporate Governance

During the period under review, the Board of Directors, as part of its activities and in addition to its role in defining general strategy and management control carried out by the Executive Committee:

- prepared the annual accounts for the 2010 period;
- monitored developments in the financial results, as well as the changes as compared with the budget plan for the current year;
- set the budgetary plan for 2012;
- deliberated on the report on the work of the Audit Committee;
- undertook an assessment of the integrity policy implemented by the Bank, and deemed it to be adequate, allowing effective management of non-compliance and reputational risk;
- updated the good governance memorandum;
- adopted the update to the Bank's financial management rules and principles;
- closely followed the Bank's position in respect of the various risk categories and paid particular attention to limiting to the very minimum exposure to the sovereign debt of countries affected by the eurozone crisis.

The bank has an Audit Committee chaired by Mr Eric de Keuleneer, an independent director with acknowledged expertise in the financial field.

The Board of Directors looked into the remuneration policy following developments in this area in both Belgium (CBIF_2011_05 Circular) and Europe (CEBS recommendations). The Council adopted the changes to the Bank's remuneration policy, in particular by appointing the independent director to the Remunerations Committee.

The gross combined remuneration of executive and non-executive directors in 2011, including fringe benefits and pension plan contributions, totalled €1.3 million.

The Board decided that the remunerations policy complied with the CEBS guidelines on governance and was in line with the risks policy.

The Ordinary General Meeting of 18 April 2011 renewed the following directorships of the persons below for a term of six years: Alain Diéval, Jean-Pierre Dubois, Thierry Aubertin, Fernand George, Luc Versele, Philippe de Cibeins, Patrick Lewahert and Patrick Boulín. Yvan Hayez was appointed Director until the Ordinary General Meeting of 2017, to replace Jean-Pierre Champagne, due to the age limit.

On 5 December 2011, the Board of Directors accepted the resignation of Philippe de Cibeins – called upon to perform a new role in the Crédit Agricole France group – and appointed François Pinchon to fill the directorship left vacant. Adoption of this appointment shall be proposed to the General Meeting.

The Board of Directors would like to thank Jean-Pierre Champagne and Philippe de Cibeins for their contribution to the work of the Meeting.

Turning to the Executive Committee, the Board of Directors accepted the resignation of Paul van Diepen for personal reasons. The Board of Directors expressed its gratitude to Paul van Diepen for his overall contribution to the development of Keytrade Bank since the Bank's very beginnings.

The General Meeting decided to renew the mandate of the statutory auditor, Deloitte Reviseurs d'Entreprises, represented by Bernard Demeulemeester, until the Ordinary General Meeting of 2014. It also decided the remuneration of the Joint Auditors.

International Development

Keytrade Bank has been present in Belgium since 1998, in Luxembourg since 1999 and in Switzerland since 2009. All three entities have a banking licence. The Dutch regulatory authority granted the banking licence for the Rotterdam branch, which will open in 2012.

Keytrade Bank Luxembourg now offers a savings account with the best market conditions.

The Swiss branch of Keytrade Bank continues to develop its activities and has doubled its customer numbers. An unfavourable judgment was pronounced at year-end on the dispute over the company name Keytrade Bank en Suisse. An appeal has been filed against this judgment.

Measurement rules

To bring this rule into line with that of the parent company, the Board of Directors decided to replace the following rule: «If the rating of a security in a financial portfolio becomes lower than investment grade (BBB), then a corresponding write-down between the book 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 different internal or external analyses, and subsequent to a reasoned opinion from the Investment Committee, it deems that the investment grade rating does not accurately reflect the increased default risk. After deliberation, the Board of Directors decides whether or not to book a write-down», with the following:

«Specific impairment is recognised for available-for-sale assets when objective signs of impairment exist. Among others, objective signs are understood as:

- initiation of bankruptcy proceedings or any other form of creditor protection to avoid or postpone payment;
- the actual non-payment of interest or principal reimbursements on contractual due dates over a period of time;
- the determining of important, pertinent data with a potentially negative impact on the future cash-flows of the financial asset;
- a double downgrade over a short period such that the security – other than government debt – is rated as «non-investment grade.»

This modification did not have an impact on the financial accounts of 2011.

Risk Management Policy ⁽¹⁾

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 for action to be taken to control risks.

