The bank of common sense

# Registration document Annual report 2011

CRÉDIT AGRICOLE S.A.

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CRÉDIT AGRICOLE S.A.

# Registration document 2011 annual report

## Group profile

Crédit Agricole Group is the leading full-service retail bank in France and one of the major banking groups in Europe.

Serving the real economy, Crédit Agricole Group supports the projects of its customers in all retail banking business lines and associated specialised businesses.

The new slogan, *"Le bon sens a de l'avenir"* (the bank of common sense), reaffirms Crédit Agricole's values and commitment. It places the satisfaction and interests of its 54 million customers, 1.2 million shareholders, 6.5 million mutual shareholders and 160,000 employees at the heart of its activities.

With its cooperative and mutual foundations, Crédit Agricole pursues a resolute policy of social and environmental responsibility. This is reflected in an improvement process for customers, employees and the environment, backed up by detailed indicators.

### A bank serving 54 million customers (1)

- 3 domestic markets: France, Italy, Greece
- 11,600 branches in 13 countries
- Present in 70 countries

### A player committed to servicing the economy

- Signature of the United Nations Global Compact and the Climate Principles
- Adoption of the Equator Principles by Crédit Agricole Corporate and Investment Bank
- Signature of the Principles for Responsible Investment by Amundi, Crédit Agricole Cheuvreux and Crédit Agricole Assurances

*(1) Including the Regional Banks.*

*Only the French version of the registration document has been submitted to the AMF. It is therefore the only version that is binding by law.*

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This registration document was filed with the *Autorité des marchés financiers* on 15 March 2012 under number D.12-0160, in accordance with article 212–13 of the AMF's General Regulation. It may be used in support of a financial transaction if accompanied by an offering circular approved by the AMF.

# Message from the Chairman and the Chief Executive Officer

For European economies and financial institutions, 2011 will be remembered as a particularly difficult and contrasted year: the sovereign debt crisis, especially in Greece, the high volatility of financial markets and the liquidity crisis; all these elements which came to disturb further a context of weak economic growth. These factors also led banking regulators to speed up the timetable for the application of new regulatory measures on banks' capital ratio requirements. The banks had to deal with this by taking unprecedented adaptive measures while pursuing with their efforts in financing the economy.

After a strong first half of the year, Crédit Agricole, like many other companies, was affected in the second half by this depressed economic climate. Our results suffered and we had to adapt quickly in order to deal with the situation and prepare for the future. The task before us now is to bolster the Group's fundamentals in the current climate whilst securing its ability to serve its customers as effectively as possible. The dynamism of our business lines, the commitment of our 160,000 employees, the confidence of long-term shareholders and governance helped us weather the storm of 2011. These strengths allow us to take on 2012 with caution, yet with the determination that comes from having fought a battle.

Our business lines achieved a sustained level of performance in the first half of 2011 and Crédit Agricole Group delivered solid results (+4.8% for net banking income and +9.5% for gross operating income). In the early part of the year we defined Crédit Agricole S.A.'s strategy for the years to come, in line with the Group Project produced with the Regional Banks: the priority was given to organic growth, retail banking and its associated businesses serving the real economy.

Retail banking and savings management performed well in the second half of the year. We are the only French bank to have successfully passed the stress tests run by the European Banking Authority. Nonetheless, the Group was affected by the monetary and financial crisis and we had to adapt as of this summer. We therefore chose to strengthen our solidity even further by increasing our capital through our internal resources, whilst reducing our dependence on the financial markets.

This was the goal of our adjustment plan: the first part, in September 2011, consisted in structurally reducing our debt by adjusting the size of our balance sheet (€50 billion between June 2011 and December 2012). In the second part, in December 2011, we decided to reduce the liquidity needs of some of our corporate and investment banking and consumer finance activities.

Overall, the impact of this difficult climate resulted for Crédit Agricole S.A. a net income Group share of -€1,470 million for 2011. However, Crédit Agricole Group as a whole, with its 39 Regional Banks, made a profit of €812 million. Therefore our results incorporated the exceptional impacts of the Greek crisis and asset write-downs relating mainly to the adjustment plan. The results delivered for 2011 are not representative of the base of recurring results that our Group is able to produce.

We must now continue to prepare for the future. Our strategy is clear: our priority lies in retail banking and its related businesses, including corporate and investment banking, which is essential for serving large corporates and the local economy in which they operate.

We are the leading financial partner of the economy and we intend to carry on fulfilling this role, as we did in 2011, because we know that the lending of today produces the jobs and growth of tomorrow. In the midst of turmoil, we have not only maintained the support we provide to economic players, but enhanced it: our outstanding loans in France have risen by 4.6%.

We shall also continue to recruit and play a crucial role in training our nation's young people. We intend to take on 3,500 new employees in all regions, mainly in retail banking, together with 3,000 young people on work-study traineeships.

We therefore intend to conduct our business whilst rising to the corporate and environmental responsibility that falls upon us as one of France's leading companies. We have also made socially-responsible investment one of the pillars of our asset management policy and are working to improve our offer of green products with a view to protecting the environment. We have launched an initiative designed to transform the CSR practices within Crédit Agricole S.A.

As a committed sponsor, we intend to continue working with the Group's employees to support a variety of initiatives in the fields of solidarity, food safety and the conservation of heritage.

We realise that, for our employees and shareholders and for Crédit Agricole's mutual shareholders, 2011 will be remembered as a difficult year. We would like to commend their efforts and thank them for their trust and support.

The monetary and financial crisis will not come to an end in 2012. Europe must make progress in resolving the debt crisis – especially Greek debt – and improving its governance. Only in this way can it secure the future of the euro zone. France will have to face challenges of controlling its deficits and kick-starting growth. As Executive managers of Crédit Agricole S.A., we want the Group to be up to the task. Even if French banks are being unjustly vilified, they are an essential part of the economic and social fabric of our country. A country like France with no large banks would be unimaginable. France can count on its banks and on Crédit Agricole.

Jean-Paul Chifflet

Chief Executive Officer of Crédit Agricole S.A.

Jean-Marie Sander

Chairman of Crédit Agricole S.A.

# Presentation of Crédit Agricole S.A.

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# 2011 key figures and stock market data

## KEY FIGURES

### Trends in earnings

#### CONDENSED INCOME STATEMENT

| *(in millions of euros)* | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| Net banking income | 16,768 | 15,956 | 17,942 | 20,129 | 20,783 |
| Gross operating income | 4,050 | 3,321 | 5,760 | 6,942 | 7,171 |
| Net income | 4,556 | 1,266 | 1,446 | 1,752 | (1,198) |
| Net income Group share | 4,044 | 1,024 | 1,125 | 1,263 | (1,470) |

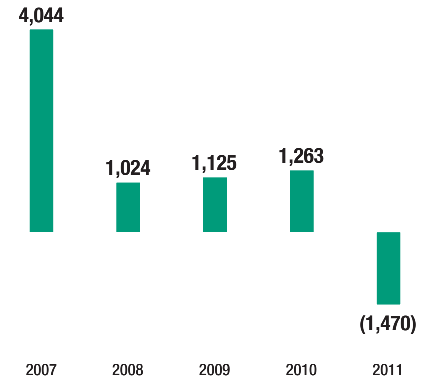
#### BUSINESS OPERATIONS

| *(in billions of euros)* | 31/12/2007 | 31/12/2008 | 31/12/2009 | 31/12/2010 | 31/12/2011 |
|---|---|---|---|---|---|
| Total assets | 1,414.2 | 1,653.2 | 1,557.3 | 1,593.5 | 1,723.6 |
| Gross loans | 397.3 | 436.9 | 463.6 | 499.6 | 521.0 |
| Customer deposits | 564.9 | 607.8 | 643.4 | 671.7 | 674.0 |
| Assets under management (Asset management, insurance and private banking) [(1)] | 614.4 | 550.8 | 688.5 | 854.6 | 808.5 |

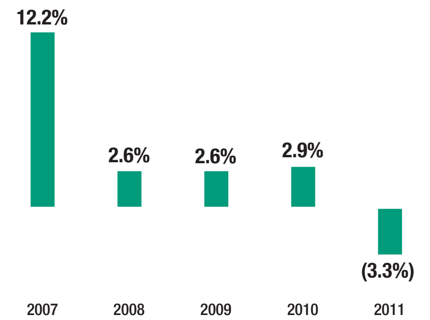
(1) *Excluding double counting. From 2007, assets under management are after the unwinding of the CAAM Sgr S.p.A. joint venture. From 31 December, assets under management encompass the Amundi scope.*

#### NET INCOME GROUP SHARE

*(in millions of euros)*

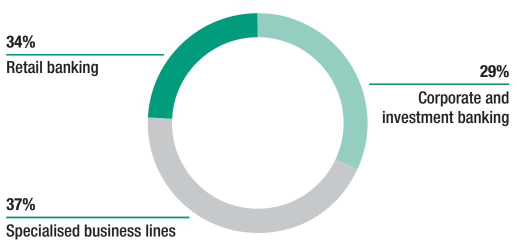



#### RETURN ON EQUITY (ROE)




### Results by business line

#### BUSINESS LINE CONTRIBUTION TO NET INCOME GROUP SHARE [(1)]



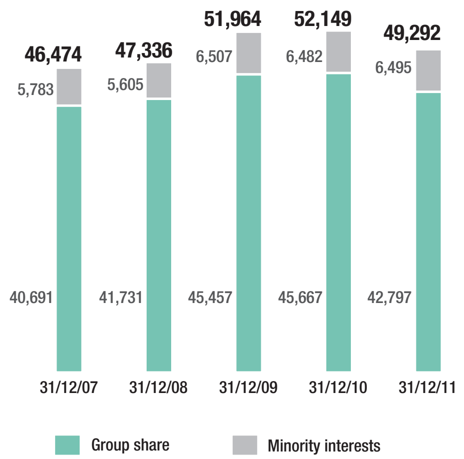

(1) *Excluding discontinuing operations in corporate and investment banking, costs of the adjustment plan, impact of the European support plan for Greece (PSI) and Emporiki.*

#### CONTRIBUTION TO NET INCOME GROUP SHARE

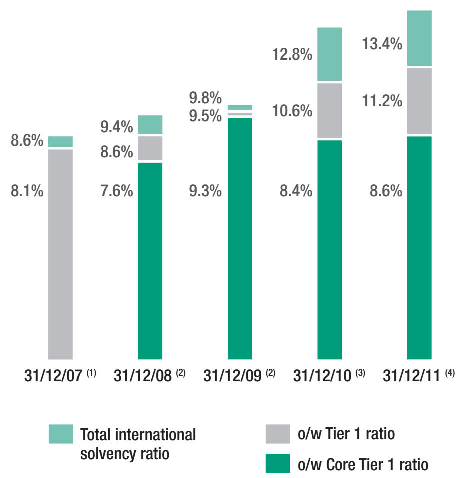
| *(in millions of euros)* | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| Regional Banks | 778 | 581 | 730 | 957 | 1,008 |
| LCL | 553 | 691 | 574 | 671 | 675 |
| International retail banking | 460 | (420) | (458) | (928) | (2,601) |
| Specialised financial services | 595 | 460 | 457 | 536 | 91 |
| Asset management, insurance and private banking | 1,899 | 1,392 | 1,410 | 1,509 | 951 |
| Corporate and investment banking | (904) | (1,924) | (320) | 975 | (147) |
| Corporate centre | 663 | 244 | (1,268) | (2,457) | (1,447) |

## Financial structure

**EQUITY**
*(in millions of euros)*




**SOLVENCY RATIOS**




*(1) CAD ratio.*
*(2) CRD ratio.*
*(3) The 2010 ratios include the impact of CCI/CCA risk weighting.*
*(4) The 2011 ratios include the first application of CRD 3.*

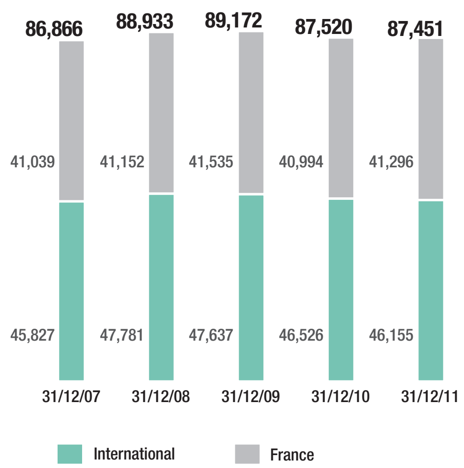
## Agency credit ratings as of 1 March 2012

Crédit Agricole S.A. has been awarded sound ratings by agencies. They reflect its financial strength and its membership of Crédit Agricole Group.

| | Short term rating |
|---|---|
| Moody's Investors Service | Prime-1 |
| Standard & Poor's | A-1 |
| FitchRatings | F1+ |
| | **Long term rating** |
| Moody's Investors Service | Aa3 |
| Standard & Poor's | A |
| FitchRatings | A+ |
| | **Review/Outlook on the long-term rating** |
| Moody's Investors Service | On review for downgrade |
| Standard & Poor's | Outlook stable |
| FitchRatings | Outlook stable |

## Headcount at year-end

*(Full-time equivalents)*



# STOCK MARKET DATA

## Ownership structure as of 31 December 2011

On 31 December 2011, Crédit Agricole S.A.'s share capital comprised 2,498,020,537 shares. As of that date, to the best of Crédit Agricole S.A.'s knowledge, ownership of share capital and voting rights was as follows:

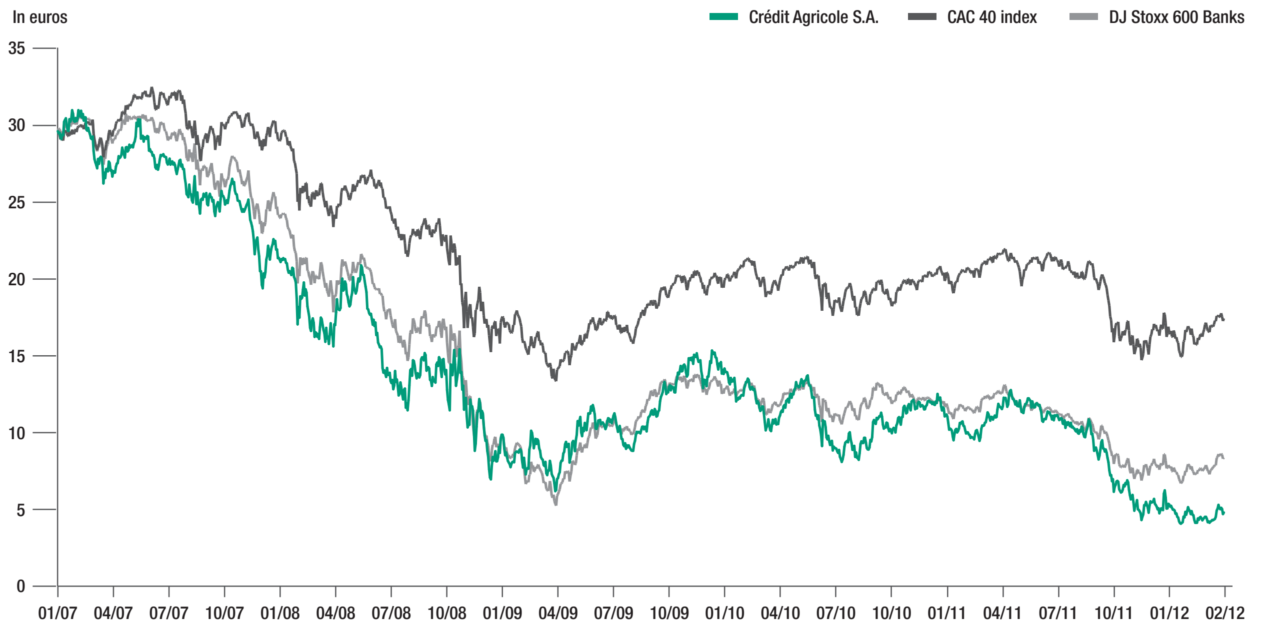
| Shareholders | Number of shares | % of the share capital | % of voting rights |
|---|---|---|---|
| SAS Rue La Boétie | 1,405,263,364 | 56.25 | 56.41 |
| Treasury shares | 6,969,381 | 0.28 | - |
| Employee share ownership plans | 119,290,876 | 4.78 | 4.79 |
| Institutional investors | 696,717,823 | 27.89 | 27.97 |
| Retail investors | 269,779,093 | 10.80 | 10.83 |
| **TOTAL** | **2,498,020,537** | **100** | **100** |

## The Crédit Agricole S.A. share

### Share price performance

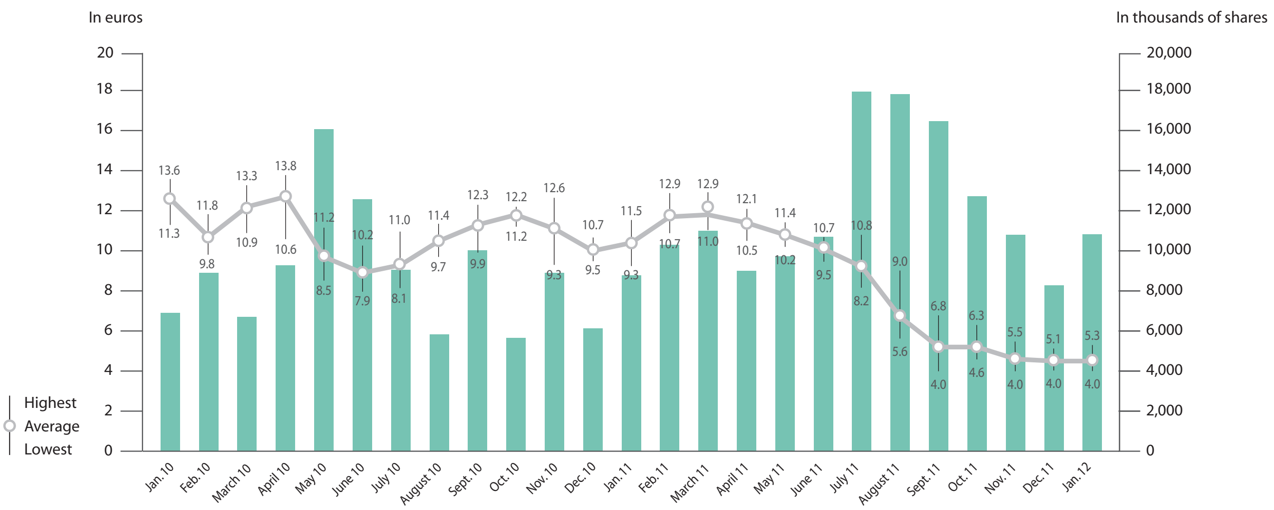
**SHARE PRICE PERFORMANCE SINCE 2007(1)**

*Comparison with the DJ Stoxx 600 Banks and CAC 40 indices (recalculated based on the share price).*




*(1) Data adjusted for preferential rights issues in January 2007 and July 2008.*

**MONTHLY CHANGE IN SHARE PRICE AND TRADING VOLUMES**




In 2007, in common with all financial sector stocks, the share price was adversely affected by market turbulence resulting from the US subprime crisis which began in the summer. In this climate, Crédit Agricole S.A. share price closed at €23.07 on 31 December 2007, down 26.4% over the year. The share price underperformed the CAC 40 index, which edged up 1.3% in 2007.

In 2008, as the financial crisis intensified and spread, it drove the price of all stocks – especially financial stocks – even lower, and the CAC 40 fell 42.7% during the year. During that 12-month period, the DJ Stoxx 600 Banks index of European banks plunged by nearly 65% and Crédit Agricole S.A. share price dropped by 62.4% on very high average trading volumes.

In 2009, after a difficult start, share prices picked up as fears sustained by the crisis began to dissipate. The share price reached its high for the year of €15.66 on 11 November 2009 and ended the year at €12.36, representing a gain of 54.6% over the year, outperforming the DJ Stoxx 600 Banks index (+45.9%) as well as the CAC 40 index (+22.3%). The end of 2009 and the beginning of 2010, however, turned out to be gloomier, with the Emirate of Dubai's financial troubles, and persistent doubts over the potential for an economic recovery in 2010. Moreover, financial stocks were adversely affected by the Basel Committee's mid-December release of proposed new rules for calculating the capital requirement of banks.

Driven by good economic indicators, Crédit Agricole S.A.'s share price began 2010 on a positive note, before resuming a downward trend in the wake of disappointing results from the banking sector, recurring fears about the Basel proposals and uncertainty about the global economic recovery. The share subsequently rebounded in mid-February on hopes for a settlement of the Greek crisis and the release of satisfactory economic indicators. It reached its yearly high of €13.68 on 15 April 2010, before falling amidst anxiety over deflation in the United States and resurgent concerns about the debt of European countries. The share hit its yearly low of €8.02 on 8 June 2010. During the second half of 2010, the share experienced a gradual increase in a background of renewed optimist about global growth, notably in the United States. Bank stocks were nevertheless still penalised by a regulatory environment deemed constrictive, although more benign than the original proposals. The end of the year saw renewed fears about sovereign debt, notably that of Ireland. In this climate, Crédit Agricole S.A. share price closed at €9.50 on 31 December 2010, down 23.1% over the year, whereas the CAC 40 index recorded a slight fall (-3.3%).

The European debt crisis remained the key concern in early 2011, but without unduly weighing on the markets. There was even hope in the first half that a recovery could take shape. The release of Crédit Agricole S.A.'s first-quarter financial statements confirmed this trend, with the share price hitting its yearly high of €12.92 on 28 February.

Against the backdrop of fears of a nuclear disaster in Japan and geopolitical tension in North Africa and the Middle East, March saw a revival of concerns over the sovereign debt of vulnerable eurozone countries. Tracking the downgrades of the credit ratings of countries in Southern Europe and announcements of austerity plans across Europe, the share price declined steadily, falling below the €10.0 mark in late June. The summer witnessed a resurgence of fears about a default by Greece and the risk of contagion to Italy. The slow pace of European countries in finding a solution to the crisis and the possibility that the private sector could be called on to take part in the Greek bailout undermined investor confidence in the banking sector. The banks with the most exposure to Greece and Italy came under particular attack. The stock loses €2.00 in one month to close at €8.00 on 2nd August.

The threat of a weaker economy in the United States emerged suddenly on 5 August 2011, when Standard & Poor's downgraded the country's sovereign AAA rating. With certainty having evaporated, the announcement led to a sharp correction in the equity markets, with the banking sector hit particularly hard as banks' credit ratings were downgraded. The loss of investor confidence and the ensuing liquidity crisis forced banks to announce cuts in high liquidity-consuming activities, as well as job cuts. The share fell below €5 in early October, reaching an all-time low of €3.98 on 23 November 2011.

The deteriorating fiscal situation in Greece, the lack of a sufficiently convincing response from governments and the liquidity crisis weighed heavily on the sector. In this climate, the Crédit Agricole S.A. share ended 2011 at €4.36, down 54.1% over the year, underperforming both the DJ Stoxx 600 Banks (-32.5%), and the CAC 40 (-17.0%).

A total of 3,093 billion Crédit Agricole S.A. shares were traded on Euronext Paris in 2011, with an average daily volume of 12.0 million shares (8.8 million in 2010).

The early part of 2012 saw tensions in the liquidity market ease in conjunction with successful issues of sovereign debt, particularly in Italy and Spain. Anticipated by investors, France's loss of its AAA rating and the downgrades of eight other eurozone countries by Standard & Poor's in mid-January ultimately had little impact on the markets. In addition, hopes of a settlement of the Greek crisis benefited banking stocks. The Crédit Agricole S.A. share gained more than 8% in January.

## Stock market indices

Crédit Agricole S.A. shares are listed on Euronext Paris, compartment A, ISIN code: FR0000045072.

The shares are part of several indices: the CAC 40 index of the 40 most representative listed companies on the Paris Bourse and the FTSEurofirst 80 index representative of the largest companies in the European Monetary Union by market capitalisation.

Crédit Agricole S.A. shares are also included in the major sustainable development indices: the ASPI Eurozone index comprising the 120 eurozone companies with the best performances in respect of sustainable development; the FTSE 4 Good Global 100 and the Europe 50, which respectively include 100 global listed companies and 50 European listed companies that meet stringent social and environmental responsibility criteria, the Dow Jones Sustainability World Index, which includes the 250 best-performing companies in respect of sustainable-development criteria among the 2,500 companies listed in the DJ Global Total Stock Market index, and, since September 2011, the ESG Stoxx Europe 600 index, which includes 600 European companies chosen for their compliance on environmental, social and governance issues among the 1,800 companies listed in the ESG Stoxx Global 1800 index.

