

Press Release

Crédit Agricole S.A., in partnership with 2006 Nobel Peace Prize winner Professor Muhammad Yunus, announces the creation of the « Grameen - Crédit Agricole Microfinance Foundation » and endows it with 50 million euros

Paris, 18 February 2008 — Crédit Agricole S.A. is committed to fighting world poverty alongside Professor Muhammad Yunus, founder and Managing Director of Grameen Bank and laureate of the 2006 Nobel Peace Prize for his efforts to promote microcredit.

Looking to foster the development of microfinance institutions¹ in developing countries and emerging economies, Crédit Agricole S.A. has decided to team up with Grameen Trust to create a dedicated foundation and endow it with 50 million euros. The Foundation, 'Grameen-Crédit Agricole pour la microfinance dans le monde', will provide microfinance institutions with a complete range of financing facilities in the form of credits, guarantees and equity capital, along with a platform for advisory services, information exchanges and technical assistance. Crédit Agricole S.A. will provide a team of specialists.

A joint initiative by Crédit Agricole and Grameen to fight poverty throughout the world

This is the first time that a large global banking group partners the Grameen group for an initiative of this scope. Over the past 30 years, Grameen Bank has been proving that microcredit, and microfinance in general, are socially effective in fighting poverty, thereby showing the viability of its economic model in emerging countries. Grameen Trust, the Grameen group's international development arm, has already stepped in to initiate or support microfinance initiatives in 38 countries.

There are over 10,000 microfinance institutions (MFIs) worldwide of varying sizes and legal forms. Many are restricted in their development by inadequate resources and equity capital, or because they lack the experience and training to cultivate a more professional, diversified approach. The joint initiative by Crédit Agricole and Grameen intends to meet these needs.

The Foundation 'Grameen-Crédit Agricole pour la microfinance dans le monde': a financial and technical services platform fostering the development of microfinance institutions

The Foundation will offer microfinance institutions financing solutions and technical support designed to assist development. The Foundation will, either directly or through subsidiaries, supply them with lines of credit, guarantee their loans with the local banking system, and help them boost their equity capital. As part of a long-term partnership, the Foundation will provide access to a technical assistance and training platform, a forum for exchanging best practices, and innovative technological solutions. It will pay particular attention to microfinance institutions with an agricultural and rural bent, in cooperation with the Foundation for Agriculture and Rural Areas around the World (*Fondation pour l'Agriculture et la Ruralité dans le Monde, FARM*).

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¹ Microfinance is a range of credit, savings and insurance services that deal with small sums and target individuals without access to traditional banking services because of their income level, the informal nature of their business and, often, their illiteracy. The efforts of Grameen Bank, which has 7 million active borrowers in Bangladesh, of which 95 per cent are women, have shown that even the poorest can develop a revenue-generating activity using a microcredit tailored to their situation.

Crédit Agricole S.A. will irreversibly endow the Foundation with 50 million euros. To expand its overall resources beyond this initial endowment, the Foundation will seek funding from institutional investors and large European corporations as part of their Socially Responsible Investment programmes. To this end, the Foundation expects to create a fund in 2009 dedicated to microfinance with the help of CAAM and its IDEAM subsidiary, which specialises in SRI.

By expanding its pool of resources, the Foundation could mobilise up to 150 million euros once it is up and running. The Foundation will seek to form partnerships with international financial institutions and with other private initiatives that are inspired by the same principles and share the same goals.

Governance will comprise a board of directors made up of Crédit Agricole Group and Grameen representatives and other qualified individuals. Professor Yunus will personally hold a seat on the board. The Foundation will be led and managed by a team of executives and technical support personnel supplied by Crédit Agricole S.A. The Foundation's articles of association will be submitted in the days ahead for approval by the competent authorities in Luxembourg, where it will be registered.

Crédit Agricole/Grameen: shared long-term vision and values

René Carron, Chairman of Crédit Agricole S.A., underlined that "a bank with Crédit Agricole's global reach has a commitment. We are a corporate citizen of the world, steadfastly committed to pursuing more sustainable and more equitable development. The creation of the Foundation 'Grameen-Crédit Agricole pour la microfinance dans le monde' marks a new and important stage in our commitment, which draws its inspiration from Crédit Agricole Group's roots as a mutual bank."

For Georges Pauget, Crédit Agricole S.A. CEO, "Microfinance breathes new life into the economic model of retail banking services in developing and emerging countries. The Foundation that we are creating in partnership with Grameen Trust will give us the financial and human resources to usher microfinance institutions through their learning curve and help them grow. This initiative is altruistic in nature and will be an enriching human experience for Crédit Agricole S.A. and its employees."

In Professor Yunus' view, "the ultimate goal of my struggle is to eradicate poverty! Put poverty into a museum! Microcredits are an effective weapon against poverty because they make everyone, even the poorest of the poor, the master of his own destiny by giving him the means to develop his own project. But we need to go beyond microcredits and put the vital forces of the market economy to work in our fight to end poverty and promote development. I am very pleased that Crédit Agricole, one of the world's largest banks, shares this vision and is joining me in the fight."

Today, we are also launching a website in French and in English dedicated to the Foundation 'Grameen-Crédit Agricole pour la microfinance dans le monde' at: www.grameen-credit-agricole.org.

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