The bank has set up a Financial Management 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 Crédit Agricole financial department take part in the Financial Management Committee's works.

In tandem, a Risks Committee analyses and informs the Executive Committee on organisational matters, from both an operational and an IT viewpoint.

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

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 regard. The independent monitoring function served by auditing still continues to be effective within Keytrade Bank, through its Audit Committee, which receives a regular, full report of audit activities.

Interest rate risk:

Interest-rate risk is a major risk factor which the Bank must face with regard to its banking business. The Board of Directors has set strict limits with regard to interest-rate gaps, which the Bank must adhere to. The Risk Manager informs the Financial Management 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) for periods when the assets or liabilities are not secured are estimated on the basis of forward rates. The gains on each future due date are discounted to estimate the net worth of the company.

Scenarios are applied in all currencies in parallel, which represents the most restrictive situations in EUR and USD exposures for interest-rate risk (for the purposes of interest-rate risk, the only exposure which is material is that relating to the EUR and the USD). These tested scenarios consist of "parallel shifts", namely parallel rate variations of 1%, 2% and 3%, both positive and negative, for all maturities.

The results of the analysis at 31 December 2011 are published in the 2011 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 2011 are published in the 2011 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 ceilings are established by the Executive Committee individually for each counterparty and approved by the Board of Directors. Concentration ceilings are established, generally speaking (unless an exception is authorised), for loans to individuals. These limits are constantly monitored and are the subject of a report made to the Financial Management Committee every month.

SECURITIES PORTFOLIO AVAILABLE FOR SALE

Some 94,71% of the bond portfolio, totalling €1.783,56 million, consists of securities with at least an A-rating. Lower-rated securities account for little more than 5% and those with no rating make up just over 1%. Volume growth compared with the previous year (+9,2%) followed the expansion in customer deposits with the Bank. The main investment projects completed over the year were mainly centred around government and financial risks (covered bonds or those with a government guarantee) for AA level ratings, while paying attention to opportunities which emerged in the commercial company sphere.

By issuer type, the portfolio's distribution at 31 December 2011 was as follows:

63% were public paper, with 27% issued by companies in the financial sector, 9% by commercial companies and the remainder by other bodies.

2011 was marked by the government debt crisis. Long-term yields initially remained stable before experiencing a period of strong volatility at year-end. This volatility arose from government credit spreads due to economic and fiscal tensions. Banks' credit spreads followed the same trend.

Keytrade Bank reduced its sovereign debt exposure to the "PIIGS" countries and holds just € 10 million in an Italian government bond.

Numerous downgrades occurred in the banking world. As a result, at end-2011, Keytrade recognised € 6,4 million in additional impairment.

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 concern companies based in Belgium, in which the Bank has invested, and about which the Bank has in-depth internal knowledge to explain the investment quality. It should be noted that there has been no default in this investment category over the past few years.

LOAN PORTFOLIO

Outstanding loans and advances receivable due amounted to € 429,4 million at the end of 2011.

As part of its treasury management, the bank reinvests its liquid assets with financial institutions, that is to say, more than half with its parent company and the remainder with leading Belgian, Luxembourg and Swiss banks, based on the margins available in the light of the concentration ceilings established in the financial management rules and principles, and taking into account investments approved for the portfolio of securities available for sale. Outstanding financial sector debt due at 31 December 2011 represent 84% of the total loans and debts receivable.

The remainder, that is to say, lending to customers, mainly consists of:

- capital leasing debt granted by the RealLease subsidiary to small and medium-sized companies to finance passenger vehicles. The subsidiary applies a concentration ceiling of € 250.000 for each customer (unless an exception is authorised by the Board of Directors);
- loans to individuals in the form of credit lines granted for current accounts, as well as credit lines granted for its customers' stock market activities. As regards the latter lines, the bank requires guarantees in the form of securities, whose market value must at all times 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 customer's debt).

Customer 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 customers' business and its own investment activity. The Financial Management 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 an interbank position sufficient to meet its short-term obligations (currently above 10% of debts). The bank has also adopted liquidity thresholds to be applied to each short-term maturity band, which are continuously monitored to ensure sufficient availability of funds, and can rely on its ability to make use of its portfolio available for sale by undertaking 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. A check is carried out on a daily basis, and the necessary adjustments are made each day on the spot market. The Financial Management Committee and the Executive Committee are informed about changes in residual exchange exposure.