## Stock market data

| | 31/12/2011 | 31/12/2010 | 31/12/2009 | 31/12/2008 | 31/12/2007 |
|---|---|---|---|---|---|
| Number of shares in issue | 2,498,020,537 | 2,401,660,291 | 2,319,579,937 | 2,226,342,496 | 1,669,756,872 |
| Market capitalisation *(in billions of euros)* | 10.9 | 22.8 | 28.7 | 17.8 | 38.5 |
| Earnings per share (EPS) (1) *(in euros)* | (0.60) | 0.54 | 0.50 | 0.51 | 2.31 |
| Net asset value per share (NAVPS) (1) (2) *(in euros)* | 17.13 | 18.56 | 19.32 | 18.29 | 21.39 |
| Price/NAVPS | 0.25 | 0.51 | 0.64 | 0.44 | 1.00 |
| P/E (price/EPS) | - | 17.6 | 24.8 | 15.6 | 9.2 |
| **Year's high and low** (1) *(in euros)* | | | | | |
| High (during trading day) | 12.92 | 13.78 | 15.66 | 21.57 | 31.13 |
| Low (during trading day) | 3.98 | 7.87 | 5.90 | 6.77 | 19.04 |
| Final (closing price at 31 December) | 4.36 | 9.50 | 12.36 | 8.00 | 21.29 |

*(1) Data adjusted for preferential rights issues in January 2007 and July 2008.*

*(2) Net asset value after dividends divided by number of shares in issue at year-end.*

## Dividend

From 2001 to 2003, Crédit Agricole S.A. paid a dividend of €0.55 per share. The dividend was raised to €0.66 for 2004, €0.94 for 2005, €1.15 for 2006 and €1.20 in 2007. In respect of 2008.2009 and 2010, shareholders were offered the option to receive a dividend of €0.45 in cash or in shares. The option of receiving the dividend in shares attracted considerable interest from shareholders: 85.7% of rights, excluding treasury shares and liquidity agreements, were exercised in favour of this option in respect of 2008, 59.3% in respect of 2009 and 84.9% in respect of financial year 2010.

As the Crédit Agricole S.A. Group's share of net income was negative in 2011, the Board of Directors plans to propose a suspension of the dividend at the 22 May 2012 General Meeting of Shareholders.

| | In respect of 2011 | In respect of 2010 | In respect of 2009 | In respect of 2008 | In respect of 2007 |
|---|---|---|---|---|---|
| Net dividend per share [1] *(in euros)* | Nil | 0.45 | 0.45 | 0.45 | 1.11 |
| Payout ratio [2] | Nil | 85% | 92% | 97% | 49% |

*(1) Data adjusted for preferential rights issues in January 2007 and July 2008.*

*(2) Total dividends payable (ex. treasury shares) divided by net income Group share.*

## Shareholder return

The table below shows the total shareholder return for retail investors in Crédit Agricole S.A. shares.

The calculation, which is based on the share price on the day of the investment (initial public offering on 14 December 2001 or beginning of the year in other cases), takes into account the reinvestment of dividends received (until 2005, this included a tax credit in respect of the year before, which accounted for 50% of the amount distributed). The valuations are based on the closing share price on the day of the investment.

The calculation also assumes that investors sold their preferential subscription rights and used the proceeds to take up the rights issues at the end of October 2003, January 2007 and July 2008. All results are presented net of tax.

| Holding period | Cumulative gross return | Average annualised return |
|---|---|---|
| 1 year (2011) | (53.7%) | (53.7%) |
| 2 years (2010-2011) | (62.9%) | (39.1%) |
| 3 years (2009-2011) | (42.0%) | (16.6%) |
| 4 years (2008-2011) | (74.8%) | (29.1%) |
| 5 years (2007-2011) | (81.5%) | (28.7%) |
| 6 years (2006-2011) | (76.8%) | (21.6%) |
| 7 years (2005-2011) | (71.6%) | (16.5%) |
| 8 years (2004-2011) | (64.8%) | (12.2%) |
| 9 years (2003-2011) | (52.0%) | (7.8%) |
| 10 years (2002-2011) | (58.3%) | (8.4%) |
| Since IPO (14 December 2001) | (55.5%) | (7.8%) |

## 2012 FINANCIAL COMMUNICATION CALENDAR

| | |
|---|---|
| 11 May | Publication of 2012 first quarter results |
| 22 May | General Meeting of Shareholders in Paris |
| 28 August | Publication of 2012 interim results |
| 9 November | Publication of 2012 nine-month results |

## CONTACTS

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# Significant events in 2011

## January

Crédit Agricole Group acquired from Intesa Sanpaolo S.p.A 79.9% of the share capital of Cassa di Risparmio della Spezia by Cariparma Crédit Agricole pursuant to an agreement signed in February 2010. Cassa di Risparmio della Spezia operates a network of 76 branches situated in Liguria, Tuscany and Emilia-Romagna.

To complete this process, it is also planned that Intesa Sanpaolo S.p.A will transfer 96 branches to Cariparma Crédit Agricole. These branches are located in the principal towns in the Lombardy, Latium, Tuscany and Veneto regions.

Crédit Agricole S.A. finalised with Banco Bilbao Vizcaya Argentaria S.A. the sale of 100% of the share capital de Credit Uruguay Banco S.A.

## March

Crédit Agricole expressed its solidarity with the victims of the earthquake and tsunami in Japan, and decided to provide initial aid in the amount of 100 million yen.

Crédit Agricole S.A. presents its medium-term plan: Commitment 2014.

## May

IPO of Amundi ETF on the London Stock Exchange.

Crédit Agricole S.A. General Meeting of Shareholders: the dividend is set at €0.45 per share, payable in cash or in shares. Nearly 85% of Crédit Agricole S.A. shareholders chose the second option.

The General Meeting of Shareholders also approved the creation of a 10% bonus on the dividend paid to shareholders able to prove registered shareholder status for a minimum of two years as of 31 December 2013.

UBP (Union Bancaire Privée), one of Switzerland's leading players in asset management, entrusted the administration of its Luxembourg and French range of funds to CACEIS.

## June

Crédit Agricole Corporate and Investment Bank and CITIC Securities announced a partnership in their equity brokerage activities, giving birth to a world leader in brokerage. Crédit Agricole CIB is to sell 19.9% of CLSA and Crédit Agricole Cheuvreux to CITICS, but will retain exclusive control.

The Crédit Agricole Group launched "Kwixo", an innovative and secure payment instrument combining money transfers between individuals and payments on e-commerce websites.

Merger of CACEIS Bank Luxembourg and Fastnet Luxembourg.

## July

Crédit Agricole S.A. announced the success of the voluntary tender offer for the remaining portion of the share capital (4%) of its greek subsidiary Emporiki Bank which is not yet held by Crédit Agricole S.A. and Sacam International.

## August

Bernard Delpit joined Crédit Agricole S.A. as Chief Financial Officer.

## September

Emporiki Bank announced the delisting of its shares.

Presentation of Crédit Agricole Group's debt-reduction plan aimed at securing a structural €50 billion reduction in its debt between June 2011 and December 2012.

## October

Crédit Agricole CIB and BlueMountain Capital Management LLC announced the signing of a memorandum of understanding pursuant to which Crédit Agricole CIB will transfer the market risk of its credit correlation business to BlueMountain, a leading investment manager in the global credit markets.

Crédit Agricole Group demonstrated its ability to achieve the 9% target for Core Tier One ratio by 30 June 2012 in the framework of the stress tests conducted by the European Banking Authority (EBA).

## December

Crédit Agricole S.A. announced that its plan to reduce its financing needs by €50 billion by end-2012 had already been achieved up to €9 billion by end-October 2011. The plan also includes a new corporate and investment banking model focused on the originate-to-distribute model at the service of major clients.

Crédit Agricole S.A. and Coller Capital announced the signing of an agreement bearing on the sale by Crédit Agricole S.A. to Coller Capital of 100% of the share capital of Crédit Agricole Private Equity (CAPE).

Affiliation of Crédit Agricole Corporate and Investment Bank by Crédit Agricole S.A. to formalise Crédit Agricole S.A.'s support of Crédit Agricole CIB.

# Company history

## 1885

Creation of the first Local Bank in Poligny (Jura).

## 1894

Law authorising the creation of the first *sociétés de Crédit Agricole,* later named *Caisses Locales de Crédit Agricole Mutuel* (Local Banks of Crédit Agricole Mutuel).

## 1899

Law grouping the Local Banks into Crédit Agricole Regional Banks.

## 1920

Creation of the *Office National du Crédit Agricole,* which became *Caisse Nationale de Crédit Agricole* (CNCA) in 1926.

## 1945

Creation of *Fédération Nationale du Crédit Agricole* (FNCA).

## 1986

Creation of Predica, life insurance company of the Group.

## 1988

Law reorganising the CNCA as a mutual company, which became a public limited company owned by the Regional Banks and the Group's employees.

## 1990

Creation of Pacifica, property & casualty insurance subsidiary.

## 1996

Acquisition of Banque Indosuez.

## 1999

Acquisition of Sofinco and an initial stake in Crédit Lyonnais.

## 2001

Reincorporation of the CNCA as Crédit Agricole S.A., and listing on the stock market on 14 December 2001.

## 2003

Acquisition of Finaref and Crédit Lyonnais.

## 2006

Significant development in International retail banking, with the acquisition of Emporiki Bank in Greece and the announced acquisitions of Cariparma, FriulAdria and 202 Banca Intesa branches in Italy.

## 2007

Launch of LCL competitiveness plan (new brand for Crédit Lyonnais since 2005).

Cariparma FriulAdria and Emporiki development plans announced.

## 2008

Presentation of the strategic Refocusing and Development plan for Corporate and investment banking activities.

## 2009

Presentation of the Restructuring and Development plan of Emporiki Bank.

Creation of Amundi, a European leader in asset management, born of the combination of Crédit Agricole Asset management and Société Générale Asset management.

## 2010

Merger of Sofinco and Finaref to create the new consumer credit leader in France and Europe: Crédit Agricole Consumer Finance.

Crédit Agricole Leasing and Eurofactor regroup to give rise to Crédit Agricole Leasing & Factoring.

Emporiki updates its Restructuring and Development plan for the 2009-2013 period.

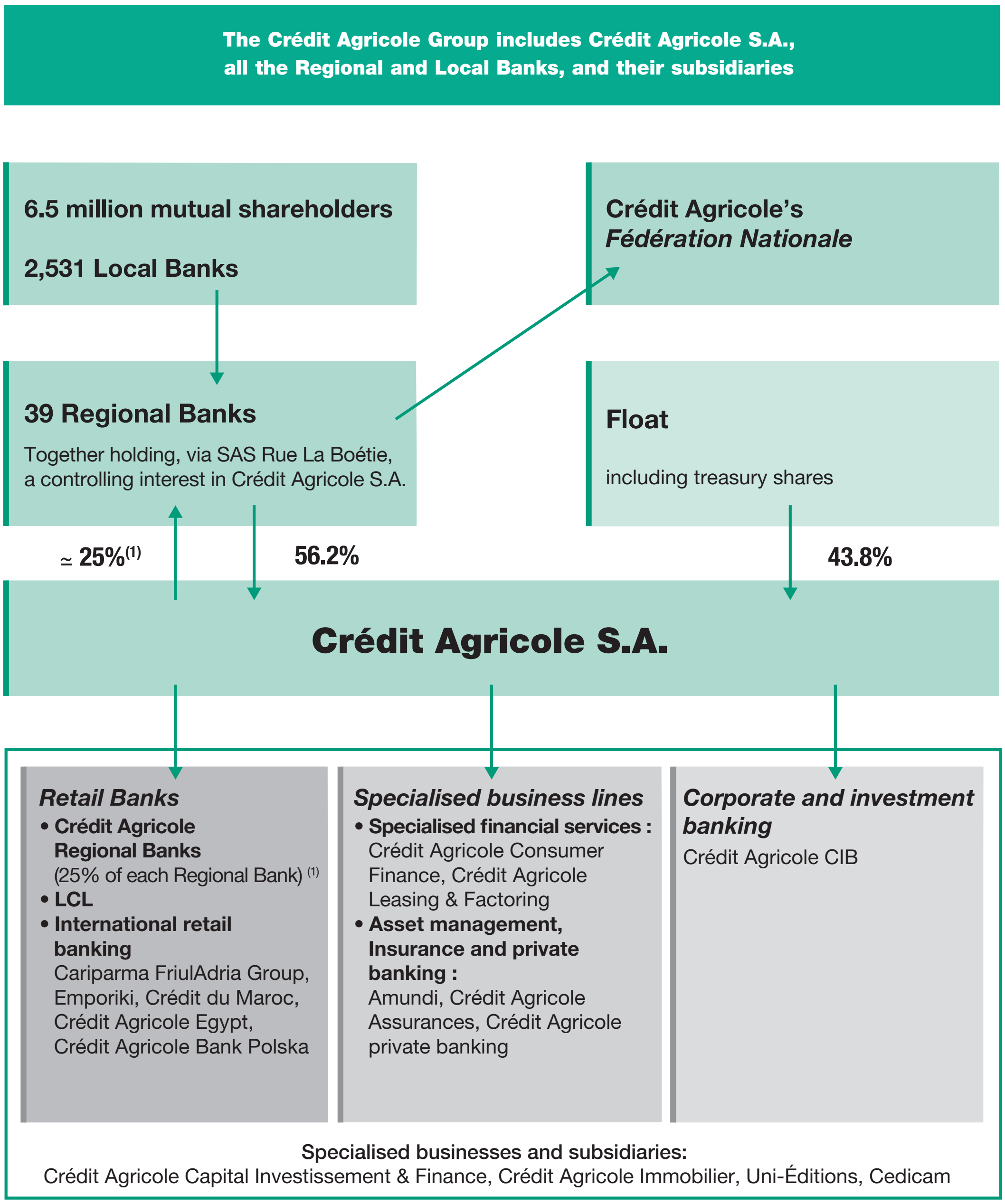
## 2011

Continuation of the expansion strategy in Italy, with the acquisition of 172 branches from Intesa Sanpaolo S.p.A.

Presentation of the *"Engagement 2014"* (Commitment 2014) strategic plan aimed at making the Group the European benchmark in full-service retail banking.

Presentation of Crédit Agricole Group's deleveraging plan.

# Organisation of Crédit Agricole Group and Crédit Agricole S.A.




As of 31 December 2011

(1) *Apart from the Caisse Régionale de la Corse. The exact percentage holding in each Regional Bank is listed in Note 12 to the Financial Statements.*

# The business lines of Crédit Agricole S.A.

## SIX BUSINESS LINES

### French retail banking – Regional Banks (1)

- **Share of net income of equity-accounted entities(1): €1.0 billion**

Banking services for individual customers, farmers, small businesses, SMEs and local authorities, with strong local roots.

Crédit Agricole Regional Banks provide a full range of banking and financial products and services: savings products (money market, bonds, securities); life insurance investment products; lending (namely home and consumer finance, loans to corporates, small businesses and farmers); payment instuments; personal services; banking-related services; and wealth management. The Regional Banks also distribute a very large range of property & casualty and death & disability insurance products.

- 21 million individual customers
- 7,007 branches and 6,868 in-store servicing points
- Leader by market share *(source: Bank of France)* in:
  - household deposits: 23.4%;
  - household credit: 20.9%;
  - lending to farmers: 78.5% *(source: RICA 2010)*.

Penetration rate:

farming sector: 88% *(source: Adéquation 2011)*;

small businesses: 33% *(source: Pépites CSA 2010)*;

SMEs: 34% *(source: TNS Sofres 2011)*;

associations: 23% *(source: CSA 2010 – French observatory of behaviour of associations in respect of finance and insurance)*.

*(1) Crédit Agricole S.A. accounts for the Regional Banks (excluding Caisse régionale de Corse) using the equity method (about 25%).*

### French retail banking – LCL

- **Revenues: €3.8 billion**

LCL is a French retail banking network with a strong presence in urban areas.It is organised into four main business lines: retail banking for individual customers, retail banking for small businesses, private banking and corporate banking. The cross-cutting payments division rounds out the business.

LCL offers a full range of banking products and services, together with asset management, insurance and wealth management. These services are distributed through a variety of channels: the branch network, with dedicated sites for corporate customers and private banking; websites and telephone.

- 6 million individual customers, 320,000 small businesses, 27,000 corporates.
- 2,065 points of sale, including:
  - 87 locations dedicated to corporates and institutional customers;
  - 68 locations and sites dedicated to private banking;
  - 3 locations for key private investors.

### International retail banking

- **Revenues of consolidated subsidiaries: €3.1 billion**

Crédit Agricole S.A. has a substantial presence in retail banking in Europe (particularly in the euro zone) and around the Mediterranean Basin, and has reinforced its footprint in Italy. Crédit Agricole, which has been present in Italy under the brand names Cariparma and FriulAdria since 2007, strengthened its presence in 2011, with the acquisition from Caisse d'Épargne of La Spezia (Carispezia), with its 76 branches, together with 96 branches from Intesa Sanpaolo S.p.A. In total, the new entity's 962 points of sale (902 bank branches and 60 business centres), the vast majority being located in the richest parts of Italy, especially in the country's north, will serve more than 1.7 million customers.

Crédit Agricole is active in Greece *via* Emporiki Bank, with 337 points of sale and 1.3 million customers.

Outside the euro zone, in Central Europe, Crédit Agricole S.A. now operates under the Crédit Agricole brand in Poland (Crédit Agricole Bank Polska), Ukraine (Crédit Agricole) and Serbia (Crédit Agricole Srbija).

Crédit Agricole S.A. is also present around the Mediterranean Basin, in Morocco (Crédit du Maroc, in which it has a 77.0% interest) and in Egypt (Crédit Agricole Egypt, with a 60.2% interest).

Crédit Agricole is present in Madagascar, *via* BNI (51% interest).

Lastly, Crédit Agricole S.A. owns stakes in two well-established banks in their respective markets: in Portugal, in Banco Espirito Santo, the country's third-largest bank by balance-sheet size, with a 20.5% interest; and in Spain, in Bankinter, with a 24.5% interest.

In accordance with its strategy of focusing its expansion on Europe, Crédit Agricole S.A. finalised in early 2011 the sale of three of its subsidiaries: in January, Crédit Uruguay Banco S.A. to BBVA, in February BIMR in Djibouti to BOA and in April SCB Cameroun to AttijariWafa Bank.

## Specialised financial services

▸ **Revenues: €3.9 billion**

**Consumer finance**: Crédit Agricole Consumer Finance is a key player in consumer credit, present in 23 countries (20 European countries, in addition to Saudi Arabia, Morocco and China). Crédit Agricole Consumer Finance has a dominant position in all distribution channels: direct sales, through retail outlets (automobile, household equipment and home improvements, etc.), e-commerce, partnerships and brokerage.

Crédit Agricole Consumer Finance is also developing a business focused on savings products and the distribution of creditor insurance, insurance intented for mobile equipment, and death & disability products.

Crédit Agricole Consumer Finance manages €78.3 billion in consumer finance outstandings.

Crédit Agricole Leasing & Factoring assists corporates, small businesses, farmers and the public sector, with innovative offers in lease finance and factoring.

Outstandings managed as of end-2011: €24.6 billion.

**Lease finance:**

- in France: No. 1 in equipment and property leasing *(source: ASF, June 2011)* and a major financial partner of the public sector and in sustainable development;
- in Europe: No. 7 in lease finance *(source: Leaseurope, June 2011)*, No. 1 in lease finance in Poland *(source: Polish Leasing association, 2011).*

Lease finance outstandings: €19.9 billion.

Factoring:

- in France: No. 1 in factoring *(source: ASF, 2011)*;
- in Europe: No. 4 in factoring *(source: company)*, No 4 in Germany *(source: Deutscher Factoring-Verband, June 2011)*.

Factored receivables: €59.9 billion.

## Asset management, insurance, private banking

▸ **Revenues: €5.2 billion**

**Asset managemen**t: the asset management business, which is conducted by the Amundi Group, encompasses the management of mutual funds for retail, corporate and institutional investors, and discretionary mandate services for corporate and institutional investors.

Outstandings, managed by the Amundi Group were €658.6 billion.

**Insurance: the insurance business is conducted chiefly by the Crédit Agricole Assurances Group,** No. 2 life insurer in France *(source: Argus)* and No. 7 insurer in Europe *(source: Argus)*, Crédit Agricole Assurances covers all customer needs related to insurance, from personal insurance to property & casualty insurance products through creditor insurance for clients in France and abroad. In France, the business relies on the Regional Banks and LCL. Outside France, its products are distributed through partner bank and financial institutions networks. Insurance today covers 18 countries.

The Crédit Agricole Assurances Group's premiums totalled €25.2 billion in 2011.

**Private banking**: the Crédit Agricole Group is a leading player in private banking.

In France, it is one of the leaders in the high net worth segment, operating under three main brands:

- Crédit Agricole Banque Privée, a concept launched by the Regional Banks;
- BGPI (Banque de Gestion Privée Indosuez), the Group's specialised private banking subsidiary dedicated to high net worth customers and banking services to high net worth individuals (GPI), working closely with the Regional Banks, as well as directly with customers;
- LCL Banque Privée, a specialised asset management division serving high net worth customers integrated within the LCL network.

Abroad, the Group is also one of the principal players in private banking sector, where it operates under the Crédit Agricole Private Banking brand name, notably in Switzerland, Luxembourg and Monaco, and in fast-growing markets (Asia, Latin America and the Middle East).

Assets under management: €126.3 billion. (1)

*(1) Including LCL Banque Privée assets (€34.8 billion), but excluding the assets managed by the Regional Banks and the private banking operations of the International retail banking business line.*

## Corporate and investment banking

▸ **Revenues: €5.7 billion**

Crédit Agricole CIB offers its customers a full range of products and services in capital markets, investment banking, structured finance, brokerage, commercial banking and international private banking. The bank assists its customers in the major international markets through its global network. Crédit Agricole CIB's activities are organised in five business lines:

**Coverage & Investment Banking** brings together the bank's expertise to provide the best response to the overall needs of its customers, corporates and financial institutions, building on a global network of senior bankers. This business line also offers a loan syndication activity.

**Global Investment Banking** covers M&A advisory services, the Equity Capital Markets, Strategic Equities and Structured Financial Solutions businesses, as well as specialised sector teams, including structured finance in telecoms.

**The Structured Finance** business specialises in originating, structuring and financing major export and investment transactions, often asset-backed (including air, rail and maritime transport, and hotels) as well as complex and structured financing.

**The Fixed Income Markets** business covers all trading activities and the sale of market products dedicated to corporates, financial institutions and major issuers. All business line entities use dedicated research services.

The bank's **Equity Brokerage** business line is built around Crédit Agricole Cheuvreux in Europe and CLSA in Asia, both occupying leadership positions. This coverage is supplemented by Crédit Agricole Securities (USA) Inc. and Newedge, a subsidiary owned jointly by Crédit Agricole CIB and Société Générale.

# FRENCH RETAIL BANKING – CRÉDIT AGRICOLE REGIONAL BANKS

## Business and organisation

Crédit Agricole Regional Banks are co-operative entities and fully-fledged banks that have a leading position in almost all areas of the retail banking markets in France: number one ranking for individual customers, small businesses and farmers, number two ranking for SMEs and number three ranking for local authorities.

They account for 23.4% of the market for bank deposits by households, with 21 million individual customers, *(source: Bank of France)*.

They have a network of 7,007 branches, plus 6,868 in store servicing points that provide Crédit Agricole customers with basic banking services. They also provide their customers with a full range of remote banking services (interactive voice response, Internet, mobile phone).

The Regional Banks offer a full range of financial products and services and continue to broaden their product and service offering, working in close association with Crédit Agricole S.A. and its subsidiaries.

The products and services sold include deposits and savings, equity, bond and mutual fund investments. The Regional Banks also distribute loans, notably mortgages and consumer credit, for SMEs and small businesses, as well as payment instruments and insurance products (property & casualty, life, death & disability, retirement).

Crédit Agricole is the bank used by 88% of farmers for their business *(source: Adéquation 2011)*, and the leading financial partner of the farming sector in France, with market share of 78.5% *(source: RICA 2010)*. In investments, its market share in interest bearing deposits customer savings and negotiable securities is above 70% *(source: Adéquation 2011)*.

Crédit Agricole is also the leader in the small business market, with more than one in three being a Regional Bank customer *(source: CSA Pépites 2010)*. The Regional Banks are the leading provider of funds to very small businesses, with market share of 26.7% *(source: BoF, June 2011)*. Similarly, in electronic payments, 23.5% of merchants outsource the management of their payments to their Crédit Agricole Regional Bank (2010 merchant review). To best meet the expectations and concerns of their customers, more than 3,000 business advisors are constantly trained in business techniques and knowledge.

For SMEs, 720 account representatives serve as the mainstays of the business relationship, in the service of the Regional Banks' 55,000 customers. They offer them the full range of products, services and expertise of the Crédit Agricole Group, from commercial banking to investment banking, from the domestic market to international markets, as well as financial engineering and wealth management for business owners. More than one-third of French SMEs are customers of the Regional Banks *(source: TNS-Sofres 2011)*.

The Regional Banks are committed to pursuing their support of local authorities and, more broadly, players in local public sector and social economy. Through some 200 specialised business managers, the Regional Banks offer a range of banking services tailored to local authorities, as well as to social housing bodies and associations (credit, savings, payment management and insurance).

Crédit Agricole S.A. holds around 25% of the share capital in each of the Regional Banks (with the exception of the *Caisse régionale de la Corse*).

## Events in 2011

In 2011, the Regional Banks showed strong business momentum. Net openings of demand deposit accounts in all markets grew by 11.3% compared with 2010. In addition, the Regional Banks' market penetration rates are at historic highs, and their market shares for loans financed (17.9%) and savings (15.4%) position them as the leading lender and deposit gatherer in France.

In the individual customers' market, the Regional Banks have continued to deploy customer-oriented business approaches, such as the Retirement approach that aims to assist customers prepare for retirement. 2011 also saw the launch of the *"Compte à composer"*, a modular offering of everyday banking products structured around a core of essential services and modules chosen by the customer among different families of requirements. In multichannel banking, the Group continued its policy of innovation, with the launch in May 2011 of "Kwixo", the first banking solution covering payments between individuals, which can also be used to pay merchants on affiliated e-commerce websites. By the end of December 2011, nearly 140,000 customers had signed up for "Kwixo", and more than 600 e-tailers had accepted the payment solution on their website. In savings, Crédit Agricole maintained its position as market leader. Nearly 800,000 home purchase savings plans were opened in 2011, bringing the stock close to 4.2 million. And more than 6 million customers now hold *Livret A* (passbook savings accounts), with total savings of over €22 billion. In mortgage lending, the launch of the PTZ+ interest-free loan was a real commercial success, with more than 57,000 PTZ+ loans taken out by end-September. Almost half of first-time buyers take out interest-free loans. In property & casualty insurance, the year on was marked by a healthy overall level of new business, driven by the growth of mortgage lending, which boosted numbers of new comprehensive home insurance policies, and by new car insurance policies, enabling Crédit Agricole to increase its market share further (+6%). Lastly, one of the highlights of 2011, pursuant to the recommendations of the Pauget Constant report, was the implementation of a comprehensive support system for "fragile" customers and the adoption of measures destined to increase transparency for the benefit of customers.

Among high-net-worth customers, the Regional Banks confirmed their leading position, with market penetration of nearly 30%, and a commercial market share of 16%. Since 2009, they have been working to roll out the Crédit Agricole Banque Privée brand. Thirty-five Regional Banks have created spaces or branches dedicated to high-net-worth customers. A total of 2,523 experts offer 983,000 customers a broad range of wealth-management products.

With an overall penetration rate of 88% *(source: Adequation 2011)*, Crédit Agricole is by far the leading partner of French farmers. The Regional Banks provide start-up funds to three out of four young farmers in France. In the financing of agricultural equipment, their market share was 84% in 2011, up 32% compared with 2010. 2011 was also marked by Crédit Agricole's active support in implementing a plan to support farmers affected by drought (purchase of fodder). The Regional Banks are also the leading financial partner of the food industry, with market share of 40% *(source: Bank of France)*. Inflows increased markedly, both in on-balance sheet customer savings (+5.3%) and life insurance, with the successful launch of Floriagri. In agricultural insurance, Crédit Agricole consolidated its presence, with market share of 24%. 2011 saw the launch of a motor breakdown guarantee combined with the Agilor agricultural equipment loan. Lastly, the new version of the pleinchamp.com website came online in 2011. Every month, it receives more than 1.5 million visits, giving 220,000 Regional Bank farming customers access to expert services.

With 885,000 customers, the Regional Banks are the reference banking partners for small businesses, for their personal (26% penetration rate in bank savings and 24% in securities) as well as their professional needs. With a penetration rate of 14%, the Regional Banks are also the leading bancassurer for small business customers. Despite a sharp deterioration in liquidity access conditions, the Regional Banks continued to provide active support to entrepreneurs in their regions, with almost €4 billion in additional lending made available to them. The Regional Banks also made significant efforts to innovate and provide offers for the management of surplus cash at attractive terms and with no risk to capital. They were also able to support the growth of their business customers by providing online payment solutions, such as the innovative "Kwixo", or by offering them personalised e-commerce websites (witness the recent change in the e-commerce pack). 2011 was more generally an opportunity for Crédit Agricole to show its commitment to business creators and buyers: the Regional Banks intensified their relationships with several support networks (France Active, France Initiative, Réseau Entreprendre, etc.); they reinforced their active participation in Entrepreneur and Franchise fairs; lastly, they continued to develop tools for business creators *via* the www.jesuisentrepreneur.fr website.

In the SMEs market, the Regional Banks contributed largely to the financing needs of businesses, with loan production of €9 billion as of end-December 2011, an increase of 12% compared with 2010. In the midst of a liquidity crisis and with outflows from money market funds continuing, the Regional Banks stepped up their efforts to collect on-balance sheet customer savings by increasing their term deposit offer, in which volumes now stand at €13 billion. In the field of payments and payment instruments, the Regional Banks were able to mobilise support for over 30,000 companies as they applied technological and regulatory developments: European transfers and debits, dematerialised exchange solutions (EDI SwiftNet, EBICS). They also renegotiated their customers' electronic banking terms, mainly those of large retailers, following the reduction in interchange fees. Lastly, with the new offer for large remitters, the Regional Banks won nationwide calls for tenders enabling the Group to be acknowledged and referenced as a major player in payments. Internationally, the Regional Banks continued their deployment of the Eurochallenge system, to help customers break into fast-growing new markets. Lastly, the development of the investment banking business continued, with an eye to achieving greater consolidation and professionalism. Many local organisations expanded their workforce with the reinforcement of business experts, thereby increasing their level of sophistication and value added. 2011 was also a strong year in terms of the number of mandates and intermediations relating to acquisitions or disposals of companies.

In the local authorities market, the Regional Banks continued to support their customers' investment projects. As such, outstanding loans to local authorities and associations increased by 5.4% year-on-year to nearly €41.4 billion as of end-December 2011. 2011 was marked by the signing of new partnerships with the European Investment Bank and the Council of Europe Development Bank to allow public-sector and association customers active in the fight against climate change and the development of the healthcare and social sectors to benefit from resources under favourable terms. At the same time, Crédit Agricole extended its presence alongside social-housing bodies, particularly *via* the distribution of regulated loans (PLS, PLI and PSLA) and the commercialisation of new dedicated investment products, such as the *"Grandes clientèles 3 ans ou 5 ans"* (Key customers 3 year or 5 year) term deposit. Among associations, which have a structural liquidity surplus, more than 103,000 *Livret A* (passbook savings accounts) have now been opened at Crédit Agricole. And in insurance, more than 30 Regional Banks market products developed by Smacl Assurance, a Crédit Agricole partner in offers targeting local authorities and associations.

In 2011, the Regional Banks also continued implementing a project aimed at giving them a new joint information system, called SI 2.0. A milestone was reached in October, with the migration of seven Regional Banks to the first version of the new system.

## FRENCH RETAIL BANKING – LCL

Operating under its own brand, which was adopted in August 2005, LCL is the only domestic network bank in France to focus exclusively on retail banking for individual customers, small businesses and SMEs.

### Business and organisation

LCL's operations are structured in a manner that is consistent with its strategic objectives and, in particular, the priority given to customers by mobilising the entire company in their service. Its organisation is built on four pillars that are the four markets: retail banking for individual customers, retail banking for small businesses, private banking and corporate banking. The payments business works in a cross-cutting manner to serve the other four businesses.

With 6 million customers, retail banking provides individual customers with a range of innovative products and services. Its operations cover all activities relating to savings, investment, credit, management of payment instruments, insurance and advisory services. LCL has a network of 2,065 outlets and over 5,900 ATMs across France. Outlets are undergoing an extensive programme of automation and renovation.

To meet the expectations of its 320,000 small businesses comprising craftsmen, small retailers, professionals, farmers and small enterprises, LCL has a national network of nearly 1,120 specialised advisors. These advisors serve as a single contact point to help their customers manage their daily affairs and achieve their business and personal projects.

LCL Banque Privée serves its 136,000 clients by offering a global overview (wealth management, day-to-day banking, and financing) in 68 specially-dedicated offices.

To respond to the key issues facing its 27,000 customers, the Corporate Banking division builds on its national network of 87 Business Centres and Enterprise Branches, as well as the full range of its expertise both centrally and regionally, distributing corporate finance projects relating to the acquisition and transfer of businesses, market activities, international trade and payments.

A leading player in the midcap segment, the Corporate Banking division reaffirmed its position in the market for SMEs and large corporates in 2011, on top of its commitment to supporting company executives in their wealth-management projects. To this end, wealth management teams joined the division in the final quarter of 2011 to further strengthen the comprehensive approach offered to shareholder managers.

The payments division is autonomous. It has innovative and competitive offers in its four markets, covering the full spectrum of payment instruments, and is actively assisting customers in the transition to the "Single Euro Payments Area". It also strives to develop the automation and streamlining of its processes, relying in particular on dematerialisation and new technologies. LCL is taking a very active role in the construction of the Group Shared Payments Platform assigned to Cedicam, the Group's payment system subsidiary. This major multi-year project aims to strengthen the industrialisation of transaction processing in order to obtain very competitive cost prices for all of Crédit Agricole's French and international entities.

Alongside its commercial branch network, LCL offers a full and structured remote banking service *via* telephone and the Internet. The telephone service allows customers to consult their accounts and carry out operations 365 days a year with *"LCL à l'Écoute"*, *"LCL Avertis"* and *"LCL sur mobile"* for mobile phones.

The Internet offering serves all individual customers, small businesses and corporates. It offers an online site for the distribution of products and services and a site for the consultation and account management and securities portfolios. Customers are able to undertake a large range of operations online in a secure environment through an electronic signature process. LCL has also developed a solution enabling customers to switch from paper to electronic bank statements contributing to its sustainable development approach.

LCL's offering is further rounded out by e.LCL, a fully online bank. More than 50,000 customers have been won over by the concept, which offers all of the bank's products and services, with access to an LCL adviser, who can be reached by e-mail, telephone or fax.

### Events in 2011

As part of the restructuring plan announced on 14 December, Crédit Agricole stressed its commitment to its core business, universal customer-focused banking.

2011 saw the launch of the *"Centricité Clients 2013"* business plan, which applies the ambitions set out in the Crédit Agricole Group project to LCL.

Key to this plan is customer satisfaction, an objective that is also at the heart of LCL's commercial policy. This involved the expansion of the *"Contrat de Reconnaissance"* programme in 2011, with two new commitments to customers: a 30-day cooling-off period during which they have the right to change their mind, and the possibility for customers to assess LCL's efficiency using a form available on LCL.fr. Again in the interest of customer satisfaction, LCL has extended price transparency to the student market, with *"LCL à la carte étudiant"*.

In addition, 2011 saw LCL once again issue bonds reserved for its customers. The bank's four issues were a great success (€1.7 billion collected). Overall volumes of on-balance sheet customer savings rose by nearly 17% year-on-year.

With outstanding loans up nearly 7% in 2011, LCL actively participated in financing households and businesses.

Towards the end of 2011, the bank's Parisian headquarters, built in 1876 and located at 19 Boulevard des Italiens (2nd *arrondissement*), reopened for business following their complete refurbishment.

In 2012, LCL will continue its commitment to its customers through its commercial offer and its emphasis on the quality of customer reception, in branches or by telephone. This year also marks the end of the assembling of teams on the site of the operational headquarters in Villejuif (Val-de-Marne).

## INTERNATIONAL RETAIL BANKING

Crédit Agricole S.A. has a significant retail banking presence in Europe and around the Mediterranean basin, with more than 27,000 employees serving 6.5 million customers in 12 countries (Italy, Greece, Poland, Ukraine, Serbia, Bulgaria, Romania, Albania, Cyprus, Morocco, Egypt, Madagascar) *via* a network of more than 2,500 branches.

### Business and organisation

The main purpose of the International retail banking division is to control and support the growth of the International retail banking entities, by encouraging the rollout in local markets of the Crédit Agricole Group's expertise in retail banking and the other business lines. It has operational responsibility for the smooth running and results of the subsidiaries on behalf of Crédit Agricole S.A. Note too that the division supports the Regional Banks in the development of the Local Banks they own in Europe (Belgium, Spain, Switzerland).

In Italy, Crédit Agricole S.A. has a controlling 75% interest in Cariparma Group, alongside the Regional Banks (which own 10% through Sacam International) and the Cariparma Foundation (15%). FriulAdria is 80.2%-owned by Cariparma and 19.8%-owned by retail shareholders. Crédit Agricole's 2011 acquisition of Carispezia, with its 76 branches, its five business centres and its private banking centre, together with that of a further 96 Intesa Sanpaolo S.p.A branches brought its Italian network to 962 points of sale. Carispezia is 79.99% owned by Cariparma, 20.01% being held by the Carispezia Foundation. This made Crédit Agricole the seventh-largest network in Italy in terms of the number of branches (962 points of sale, of which 60 corporate and private banking centres) serving more than 1.7 million customers in 2011. Its Italian operations span 10 regions and 45 provinces that together account for 71% of the Italian population and 76% of GDP.

Crédit Agricole is present in Greece through Emporiki Bank, serving 1.3 million customers *via* 337 points of sale. Emporiki Bank is also active in Albania, Bulgaria, Romania and Cyprus *via* the 87 points of sale of its subsidiaries.

In Central and Eastern Europe, Crédit Agricole now operates under its own brand in Poland, where it has been present since 2001 (Crédit Agricole Bank Polska, formerly Lukas Bank), Ukraine (Crédit Agricole, formerly Index Bank) and Serbia (Crédit Agricole Srbija, formerly Meridian Bank).

In Africa and the Middle East, Crédit Agricole S.A. has a presence through Crédit du Maroc and Crédit Agricole Egypt. With 333 branches, Crédit du Maroc, 77% owned by Crédit Agricole S.A., provides a comprehensive offering for its retail and corporate customers. Crédit Agricole Egypt is 60.45%-owned by Crédit Agricole S.A., and the Mansour Maghrabi Group is its main partner in Egypt. Crédit Agricole is also present in Madagascar, *via* BNI (51% interest).

Pursuant to its strategy of focusing its expansion on Europe, in January 2011 Crédit Agricole S.A. finalised the sale of its 100% stake in Credit Uruguay Banco S.A. in Uruguay to Banco Bilbao Vizcaya Argentaria S.A.; in February that of BIMR in Djibouti to Bank of Africa (BOA); and in April that of SCB Cameroon to AttijariWafa Bank.

Lastly, Crédit Agricole S.A. is also present in two other Southern European countries *via* stakes: Portugal, where it holds a 20.5% interest in Banco Espirito Santo, the country's third-largest bank, and Spain, where it holds a 24.5% interest in Bankinter.

### Events in 2011

The transactions carried out by Crédit Agricole S.A. in 2011 (acquisitions of Carispezia and Intesa Sanpaolo S.p.A branches, disposals of Credit Uruguay Banco S.A. and African subsidiaries) were consistent with its strategy, confirmed in the medium-term Commitment 2014 plan, which defines the Group's ambition as being to "become the benchmark in universal customer-focused banking in Europe" by focusing on organic growth and secure expansion.

With the exception of Poland, where growth continues unabated, the other subsidiaries all experienced politically and/or economically troubled business environments. Their priorities remained focused on assisting their customers, with the aim of striking a balance between deposits and lending, reinforcing risk management and keeping a tight rein on expenses.

In Italy, in an environment marked by the strong impact of the weight of public indebtedness, with sovereign debt under attack, Cariparma consolidated its positions and remained one of the most efficient and profitable players in the market. The Group thus maintains its leading place amongst the so-called major banks, behind the so-called group of national banks in the Banca Finanza classification. The end of the year was characterised by a robust performance in respect of on-balance sheet deposit gathering, with the asset/liability balance maintained, and expenses and risks under tight control. Commercially, the Cariparma Group, building on the Group's practices and expertise in France, is now focused firmly on the farming and food industry customer segments, serving all parts of the retail market, as well as high-end, SME and corporate customers. In addition, the acquisition in early 2011 of the Carispezia network, with its 76 branches, its five business centres and its private banking centre, together with the contribution of a further 96 Intesa Sanpaolo S.p.A branches, played a part in bringing the Group close to its objective of building an Italian banking group with the capacity of joining the leaders in Europe. This is the aim of the "Opera" medium-term plan, part of the Commitment 2014 strategy, clearly focused on the commercial and operating performances.

In Greece, Emporiki Bank has put much effort into reducing its deposit lending deficit and using of the Group's refinancing capacity, while continuing to implement its 2009-2013 restructuring and growth plan. This has significantly improved the bank's operating performance. Despite real and striking successes (increased market share in deposits, big reduction in expenses, improved performance in the granting of loans and collecting repayments), the bank continued to feel the consequences of the very serious crisis currently afflicting the country (in respect of activity and risk). In this context, efforts are being made to reduce Crédit Agricole S.A.'s refinancing of Emporiki Bank, with particular attention going to debt recovery and growth in deposits.

In Poland, 2011 was marked by the start of the construction of a retail bank that is now operating under the Crédit Agricole banner, alongside the consumer finance business, in which the Group aims to remain a leader under the Lukas brand. After the 2009 crisis and the ensuing increase in risks, the situation has been restored to normal, and revenues grew as anticipated. Crédit Agricole Bank Polska is expanding and renovating its branch network. Particular emphasis has been placed on the transfer of expertise from retail banks in France (Regional Banks and LCL), *via* the Chopin plan conducted throughout 2011.

In Ukraine, Index Bank changed its name to Crédit Agricole in the spring of 2011. This was an important step in transforming a bank that has been deeply restructured since joining the Group. 2011 was the first year in which this bank, whose business model is based on developing prudent retail banking operations backing corporate activity, recorded an operating profit. In specialised loans to individual customers, Crédit Agricole occupies a leading position in Ukraine, thanks to structured partnerships with all major car manufacturers. The bank is also developing cautiously but resolutely in the food industry.

The food industry is also a major focus for Crédit Agricole Srbija in Serbia, which is expanding in this sector by means of partnerships with major companies present locally. The bank is also pressing ahead with the restructuring efforts undertaken to reach operating breakeven in this highly competitive market. Like the other Group subsidiaries, Crédit Agricole Srbjia continues to reduce its deposit-lending deficit, and is paying particular attention to risk management.

Around the Mediterranean basin, the Group's two banks were affected by the economic and political situation. In Egypt, the January revolution had a strong impact on growing sectors within the economy (tourism, construction, etc.). Crédit Agricole Egypt nevertheless managed to preserve its business and its results, including its rank as the country's fourth-biggest private bank, thanks to the quality of its corporate portfolio. Persevering with projects that were already underway, the bank also refocused its business on the mid- and high-end markets, as well as on SMEs, while still keeping a tight rein on risks and expenses. Meanwhile, Morocco gradually felt the fallout from the crisis in Europe, which added to the tensions stemming from the revolutions in neighbouring countries. Crédit du Maroc nevertheless continued its growth among retail customers by expanding its network and rolling out its new sales organisation emphasising focus on the customer and advisory services in the retail and SME markets. Despite an increase in risk, including in retail banking, attributable to the deteriorating economic environment, the bank delivered a strong performance while maintaining a low cost-income ratio.

Furthermore, to help the Regional Banks located close to France's borders expand their retail banking presence in Europe, Crédit Agricole S.A. supported Crédit Agricole Belgium's acquisition of Centea.

Lastly, participation in the Greek bailout plan led Crédit Agricole to record the impacts of the haircut on Greek government securities held by Emporiki and to impair the residual goodwill on Emporiki in the second quarter. Due to the deterioration in the economic prospects of a number of European countries, the value of some minority interests (Bankinter and Banco Espirito Santo) and part of the goodwill on certain international subsidiaries (Ukraine and Italy) were also impaired in the fourth quarter.

# SPECIALISED FINANCIAL SERVICES

## Consumer finance – Crédit Agricole Consumer Finance

### Business and organisation

Crédit Agricole Consumer Finance is present in France and internationally, principally in Europe (23 countries in total, including 20 in Europe).

Crédit Agricole Consumer Finance offers its customers and partners a full range of consumer finance products: personal loans, revolving credit and leasing solutions. These products are rounded out by a set of insurance and service products: cards, extended warranties, assistance, loyalty programmes, etc.

Crédit Agricole Consumer Finance distributes its product range through five distribution channels:

- direct sale under the Sofinco brand in France, with significant growth in the Internet channel;
- through retail points of sale, using partner business introducers;
- through major partnerships, with affiliates and non-affiliates, mainly in the automotive, retail and institutional (banking and insurance) sectors;
- in partnership with networks of brokers under the Interbank and Ribank brands in the Netherlands, and under the Créditlift Courtage brand in France;
- lastly, Crédit Agricole Consumer Finance provides all or part of the management of consumer finance for the Crédit Agricole banking networks in France and internationally (revolving loans and personal loans).

Crédit Agricole Consumer Finance has subsidiaries in 15 countries: Germany (Creditplus); Saudi Arabia (Sofinco Saudi Fransi); Belgium (Finalia); Denmark (Dan-Aktiv); Greece (Credicom Consumer Finance); Hungary (Credigen Bank); Italy (AgosDucato); Netherlands (CA Consumer Finance Nederland BV); Portugal (Credibom); Czech Republic and Slovakia (Credium and Credium Slovakia); Sweden, Finland, Norway (Finaref Nordic); Morocco (Wafasalaf).

Crédit Agricole Consumer Finance is a major international player in auto financing. It has been a partner of Fiat since 2006 (FGA Capital) and Ford since 2008 (Forso Nordic). More recently, it became a partner of China's sixth-largest carmaker, Guangzhou Automobile Group Co., Ltd (GAC). Crédit Agricole Consumer Finance holds 50% of FGA Capital, 50% of Forso Nordic and 50% of GAC-Sofinco Auto Finance Co. Ltd.

### Events in 2011

Crédit Agricole Consumer Finance provides expertise in consumer finance to retail banks in Italy, France and Greece, and offers its distribution capabilities in support of the growth of Crédit Agricole's insurance business.

In an extremely depressed economic and financial environment, Crédit Agricole Consumer Finance proved its ability to adapt to the maturity of the consumer credit market in some countries, the implementation of new prudential rules that impose substantial capital requirements, and changing consumption patterns.

2011 was marked by the launch in the spring of Crédit Agricole Consumer Finance's "Moving Forward Together" strategic plan. The plan aims to achieve a broader and renewed sense of leadership for Crédit Agricole Consumer Finance, allowing it to position itself as a benchmark in respect of:

- the excellence of its relationships with customers and partners;
- its capacity to innovate in terms of products, services and procedures;
- its operational efficiency.

Work was carried out on several fronts over the year, including projects aimed at diversifying sources of refinancing: securitisation, development of institutional deposits in Germany, etc.

On the commercial front, Crédit Agricole Consumer Finance was selected as a financial partner by Free, for its mobile telephony offer. Also in 2011, an expanded partnership was signed with Suzuki International Europe, new banking partnerships were concluded in Germany and Greece, and a new cooperation agreement with an IT distributor was formed in the Czech Republic. The partnership agreement with Jaguar Land Rover was extended to the Czech Republic. 2011 was also marked by the surge and consolidation of the activity of GAC-Sofinco Auto Finance Co., Ltd in China. Since its creation in July 2010, it has financed 20,000 contracts.

Announced on 14 December 2011, the adjustment plan aims to reduce Crédit Agricole Consumer Finance's refinancing requirements by €8 billion by end-2012. Four levers will be activated to achieve this objective: reduction of activity, assignment of doubtful loans, disposals of operations and diversification of funding sources.

## Crédit Agricole Leasing & Factoring

### Business and organisation

Crédit Agricole Leasing & Factoring (CAL&F) is France's leading player in specialised financing. It also boasts leading positions in Europe.

CAL&F offers innovative specialised financing solutions to SMEs, small businesses, farmers and local authorities, and extracts synergies between the two businesses so as better to serve its customers and the Group's retail banks.