Operational risk:

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 not only with disaster scenarios, but also with less critical problems which the bank might have to tackle.

Since 2010, contracts were concluded with two specialist external firms, providing, firstly, for the availability of a new site for continuity of operations in the event of breakdown or major incidents and, secondly, the entry into service of a back-up IT room.

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 is used by the bank. A dedicated unit has been set up and monitors customers' transactions on a daily basis.

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

The IT security systems used are 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 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:

- comply with the capital requirements established by the supervisory bodies;
- ensure that 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 constantly monitored by the bank's Board of Management, using methods which comply with the guidelines established by the Basel Committee as implemented by the National Bank of Belgium through their supervisory activities. The requisite information is reported to the regulator every quarter.

In June 2011, Crédit Agricole, the parent company, increased the share capital by € 10 million. This measure, which strengthens the equity capital, is designed to support Keytrade Bank's growth policy.

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

Human Resources

On 31 December 2011, Keytrade Bank and its subsidiaries employed 121 staff. Expressed in full-time equivalents (FTEs), the total workforce was 117,25 at the end of 2011, i.e. an increase of 6,2%

At the Keytrade Bank head office, there were 95,3 FTEs at the end of 2011, an increase of 0,5%.

Keytrade Bank SA Balance Sheet and Income Statement (BGAAP Standards)

Balance sheet

Total Keytrade Bank assets amounted to €2.225,14 million at the end of 2011, representing a 12,6% increase, driven by growth in savings deposits.

Customer debts (€2.056,09 million) grew by 12,6% over the year. Savings deposits (€1.509,80 million) thus rose by 8,6%.

Interbank liabilities (€74,41 million) represent just 3% of the balance sheet and most of them comprise deposits from the parent company.

On the asset side, the bond portfolio equalled €1.763,98 million at end-2011, representing 10,5% growth. Government bonds represented 63% of the portfolio, with Belgian government debt making up more than 90% of this proportion. Exposure to the sovereign debt of the "PIIGS" countries came to € 10 million, in Italian government bonds. The bank does not hold equities for its own account within its financial portfolio. Keytrade Bank does not have a trading portfolio.

Interbank debts receivable stood at € 360,38 million, an increase of 30%. Deposits are chiefly placed with Crédit Agricole, the shareholder, as part of group policy.

Equity, including subordinated debts approved by the regulator as being eligible, increased by 20,3% to €71,42 million at 31 December 2011.

Income Statement

Interest income grew well – by 16,2% – in 2011, driven by cash deposits by customers, while fee income declined slightly (-1,8%) due to financial market weakness. Operating revenues (excluding capital gains or losses) thus grew by 6,4% (€ 47,64 million).

Operating expenditure (€ 23,92 million) increased by 6,3% in 2011. Banking taxes, which have multiplied sixfold in three years, are the main reason behind this rise. Without these new taxes, expenses would have edged up by just 3,7%.

The operating result, excluding capital gains and losses on the financial portfolio (€ 25,27 million), increased by 13,5% as compared with the previous period. The operating ratio thus equalled 50%.

In 2011, an € 8,24 million capital loss was recognised as part of risk management – in cutting sovereign debt exposure – and, following the default of a security that had been provisioned, it became possible to reverse € 3 million in impairment.

After recognising extraordinary items and taxes, Keytrade Bank's net profit for the period totalled € 12,77 million, representing a 22,1% decrease. However, this remains a respectable result, given the challenging economic and financial circumstances and the unduly harsh tax pressure. Keytrade Bank was liable for almost 50% tax on its 2011 income, a burden that was difficult to bear for the development of the company and, furthermore, distorts conditions for competition between banking institutions in Belgium, in accordance with their legal form.

Appropriation of profit of Keytrade Bank

The Board of Directors is proposing the following appropriation of 2010 earnings to the General Meeting (in € 000):

Profit for the period available for appropriation: 12.769
Retained earnings for the previous financial year: 12.270
Allocation to the legal reserve: 1.000
Retained profit carried forward: 13.323
Return on capital (gross dividends): 10.716

Consolidated Balance Sheet and Income Statement (IFRS)⁽²⁾

Balance sheet

Consolidated total balance sheet assets equalled €2.272,52 million at end-2011, representing a 10,8% year-on-year increase.

The increase in the two principle items – that is, “Financial assets available for sale” and “Loans and advances”, which account for more than 97% of total assets – is due to the reinvestment of customer deposits, which themselves grew strongly.

- Financial assets available for sale totalled € 1.783,56 million at the end of 2011, a rise of 9,2%. This increase is attributable to the reinvestment of customer assets, which themselves surged sharply. Government bonds form nearly two thirds of this item and of these, Belgian sovereign debt securities make up nearly 90% of the total. Investment policy is to invest solely in investment-grade assets. Exposure to what are known as “PIIGS” country sovereign debts totals € 10 million, invested in bonds issued by the Italian government. The bank does not hold equities for its own account within its financial portfolio. Keytrade Bank does not have a trading portfolio.
- Loans and accounts receivable, consisting mainly of interbank investments made essentially with Crédit Agricole, the parent, and leases granted by Realllease, the automobile leasing subsidiary, totaled € 432,02 million at end-2011, up by 18,2%.

At the end of 2011, total liabilities stood at € 2.198,56 million, an increase of 11,0%, thanks to the consolidated success of attracting online deposits. Customer deposits (€ 2.106,67 million) increased by 8,9%.

The € 48,77 million in interbank debts, which account for 2% of liabilities, are mostly made up of deposits from the parent company.

Subordinated debt stayed at € 12,5 million. This is a loan contracted with the parent company and approved by the regulator as qualifying as equity for the purposes of compliance with capital adequacy requirements.

Total equity, including profit for the period under review, was € 73,96 million. This figure includes the unrealised loss on the available for sale portfolio and hedging derivatives, of € 3,01 million. This unrealised capital loss is due to the upward movement of interest rates, which weighs on the value of the bond portfolio.

Income Statement

Operating revenues (excluding capital gains and losses) of € 52,90 million grew by 7,1% over 2011. This increase was driven by interest income (+18,7%), generated by a major increase in deposits in recent years and an improved margin. Brokerage income, however, remained stable (-0,9%).

Operating expenses (€ 24,77 million) increased by 5,5%. This increase is largely due to the burden of the new banking tax (€ 3,35 million) being taken into consideration. Without this, the growth would have been just 3,3%.

Operating profit excluding capital gains or losses and impairment (€ 28,13 million) rose by 8,5% demonstrating the Bank's healthy operating performance in a particularly challenging context.

As part of its risk management policy, in 2011 the Bank divested itself of certain securities and in so doing booked a € 2,78 million capital loss.

Total value adjustments – amortisation, depreciation, provisions and impairment – changed from a positive figure of € 4,94 million in 2010 to a negative figure of € 5,29 million in 2011. In 2011, in accordance with its measurement rules, the Bank recognised impairment for portfolio securities with ratings that were downgraded to non-investment grade.

Consolidated profit for the period equalled € 8,96 million (after third-party interest) at the end of 2011, which is more or less half the previous year's figure. This significant reduction in earnings, despite the healthy operating performance, is explained by measures taken in respect of financial risk management and the heavier banking tax burden.

Ratios

The cost/income ratio (excluding capital gains or losses) was 46,8% for the 2011 period, placing Keytrade Bank among the sector's best.

The profitability ratio (average equity under IFRS standards, excluding unrealised capital gains or losses on assets and the result for the financial period) was 14,7% for 2011.

The McDonough ratio, in consolidated terms, equalled 12,21% at the end of 2011 (before profit for the period under review), as compared with a regulatory requirement of 8%. The Tier One ratio stood at 10,29%.

The general solvency ratio is 161%, compared with the required standard of 100%.

Subsequent events

No significant event has occurred since the balance sheet date.

Discharge

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

Conclusions

Against a particularly difficult financial and economic backdrop, exacerbated by intensified tax pressure in Belgium – which places domestic banks at a disadvantage compared to foreign institutions – Keytrade Bank has once again shown its ability to bear up well.

The Bank's on-line business model has proven very resilient and has performed well, in contrast to the cracks emerging in the major blocks of erstwhile dominant banks.

Keytrade Bank took advantage of the change in the behaviour of banking consumers, who, in the depths of the financial crisis, discovered the advantages to them provided by a sound and efficient institution such as Keytrade Bank.