CAL&F can thus provide a full range of specialised finance solutions:

- in lease financing: equipment finance leases, information system leases, property finance leases, sustainable development project financing and local authority financing;
- in factoring: offers meeting the needs of businesses for the financing and management of customer accounts. These offers can be tailored in accordance with the needs of businesses and combined with the largest range of services on the market.

CAL&F works with the banking networks of the Crédit Agricole Group (Crédit Agricole Regional Banks and LCL in France, international retail banks) as well as non-banking partners (manufacturers, equipment dealers, brokers and credit insurers).

CAL&F is present in 11 countries in Europe and North Africa, and works closely with Crédit Agricole Group entities present outside France, in retail or corporate and investment banking. This unified approach through the various geographic locations of each business line facilitates and encourages the development of cross-selling and cross-border business.

### Lease financing

CAL&F offers a full range of lease financing products and services, complementary to traditional banking loans. Crédit Agricole Leasing & Factoring (CAL&F) is also a major contributor to the funding of sustainable development projects and the public sector.

With the solutions offered customers may finance the total amount of their project, preserve their borrowing capacity and benefit, if need be, from tax advantages. They are accompanied by a range of insurance services (personal insurance, damage, financial loss, comprehensive) and the maintenance of financed assets.

CAL&F is present in lease financing in seven countries in Europe and North Africa, underpinning the Group's growth. It is the seventh-largest lease financing company in Europe *(source: Leaseurope)*.

In Poland, its subsidiary EFL confirms its leadership position in lease financing *(source: Polish Leasing Association 2011)*.

CAL&F is also a member of the Unico Lease Network, which groups together seven European lease financing companies.

### Factoring

With entities in seven countries, Crédit Agricole Leasing & Factoring (CAL&F), *via* its Eurofactor subsidiary, supports the expansion of businesses of all sizes, in France and internationally, putting particular emphasis on its pan-European offering.

CAL&F has an exclusive European network, with operations in Germany, Benelux, Spain, France, Italy and Portugal.

CAL&F is a member of IFG (International Factors Group), which comprises 160 partners in more than 50 countries, as well as FCI (Factors Chain International), which includes more than 260 factors in 68 countries. CAL&F offers its customers a close relationship managed by experts who understand the economic, cultural, and legal specificities of different countries.

CAL&F, in conjunction with the Crédit Agricole Regional Banks, also distributes Cré@nces Services, an exclusive offering that responds in an innovative way to the requirements of very small businesses looking for short-term financing. CAL&F also works in partnership with OSEO to help businesses with fewer than ten employees to finance their customer receivables in amounts of up to €200,000. CAL&F has extended its receivables management range with the Teotys brand, launched in May 2010, and its specialist teams, including the *"pour compte"* debt-collection offering.

### Events in 2011

With outstandings totalling €24.6 billion as of end-2011 (+3% year-on-year), CAL&F ranked as a major player in lease finance and factoring in France and Europe, playing its role in financing the real economy. In 2011, CAL&F began the implementation of the Crédit Agricole Group adjustment plan, which aims to align its medium to long-term financing needs with the prevailing economic and financial environment. Actions undertaken included moves to build growth on businesses focused on the customers at the Group's retail banks and the disposal of the factoring subsidiary in the United Kingdom.

In this context, new lease finance business in France totalled nearly €4.5 billion, down 11% year-on-year due to the impact of the adjustment plan implemented in the final quarter and the effects of a more restrictive environment. While new equipment leasing business was down slightly compared with 2010 at €2.6 billion (-5%), the volume of business conducted with the Group's retail banks (Regional Banks and LCL) was up 11% year-on-year. At the same time, new business with non-bank partners was down 14%. In real estate leasing, new business fell by 28% to €967 million, due mainly to the slowdown in the French market and a decline in syndications.

CAL&F again signed substantial public-private partnership (PPP) financing contracts in 2011, as well as funding for sustainable development projects in the amount of €547 million, of which €450 million in cooperation with the Group's retail banks. To support the financing of renewable energy in biomass, CAL&F has developed specific expertise in "on-farm methanisation" for Regional Bank customers, which will result in the provision of decision-making software, together with training and recommendations in respect of intervention procedures dedicated to the Regional Banks in 2012.

Internationally, the lease finance business recorded new business totalling €1.4 billion, down 14% compared to 2010.

In France, the factoring business posted factored receivables of €39.0 billion, an increase of 10%, consolidating CAL&F's leading position. New business totalled €6.3 billion, with the Regional Banks' share of this doubling from 27% to 53%, bringing business conducted with the Group's Retail Banks to more than 80%.

Internationally, factored receivables were up 16% at €20.9 billion (excluding the disposal of Eurofactor UK in August 2011).

# ASSET MANAGEMENT, INSURANCE AND PRIVATE BANKING

## Asset management, securities and investor services

### Asset management

Asset management is the domain of the Amundi Group and its subsidiaries. The business line, 75% owned by Crédit Agricole Group and 25% by Société Générale, offers investment solutions tailored to the retail customers of its banking network partners and to institutional customers. BFT, the third-party asset management business, joined the Amundi Group on 1 July 2011.

#### BUSINESS AND ORGANISATION

Amundi ranks second in Europe and features among the top 10 players in the global asset management industry *(source: IPE Top 400 Asset Managers active in the European Marketplace, published in June 2011, data as of December 2010)*, with €658.6 billion in assets under management.

With operations in the main investment pools in nearly 30 countries, Amundi offers a full range of products covering all asset classes and major currencies.

Amundi develops investment solutions suited to the needs of more than 100 million retail clients around the world. For institutional clients, it constructs innovative, highly performing products tailored to the client's business and risk profile. With more than 3,000 institutional customers, Amundi ranks among the leading names in institutional asset management.

Amundi benefits from the support of two powerful banking groups, Crédit Agricole and Société Générale, and is aiming to become the benchmark for European asset managers, recognised for:

- the quality, financial performance and transparency of its products;
- the closeness of the relationship with its clients, partner networks and institutional customers;
- the effectiveness of its organisation, stemming from the individual and collective talents of its teams;
- its commitment to including sustainable development and social utility criteria, and not just financial criteria, in its investment policies.

#### EVENTS IN 2011

The asset management industry was hit hard by the intensification of the financial crisis, under the combined impact of falling markets, which directly undermined revenue, and the shift in the asset-gathering operations of the banking networks towards on-balance sheet customer savings, resulting in a decrease in assets under management in France and Europe.

In this difficult climate, Amundi recorded commercial successes among international institutional clients and in employee savings, thanks to its internationally acknowledged positioning and the strength of its organisation. Amundi continued its policy of continuously adapting its product offering to its clients' needs, recording significant inflows on new product lines (ETF, Amundi Money Market Fund, etc.).

Amundi thereby demonstrated its ability to adapt to a depressed environment by pressing ahead with its policy of reducing expenses. Its cost-income ratio remained among the best in the market.

### Securities and investor services: CACEIS

#### BUSINESS AND ORGANISATION

CACEIS is an international banking group, with 3,300 employees, specialising in asset servicing for a customer base of institutional investors and large corporate businesses.

CACEIS operates mainly in Europe, offering a full range of products and services: depositary/custodian activities, fund administration, fund distribution support, Middle Office solutions and issuer services.

CACEIS has €2,259 billion of assets in custody and €1,040 billion under administration, and is one of the global leaders in Asset Servicing. It is the largest depositary bank and fund administrator in Europe *(source: Company)*.

CACEIS is 85% owned by Crédit Agricole S.A. and 15% by Natixis.

#### EVENTS IN 2011

In 2011, CACEIS acquired 100% of the capital of its Benelux subsidiaries. It opened two sales offices in Frankfurt and Zurich, for its German and Swiss subsidiaries. It notched up numerous commercial successes, particularly in Europe, including the Central Bank of Luxembourg, UBP, BPER, Contassur and Tradegate AG. It finalised the overall structuring of its business development around seven geographical areas, under the responsibility of Heads of Regional Coverage, all of whom possess the expertise needed to put together the most appropriate solutions with customers.

In terms of product offering, CACEIS developed two innovative services: Prime TA®, to assist clients in the international distribution of their funds, and Prime MO®, a solution for the outsourcing of the middle office, aimed at fund management companies and institutional clients.

Finally, the growth in revenues and control over expenses allowed it to improve its cost-income ratio to 69.2%, a further 2 percentage-point reduction compared with 2010, placing the Securities and investor services business line among the best performers in the industry.

## Insurance

### Business and organisation

The companies comprising Crédit Agricole Assurances group offer their customers a comprehensive range of insurance products: personal insurance with Predica, property & casualty insurance with Pacifica, creditor insurance with CACI. Crédit Agricole Assurances is present abroad with all these business lines.

The Group is the largest bancassurer in France and the seventh-largest insurer in Europe by premium income *(source: Argus 2011, based on 2010 data)*.

### Life insurance in France

Predica was established in 1986 and is today the largest insurance subsidiary of the Crédit Agricole Assurances Group and the second-largest life assurer in France *(source: Argus)*.

Predica's personal insurance offerings are designed to meet the diversified needs of individual customers, high-net-worth customers, farmers, small businesses and corporates. Predica is the largest player in the market for individual retirement contracts (FFSA 2011 survey based on 2010 data) and temporary contracts covering death and funeral expenses (Etudes FFSA 2011 survey based on 2010 data).

The Crédit Agricole Assurances Group distributes its offerings among the Crédit Agricole Regional Banks, the LCL banking network and Banque de Gestion Privée Indosuez (BGPI) for high-net-worth customers.

It is also expanding into alternative networks:

- through La Médicale, a subsidiary, that has a network of insurance brokers dealing with small businesses in the health sector;
- the network of independent wealth management financial advisors under the UAF Patrimoine brand and, more recently, through Spirica, which joined Crédit Agricole Assurances at the end of 2010;
- the BforBank online bank through the company Dolcea Vie.

### Property & casualty insurance in France

Pacifica was established in 1990. It is the seventh-largest property & casualty insurer in France *(source: Argus)* and the second-largest agricultural insurer in France. Its objective is to make the Crédit Agricole Group its customers' preferred property & casualty insurer over the long term.

To protect the Group's customers against risk and assist them in their daily lives, Pacifica offers a full range of property & casualty insurance for individual customers including policies for motor vehicles, homes, healthcare, legal protection and personal accident coverage. Pacifica relies on the expertise and recognition of Crédit Agricole to also provide a dedicated offer to farmers and smalls businesses (craftsmen, small retailers and professionals). In addition, Pacifica proposes a personal services offer.

Pacifica markets its products to customers of Crédit Agricole Regional Banks and LCL.

### Creditor insurance

CACI was set up in 2008, and is the Group's subsidiary specialising in creditor insurance. Today, it is a leading player in France and Europe, with 42 partners in 14 countries.

Building on its success with its traditional partners – consumer credit institutions – CACI has extended its expertise to retail banks and formed pan-European partnerships. Its offerings are today focused actively on financial protection products, complementary to creditor insurance. This process is backed up by proven operational expertise.

CACI has an industrial management platform in Lille to process creditor insurance activity in France, and a multilingual platform in Dublin, which manages claims in the various European Union countries.

### International insurance subsidiaries (excluding creditor insurance)

Crédit Agricole Assurances exports its bancassurance expertise abroad and is expanding its international business, either with banking partners or directly with Crédit Agricole Group entities that already have operations in the countries concerned.

The insurance business operates in eight countries, mainly in Europe, alongside Crédit Agricole operations. For example, the Group is growing its bancassurance operations in Italy, through dedicated subsidiaries working with the Group's banks, Cariparma, FriulAdria and, since 2011, Carispezia.

### Events in 2011

Marked by a major economic crisis (debt crisis, fears of recession, etc.) and uncertainties stemming from the reform of the taxation of personal assets in France, 2011 was not a good year for life insurance in Europe.

In this difficult market, life insurance in France, mainly *via* Predica, recorded a 14% decline in premium income compared with 2010. However, net inflows totalling €2.5 billion were nevertheless recorded over the year, and end-2011 volumes were up 2% at €205.9 billion.

Moreover, the Greek government securities held in the life insurance portfolios underwent haircuts of between 70% and 75% depending on their maturity. After applying the sharing mechanism between policyholders and the insurer specific to life insurance, the impact of these haircuts was €1,081 million, recognised in the cost of risk at the end of 2011.

Pacifica confirmed its commercial success, capitalising on the new products in car insurance and cover for all types of mobile devices (*"assurance tous mobiles"*) launched in 2010: a new record was accordingly established in new business, with more than 1.8 million new policies (3% more than in 2010, which was also a record year). Factoring in the decline in cancellation rates, the portfolio grew by 6% compared with 2010, with contracts numbering 8.8 million as of end-2011. With premium income of more than €2.3 billion in 2011, an increase of 11% (at constant scope), growth was three times faster than in the broader industry.

CACI realised 59% of its premium income from France, where its business grew by 8%, once again thanks to the partnership with LCL on mortgages. By contrast, international business (representing 41% of CACI's total premium income) was hurt by a slowdown in consumer credit.

Life insurance constitutes the main activity of insurance business lines abroad. The worsening economic and financial environments in all host countries hit the business hard. Despite this, Crédit Agricole Vita in Italy recorded a decline of just 6% in its premium income, in an Italian market down 19% as of end-November 2011. Similarly, Crédit Agricole Life in Greece increased its gross inflows by 17% in 2011, in a market down 8.5% in the first three quarters of 2011.

In property & casualty insurance, the three international entities continued to expand in Portugal, Italy and Greece.

## Private banking

### Business and organisation

Private Banking in France and internationally includes all directly owned Crédit Agricole S.A. subsidiaries specialising in private banking. A major player in private banking, it operates under the Banque de Gestion Privée Indosuez brand in France and the Crédit Agricole Private Banking banner internationally. It employees more than 2,500 people in 19 countries, and has €91.5 billion in financial assets under management:

- in France, Banque de Gestion Privée Indosuez (BGPI) and its Gestion Privée Indosuez subsidiary (GPI), in partnership with the Regional Banks, run a specialised wealth-management marketing platform based on an offer of products and services designed specifically for the high-net-worth customers of the Regional Banks. In addition, BGPI develops its own customer base that it manages directly by specialising on the very high net worth customer segment;
- internationally, Crédit Agricole Private Banking operates in all the main European financial centres and is one of the main players in the industry, with leadership positions in Switzerland, Luxembourg and Monaco. Crédit Agricole Private Banking also has significant presence in the growth markets of Asia, the Middle East and Latin America.

Private banking business is also conducted by LCL Banque Privée.

### Events in 2011

2011 combined consolidation and expansion for private banking in France and internationally.

Its model was again successfully proven, with its net banking income and net income Group share increasing in the vicinity of 6% compared with 2010, despite the financial crisis.

The creation of the Crédit Agricole Private Banking holding company strengthened the organisation of the directly owned private banking business by amalgamating Crédit Agricole S.A.'s leading directly owned private banking entities within an umbrella holding company tasked with defining and steering the implementation of the strategy in this business line.

Expansion continued in growth markets in Asia, Latin America and the Middle East, with the opening of a new booking centre in Hong Kong and the development of a product offering denominated in Chinese yuan. These areas now account for nearly 40% of international assets.

Lastly, in France, Banque de Gestion Privée Indosuez has reaffirmed its partnership with the Regional Banks in the high-net-worth customer segment, and remains the Group subsidiary dedicated exclusively to wealth management.

In addition, the assets managed by LCL Private Banking stood at €34.8 billion as of end-2011.

# CORPORATE AND INVESTMENT BANKING

## Business and organisation

Crédit Agricole Corporate and Investment Bank is the Crédit Agricole Group's corporate and investment bank. Crédit Agricole CIB offers its clients a full range of products and services in the capital markets, investment banking, structured finance, brokerage, commercial banking and international private banking businesses. The bank assists its customers in the major international markets *via* its global network in the leading countries in Europe, the Americas, Asia and the Middle East. Crédit Agricole CIB's activities are structured around five businesses:

The **Coverage & Investment Banking** business combines the Bank's skills so as best to serve the overall needs of corporate and financial institution customers. To this end, it offers a global network of senior bankers, dedicated to key customers, as well as specialised structures. In addition to customer relationship management, this division offers a loan syndication activity, whose purpose is to originate, structure, distribute and process Crédit Agricole CIB's lending operations in the world's major financial markets.

**Global Investment Banking** combines M&A advisory activities, as well as the Equity Capital Markets (advisory services and structuring of equities and securities giving access to capital), Strategic Equities (structured solutions based on equity derivatives and financing based on liquid equity) and Structured Financial Solutions (optimised financing, monetisation of debt, financing based on unlisted or illiquid equity) businesses, as well as specialised sector teams, including structured financing in telecoms.

The **Structured Finance** business, where the bank holds leadership positions, specialises in originating, structuring and financing major export and investment transactions, often asset-backed (including air, rail and maritime transport, and hotels) as well as complex and structured financing. This division has global credibility in its chosen fields (complex asset-backed financing) and in its capacity to promote cross-selling with other Crédit Agricole CIB divisions (capital markets, mergers and acquisitions, etc.). It capitalises on the close ties forged with the major players it serves.

The **Fixed Income Markets** business covers all trading activities and the sale of market products intended for corporates, financial institutions and major issuers. Its global network of trading rooms allows Crédit Agricole CIB to offer its customers access to liquidity in the leading financial centres, with a comprehensive range of products tailored to their specific requirements. All sales and trading entities are supported by dedicated research teams.

The bank's **Equity Brokerage** operations are built around Crédit Agricole Cheuvreux in Europe and CLSA in Asia, each occupying leadership positions. This coverage is supplemented by Crédit Agricole Securities (USA) Inc. and Newedge, a 50/50 joint venture owned by Crédit Agricole CIB and Société Générale.

## Events in 2011

The Crédit Agricole adjustment plan announced on 14 December 2011 factors in a new deal for Crédit Agricole CIB, as required for all corporate and investment banks in Europe: economic constraints related to liquidity management, and structural constraints with the sharp acceleration of the regulatory agenda. In this context, the bank aims to focus on its strategic customers, large corporates and financial institutions, in addition to its geographic focus, always with the purpose of financing the real economy.

After a strong first three quarters, the **Corporate banking** businesses began to feel the financial effects of the higher cost of liquidity and increased selectivity in new transactions later in the year. In project finance, Crédit Agricole CIB ranked third lead arranger worldwide and first lead arranger in the EMEA region among international banks (*PFI – 2011*). In rail finance, Crédit Agricole CIB was for the first time named "Rail Finance House of the Year 2011" (*Jane's Transport Finance – November 2011*). In bank syndication, Crédit Agricole CIB reinforced its leading position in France as a book runner, ranking second in the EMEA region. The bank also ranked sixth worldwide, excluding the United States (*Thomson Reuters, 2011*).

In I**nvestment banking**, the mergers and acquisitions business advised major clients in their international expansion, capitalising on sector expertise, particularly in luxury goods, consumer goods, telecoms, media and technology. It also strengthened its involvement in transactions in Europe on behalf of key international clients, particularly from Asia. Crédit Agricole CIB confirmed its leading positions, particularly in the property sector, and was ranked tenth in merger & acquisition transactions announced in France (*Thomson Reuters – 2011*).

The Equity Capital Markets teams assisted their clients in their plans for listings in Asia, particularly in Hong Kong. Crédit Agricole CIB was involved in Prada's IPO on the Hong Kong Stock Exchange, which was selected as "Asian Equity Deal of the Year" and "Global IPO of the Year" (*IFR, December 2011*). The bank was the third-ranking book runner in the Equity Capital Markets in France (*Thomson Reuters, 2011*).

Despite the ongoing financial crisis and the uncertainties besetting the eurozone, the **Capital markets** business held up well over the year, albeit with results varying from one product line to another. The treasury business was affected by the liquidity crisis, especially late in the year, while the fixed-income, credit and multi-underlying derivatives businesses continued to grow their flow activities, while maintaining a robust capacity for innovation. The inflation-linked products activity also performed well. Crédit Agricole CIB was accordingly ranked fourth in the secondary market for French inflation-linked bonds by Agence France Trésor as of end-November 2011. The debt and credit markets business continued to increase its market share in Eurobonds. Crédit Agricole CIB was the fifth-ranking book runner in the international market for Eurobonds (*Thomson Financial, 2011*). Crédit Agricole CIB was also acknowledged as the second-best bank in Covered Bonds at Euroweek's "The Cover Awards" ceremony in September 2011. Despite a context of high volatility, revenues from foreign exchange activities remained robust.

The **Brokerage business** suffered from a particularly depressed environment in Europe for Crédit Agricole Cheuvreux. 2011 was marked by the signing of a partnership agreement with Chinese broker CITICS aimed at creating a world leader in brokerage, with strong local presence so as better to serve customers and investors around the world. CITICS will accordingly become a minority shareholder of CLSA and CA Cheuvreux, with stakes of 19.9% in the share capital of both companies. Activation of this agreement is subject to standard regulatory approval.

## SPECIALISED BUSINESSES AND SUBSIDIARIES

### CACIF – Crédit Agricole Capital Investissement & Finance

CACIF (Crédit Agricole Capital Investissement & Finance), a wholly owned subsidiary of Crédit Agricole S.A., holds its shareholder's investments in unlisted companies *via*:

- Crédit Agricole Agroalimentaire, for sustainable support of the food industry;
- Crédit Agricole Agriculture, providing long-term assistance to agricultural industries, farmers and related sectors (wineries, forest and land groups);
- Diversified funds, providing long-term support to businesses in the energy sector, public-private partnerships and industry.

The monitoring of its investments is entrusted to its Sodica subsidiary (formerly IDIA-SODICA).

Sodica is a company specialising in investment management and corporate finance activities. It has two divisions: the management division, Sodica Capital Investissement, specialising in the management of CACIF funds in the food and farming industries; and the advisory division, Sodica Corporate Finance Mid-Caps, specialising in advisory services on financial transactions valued at up to €200 million.

Sodica Corporate Finance Mid-Caps guides shareholder managers in their plans for growth through acquisitions or during disposals, in France or internationally. It provides its expertise in financial and market engineering, and in terms of structuring (restructuring of ownership and activities). Sodica is the Crédit Agricole Group's listing sponsor on Alternext.

### Crédit Agricole Private Equity

Crédit Agricole Private Equity is a major player in private equity, focused on small businesses financing. Its teams provide companies with the capital required for their growth through its expertise in various areas: LBO & Growth Capital, Venture Capital, Mezzanine Capital, Co-investment, Renewable Energies and Public-Private Partnerships in infrastructure.

On 16 December 2011, Crédit Agricole S.A. announced the signing of an agreement with Coller Capital, a leading global player in the secondary market for private equity, bearing on the sale of 100% of the share capital of Crédit Agricole Private Equity and a portfolio of assets managed by Crédit Agricole Private Equity and held by Crédit Agricole Capital Investissement & Finance. The closing of this transaction, expected in the first quarter of 2012, will not undermine the business relationships and historical links forged with Group networks and entities.

## Crédit Agricole Immobilier

Crédit Agricole Immobilier, a subsidiary of Crédit Agricole S.A., is the Crédit Agricole Group's centre of expertise in property, operating in four major businesses: property development, property management, facility management, advisory services and asset valuation. Crédit Agricole Immobilier operates as a global player in all property markets: offices, residential, public facilities, on behalf of individuals, businesses and local authorities, in synergy with all Group entities, subsidiaries and Regional Banks.

Crédit Agricole Immobilier worked in commercial property on behalf of Crédit Agricole S.A. in 2011, with the installation of Crédit Agricole S.A. teams on the "Evergreen" site at Montrouge and the construction of three office buildings on the site. Crédit Agricole Immobilier also delivered, in cooperation with the Group's IT and Industrial division, the "Greenfield" data centre, built in accordance with High Environmental Quality standards to host the central information systems of Crédit Agricole S.A. and its subsidiaries. It works with the Regional Banks for the realisation or restructuring of headquarters and advises them on the value of their property assets.

In residential property promotion, Crédit Agricole Immobilier finances its operations through Crédit Agricole CIB and the Regional Banks. In 2011, the subsidiary sold 1,830 housing units, some of which through the Square Habitat branch network. It also joined forces with the Regional Banks in providing individual homebuyers with suitable financing. This was the case for the Balma (Haute-Garonne) eco-neighbourhood, where Crédit Agricole Immobilier partnered the Toulouse 31 Regional Bank.

In its advisory and asset valuation businesses, Crédit Agricole Immobilier invested €361 million on behalf of Predica, and now has €2.2 billion in assets under management.

Crédit Agricole Immobilier has an ambitious and volontarist environmental policy. Since 2010, all of its construction permits have been compliant with low-energy building standards. In late 2011, it delivered its third low-energy residence and has over 6,000 such housing units under construction.