These benefits and the backing of the Crédit Agricole Group, its parent company, 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.

The Board would like to thank customers for their loyalty to the Keytrade brand and the employees for their contribution to the success of 2011.

Brussels, 19 March 2012
The Board of Directors

Keytrade Bank (BGAAP) Balance Sheet and Income Statement

keytradebank.com



Chapter 4

 **Groupe Cr dit Agricole**
Groep Landbouwkrediet



KEYTRADE BANK (BGAAP)

BALANCE SHEET AND INCOME STATEMENT*

1. CONSOLIDATED BALANCE SHEET AFTER APPROPRIATION

ASSETS ▼

2011
(€ 000) ▼2010
(€ 000) ▼

I. Cash, assets lodged at central banks and post office and giro accounts	121	148
II. Treasury bills that can be refinanced at the central bank	0	9.828
III. Receivables from credit institutions	360.380	277.223
A. Payable on demand	50.964	40.969
B. Other debts (future or notice)	309.416	236.254
IV. Loans and advances to customers	62.225	54.241
V. Bonds and other fixed-income securities	1.763.976	1.596.476
A. Of public issuers	1.104.099	583.744
B. Of other issuers	659.877	1.012.732
VI. Stocks, shares and other securities at variable income	0	0
VII. Financial fixed assets	3.659	3.656
A. Long-term intercorporate investment in related companies	3.652	3.652
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	7	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	929	651
IX. Tangible assets	2.211	1.986
X. Own assets	0	0
XI. Other assets	2.064	2.424
XII. Deferrals and accruals	29.580	29.055
TOTAL ASSETS	2.225.145	1.975.688

1. CONSOLIDATED BALANCE SHEET AFTER APPROPRIATION

LIABILITIES

2011
(€ 000) ▼2010
(€ 000) ▼

THIRD PARTY FUNDS	2.166.229	1.928.825
I. Debts to banks	74.412	38.882
A. Payable on demand	61.129	25.554
B. Commercial paper discounting liabilities	0	0
C. Other debts with fixed terms or periods of notice	13.283	13.328
II. Debts to customers	2.056.094	1.825.874
A. Savings accounts	1.509.800	1.389.678
B. Other debts	546.294	436.196
1. Payable on demand	466.039	400.832
2. with fixed terms or periods of notice	80.255	35.364
3. Commercial paper discounting results	0	0
III. Liabilities represented by a security	89	113
A. Bonds and fixed-interest securities in circulation	89	113
B. Other	0	0
IV. Other debts	17.328	20.585
V. Accruals	5.506	30.615
VI. Deferrals and accruals	300	256
A. Provisions for risks and charges	300	256
1. Pensions and similar commitments	103	40
2. Tax expenses	0	0
3. Other risks and charges	197	216
B. Deferred taxes	0	0
VII. General banking risk provisions	0	0
VIII. Subordinated liabilities	12.500	12.500
CAPITAL AND RESERVES	58.916	46.863
IX. Capital	38.338	28.338
A. Subscribed capital	38.338	28.338
B. Uncalled capital (-)	0	0
X. Share premium	3.087	3.087
XI. Revaluation gains	0	0

XII. Reserves	4.168	3.168
A. Reserve legal	3.834	2.834
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 (-))	13.323	12.270
TOTAL LIABILITIES	2.225.145	1.975.688

OFF-BALANCE-SHEET ITEMS ▼

2011
(€ 000) ▼2010
(€ 000) ▼

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	24.275	39.105
A. Firm funding commitments	0	0
B. Commitments due to cash purchases of securities or other values	18.074	34.193
C. Available margin on confirmed credit lines	6.201	4.912
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	2.874.737	3.362.988
A. Securities held under formal trust status	0	0
B. Safe-custody accounts and similar deposits	2.874.737	3.362.988
IV. Amounts to be paid-in for shares and equity interests	0	0