## Uni-Éditions

Crédit Agricole S.A.'s press subsidiary Uni-Éditions is one of the top ten magazine publishers in France and one of the most profitable in the sector *(source: Precepta and Xerfi surveys, September 2011)*, a position it maintained in 2011 despite the crisis in the press. With a workforce of 112 employees and revenue of €90 million, the Company publishes seven monthly or bi-monthly service magazines, which have in common practicality, expertise and relevance to the reader. Another characteristic of each title is mass circulation.

*Dossier Familial,* the Company's long-standing title, is France's largest-circulation monthly magazine, with 1,127,000 paid copies *(source: Office de Justification de la Diffusion, O.J.D., January 2012)*, to which should be added the 261,000 copies of its "sister" title, *I comme Info*. *Détente Jardin* and *Maison Créative* are by far France's leading home and garden magazines, with 307,000 and 311,000 subscribers respectively. *Régal,* with 194,000 copies sold, is the leading food magazine. *Santé Magazine*, which has a circulation of 288,000 copies, is the most widely read women's monthly, with nearly 4 millions readers. And *Détours en France* achieved the third-biggest increase in the French press, with more than 116,000 copies *(source: O.J.D., January 2012)*.

## Cedicam

Cedicam, *Centre d'Échanges de Données et d'Information du Crédit Agricole Mutuel,* is the Group's payment system platform. It does business primarily in the areas of electronic funds transfer, transaction processing and secure means of payment.

Cedicam is currently developing the Group's industrial-scale European payments platform. In this perspective, its goal will be to offer its infrastructure and open up its services to external clients and industrial partners in order to boost its volumes, achieve economies of scale, reduce cost prices and help bolster the competitiveness of the Group's banks. Cedicam is to be renamed Crédit Agricole Cards and Payments in the first half of 2012.

# Economic, social and environmental information

In accordance with the guidelines laid down in the Group Project launched at the end of 2010, which emphasised corporate social responsibility (CSR) as one of its strategic priorities, Crédit Agricole S.A. has implemented its own CSR approach, known as FReD. FReD, stands for Fides (trust), Respect and Demeter (the earth goddess). FReD's purpose is to promote these three concepts, and to confer tangible meaning to economic, social and environmental responsibility. Between them, they cover the entire scope of CSR action. FReD is a portfolio of 150 actions split equally between the three CSR pillars, mobilising almost 70,000 employees in the ten main entities of Crédit Agricole S.A.

**Fides** covers the economic side of CSR, and includes all of the Group's responsibilities towards its customers: commitments in respect of economic responsibility, exemplarity in respect of regulatory compliance and banking ethics (fight against fraud, ethics, fight against market abuse, financial security, etc.). **Respect** unites social commitments: respect of human rights in the Group’s activities and spheres of influence, identified in the Charter signed by Crédit Agricole S.A. and its subsidiaries (acknowledgment of employees, diversity, gender equality, work safety, social dialogue and participation, territorial involvement, etc.). **Demeter** embraces environmental actions. Commitments in respect of the environment include the Group’s energy and paper consumption, the implementation of new green products and the progressive inclusion of environmental criteria in all financing activities.

FReD is Crédit Agricole S.A.’s improvement tool in respect of CSR matters. It is an innovative approach, being decentralised, collaborative and dynamic. All entities are involved, and put together their own action plans. FReD accordingly meets two complementary purposes: first, by providing the entities with a single framework allowing them to formalise their action plans; second, by measuring progress achieved, thereby facilitating an assessment of the Group’s social performance. Each action plan has a timetable and a budget, as well as governance, detailed targets and indicators. Every year, an index showing the Group’s overall progress will be calculated. The FReD index will determine the compensation of the Group’s Executive Management, signifying that CSR performance is just as strategic as operating income.

The Group has also chosen to focus its actions in 2011 around the acronym FReD:

- Fides: fraud, customer interest, ethics, market stability, financial security;
- Respect: recognition, equality, safety, participation, equity, consistency, territory;
- Demeter: dialogue, externalities, markets, ecosystems, transport, energy, resources.

In 2011, Crédit Agricole S.A. also transformed its sustainable development mission into a Sustainable Development department. It is part of the General Secretariat. The creation of this department, tasked with promoting, coordinating and monitoring the successful implementation of corporate social responsibility in all areas, symbolises the strategic nature of these topics for the Group.

Moreover, the improvement process pursued by the Group in recent years received further acknowledgement in 2011, with Crédit Agricole S.A. share’s maintenance or inclusion in social responsibility indices. It is part of several extra-financial benchmark indices: ASPI Eurozone since 2004, FTSE4Good since 2005, Dow Jones Sustainability Index (DJSI) since 2008 and Stoxx® Global ESG Leaders since 2011.

In addition to the information contained in this chapter, which relates to the social and environmental information required under the implementing decree of France’s New Economic Regulations Act (NRE), other information will be available in the sustainable development section of the Group’s website. A table of cross-references to the social and environmental indicators of the NRE Act appears at the end of this chapter.

Lastly, Crédit Agricole S.A. has asked the sustainable development experts of one of the Group’s audit firms to review the procedures for collecting environmental and social data, as well as certain information published in this part of the management report and on the dedicated website. Details of this work and the associated certification are included in the “Analyst area” section of the Group’s sustainable development website.

# ECONOMIC RESPONSIBILITY

## Building confidence through a committed approach to Compliance

Compliance is the observance of the legal and regulatory requirements relating to banking activities. Compliance helps to build trust in the bank among all stakeholders (customers, staff, investors, regulators, suppliers, society). The role of Crédit Agricole's Compliance department is to define and implement a policy to prevent non-compliance risk, including the risks associated with money laundering, the financing of terrorism, the violation of embargos, market abuse, conflicts of interest, insufficient protection of the personal information of customers and employees, or failure to advise.

The Compliance department must also ensure that effective systems are in place to achieve compliance. To this end, the function:

- transposes laws and regulations into compliance procedures and manuals;
- advises operating staff by giving its opinion on transactions when such advice is requested;
- takes part in the product marketing process, from the design phase to the distribution phase, and issues compliance notices;
- takes part in the sales assistance and customer needs analysis efforts with a view to offering suitable products;
- ensures that conflicts of interest are identified in accordance with Group policy;
- ensures that employees are trained in compliance issues;
- checks systems and operations for proper functioning.

Reference texts provided by the compliance function include:

- the Compliance Charter, adapted by the Group, translated into ten languages and provided to all new employees;
- updates on regulatory developments in the compliance area;
- documentation of the Fides Compliance control programme, consisting of procedural notes issued in 2004 and updated in 2010.

A programme for training in compliance issues (Fides) has been implemented within the Group in France and abroad. In 2011, compliance, financial security and fraud prevention training continued to be provided to new hires and entities newly integrated into the Group.

The keystone of the control system, the Compliance Management Committee monitors the organisation of the function and the implementation of procedures and training within the Group. It takes note of the main audit findings, as well as any important letter or statement of findings from a supervisory authority relating to laws and regulations in France or abroad, any observed dysfunctions as well as any follow-up or remedial actions undertaken, in addition to new activities.

The compliance function uses the following tools and resources:

- risk mapping, which is used to assess non-compliance risk within the Group;
- periodic reporting on risk and compliance activities, which is used to assess the implementation of compliance systems within the Group;
- financial security software tools, which include customer profiling and account monitoring tools to detect unusual or suspicious transactions and tools to monitor international funds transfers for enforcement of assets freezes and embargoes as well as Group information sharing tools;
- tools for monitoring changes in major shareholdings or voting rights, but also for monitoring compliance with US securities regulations under the Bank Holding Company Act, in order to perform the required reporting on US Group entities and their shareholders as well as on the Group's holdings in non-bank companies with operations in the United States;
- a database listing situations that potentially create conflicts of interest between the Group's entities and how these situations are managed;
- an increasing role has been given to controls and software tools to facilitate controls;
- these functions employ around 700 full-time equivalents (FTE) employees within Crédit Agricole S.A.

The work of the Compliance function focuses on the following priorities.

## Priority 1: fraud

A coordination unit for the prevention of fraud was established in September 2008 within Crédit Agricole S.A. Compliance department, in order to provide an overview of all types of fraud (payment systems, electronic banking, credit, market activities, insurance, etc.) and to unite and coordinate mechanisms implemented in the fight against fraud. This unit works closely with the other relevant control or support functions: Risk Management and Permanent Controls, Inspection/Audit, Legal, Human Resources and Information Systems Security, all their roles being complementary. It relies on the people responsible for coordinating the prevention of fraud, designated within each Group entity, who implement and coordinate the mechanisms used in the fight against fraud at their level.

The fight against fraud is part of the FReD approach. As such, action to raise awareness about and to prevent external fraud toward employees has been planned for 2012 and 2013. This action is intended to be instructive, and is aimed at all of the bank's employees, to alert them to the different types of external fraud, both existing and emerging, to which they could fall victim. It is also a responsible commitment on the part of Crédit Agricole S.A. in favour of its employees. The approach will take the form of a user-friendly and entertaining resource presenting real-life situations.

## Priority 2: customer interest

### Customer relations management

For several years, Group companies including LCL, Crédit Agricole Consumer Finance, Crédit Agricole Assurances, Cariparma Group, Crédit Agricole Srbija and more recently Crédit Agricole Leasing & Factoring (CAL&F) have developed their own tools and/or surveys to measure customer satisfaction, and to define priority actions to improve it. In addition, each entity has developed methods appropriate to its business for optimising the monitoring and handling of customer complaints.

To enhance the quality of customer advice and in compliance with regulations, the Group has set up a framework to train and test the professional knowledge of employees in charge of providing information and advising customers on financial instruments. This framework became effective on 1 July 2010. Moreover, new business and new product committees (NAP committees), comprising representatives of the Compliance and Risk Management and Permanent Controls departments, check that all products and activities proposed in the distribution networks are compliant with legal and regulatory requirements, codes of conduct and internal procedures specific to banking and financial activities. Similar Committees have been established in most subsidiaries, in France and abroad. A process for handling customer complaints was set up in 2010 and should enable each business line to strengthen the existing framework. Work on a process for handling customer complaints began in 2011, in order to share best practices and to discuss the tools implemented within the various Group entities. At each of its meetings, the Compliance Management Committee examines the implementation of recommendations in respect of customer protection.

Many Group companies use or are beginning to use quality systems intended mainly to enhance customer satisfaction, develop customer focus among staff and achieve sustained improvements in performance. Forty-five certificates are currently held by the Group's main business lines (Retail banking, Corporate and investment banking, Asset management and Specialised financial services) and in the support functions.

### Helping its customers to cope with temporary difficulties

LCL anticipates the difficulties that individual bank customers may encounter. With its invention of the "Recognition contract" in late 2008, LCL set out to recognise the uniqueness and the loyalty of each of its clients, articulating its overall and personal commitment toward each customer in five points: recognition of loyalty (specific advantages), of individual differences (customised solutions), of lifestyle (daily flexibility), of requirements (quality of services), and of citizen involvement (shared citizen actions). Needs are analysed by account advisers so that a tailored solution can be implemented. Numerous offers (authorised overdrafts, consumer finance, deferral and rescheduling of repayments, etc.) are subsequently made to customers, in accordance with their needs.

In Italy, Cariparma Group assists struggling people through the use of products that help them fulfil their projects, such as the Very Young Person offer targeting young people. Moreover, Cariparma Group has a programme known as *Cariparma FriulAdria si può* (with Cariparma FriulAdria, yes, you can), which enables bank customers to get through a difficult period by means of repayment deferrals, favourable interest rates, advances against wages or unemployment benefits.

The leading financial partner of France's farmers, Crédit Agricole exercises its responsibility towards its historical clientele by helping farmers get through particularly tough times. This year, cattle farmers and fruit and vegetable growers faced particularly difficult economic conditions. The Regional Banks implemented specific support measures targeting these two sectors, either independently or in conjunction with government measures. For instance, to help cattle farmers affected by drought, Crédit Agricole opened a line of cash loans at preferential rates to meet the cost of purchasing straw. The Regional Banks also worked hard to implement a measure (under government impetus) aimed at deferring loan repayments for farmers affected by drought. In addition, the crisis related to E. coli contamination of vegetables prompted the Regional Banks to help fruit and vegetable growers facing significant financial difficulties.

### Providing a service to the most vulnerable

The main CSR challenge for the consumer finance subsidiaries is to meet the expectations of retail customers, especially regarding credit access and quality of the customer relationship. The aim is therefore to provide access to credit to the greatest possible number, while ensuring that the products offered meet each customer's needs, and that repayment schedules are tailored to the customer's situation and financial capacity. Crédit Agricole Consumer Finance, taking into account the impact of the economic crisis on clients' ability to make repayments, has introduced preventive campaigns (telephone interviews with financially vulnerable customers to update their situations and if possible adjust their repayment plans) and has enhanced the solutions which can be offered for repayment plan adjustments.

For the most vulnerable customers, Crédit Agricole Consumer Finance undertakes an exhaustive assessment of their repayment capacity and their remaining living resources when granting them a credit, in order to prevent situations of excessive indebtedness. The most vulnerable can also take advantage of the assistance of the *Association de Recherche pour un Crédit Harmonieux et d'Innovation pour la Maîtrise de l'Endettement* (Archime'd), with which Crédit Agricole Consumer Finance (North region) collaborates, in order to assist them in managing their budgets and to determine the most appropriate solutions for their situation.

Crédit Agricole Consumer Finance also has structures in place and dedicated teams for managing over-indebtedness; it has representatives on approximately 12 over-indebtedness Commissions. In addition, Crédit Agricole Consumer Finance takes part in a bi-monthly working group of the *Association française des sociétés financières* (ASF) including consumer and professional associations. 2011 was largely devoted to the implementation of the consumer finance law.

Moreover, to cover cases of repayment difficulties, Crédit Agricole Srbija has defined a specific Code of ethics with a view to finding the most appropriate solution to the customer's situation, and has developed special products such as the Freedom cash loan and Moratorium, to help customers who are in financial difficulty.

LCL is also preparing the implementation of a commercial protocol for vulnerable customers. It is more specifically intended to facilitate relations in difficult times, especially when processing unauthorised debits on the customer's account.

The Grameen Crédit Agricole Foundation was founded in 2008 at the initiative of Crédit Agricole S.A., in partnership with Professor Yunus, founder of Grameen Bank and a Nobel Peace Prize laureate. Its purpose is to help microfinance institutions (MFIs) provide financial services to the most impoverished populations. The microfinance approach has proven its effectiveness, especially through microcredit to finance income-generating activities. Funded by Crédit Agricole in the amount of €50 million, the Foundation provides MFIs with loans, guarantees, equity and technical assistance. It also facilitates social business projects, helping make essential goods such as nutrition, water, energy, education and healthcare available to the poorest. Since its inception, funding has been approved for 46 projects in 19 developing countries, reaching approximately 1,252,000 people (91% women, 79% in rural areas, 38% in Sub-Saharan Africa).

In France, the Regional Banks forge partnerships with microcredit organisations in order to encourage all creators and acquirers of companies – including those excluded from traditional banking services – and to help professionals get through a difficult period. This is the reason behind the Regional Banks' collaboration with local initiative platforms (Pfil) for example, or for partnerships with business creation programmes such as *Adie*, in which several Regional Banks participate. Some banks are also working with networks such as *France Active*, *Boutiques de gestion, Entreprendre* or decentralised programmes such as business incubators. Others complement these actions by their own programmes designed to encourage the creation of companies or to help businesses get through a difficult period.

## Priority 3: ethics

The compliance framework (organisation, procedures, training programmes) creates an environment favourable to the enhancement of *ex ante* controls within the Group. Nonetheless, when preventive measures do not play their expected role and a dysfunction occurs, it is important that it is:

- detected and then analysed as quickly as possible;
- notified to the operational managers of the compliance function at the most appropriate level within each business line;
- monitored and corrected, and its causes eliminated.

### Reporting of dysfunctions

The centralisation of reported dysfunction events allows an assessment of non-compliance risk to be carried out at the highest level of Crédit Agricole S.A.. Thus, when an employee has a reasonable doubt or observes a dysfunction in respect of compliance, that employee must alert his or her supervisor, who will then notify a functional manager (Compliance, Legal Affairs), depending on the issue. The framework is completed by an alert system, allowing employees, if they observe an anomaly in the usual process of reporting dysfunctions or if they feel under pressure to allow a dysfunction to occur, to notify the entity's Compliance Officer of the situation. The Compliance Officers of each entity report the state of observed dysfunctions to the Compliance department, which is responsible for informing the Compliance Management Committee. This Committee takes note of the situation and approves proposals aimed at remedying the dysfunction.

### Protection of personal information

Crédit Agricole S.A. develops the compliance framework for all its subsidiaries in France, in accordance with the rules of the *Commission nationale de l'informatique et des libertés* (CNIL), the national data protection authority; these rules relate to the protection of personal data, be it of employees, customers or third parties in relationships with Group entities. For the purpose of harmonising mandatory reports made to the CNIL, Crédit Agricole S.A. has implemented a pooling and exchange process with Group entities, under which they can be included in the consolidated reporting and covered by the authorisations requested from the CNIL. A shared approach with the Regional Banks is also in progress. As a general rule, every new information system or application must be designed from the outset to meet the data protection rules for personal information and bank secrecy regarding customers and third parties generally.

### Training

Training is part of Crédit Agricole S.A.'s FReD coordination and progress process: several training projects have been selected under the Fides pillar in Crédit Agricole S.A.'s social action plans. Crédit Agricole S.A.'s Legal and Compliance department has undertaken an overhaul of existing Fides training courses. The new training programme was released in late 2011, in an e-learning presentation version in French. It will be adapted for each of the Group's business lines (Retail banking, Corporate banking, Asset management, Insurance, etc.) and implemented by Group entities' human resources functions, starting at the end of 2011 and continuing in 2012. An English language version will be finalised in early 2012, thereby completing the new training programme. In 2011, Crédit Agricole S.A.'s Legal and Compliance department produced and distributed a handbook entitled "The Keys to Fides". This document deals with 14 major compliance issues (financial security, advisory duty, conflicts of interest, etc.). With a print run of more than 100,000 copies in three languages (English, French, Italian), it has been distributed within Crédit Agricole Group (Regional Banks, Crédit Agricole S.A. subsidiaries, Crédit Agricole S.A.). The handbook involved the work of more than 200 Group employees.

## Priority 4: market stability

At the time of its creation, in 2006, Amundi became a signatory to the Principles for Responsible Investment (PRI), convinced of the increasing importance of Environment, Social and Governance (ESG) issues, and the need to factor them gradually into its analysis process and its investment decisions. In 2011, Amundi accordingly continued the implementation of the PRIs on several fronts:

- **the centralisation of its extra-financial analysis activities within the Amundi SRI Expertise department, in order to better take into account environmental, social and governance (ESG) issues in a growing number of funds under management.**

  As such, in 2011, Amundi SRI Expertise's eight extra-financial analysts continued to improve their rating platform, known as SRI (Sustainable Rating Integrator), which is interfaced with the management tool. This means that all fund managers have access to companies' conventional financial evaluations, as well as their extra-financial rating, thereby fostering the gradual inclusion of ESG criteria by a growing number of managers;

- **the definition of exclusion rules governing its classic active management;**

- **the implementation of a very active voting policy at General Meetings of Shareholders.**

  Amundi has taken an active approach to voting at the General Meetings of Shareholders of investee companies since 1996. Since 2003, it has incorporated social and environmental criteria into its voting policy worldwide. Amundi has also established a Corporate Governance team dedicated to the implementation of this policy. It is tasked with coordinating the expertise necessary in the analysis of resolutions and in shareholder dialogue (managers, financial analysts, extra-financial analysts), as well as in vote execution (custodians, proxies) in order to ensure an effective and informed exercise of voting rights:

#### THE AMUNDI 2011 GENERAL MEETINGS OF SHAREHOLDERS VOTING CAMPAIGN

| | |
|---|---|
| **Number of General Meetings of Shareholders reviewed** | **2,195** |
| o/w France | 259 |
| o/w Rest of world | 1,936 |
| Number of motions voted on | 25,143 |
| **Number of motions voted against, in particular on the following topics:** | **16%** |
| Board composition | 31% |
| executive remuneration | 28% |
| actions affecting share capital (incl. poison pills) | 25% |
| shareholder motions [(1)] | 6% |
| **Motions put forward by shareholders and supported by Amundi, in particular on the following topics:** | **282** |
| corporate governance (*cf.* vote on remuneration, independence of the Board chair, changes in Articles of Association) | 71% |
| social and human rights issues (*cf.* International Labour Organization conventions, anti-discrimination, Code of practice for suppliers) | 20% |
| environmental issues (see climate change, GMOs) | 9% |

*(1) Support of resolutions against the recommendation of management.*

- **conducting an active shareholder policy.**

  Amundi has established dedicated governance and pursues a robust shareholder commitment policy, particularly through close dialogue with the companies whose shares it holds through its funds. Extra-financial analysts meet firms as part of sector reviews or in response to news flow, especially bearing on controversial issues. At the same time, Amundi's Corporate Governance team has established a formalised shareholder dialogue process allowing it to warn companies, in advance of a General Meeting of Shareholders, when Amundi is liable to vote against certain resolutions. This systematic procedure, initially focused on SBF 120 companies, has been extended since 2009 to a group of large European companies selected in collaboration with extra-financial analysts, on the basis of a range of criteria. In 2011, the Corporate Governance team issued warnings on more than 178 General Meetings of Shareholders. The response rate among issuers in France and in Europe was almost identical, at nearly 50%. It also pursued dialogue, at the issuers' initiative, in more than 30 cases. The ensuing exchanges led to improved disclosure on the resolutions to be put at the meeting, additional commitments on the part of companies, and modifications to or even the withdrawal of controversial resolutions, enabling Amundi to revise its intention to vote against them in more than 30 cases.

Three other Group companies have also adhered to the PRI: Crédit Agricole Cheuvreux, the brokerage subsidiary of Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB), in 2008, Crédit Agricole Private Equity in 2009 and Crédit Agricole Assurances in 2010.

### Priority 5: financial security

In the area of financial security, Crédit Agricole Group pays the greatest attention to the prevention of money laundering, to the fight against the financing of terrorism, to the enforcement of asset freezes and embargoes, and to the observance of sanctions on blacklisted countries. The Group Compliance department is responsible for the implementation of measures designed to prevent money laundering and to fight the financing of terrorism for all of the Group.

Crédit Agricole Group has taken into consideration, through an overhaul of its procedures, the new requirements linked to the transposition into domestic law of the third European Directive 2005-1960/EC dated 26 October 2005 for the prevention of the use of the financial system for money laundering and the financing of terrorism. In particular, money laundering risks have been mapped for all entities and business lines of the Group as part of the creation of a vigilance system adapted to the identified risk level, both for new business relationships and on-going business relationships (perpetual vigilance). Thus, when entering into any new client relationship, the required checks of the client's identifying information constitute an initial filter for the prevention of money laundering. This prevention relies on knowledge of customers and effective beneficiaries; it is supported by research using specialised databases. Appropriate vigilance coherent with the level of identified risks is exercised for the length of each business relationship. The Group's employees are assisted in this task by computer tools for profiling clients and detecting unusual transactions.

The fight against the financing of terrorism involves the constant screening of client files, both when entering into and during the course of business relationships, using sanctions lists and through the monitoring of international transactions.

Having made a significant contribution to the banking profession's work on financial security, spearheaded by the training centre for the banking profession *(*CFPB*)*, the Group has set up and launched the new training programme for the prevention of money laundering and to fight the financing of terrorism.

## ▶ SOCIAL RESPONSIBILITY

### Methodology

Each entity of Crédit Agricole S.A. is attached to a business line and has its own employee relations policy, which is overseen by a Human Resource (HR) Director. Overall consistency is ensured by the Group Human Resources (HR) department.

The scope encompasses all fully or proportionately consolidated entities with employees.

Each item presented below is accompanied by an indication of the proportion of employees covered (as a percentage of Full-Time Equivalent (FTE) employees at year-end).

Different consolidation rules have been applied:

- for proportionately consolidated entities, data are stated in proportion to the Group's equity interest in the entity. Accordingly, the employee data relating to the Regional Banks are not included in this report because they are equity-accounted. They represented some 69,280 FTEs at 31 December 2010;
- in the case of training data, there was a change of method in 2008. All this information is now calculated on the basis of the first 11 months of the year, December in any case not being a representative month and generally being marginal in terms of activity compared with the other months of the year;
- unless otherwise stated [(1)], the data are presented from the employer's viewpoint and not the beneficiary's viewpoint. The difference relates to employees seconded by one entity to another (with no change in the employment contract) who report to their host entity from the beneficiary's viewpoint and to their contracting entity from the employer's viewpoint;

*(1) Excluding the tables of FTEs by business line and geographic area found in the "Key figures" section that have been taken from the internal monthly publication of Crédit Agricole S.A. employees at 31 December 2011 (presented from the beneficiary's viewpoint).*

- unless otherwise stated, the population under review is that of "working" employees. The notion of working implies:
  - a legal tie in the form of a standard fixed-term or indefinite-term employment contract (or similar abroad),
  - being on the payroll and in the job on the final day of the period,
  - working time percentage of 50% or more.

The examples of practices illustrating the data and commentary below were collected from surveys of Human Resource Directors across a broad representative sample of Crédit Agricole Group entities.

As part of an ongoing policy to make the indicators more reliable, in 2011 Crédit Agricole S.A. asked one of its Statutory Auditors to perform a detailed audit of the published indicators. This work will be published in Crédit Agricole S.A. sustainable development report.

The promotion of a policy of corporate social responsibility is one of the Group's constant and fundamental goals. As such, many initiatives were undertaken in 2011 as part of commitments made by Crédit Agricole S.A. when it signed the Human Rights Charter. Two flagship projects in 2011, "Welcome" and "DestiNations Abroad" (*DestiNations à l'international*), illustrate the spirit of the Respect approach particularly well.

## "Welcome"

For Crédit Agricole, being an attractive employer is of critical importance. In a competitive environment, the Group is looking to differentiate itself by means of its new advertising campaign, "Welcome", focusing on the Group's image as an employer.

Prior to the introduction of this ambitious Group policy, an assessment of the attractiveness of the employer brand was carried out across the Group in 2010. A new strategy was put in place to raise awareness about the Group and more specifically its business lines and its global operations.

The campaign reflects an open mindset and represents an invitation to join the Group: open to new ideas, talent, imagination – open to everybody, everyone has a role to play in a collective project.

"Welcome" is thus a truly Group wide campaign, designed to harmonise the Group's employer brand, both at home and abroad. The "Welcome" slogan and visuals, available for all subsidiaries, Group functions and International retail banking subsidiaries, give the Group a shared visual identity and hence greater coherence.

## "DestiNations Abroad"

As part of the Group project, Crédit Agricole set itself the goal of becoming the European benchmark in universal customer-focused banking by 2014. The success of this project depends, amongst other things, on its capacity to encourage the Group's employees to share their expertise with International retail banking subsidiaries.

Since September 2011, the Group's men and women have therefore been involved in a collaborative programme, "DestiNations Abroad".

This programme, which was established by Executive Management at Crédit Agricole S.A. and approved by the Group's governance bodies, is the result of a combined working group involving Crédit Agricole S.A., *Fédération Nationale du Crédit Agricole* (FNCA) and the Regional Banks. It aims at identifying and mobilising, within the Regional Banks and at LCL:

- expert managers to help, as part of one-off assignments, with knowledge transfer requirements expressed by subsidiaries abroad;
- executive managers looking to take up expatriate positions abroad.

The Group faces a number of challenges:

- establishing a pool of candidates for short- or long-term assignments who can make their expertise and talents available to entities abroad and thereby meet the needs of subsidiaries;
- increasing the attractiveness of the Regional Banks and LCL by offering international career opportunities;
- encouraging the exchange of best practices between retail banks in France and abroad.

For employees, this means:

- developing their business line expertise in a multi-cultural environment;
- enhancing their employability;
- increasing their knowledge of the Group, its entities and its operations abroad.

### A PROGRAMME ALREADY IN OPERATION

In the first half of 2011, some sixty requests for expertise were recorded involving a broad range of business line expertise: development and targeting of specific customer bases, distribution organisation and network management, IT and organisation, risk and finance activities, etc.

In order to make opportunities more visible, an Intranet, "DestiNations Abroad", devoted to international mobility, will be on-line in early February 2012.

A special recruitment process is in place to profile candidates on the basis of their business line, behavioural and linguistic skills. Questionnaires, case studies and tests make the selection process more objective. Similarly, special conditions have been established for the various types of mobility: special bonuses and agreements to provide a framework for assignments are two examples.

### OPERATIONAL IMPLEMENTATION AND SUPPORT FOR PARTICIPANTS

In addition to operational support measures for expatriates and assignments (expatriate guide, letter of mobility, agreements, etc.), this mobility forms part of candidates' career planning and the knowledge gained from it will be recognised and drawn on within the Group.

To promote this programme, a *"Tour de France"* is established for employees of the Regional Banks and LCL Regional divisions who are interested in international mobility.

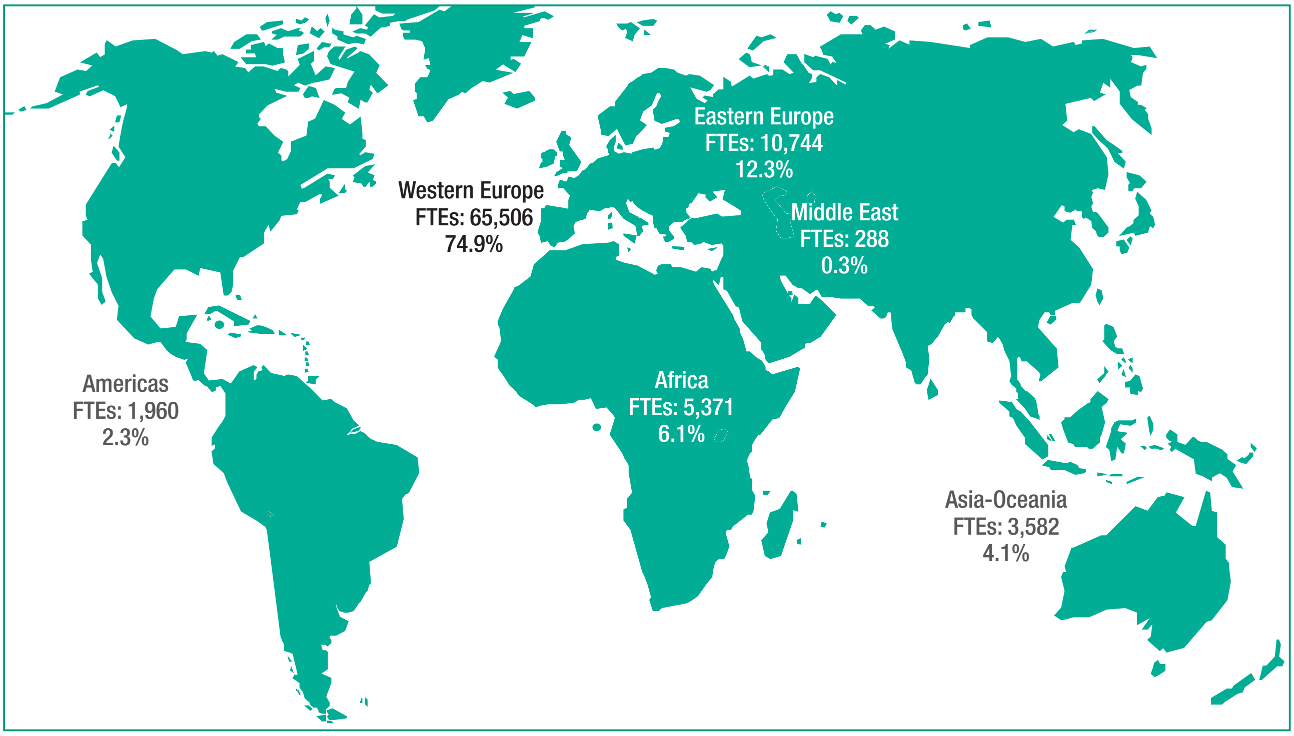
At end-2011, some 10 requests had already been fulfilled.

## Discover the face of Crédit Agricole S.A.

### HEADCOUNT BY TYPE OF CONTRACT (IN FULL-TIME EQUIVALENTS)

| | 2011 | | | 2010 | | |
|---|---|---|---|---|---|---|
| | France | International | Total | France | International | Total |
| Active indefinite-term contract (CDI) employees | 40,596 | 43,385 | 83,981 | 40,246 | 43,443 | 83,689 |
| Fixed-term contract (CDD) employees | 700 | 2,770 | 3,470 | 748 | 3,083 | 3,831 |
| **Total active employees** | **41,296** | **46,155** | **87,451** | **40,994** | **46,526** | **87,520** |
| Non active indefinite-term contract (CDI) employees | 1,346 | 1,438 | 2,784 | 1,362 | 1,082 | 2,444 |
| **TOTAL NUMBER OF EMPLOYEES** | **42,642** | **47,593** | **90,235** | **42,356** | **47,608** | **89,964** |

### GLOBAL PRESENCE

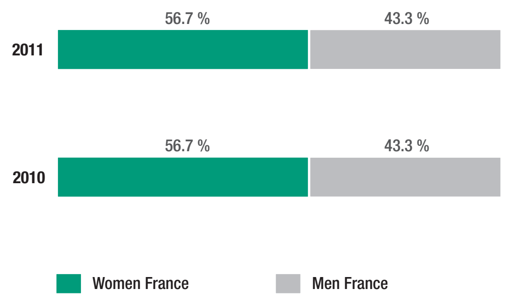


### BREAKDOWN OF HEADCOUNT BY BUSINESS LINE

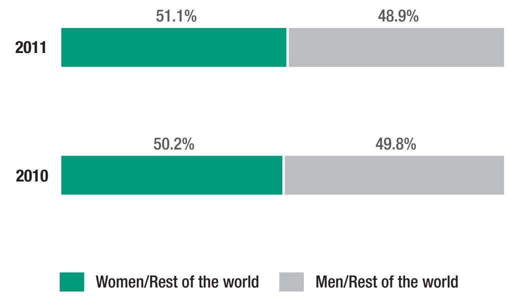
| | 2011 | | 2010 | |
|---|---|---|---|---|
| *Business line* | Headcount (FTE) | % | Headcount (FTE) | % |
| French retail banking | 20,421 | 23.4 | 20,152 | 23.0 |
| International retail banking | 26,997 | 30.9 | 27,703 | 31.6 |
| Specialised financial services | 11,994 | 13.7 | 11,587 | 13.2 |
| Asset management, insurance and private banking | 11,526 | 13.2 | 11,484 | 13.2 |
| Corporate and investment banking | 12,523 | 14.3 | 12,445 | 14.2 |
| Corporate centre | 3,990 | 4.5 | 4,149 | 4.7 |
| **CRÉDIT AGRICOLE S.A.** | **87,451** | **100** | **87,520** | **100** |
| o/w France | 41,296 | 47.2 | 40,994 | 46.8 |
| o/w Rest of the world | 46,155 | 52.8 | 46,526 | 53.2 |
| *World coverage* | | *100* | | *100* |

► *Changes in the number of employees take into account the impact of changes in the scope of consolidation in 2010 and 2011. These are presented in Note 2.1 to the financial statements.*

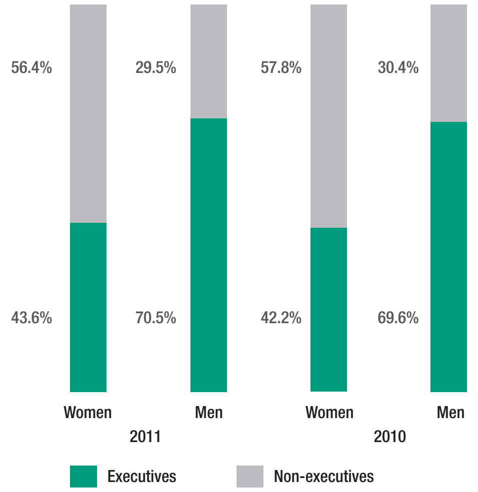
### EMPLOYEES BY GENDER IN FRANCE



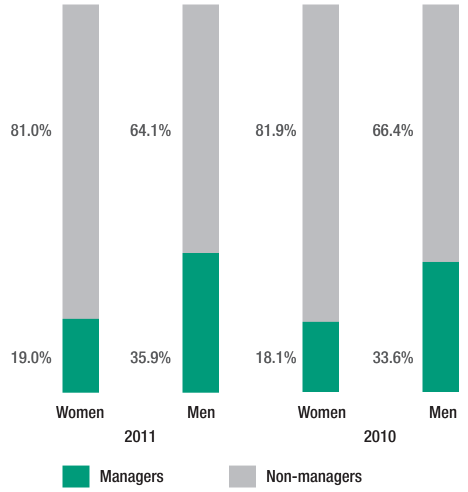

### EMPLOYEES BY GENDER – REST OF THE WORLD



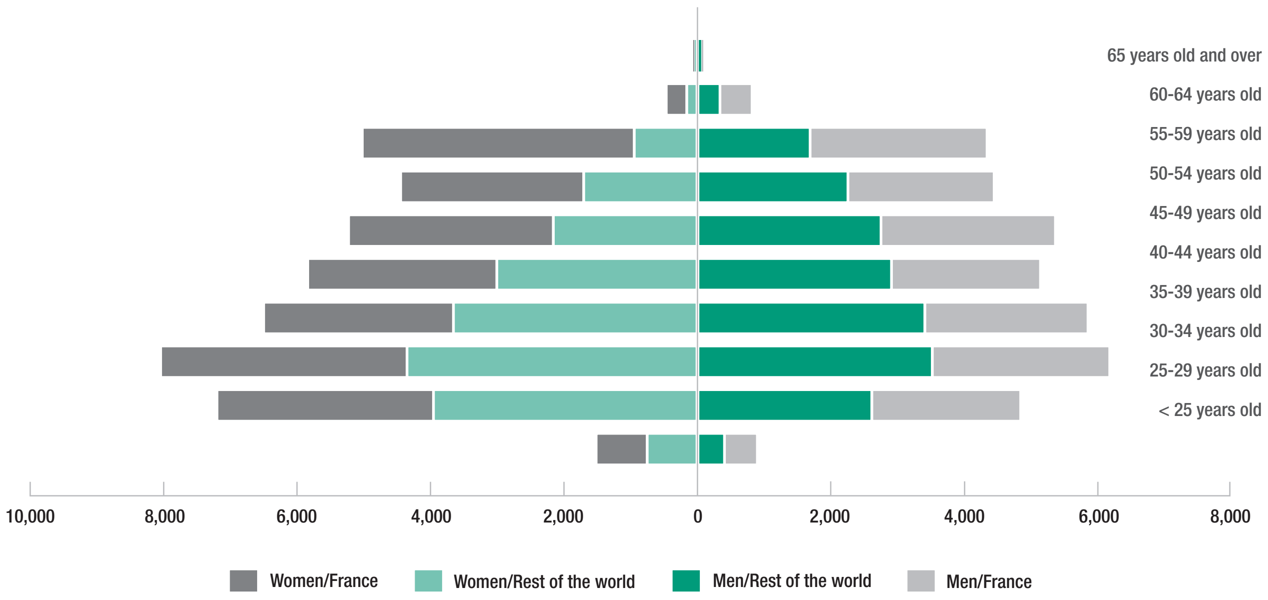

### EMPLOYEES BY STATUS IN FRANCE




### EMPLOYEES BY STATUS – REST THE OF WORLD



### AGE STRUCTURE




► *The average age of Group employees is 41, with an average age of 42 in France and 39 abroad. The proportion of employees under the age of 30 (17.6%) fell 1.6 percentage point between 2010 and 2011, while the proportion over 50 (23.9%) rose by 0.6 percentage point.*

### RECRUITMENT BY REGION AND BUSINESS LINE

| Business line | Number of employees hired on indefinite-term contracts [1] FRB | IRB | SFS | AMIPB | CIB | CC | Total 2011 | Total 2010 | Coverage |
|---|---|---|---|---|---|---|---|---|---|
| Region | | | | | | | | | |
| France | 1,185 | 0 | 381 | 431 | 420 | 409 | 2,826 | 2,457 | |
| Western Europe (excluding France) | 0 | 286 | 362 | 336 | 293 | 2 | 1,279 | 1,117 | |
| Central and Eastern Europe | 0 | 1,424 | 153 | 14 | 22 | 0 | 1,613 | 1,432 | |
| Africa | 0 | 419 | 2 | 2 | 2 | 0 | 425 | 497 | |
| Middle East (including Turkey) | 0 | 0 | 0 | 0 | 5 | 0 | 5 | 23 | |
| Asia-Oceania | 0 | 0 | 0 | 40 | 493 | 0 | 533 | 672 | |
| North and South America | 0 | 0 | 13 | 50 | 138 | 0 | 201 | 154 | |
| **TOTAL 2011** | **1,185** | **2,129** | **911** | **873** | **1,373** | **411** | **6,882** | | **97%** |
| **TOTAL 2010** | **799** | **1,898** | **782** | **1,002** | **1,569** | **302** | | **6,352** | **96%** |

*(1) Including conversions of definite-term contracts into indefinite-term contracts.*

### PROPORTION OF PART-TIME EMPLOYEES

| | 2011 | | | 2010 | | |
|---|---|---|---|---|---|---|
| | Executives | Non-executives | Total | Executives | Non-executives | Total |
| Part-time employees | 1,865 | 4,238 | 6,103 | 1,703 | 4,232 | 5,935 |
| Part-time employees as % of total | 8.1% | 22.8% | 14.7% | 7.7% | 22.5% | 14.5% |
| *Coverage France* | | | *99%* | | | *98%* |

► *The number of part-time employees rose by 0.2 percentage point between 2010 and 2011, with the rate stabilising at 14.7%. Most part-time employees are women (89.05%).*

## Priority 1: recognition

The Group aims to promote responsible management conduct that respects individuals and is creating initiatives to make the most of the skills of each person, with personalised employee management.

### Responsible management

To promote responsible management is a major day-to day challenge. The manager is a key player in the professional development of employees. The Group is therefore striving to raise the professionalism of managers and to enhance their role in the field of human resources. A number of initiatives were thus pursued or established in 2011 to allow them to fulfil their role.

#### HARMONISATION OF THE MANAGEMENT CULTURE

A number of Group entities continued their review of the policy of developing the management culture and jointly decided to harmonise managerial conduct and expertise.

As part of this review process, Crédit Agricole Leasing & Factoring (CAL&F) established the "CAL&F Manager" programme in 2011, which is designed to harmonise shared core competences required by all managers and to develop a shared management culture. Three training courses have been developed, depending on length of service and management level: "novice line managers", "experienced line managers" and "senior managers". 300 managers are already taking part in these specific training programmes that simulate real life situations by means of role-plays. The goal is to train all managers by 2014.

Cariparma initiated three models of management ("Managerial Vision", "Managerial Comparison" and "Managerial Growth") for members of the Management Committee and managers. The originality of these programmes lies in the mixing of working groups and experimental workshops on major topics such as leadership, change management and interaction within the management team. These programmes, organised by external consultants, allow participants to reflect upon their problems and to thereby enhance their managerial effectiveness.

Other entities joined this management culture review process in 2011. Cedicam in particular, as part of its 2014 goals, established a working group on corporate culture and the managerial expertise and conduct needed to promote its four key values: "Respect, Customer Focus, Responsibility, Solidarity".

#### MANAGERS' DEVELOPMENT

The training of managers plays a critical role. In addition to the initiatives in place in the various entities, a number of Group programmes have been developed for managers, designed both to improve their management skills and to share a common culture:

- a series of Group programmes is offered by the Crédit Agricole Training Institute (IFCAM) through intensive courses such as "The Young Manager Course", "Expert Manager and Project Manager Course" and "Wide Angle"; these focus on the Group, its strategy, its business lines and on development of self-awareness;
- other programmes aim to strengthen managers' skills at each of the key stages of their career: "Mastering the fundamentals of team management", "Asserting yourself as a manager" and "Managing managers";
- one component looks more specifically at the Group's international dimension. A programme such as "International Outlook" aims to support the international operations of the Group and of its business lines by means of a shared trans-national and cross-functional culture. It is intended for selected employees from the Group's talent pool who work in an international environment or who have expressed a desire to move in this direction. To date, some 180 Group employees from over 20 different nationalities have taken part.

Within each entity, training programmes have also been put in place to improve line management. To this end, in 2011 Crédit Agricole Egypt developed three training programmes for managers: "Seven habits of highly effective people", "Promise" and "Final confrontation", which are designed to improve synergies across the various units, and to develop the issue of feedback and its effectiveness.

In 2011, Amundi organised a management seminar for 200 senior company managers, whose programme was put together by a committee made up of some ten internal managers, members of the Human Resources team and consultants tasked with leading the training.

A similar programme took place at Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB), where in December 2011 it established a training programme specifically for managers, built on four areas of expertise: management, leadership, change management and personal development. The goal is to help managers with the implementation of Crédit Agricole CIB's strategy and to support their team members, both with skills and career development.

Finally, the insurance division is carrying out management training in France and abroad. At CAAGIS (Crédit Agricole Assurances Gestion, Informatique et Service), a training entitled "Policy statement for collaborative action", has been jointly developed by managers for members of the Management Committee and managers. At Predica, in addition to the "Harbridge" compulsory general training, management development workshops are available, on topics such as "everyday stress management" and "dealing with conflict in a work environment."

#### PEOPLEC@RE

The result of a joint effort by the teams of the Group HR department and subsidiaries, PeopleC@re, the HR information system (HRIS), offers everyone the opportunity to become involved in Human Resource management:

- managers prepare and formalise assessment interviews;
- employees update their HR files (Resume, mobility requests, etc.);
- the teams can thus wholly focus on advising and providing expertise to employees and managers.

Already rolled out in 2009 and 2010 within Crédit Agricole CIB, LCL, Crédit Agricole Consumer Finance, Pacifica, Cedicam and Crédit Agricole S.A., PeopleC@re was deployed in a number of entities in 2011: CAL&F, Banque de Gestion Privée Indosuez (BGPI), SILCA, Amundi, Crédit du Maroc, CAAGIS and Predica. Its common set of processes and frameworks is now 90% complete, and it is operational for over half of Group employees in some 50 countries.

#### ANNUAL ASSESSMENT INTERVIEW

The annual assessment interview is a fundamental managerial action. It represents a very significant opportunity for exchanging information on a number of topics: annual performance, skills and setting objectives. To make these interviews more professional, several Group entities offer training and tools to support managers with the process of assessing their employees:

- at Emporiki, 583 managers were trained on the new annual assessment system in 2011. This awareness raising enabled managers to take stock of their responsibility and to hold a dialogue with their teams;
- since 2007, Crédit Agricole Suisse has been organising specific two-hour workshops each November, to raise the awareness of new managers as to the importance of the annual assessment. Some 20 employees took part in these workshops in 2011;
- the insurance division provides a full day of training on managerial attitude at annual assessment interviews: 30 CAA managers and 117 Pacifica managers took part in this training, representing some 100% and 94% of line managers respectively. Crédit Agricole Creditor Insurance (CACI) published a Europe-wide charter of shared values, put together collaboratively during workshops by some one hundred employees. This project, which was undertaken in 2011 and rolled out at the end of the year, gets the support of 90% of employees;
- furthermore, last October Crédit Agricole S.A. began the 2011 managerial campaign by awareness-raising sessions for employees and training workshops for managers. The goal is to develop the managerial culture and empower those involved in the assessment by helping them understand the annual interview and its scope by means of ten mutual undertakings for managers and the human resources teams. Some 1,000 employees took part in one of nine sessions and 249 managers attended one of four workshops on offer: “annual assessment for new managers”, “setting objectives”, “assessing skills and supporting skills development”, “managing delicate situations at interviews”. 94% of managers find these workshops helpful and recommend them. In addition, a guide is sent out to managers to help them with their assessments.

More broadly, the rollout of the PeopleC@re HR information system (HRIS), in place since 2009, provides a framework for these assessments and helps employees and managers better structure the interview.

#### EVERGREEN SUPPORT

The bringing together of a number of Group business lines at the Montrouge (Evergreen) site in 2010 provided Crédit Agricole S.A. with the opportunity to build a campus that put people at its core. Some 10,000 people are expected to be working there by 2015. To help ensure a smooth transition, support measures are available for all employees affected. To date, the employees of Crédit Agricole S.A. and Crédit Agricole Immobilier have benefited from these measures. They consist of:

- travel assistance in the form of a new contribution to the cost of using public transport, help with buying a vehicle, car-sharing incentives, etc.;
- help with house moving in order to move closer to the Evergreen site: house hunting help, option of two days of paid leave to move houses, covering of part of the cost of moving, etc.;
- identifying internal mobility opportunities, on a case-by-case basis;
- various other measures, including the *chèque emploi service universel* (CESU) voucher system for domestic services, the development of telecommuting, childcare center seat reservations, etc.