2. CONSOLIDATED INCOME STATEMENT

(presentation in list form) ▼

2011
(€ 000) ▼2010
(€ 000) ▼

I. Interest received and similar income	57.746	53.144
including : from fixed-income securities	52.283	49.133
II. Interest paid and similar charges (-)	-31.884	-30.890
III. Income from variable-income securities	1.557	83
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	1.557	83
IV. Commissions received	22.054	22.778
A. Brokerage fees and commissions	21.220	21.993
B. Compensation for management services, advice and custody	0	0
C. Other commissions	834	785
V. Commissions paid (-)	-4.217	-4.607
VI. Profit (Loss(-)) on financial transactions	-5.285	683
A. From exchange and trade in securities and other financial instruments	2.954	3.462
B. From exercising investment securities	-8.239	-2.779
VII. General administrative costs (-)	-20.146	-18.764
A. Remuneration, social security and pensions	8.404	7.369
B. Other administrative costs	11.742	11.395
VIII. Depreciation, amortisation and impairment (-) of start-up expenses, intangible assets and property, plant and equipment	-1.079	-987
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	-39	-74
X. Reversals of impairment (impairment (-)) of the portfolio of stocks, shares, bonds and other securities at fixed or variable income	3.000	4.870
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	21	21
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 (-)	-84	0

2011
(€ 000) ▼2010
(€ 000) ▼

XIII.	Uses of (allocations to (-)) general banking risk provisions	0	0
XIV.	Other operating income	986	809
XV.	Other operating costs (-)	-2.699	-2.765
XVI.	Ordinary profit (loss (-)) for the period before tax	19.931	24.301
XVII.	Extraordinary income	35	25
	A. Reprises d'amortissements et de réductions de valeur 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	33	17
	D. Added value on the realisation of fixed assets	2	8
	E. Other extraordinary income	0	0
XVIII.	Extraordinary costs (-)	-126	-48
	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	95	31
	D. Losses on realisation of fixed assets	16	0
	E. Other extraordinary income	15	17
XIX.	Profit (Loss(-)) for the financial year before taxes	19.840	24.278
XIXbis.	A. Transfer to deferred taxes (-)	0	0
	B. Deductions on deferred taxes	0	0
XX.	Taxes on result	-7.071	7.891
	A. Taxes (-)	-7.073	7.891
	B. Adjustment of income taxes and write-back of tax provisions	2	0
XXI.	Profit (Loss(-)) for the consolidated companies	12.769	16.387
XXII.	Transfer to tax-free reserves (-)	0	0
XXIII.	Profit (loss(-)) for the period to appropriate	12.769	16.387

APPROPRIATIONS AND DEDUCTIONS ▼

2011
(€ 000) ▼2010
(€ 000) ▼

I. Profit (loss (-)) to appropriate	25.039	27.830
A. Profit (loss (-)) for the period to appropriate	12.769	16.387
B. Retained earnings (loss brought forward (-)) from previous year	12.270	11.443
II. Deductions from equity	0	0
A. From share capital and premiums	0	0
B. From reserves	0	0
III. Appropriations to equity (-)	1.000	1.000
A. To share capital and premiums	0	0
B. To the legal reserve	1.000	1.000
C. To other reserves	0	0
IV. Profit (loss (-)) to carry forward	13.323	12.270
V. Share of associates in loss	0	0
VI. Profit for the period to be distributed (-)	10.716	14.561
A. Return on capital	10.716	14.561
B. Directors or managers	0	0
C. Other recipients	0	0

CONSOLIDATED YEARLY ACCOUNTS IFRS

keytradebank.com



Chapter 5

 **Groupe Cr dit Agricole**
Groep Landbouwkrediet



CONSOLIDATED YEARLY ACCOUNTS IFRS*

CONSOLIDATED BALANCE SHEET ▼

TOTAL CARRYING AMOUNT ▼

Assets (€)	31/12/2011	31/12/2010
Treasury and current accounts with central banks	46.555.434	44.287.982
Financial assets held for trading		
Financial assets available for sale	1.783.564.411	1.633.328.265
Loans and receivables (including finance lease agreements)	432.018.405	365.369.620
Derivatives used for hedging		
Fair value changes of the hedged items in portfolio hedge of interest rate risk		
Tangible assets	2.336.843	2.134.775
Goodwill and other intangible assets	982.419	761.871
Tax assets	4.795.805	2.065.845
outstanding taxation	1.139.731	1.150.297
deferred taxation	3.656.075	915.548
Other assets	2.263.968	2.961.434
TOTAL ASSETS	2.272.517.286	2.050.909.792