### Individual employee management

The priority is to provide every employee with development opportunities and thereby attain the highest possible level of skills and responsibility. Hiring, integrating, offering career paths, facilitating mobility, offering training programmes and putting in place the appropriate tools all play a part in successful employee management.

#### CAREER AND TALENT MANAGEMENT

In 2010, the Group developed its talent management system. It was strengthened in cooperation with the various entities and rolled out in 2011. The Group now has a coordinated talent management framework which has two objectives: to broaden career prospects and provide better support for employees who show potential.

Every year, career committees are set up by all entities with the support of the Group Talent and Resources unit, thereby allowing an objective assessment of employees (proven skills, recognised performance and development potential). Individual support is then offered: access to a key position, functional or geographical mobility, etc.

Based on a timetable, tools and deliverables that are shared across all Group entities, the system provides for a structured application of the talent management policy, underpinned in 2011 by the use of PeopleC@re.

In 2011, Crédit Agricole et Caisse d'Épargne Investment Services (CACEIS) introduced its "Skills improvement" initiative and undertook to have a jobs and skills management policy that was based on "on the job" development of knowledge and know-how. Every position within the company is described and the necessary skills listed and rated on a knowledge and know-how assessment scale. Thanks to this inventory, recently broadened to jobs involving more than one person at CACEIS, managers now have the possibility of measuring the skills of their employees on the basis of target skill sets and identifying gaps. The goal is to fill these gaps by means of action plans and team-based or individual trainings.

Likewise abroad, where in July 2011 Crédit Agricole Ukraine established a talent management system for sales staff in addition to career committees. The system uses questionnaires sent to managers and colleagues and an interview based on identified skills. 50 employees have already benefited from this system and have been identified as "talent". The action plan for their development will be put in place in 2012.

### INNOVATION AND TRAINING

Career and talent management enhances the training process, providing it with innovative tools and programmes as part of a permanent effort to develop skills.

For example, in the first half of 2011, Crédit Agricole S.A. introduced a training programme for economists, designed to enable them to regularly make videos of between one minute thirty and two minutes on topical items, broadcast on the Intranet and the institutional website. Through individual, personalised coaching, this training used technology to enable them to share their expertise more readily and more broadly.

In 2011, CACEIS also developed a vast skills development programme (named "CACEIS School"), using experience-based teaching and role-play built around three modules:

- discovery weeks, enabling employees looking for mobility (or who are looking to increase their knowledge) to familiarise themselves with a new business line. These weeks take the form of full immersion, involving presentations by business line managers and experts;
- business line training programmes, established in December 2011, are designed for new hires or people already working with the Group. Supported by a tutor for a period of two years, students take a series of training modules drawn up on the basis of their needs;
- Expert and Line manager training programmes are intended for potential future experts and managers. These two training programmes, which are scheduled to begin in autumn 2012, will make it possible to take a forward looking approach to skills management and will strive to handle the manager–expert issue.

The goal of "CACEIS School" is to pass on know-how and share expertise while improving employee understanding of CACEIS. In 2011, close to 100 employees took part in 15 discovery weeks.

### TRAINING

| | 2011 (11 months) [(1)] | 2010 (11 months) [(1)] |
|---|---|---|
| **Number of employees trained** | | |
| France | 39,469 | 33,767 |
| International | 29,603 | 29,375 |
| **TOTAL** | **69,072** | **63,142** |
| *Coverage* | *95%* | *89%* |
| **Number of training hours** | | |
| France | 915,068 | 792,128 |
| International | 877,355 | 831,867 |
| **TOTAL** | **1,792,423** | **1,623,995** |
| *Coverage* | *95%* | *88%* |

*(1) See methodology.*

### TRAINING TOPICS

| *Number of training hours* | 2011 (11 months) | | | | 2010 (11 months) | |
|---|---|---|---|---|---|---|
| **Topics** | **Total** | **%** | **o/w France** | **o/w Rest of world** | **Total** | **%** |
| Knowledge of Crédit Agricole S.A. | 40,352 | 2.2 | 18,021 | 22,331 | 37,646 | 2.3 |
| Personnel and business management | 99,519 | 5.6 | 43,144 | 56,375 | 105,686 | 6.5 |
| Banking, law and economics | 533,329 | 29.7 | 420,541 | 112,788 | 430,096 | 26.5 |
| Insurance | 218,497 | 12.2 | 85,102 | 133,395 | 200,900 | 12.4 |
| Financial management (accountancy, tax, etc.) | 101,875 | 5.7 | 32,518 | 69,357 | 149,384 | 9.2 |
| Risk | 44,499 | 2.5 | 21,987 | 22,512 | 52,861 | 3.3 |
| Compliance | 102,809 | 5.7 | 20,448 | 82,361 | 48,172 | 3.0 |
| Methods, organisation, quality | 50,861 | 2.8 | 28,893 | 21,968 | 51,684 | 3.2 |
| Purchasing, marketing, distribution | 87,568 | 4.9 | 13,941 | 73,627 | 87,987 | 5.4 |
| IT systems, networks, telecommunications | 60,879 | 3.4 | 30,177 | 30,702 | 46,281 | 2.8 |
| Languages | 164,034 | 9.1 | 60,508 | 103,526 | 183,345 | 11.3 |
| Office systems, software, new ICT | 121,217 | 6.8 | 49,621 | 71,596 | 94,903 | 5.8 |
| Personal development, communication | 105,186 | 5.9 | 70,869 | 34,317 | 65,483 | 4.0 |
| Health and safety | 40,505 | 2.3 | 5,232 | 35,273 | 34,816 | 2.1 |
| Human rights and the environment | 1,859 | 0.1 | 233 | 1,626 | 15,092 | 0.9 |
| Human resources | 19,435 | 1.1 | 13,833 | 5,602 | 19,659 | 1.2 |
| **TOTAL** | **1,792,424** | **100** | **915,068** | **887,356** | **1,623,995** | **100** |
| *Coverage* | *95%* | | | | *88%* | |

### PROMOTIONS IN FRANCE

| | 2011 | | | 2010 | | |
|---|---|---|---|---|---|---|
| | **Female** | **Male** | **Total** | **Female** | **Male** | **Total** |
| Promotion within non-executive grade | 1,506 | 664 | 2,170 | 2,080 | 837 | 2,917 |
| Promotion from non-executive to executive grade | 338 | 221 | 559 | 361 | 292 | 653 |
| Promotion within executive grade | 546 | 799 | 1,345 | 699 | 719 | 1,418 |
| **TOTAL** | **2,390** | **1,684** | **4,074** | **3,140** | **1,848** | **4,988** |
| *%* | *58.7%* | *41.3%* | *100%* | *63.0%* | *37.0%* | *100%* |
| *Coverage France* | *99%* | | | *98%* | | |

### INTERNAL MOBILITY

| | 2011 | 2010 |
|---|---|---|
| Mobility within one entity | 10,888 | 12,491 |
| Mobility between entities | 844 | 673 |
| **TOTAL** | **11,732** | **13,164** |
| *Coverage* | *75%* | *82%* |

► *Note: The coverage of the mobility number is slightly lower than other indicators.*

Developing employee skills inevitably requires internal mobility: it is a chance for employees to change jobs, environment or responsibility and for the Group to leverage the diversity of its business lines and its entities through knowledge sharing.

When Group entities moved to the Evergreen site, some 100 people from various Group entities attended "mobility workshops". They work on the basis of offering all Group employees five half-days to work on methodology: two half-days on career project and three half-days on communicating one's career project.

The originality and depth of this initiative comes from the leadership provided by the human resources managers working within the Group. Employees can not only learn about the range of entities within the Group but also ask everyday questions to the human resource team and thereby effectively prepare their mobility. Human resources managers may present their entity and the job opportunities.

To more effectively prepare employees for international mobility, @tout.job is being redeveloped and will become an Intranet, driven by the slogan "Mobility is in everybody's interest". It is no longer just a job site but a comprehensive site, wholly dedicated to mobility, built on the collective dynamism of the HR teams, managers and employees.

It encompasses all the content required for mobility: practical advice on how to elaborate one's career project and prepare for mobility interviews, video testimonials from employees presenting their experience and business line, an exhaustive presentation of the Group, its business lines and entities, quizzes and quantified results.

To strengthen internal mobility within and between Group entities in France, from January 2012 Crédit Agricole S.A. will undertake discussions with the unions regarding the policy and management rules governing employment, mobility and professional development.

With the goal of becoming the European benchmark in universal customer-focused banking, Crédit Agricole S.A. has been rolling out its "DestiNations Abroad" programme since September 2011. It aims to identify and encourage Executive managers or domain experts within the Regional Banks and at LCL who are willing to take up positions abroad in the International retail banking subsidiaries (see Methodology).

### DEVELOPMENT OF TELECOMMUTING

The move to Evergreen brought with it the company's first experience of telecommuting and the signing of an internal telecommuting charter on 21 June 2011. It aims to provide the various Group entities with a framework of common rules governing working at home, to be refined locally where necessary.

To this end, 70 employees of Crédit Agricole S.A. are trialling telecommuting, one day a week. A collaborative platform is wholly dedicated to this pilot group. It allows them to share their experiences on a daily basis and best practices *via* blogs and forums. Finally, certain Group-specific interfaces, tools and applications have been adapted in order to allow remote access while being aware that, for confidentiality or data security reasons, not all employees could telecommute.

This pilot project, which has made it possible to test these new working arrangements across different jobs, addresses an increasingly clear requirement as regards the positive link between well-being and performance. Furthermore, at the end of the trial, 83% of volunteers surveyed said they were very satisfied with these new working arrangements and 85% felt they had improved their performance, a view confirmed by 97% of managers.

### INCREASING HR PROFESSIONALISM

Improving the performance of the human resource function is an ongoing objective. To this end, in 2011, the Group continued to implement measures to assist HR managers with their jobs thanks to a number of specific shared tools:

- the purpose of the HR assessment centre is to evaluate whether candidates' qualities, aptitude and skills match those required at the HR function, in the view of a number of observers and by means of exercises;
- the "HR Performance" programme offers core training shared by HR managers across Group entities in France. With a focus on developing the skills and outlook required for this function, it also aims to share best practices across Group entities and to create a network of professionals.

Furthermore, 180 managers from the HR function of Crédit Agricole S.A. met for two days at the "HR Days 2011" convention in May 2011. This meeting provided an opportunity to highlight and share the Group's objectives as well as the best practices of various entities, with the assistance of outside experts.

## Priority 2: equality

### Gender equality at work

In order to promote gender diversity, the Group undertakes innovative initiatives across a range of areas.

**PROPORTION OF WOMEN (%)**

| | 2011 | | 2010 | |
|---|---|---|---|---|
| | % | Coverage | % | Coverage |
| Among all employees | 53.6 | 97% | 53.2 | 96% |
| Among indefinite-term contract employees | 51.2 | 97% | 49.0 | 96% |
| Among the Group Executive Committee | 0 out of 24 | 100% | 0 out of 25 | 100% |
| Among management levels 1 and 2 (1) | 16.6 | 100% | 16.5 | 100% |
| Among the top 10% of highest-earning employees in each subsidiary (fixed compensation) | 27.2 | 95% | 26.3 | 94% |

*(1) These two management levels include Executive Committee members and Management Committee members in each entity.*

#### PROMOTING DIVERSITY

As part of the Group's Medium-Term Plan (MTP), which runs to end-2014, Executive Management set a series of managerial goals, one of which explicitly targets increasing the number of female executive managers. The goal is for women to account for 20% of level 1 managers and 25% of senior management.

Achieving these goals requires the implementation of an ambitious action plan covering a number of areas: establishing a female "key resource" pool, introducing mentoring, encouraging the creation of internal female-only networks and promoting women, notably by means of mobility. These measures will be accompanied by quantitative indicators that will make it possible to measure progress. For example, Crédit Agricole Ukraine has 50% women on its Executive Committee and 328 of 528 middle managers are women.

#### RECRUITMENT

Promoting diversity is one of the strategic goals of Crédit Agricole S.A. hiring policy. Accordingly, the Group communicates on the importance of the diversity of its business lines, including the promotion of diversity through a series of partnerships with schools and universities and raises awareness among its network of "school captains" and all employees involved with schools and universities.

More broadly, the Group is preparing for the 2012 launch of the Crédit Agricole - Louise Tallerie prize, named after the first woman to manage a Regional Bank, in 1927. This competition, which promotes the role of women in society, is open to undergraduate students across all disciplines who are wishing to study for a Masters degree. This prize is awarded to around 10 students from the Centre for Research and Higher Education (PRES) at Sorbonne Paris-Cité, selected from applicants by a mixed panel (Crédit Agricole and PRES officials) on the basis of the relevance of their projects. This project will, as desired, focus on one of the Group's four strategic fields of excellence: housing, farming and food-processing, health, death & disability risk and retirement environmental economy. The winners will be supported by Crédit Agricole Group during the two years of their Masters.

#### COMPENSATION

Within the various Crédit Agricole S.A. entities, measures have been taken to calculate pay gaps and to reduce them. A number of entities including CAL&F, Amundi, Pacifica and CACEIS have therefore set aside a budget to correct the gaps.

#### WOMEN LEADERS

Crédit Agricole S.A. is a partner in the EVE programme, created at Danone's initiative, to develop women leaders in participating companies. Targeted both at young talent and experienced managers, the EVE programme is mainly for women although it is also open to men.

The second EVE seminar held in Evian in December 2011 brought together some 250 participants from 16 companies across a range of business sectors, all looking to help foster the promotion of women and the diversity of management teams. Held over a period of three days, this seminar alternated between plenary sessions and workshops around the theme of "Dare to be yourself in order to act".

#### "POTENTIELLES" NETWORK

Since October 2010, PotentiELLES, the women's network at Crédit Agricole CIB and launched at the initiative of female employees, has provided a forum for discussion and reflection on their professional development and on making management more aware regarding diversity. At end-2011, PotentiELLES had over 250 members.

In 2011, PotentiELLES joined the first inter-bank network FinanciELLES, founded in 2011 and made up of networks of female executives from eight large banks. Over 3,500 of them are already members of a network affiliated to FinanciELLES within their company. Executive management of Crédit Agricole CIB therefore signed the FinanciELLES White Paper and made a series of five commitments in the area of gender diversity. To this end, in September 2011 Crédit Agricole S.A. and Crédit Agricole CIB took part in a voluntary survey of all male and female executives at these companies (33% participated). This study will be re-run every two years in order to obtain quantitative figures on the improvement in gender equality.

## Employment and integration of people with disabilities

In France, since 2005 Crédit Agricole S.A. has had an active policy of hiring people with disabilities. The first Group agreement, signed in 2005, was renewed in 2008 and subsequently in 2011. This third agreement follows on from the efforts made over the previous six years and covers all Group entities. At end-2011, the Group employed 2,074 people with disabilities.

### RECRUITMENT

A number of entities signed partnerships with schools and universities to encourage hiring and thereby promote the integration of students with disabilities. For example, in 2011, Amundi partnered up with the Garches secondary school to offer internships to people with disabilities studying the Bac Pro (higher national certificate in administration) secretarial skills, accounting and desktop publishing diploma. Secondary school students with disabilities were thus mentored by employees from the Management, Communication and Accounting departments. The success of this “fresh perspective” will make it possible to repeat the experience.

The third agreement targets 140 new hires over three years. In 2011, the Group hired 52 people with disabilities, including 17 on indefinite-term employment contracts.

### RETENTION

The agreement also provides for adapting the working environment (workstations, workplace, etc.) using cutting-edge technology in order to facilitate the retention of employees with disabilities. In 2011, the Group provided the “PC EYES” tool to a number of employees. This appliance allows users to connect to any computer and to navigate on screen using eye recognition.

The agreement also undertakes to support their professional development by means of tailored trainings. For example, to improve the integration of its deaf employees, since September 2011 Crédit Agricole CIB has been offering other employees French sign language courses in partnership with the Paris Dauphine University *via* 30-hour modules. 174 people signed up and are currently following these training sessions. Resulting from this initiative came the first meeting of the Group of sign-language trainees with the deaf employees and the hiring of a deaf holiday assistant.

### USE OF DISABILITY-FRIENDLY COMPANIES

In addition to direct actions regarding the employment of people with disabilities, the use of disability-friendly service providers (*Entreprises Adaptées & Établissements et Services d’Aide par le Travail*) has increased with the support of the Group Purchasing department, by systematically including a “social responsibility” component in every call for tender, thereby demonstrating that social responsibility goes hand in hand with economic efficiency.

### RAISING AWARENESS

Various collaborative tools are also employed in order to be able to widely circulate the goals of the third agreement in terms of the hiring and integration of people with disabilities to the Disability Network.

During the Hiring People With Disabilities Week, Group entities carried out a series of awareness-raising initiatives. For example, a number of Group entities including Pacifica and Crédit Agricole S.A. Economic and Social Unit (ESU) took part in the interactive virtual jobs fair Handi2Day. This jobs fair allowed candidates with disabilities to be put in touch with recruiters. A “chat” was added for hard-of-hearing candidates or those with speech impediments.

Abroad, every entity implements a policy tailored to its environment. In Italy, Cariparma places emphasis on hiring and integrating people with disabilities every year. In Greece, in addition to observing the national legal minimum of 3% of employees with disabilities, Emporiki undertakes awareness-raising actions and participates in the “Hellenic Network” regarding the rights of people with disabilities. At Crédit Agricole Ukraine, 4% of the workforce have disabilities, thereby satisfying its legal obligation.

## Diversity of backgrounds and youth employment

Equality is a central concern of Crédit Agricole S.A. In 2011, a series of measures demonstrated the Group’s determination to see through actions that reflect its commitment in this area.

### “NOS QUARTIERS ONT DES TALENTS” – MOZAÏK RH

The association “Nos Quartiers ont des Talents” (Our Area Has Talent), a Group partner since 2007, assists young graduates, mostly from underprivileged areas, in finding employment through individual sponsorship of young graduates by experienced managers. Some one hundred Group employees volunteer to coach students and young graduates looking for employment. The second national meetings of “Nos Quartiers ont des Talents Paris” were attended by around forty Group employees from various Group business lines. Nearly 600 students were able to talk directly to employees from a large number of subsidiaries and seek their advice. Internally, the Group invited the community of sponsors to meet the Head of Group human resources to discuss their sponsorship and launch a solid action plan.

A “Discover the Group” day was also organised at the headquarters of Crédit Agricole S.A. to enable some 40 people being sponsored through the “Nos Quartiers ont des Talents” association to learn about the business lines and opportunities and enjoy personalised coaching.

The Group has also partnered with Mozaïk RH, which is devoted to promoting equal opportunity and diversity. As part of its support for the “Mozaïk Stages” campaign, 123 young people from working-class areas were interviewed, a chance for the Group to diversify its hiring and for these new talents to discover the Group's business lines.

More broadly, the Group puts emphasis on attending student forums and jobs fairs such as “IMS-Entreprendre pour la cité”, which promotes the diversity of candidates’ origins. Crédit Agricole Consumer Finance also contributed to the establishment of simulation workshops to familiarise candidates with job interviews (Evry metropolitan area, Northern area).

#### LINKS WITH UNIVERSITIES: *RENCONTRES UNIVERSITÉS ENTREPRISES* (RUE)

Crédit Agricole S.A. is also pursuing a policy of diversifying its hiring, one of the cornerstones of which is developing its links with universities. Since 2010, Crédit Agricole S.A. and Amundi are partners of RUE. The 2011 session provided an opportunity to discuss the employability of university students and the desire and shared interest in making university education more vocational. 1,600 students and 6,000 visitors took part in the event and in the jobs forum bringing together companies and students.

In 2011, the Chairman of Crédit Agricole S.A. joined the Scientific Board of RUE, the goal of which is to reflect upon, amongst other things, the bringing together of companies and universities.

As part of this policy of moving closer to universities, since end-2011 Crédit Agricole S.A. has been developing a partnership with the Centre for Research and Higher Education (PRES) at Sorbonne Paris-Cité, which will be signed in March 2012. This agreement will involve over 110,000 students and eight leading universities and covers issues such as training, integration, research, international openness, etc. Its first milestone will be the launch of the Louise Tallerie prize (see above, Gender equality at work).

#### FOREIGN STUDENTS AND INTERNATIONAL OPPORTUNITIES

The promotion of international recruitment, another cornerstone of the Group's hiring policy, is based on three key partnerships: Quai d'Orsay with the Crédit Agricole International Talent programme, Copernic and ADIME.

Since 2010, the Crédit Agricole International Talent programme, in partnership with the French Ministry of Foreign and European Affairs (MAEE) and seven French universities, has been co-financing a scholarship open to Asian and European students. Fourteen students have already benefited from this programme, eight of them in 2011-2012.

For the sixth year running, Crédit Agricole S.A. partnered with the Copernic programme: open to some 30 young graduates from universities across Central and Eastern Europe, this programme enables selected students to study at leading French universities, followed by an internship in the Group. In November, the Group welcomed the 2011-2012 class to present the diversity of its business lines. In 2011, seven Copernicans thus served internships in Group entities (Crédit Agricole CIB, Crédit Agricole Consumer Finance and Crédit Agricole S.A.).

Finally, throughout 2011, Crédit Agricole S.A. worked on establishing ADIME, and in 2012 will become one of the founding members. This association, with the support of the European Community, aims to offer a pan-European Union scholarship fund, open to all Masters students within the EU, and to thereby encourage the international mobility of students during their studies.

#### WORK-STUDY TRAINING CHARTER

In 2011, the Group signed the work-study training Charter with a number of French companies. This Charter commits the signatories to developing work-study trainings. Currently at 3.2%, the goal is to raise the percentage of work-study training placements within the Group in France for the 2011/2012 academic year to 4% (already exceeded in some Group entities). To achieve this a series of actions have been undertaken including raising management awareness, tutoring, follow-up of work-study trainees by a dedicated manager at each subsidiary, a log book for each one, and the establishment of a Group pool. Initiatives have moreover been put in place for work-study trainees: a poster campaign, an integration morning for newcomers and the establishment on the Intranet of a community of “young talent”. Furthermore, the two work-study training programmes for candidates with disabilities without prerequisites as to age or academic requirements were renewed in 2011.

#### INTERNSHIPS AND WORK-STUDY TRAINING PLACEMENTS IN FRANCE (MONTHLY AVERAGE FTE)

| | 2011 | 2010 |
|---|---|---|
| Training contracts | 1,320 | 1,237 |
| Internships | 874 | 876 |
| *Coverage in France* | *99%* | *98%* |

In France, young people on internships or work-study training placements represented 5.4% of active indefinite term contract employees at year-end. The overall proportion of work-study trainees/interns rose by 3.8%, mainly driven by the higher number of work-study trainees (+6.7%) between 2010 and 2011.

### Age equality

#### AGREEMENTS/PLANS FOR SENIORS

In 2011, Crédit Agricole S.A. entities in France pushed forward with their action plans or agreements for seniors, put in place in 2010. Most entities adopted a general objective to keep employees aged 55 and over in employment. The most common measures within the Group involve:

- the second half of career interview by human resource managers to assess employee career paths and goals. This interview is an opportunity for in-depth assessment of promotion opportunities and for considering any corresponding training measures;

- a skills assessment;
- manager training in inter-generational management;
- the development of a tutoring system to encourage knowledge transfer.

A number of complementary measures are also offered to senior employees:

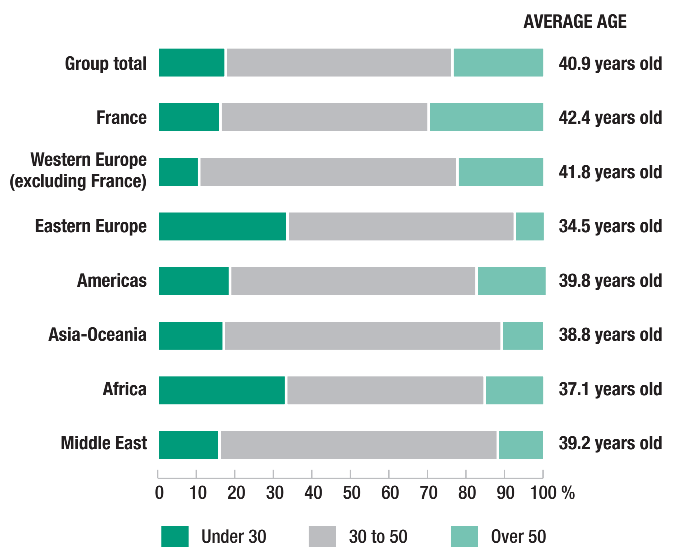
- health check-up and job offers published on specialised websites at CAL&F;
- training on “Preparation for retirement and wealth management” and continued rollout of “Career path” interviews for people aged 45 and over at Predica;
- establishment at CACEIS of an ergonomic study of workstations in tandem with occupational health professionals;
- negotiations are underway at CAAGIS with a view to fostering seniors, with specified targets as to the rate of employment of seniors, increased access to training, etc.;
- the career assessment at CACI for employees aged 40 to 45 to review the second half of their career.