CONSOLIDATED BALANCE SHEET ▼

TOTAL CARRYING AMOUNT ▼

Liabilities (€)	31/12/2011	31/12/2010
Central banks deposits	0	6.320
Financial liabilities held for trading		
Financial liabilities assessed at depreciated cost	2.172.154.640	1.955.968.193
Deposits	2.155.439.103	1.939.551.317
Credit institutions	48.768.701	4.701.981
Other non-credit institutions	2.106.670.402	1.934.849.336
Debt securities including bonds	90.014	115.076
Subordinated liabilities	12.568.541	12.500.643
Other financial liabilities	4.056.982	3.801.157
Financial liabilities linked to transferred assets	10.031.808	10.022.000
Derivatives used for hedging	6.807.456	5.801.844
Fair value changes of the hedged items in a portfolio hedge of interest rate risk		
Provisions	314.805	266.643
Tax liabilities	636.048	284.693
Outstanding tax	631.272	85.101
Deferred tax	4.776	199.592
Other liabilities (including finance lease agreements)	8.614.500	7.722.403
Corporate capital repayable on demand		
TOTAL LIABILITIES	2.198.559.257	1.980.072.096

CONSOLIDATED BALANCE SHEET STATEMENT (€) ▼

TOTAL CARRYING AMOUNT ▼

Own funds and minority interest (€)	31/12/2011	31/12/2010
Issued capital		
Paid-up capital	38.338.364	28.338.364
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	-3.019.305	-1.744.850
Linked to non-current assets or disposal groups held in view of sale		
Other revaluation reserves		
Reserves (including retained earnings)	26.494.910	22.077.384
Own shares		
Profit for the financial year	8.958.244	18.978.526
Interim dividends		
Minority interest	99.273	101.731
Revaluation reserves		
Others		
TOTAL EQUITY AND MINORITY INTEREST	73.958.029	70.837.696
TOTAL LIABILITIES, MINORITY INTEREST AND EQUITY	2.272.517.286	2.050.909.792

CONSOLIDATED PROFIT OR LOSS (€) ▼

TOTAL CARRYING AMOUNT ▼

Continuing Operations (€)	31/12/2011	31/12/2010
Continuing Operations		
Financial & operating income and expenses	44.665.737	46.622.311
Interest net income	60.134.839	55.516.246
Expenses on share capital repayable on demand	-31.550.488	-31.437.008
Dividend income	68.530	83.000
Fee and commission net income	24.342.503	24.770.318
Charges d'honoraires et de commissions	-4.502.289	-4.750.902
Realised gains and losses on financial assets & liabilities not measured at fair value through profit or loss	-8.239.031	-2.778.787
Gains and losses on financial assets and liabilities held for trading (net)	3.374.472	3.961.658
Fair value adjustments in hedge accounting	2.979	5.205
Exchange differences revaluations		
Gains and losses on financial assets and liabilities designated at fair value through profit or loss (net)	-14.314	8.229
Other operating net income	1.048.536	1.244.352
Administration costs	-24.774.848	-23.485.645
Staff expenses	-9.065.862	-7.956.031
General and administrative expenses	-15.708.986	-15.529.614
Depreciation	-1.269.579	-1.119.383
Property, Plant and Equipment	-912.566	-825.469
Investment Properties		
Intangible assets (other than goodwill)	-357.013	-293.914
Provisions	-48.162	11.071
Impairment	-3.969.993	6.044.208
Impairment losses on financial assets not measured at fair value through profit or loss		
Available for sale financial assets	-3.708.180	6.093.000
Loans and receivables measured at amortized cost (including finance leases)	-261.812	-48.792

(€)	31/12/2011	31/12/2010
TOTAL PROFIT OR LOSS BEFORE TAX AND MINORITY INTEREST FROM CONTINUING OPERATIONS	14.603.155	28.072.562
Tax expense (income) related to profit or loss from continuing operations	5.635.368	9.078.894
TOTAL PROFIT OR LOSS AFTER TAX AND BEFORE MINORITY INTEREST FROM CONTINUING OPERATIONS	8.967.787	18.993.668
TOTAL PROFIT OR LOSS AFTER TAX AND DISCONTINUED OPERATIONS AND BEFORE MINORITY INTEREST	8.967.787	18.993.668
Minority interest	9.542	15.142
NET PROFIT OR LOSS	8.958.244	18.978.526



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