In Switzerland, the legal retirement age is 64 for women and 65 for men. Crédit Agricole Suisse offers early or delayed retirement, following a review of each person’s personal circumstances. Within this, one and a half year before effective retirement, a retirement support training programme is activated.

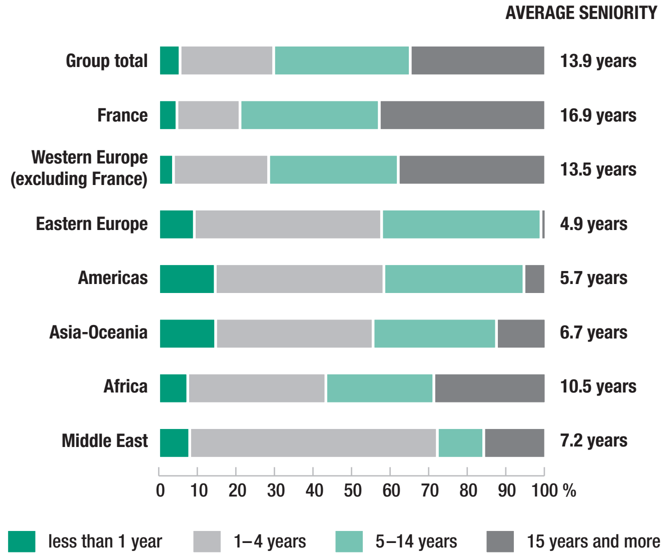
In the case of Crédit Agricole Srbija, 267 managers aged 40 and over benefited from a range of medical checks provided by a partner clinic. This free screening was carried out by general practitioners and specialists and managers thus received access to specialised medical equipment.

Regarding the hiring of seniors, Crédit Agricole Consumer Finance was present alongside 40 companies at the Seniors Employment Fair in the Northern area. 2,000 job seekers took part.

**INDEFINITE-TERM CONTRACT EMPLOYEES BY AGE**



**INDEFINITE-TERM CONTRACT EMPLOYEES BY SENIORITY**




- *The proportion of Group employees having less than one year of seniority was unchanged between 2010 and 2011.*

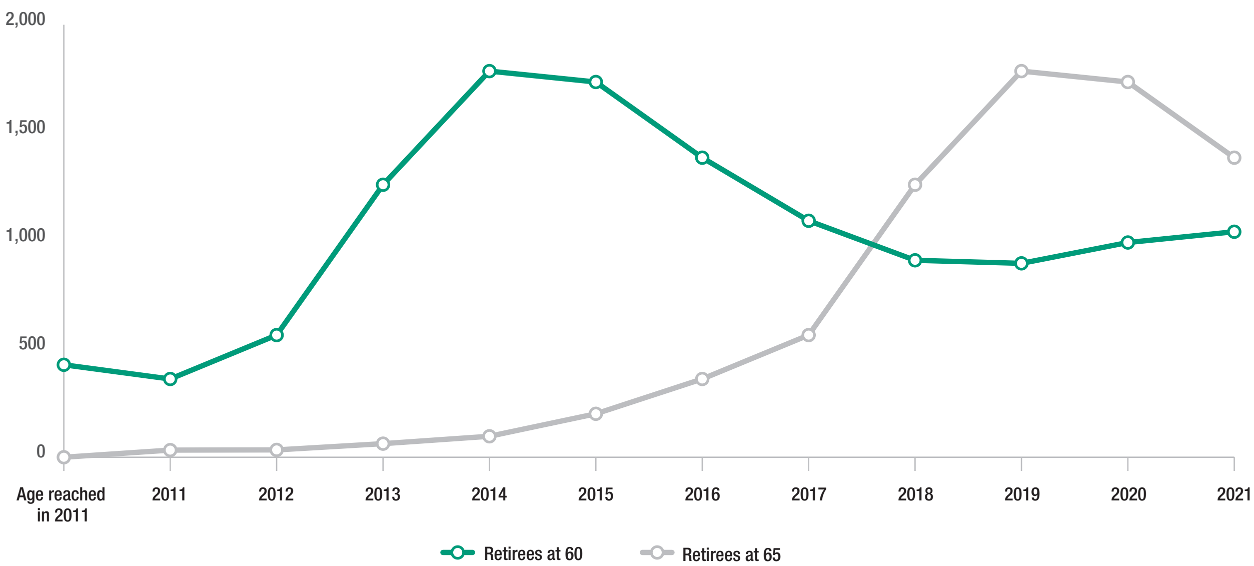
  *In France, it rose by 0.8 point.*

## RETIREMENT SERVICES PROGRAMMES

In 2010, the Group set up a programme enabling its various entities to offer retirement services to employees. This programme was continued in 2011.

The goal is to provide clear and accurate answers to queries from employees concerned about retirement (dedicated hotline) and to help them plan for their retirement (retirement appraisal, possible purchase of additional pension entitlement quarters, continuation of basic pension contributions, plus supplementary contributions for part-time workers over 60).

**PROJECTED NUMBER OF EMPLOYEES TURNING 60 AND 65 IN THE NEXT TEN YEARS IN FRANCE**



#### INDEFINITE-TERM CONTRACT EMPLOYEES LEAVING BY REASON

| | 2011 | | | | 2010 | | | |
|---|---|---|---|---|---|---|---|---|
| | France | International | Total | % | France | International | Total | % |
| Resignation | 890 | 1,899 | 2,789 | 42.5 | 752 | 2,122 | 2,874 | 38.0 |
| Retirement and pre-retirement | 306 | 887 | 1,193 | 18.2 | 1,420 | 828 | 2,248 | 29.7 |
| Lay-offs | 585 | 741 | 1,326 | 20.2 | 307 | 812 | 1,119 | 14.8 |
| Death | 37 | 38 | 75 | 1.1 | 45 | 36 | 81 | 1.1 |
| Other | 406 | 779 | 1,185 | 18.0 | 269 | 977 | 1,246 | 16.5 |
| **TOTAL** | **2,224** | **4,344** | **6,568** | **100** | **2,793** | **4,775** | **7,568** | **100** |
| *Coverage* | *97%* | | | | *96%* | | | |

- *A fall between 2010 and 2011 can be seen in the number of employees leaving the Retail Banking business lines in France, correlated with a marked reduction in the number of people retiring or taking early retirement.*

## Priority 3: safety

#### ABSENTEEISM IN FRANCE IN CALENDAR DAYS

| | 2011 | | | | | | | 2010 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Executives | | Non-executives | | Total | | Average No. of days' absence per employee | Total | | Average No. of days' absence per employee |
| Reason for absence | Female | Male | Female | Male | No. Days | % | | No. Days | % | |
| Sickness | 86,215 | 53,838 | 224,099 | 57,216 | 421,368 | 53.9 | 10.0 | 397,246 | 52.2 | 9.6 |
| Work- and travel-related accidents | 4,242 | 2,749 | 11,643 | 2,689 | 21,323 | 2.7 | 0.5 | 21,070 | 2.8 | 0.5 |
| Maternity/paternity/childcare | 103,630 | 3,995 | 161,646 | 1,146 | 270,417 | 34.5 | 6.4 | 256,849 | 33.7 | 6.2 |
| Authorised leave | 14,577 | 13,905 | 21,315 | 8,592 | 58,389 | 7.5 | 1.4 | 64,586 | 8.5 | 1.6 |
| Other | 3,317 | 1,950 | 4,769 | 1,293 | 11,329 | 1.4 | 0.3 | 21,371 | 2.8 | 0.5 |
| **TOTAL** | **211,981** | **76,437** | **423,472** | **70,936** | **782,826** | **100** | **18.6** | **761,122** | **100** | **18.4** |
| *Coverage France* | *99%* | | | | | | | *98%* | | |

- *Besides purely regulatory aspects, the Group is actively engaged with regard to the health and safety of employees in the workplace.*

### Continued efforts to prevent and raise awareness of psychosocial risks

In 2011, all entities continued to pursue the policy of preventing and raising awareness of psychosocial risks launched in 2009. A number of initiatives are in place focusing on three priorities:

#### RAISING AWARENESS OF AND PROVIDING TRAINING ON PSYCHOSOCIAL RISKS

A number of Group entities continue to organise briefings / trainings designed to explain stress, set out the symptoms and offer ways of reducing stress levels (Crédit Agricole S.A., Crédit Agricole CIB, Crédit Agricole Consumer Finance, etc.).

For example, Crédit Agricole S.A. training catalogue contains two training programmes specifically dedicated to stress in the workplace: “identifying and managing your stress”, open to everyone, as well as “stress management and leadership” for managers. LCL has also developed an agreement on uncivil behaviour at work, accompanied by a campaign to raise awareness, resulting in a reduction in stress and a 12% fall in the rate of social worker calls.

Crédit Agricole Consumer Finance and Amundi are also continuing their training efforts for managers on the prevention of psychosocial risks, focused on the critical role of the manager in prevention. Their training catalogue, furthermore, offers three training programmes which deal with stress management.

Finally, in the insurance division, HR managers are made aware of psychosocial risk prevention. CAAGIS (new subsidiary) established a "Psychosocial Risks" group in March 2011 to study the measures that could be taken to help employees through change. This group will run an MSA survey in 2012 on well-being at work.

#### ACTION PLANS

Following the survey undertaken in 2010 of 4,300 employees in France, in conjunction with the University of Liège, an action plan was drawn up in 2011 by Crédit Agricole CIB:

- training is offered to managers and employees, and systematically given to people requesting it;
- as the Global IT & Operations department was looking to introduce a Charter for Managers, a working group consisting of experienced back-office and IT managers, with the support of the Human Resources department worked on defining management best practices;
- kick-off sessions were organised in September 2011 in order to share the findings and ideas and to present the conclusions of the working group.

From the third quarter of 2011 on, widespread training has been given on stress mechanisms and how to reduce them, notably based on the priorities of the Charter of management best practices.

In the case of CACEIS, the subsidiary is rolling out its "Be Zen" action plan following the 2009 audit on stress. This plan resulted in 693 employees attending conferences to raise awareness about psychosocial risks, the distribution of a manual on good working relationships and the involvement of 70 employees at workshops on stress management techniques. Furthermore, the programme supported three initiatives to improve the organisation and modes of management:

- departmental meetings to exchange management best practices;
- minutes of "management meetings" being posted online;
- the launching of a survey, entitled "Your Say", designed to increase the motivation and buy-in of employees with regard to the Group strategy.

#### PSYCHOLOGICAL SUPPORT PLATFORMS

The various Group entities are putting in place employee psychological support platforms to help combat psychosocial risks. To this end, an anonymous and confidential psychological support service has been put in place at various Group entities in the form of a free phone line: Crédit Agricole S.A., Pacifica, Predica, Crédit Agricole CIB and Amundi.

In addition, certain entities such as SILCA and LCL provide employees with permanent access to social workers, in order to help prevent psychosocial risks. Pacifica also provides employees with free visits to psychologists.

CAAGIS employees, for their part, can contact the counselling and psychological support unit, thereby benefiting from specialised external counselling. This unit may, in some cases, refer them to appropriate solutions that will enable them to deal with their challenges.

### Health and safety awareness and support

In order to supplement this policy of preventing psychosocial risks, Group entities are planning actions to raise employee awareness about health and safety.

In the second half of 2011, in order to prevent musculoskeletal disorders and following an on-site assessment by the occupational doctor, CAL&F installed mouse and keyboard wrist-rests for 130 employees who work exclusively on a recovery software package. 86% of employees say they use the wrist-rest. The same is true at CACEIS which, in order to prevent musculoskeletal disorders, is planning to install on-screen break reminder software in 2012 for 200 of its employees, on a preventive basis.

Other entities are also offering sessions to raise awareness on occupational health, such as LCL, which regularly organises seminars on the issue, and Crédit Agricole Suisse which in 2011 trained 30 employees and ten managers at three sessions.

Furthermore, in addition to the legal obligation, a certain number of subsidiaries offer their employees regular medical visits or specialist check-ups paid for by the employer. LCL therefore provides employees with constant access to health professionals, in particular at the Health Centres on the Villejuif and Lyon sites.

### Preventive workplace safety

#### WORKPLACE SAFETY

In order to improve the safety of its premises, the Group communicates and carries out initiatives to raise employee awareness of this fundamental issue.

In place throughout the Group, this policy can also be seen abroad. Accordingly, Cariparma organises various training programmes for its employees including evacuation exercises, health monitoring, training on theft risks, safety for new arrivals, etc. This is also the case at CFM Monaco, which carried out safety training in partnership with the Monegasque police.

This physical safety also has a health component since all Crédit Agricole Assurances entities, including those abroad, provide training on first aid in the workplace.

Finally, at Pacifica, a National Health and Safety Board was established. It is a national body comprising all CHSCT secretaries and members of Management.

#### ABROAD

The Group is careful to keep the international risk prevention website ("casa-planis.net") up to date. This website allows expatriates or any person travelling in an at-risk country to obtain local health and security information and to log their current travel plans so that employees can be contacted and warned in the event of the occurrence of some serious event. A telephone platform is also available 24/7 in the event of a crisis where assistance is required.

## Priority 4: participation

The Group encourages an active and constructive dialogue with its employees and their representatives. This participation can take various forms: expressing themselves directly, or through surveys, social benchmarks, collaborative tools and the development of quality labour-management dialogue.

### Participative approach

The move to Evergreen provides the opportunity for the Group to enhance the use of collaborative tools in order to foster interaction between employees and adapt working methods to new technologies.

For example, in 2011 Crédit Agricole S.A. ESU encouraged the creation and development of virtual communities:

- "Young Talent", bringing together work-study trainees and interns at UES Crédit Agricole S.A. within the framework of the "Welcome" project in order to facilitate their integration, provide them with the chance to prepare their next career move (internal mobility, Resume, etc.) and to share best practices;
- a community as part of the telecommuting pilot, the goal of which is to provide the necessary information to telecommuters to get them involved and offer them the chance to blog about their experiences.

More broadly, a cross-company community, "MIKE", encompassing the subsidiaries and the Regional Banks has been in place since June 2011. The initial target is to have 40 training managers in order to encourage the sharing of best practices. This involves the organisation of an annual, three-day seminar focusing on a different issue. In 2011, it covered training, a Group-wide concern, and looked at three main issues: virtual classrooms, communities of practice and serious games. It gives rise to a white paper on best practices.

Likewise abroad, Cariparma started to discuss with its employees on economic and sustainable development issues *via* the constitution of working groups. Both Cariparma and Crédit Agricole Bank Polska organise feedback processes internally by means of questionnaires and anonymous chats.

Finally, it should be noted that in 2011 Emporiki Roumanie established a *FedEx Day,* which allows employees to set aside their work for a whole day and to spend it working on a project of their choice. This initiative provides an opportunity to enhance employee creativity, to generate new ideas and new projects, thereby improving Emporiki Roumanie's business.

### Surveys/Social Benchmarks

Consulting employees through opinion surveys and social benchmarks also contributes to the optimisation of human resources and managerial practices.

This is true of CACEIS, which in 2011 launched the "Your Say" opinion survey across 3,500 employees, including abroad. The goal is to measure and increase motivation with a view to achieving employee support to its strategy. This survey is carried out by means of interviews and an online questionnaire. The 2,470 responses made it possible to identify four areas for improvement: equity opportunities, recognition, management, and Group cohesion. These themes, which were reviewed by working groups comprising volunteer employees, resulted in an action plan for 2012 being put in place.

In 2011, Cedicam also rolled out an opinion survey designed to canvass employee thoughts on the following four issues: vision, customer focus, human resources and organisation. With a response rate of 80%, this action led to the launch of the "Ambition 2014", a company-wide project, with employees split into ten working groups heavily involved.

At Group level, Crédit Agricole S.A. launched an opinion poll at the end of 2010 called "Expressions 2010", involving 1,500 of the Group's management-level staff in France and abroad. Following this poll, 40 Group managers met in working groups dealing with four themes: "leadership and strategy", "efficiency and change management", "career development" and "culture and values" in order to identify courses of action. On the basis of this work, the Management Circle, namely the top 150 Group managers, in the course of two meetings, fleshed out these various proposals on the basis of which Executive Management made five commitments:

- strengthen the coordination role of Management Circles;
- establish a new management training programme from 2012;
- enhance management diversity: women to account for 20% of level 1 managers and 25% of senior management;
- promote foreign career moves for employees and aid their integration;
- encourage participatory initiatives.

## Labour-management dialogue

### NUMBER OF AGREEMENTS SIGNED DURING THE YEAR IN FRANCE BY SUBJECT

| | 2011 | 2010 |
|---|---|---|
| Compensation and benefits | 95 | 64 |
| Training | 1 | 1 |
| Employee representative bodies | 20 | 22 |
| Jobs | 4 | 6 |
| Working hours | 10 | 16 |
| Diversity and equality at work | 3 | 3 |
| Other | 19 | 29 |
| **TOTAL** | **152** | **141** |
| *Coverage France* | *99%* | *98%* |

Labour-management dialogue is a reflection of the Group's responsibility. The Group is mindful of the development of a constructive labour-management dialogue, with a view to reaching structured and binding agreements.

### WORKING BODIES

Three bodies enable to promote labour-management dialogue within the Group: the European Works Council, the Group Committee and the Consultation Committee:

- the Crédit Agricole Group European Works Council expanded to 21 countries with the addition of Norway and Ireland in 2011. It comprises 29 statutory members and 29 alternate members from Crédit Agricole S.A. and the Regional Banks. In 2011, the plenary and restricted meetings of the European Council provided an opportunity to discuss not only the Group's strategy but also its economic and labour environment. In addition, the members of the restricted European Council visited a number of European subsidiaries (Poland, Romania, Bulgaria, Cyprus) in order to gain a better insight into the concept of retail banking at European level;
- the Group Committee of the Crédit Agricole Group, which looks at all aspects of the business and the financial, economic and labour position as well as strategic developments and outlook, held two plenary meetings in 2011 and one Economic Committee meeting. Furthermore, in line with the Group Project's commitment to roll out an ambitious CSR approach, the Economic Committee became the Economic and CSR Committee. 2011 also saw the reappointment of members of the Group Committee;
- the purpose of the Consultation Committee is to promote labour-management dialogue and to contribute to the harmonisation and consistency of this dialogue by discussing strategic projects common to a number of entities, inter-departmental aspects of the Group's operation and the development strategies of business lines. It met three times in 2011 to discuss issues relating to the Group's new employer brand, the Group's IT strategy and the Group Project;
- the meeting of the Group union representations, a spin-off from the Consultation Committee, meets in a more limited format with two members per union. These meetings take place monthly and provide an opportunity to discuss current economic and labour-related issues. The structure of this body provides for a close working relationship, responsiveness and comprehensive dialogue.

These Group-level bodies are no substitute for the existing bodies within the various Group entities.

### SHARING OF PRACTICES

Furthermore, with a view to establishing homogenous labour-management dialogue across the Group, all labour relations managers within Crédit Agricole S.A. entities meet monthly with a view notably to sharing best practices and developing joint strategies on issues of shared interest. The concrete steps taken with respect to gender equality particularly illustrate the benefit of these meetings.

A collaborative tool was also put in place to allow effective sharing and continued discussions outside of actual meetings.

In 2010, LCL signed an amendment to the labour-management dialogue agreement, a further step in LCL's willingness to foster a quality social dialogue with committed and trained representatives. It notably reaffirmed the principle that elected representatives should have equal access to training activities set out in the training plan, like all other employees. And to demonstrate its desire to recognise union service as professional experience, LCL signed an agreement with the Institut d'Etudes Politiques Paris whereby it takes on a group of elected representatives each year so they can obtain an accreditation. The first certified course was held in 2010/2011. Of the 23 who enrolled, 21 graduated.

## Priority 5: equity

Taking into account the specific characteristics of its business lines, legal entities and local legislation, the Group seeks to develop a compensation system that provides employees with attractive compensation as compared to market benchmarks.

This compensation policy is aimed at rewarding performance, whether it be by an individual or group, in keeping with the values of fairness, humanity and merit on which the Group's success has been built.

Skills and responsibility level are rewarded by a basic salary in line with the specific characteristics of each business line in its local market, with a view to offering attractive compensation in each of the markets in which the Group operates.

Variable compensation plans linked to individual and collective performance are structured on the basis of attaining targets and the results of the entity.

Variable compensation is set in such a way that it does not hinder the ability of Group entities to strengthen their capital when necessary. It takes all risks into account, including liquidity risk, as well as the cost of capital.

Two types of variable compensation systems exist within Crédit Agricole S.A.:

- individual variable compensation is based on management by objectives and attaining pre-defined individual and collective objectives within an employee's area of responsibility;
- variable compensation, which is based on the amount set aside for each business line and whose individual distribution to employees is decided by line management through a broad assessment of their individual and collective performance.

### Incorporation of the provisions of the European CRD 3 Directive

The policies and rules governing variable compensation for risk-taking employees and for those in control functions, as well as for members of executive bodies, comply with regulation No. 97-02, as amended by the decree of 13 December 2010, which transposes into French law the European CRD 3 directive.

A portion of the variable compensation of these employees is deferred over several years and is only awarded if performance criteria are met. At least 50% of variable compensation is paid in Crédit Agricole S.A. shares or in equivalent instruments.

Crédit Agricole S.A. has also decided to extend identical deferred variable compensation mechanisms to employees who do not fall within the aforementioned provisions of regulation No. 97-02 but whose variable compensation is deferred on the basis of previously existing practices or rules imposed by other regulations or industry standards, to ensure they are consistent and aligned with the Group's overall performance.

Quantitative information related to the compensation of regulated employees, in compliance with Article 43-2 of regulation 97-02, will be published later and will be available on the company's website: under the section "Regulated information / annual report and shelf-registration documents".

### Governance of compensation policy

Crédit Agricole S.A. Compensation Committee, primarily made up of independent Directors as detailed in the Chairman's report, has three key roles:

- it makes proposals to the Board of Directors relating to the compensation policy applicable to all Crédit Agricole S.A. entities and, in particular, with regards to the principles for determining variable compensation (amount and allocation), taking into account the impact of the risks and capital requirements inherent in the relevant businesses, and applying industry standards with respect to employees whose activities are likely to have a significant impact on the risk exposure of the relevant Crédit Agricole S.A. entities;
- it monitors the implementation of this policy, overall and by major business line, by means of an annual review, to ensure compliance with regulatory provisions and industry standards. To this end, the Committee reviews the opinions and recommendations of the consultation body created for this purpose in 2010, which includes representatives of the HR, Group Risk and Permanent Control departments and Group Compliance;
- besides the compensation of Executive and non-Executive Corporate Officers, it reviews, in accordance with regulatory provisions and industry standards for risk-taking employees, individual circumstances with respect to the highest variable compensation awards, as well as managers with control responsibilities.

### Compensation of Group Executive managers

The compensation policy for Group Executive managers is designed to reconcile the demands of an ever more competitive market with the expectations of shareholders, employees and clients, so that the Group can support its aspirations as a leading player in the banking market nationally and abroad.

Direct compensation of Group Executive managers consists of a fixed salary and variable annual compensation, half of which is based on economic targets, and the other half on non-economic targets (management, client satisfaction and social value creation). Long-term variable compensation in the form of performance shares provides incentives to perform with respect to financial and corporate goals. In 2011, Crédit Agricole S.A. completed its latest CSR improvement project (FReD), which will be rolled out from 2012. The consequence of this is that from 2012 the FReD results will impact one-third of the collective variable compensation of Group Executive managers.

Finally, Group Executive managers have been brought into the Crédit Agricole S.A. supplementary pension scheme.

## Employee shareholding

Since 2001, the Group has carried out regular capital increases reserved for employees in France and some 20 countries worldwide. These operations allow employees to become shareholders of Crédit Agricole S.A. for a minimum period of five years and to benefit from a discount on the subscription price.

In June 2011, Crédit Agricole S.A. gave Group employees the option of subscribing for a new capital increase reserved for employees. Given the sharp fall in the share price and the particularly high market volatility in the days following the subscription period, Crédit Agricole S.A. resolved to allow Group employees and retirees who had subscribed for the capital increase to pull out and cancel their subscription.

### FREE SHARES DISTRIBUTION PLAN

In order to enable employees of Crédit Agricole S.A. to become shareholders, Crédit Agricole S.A. awarded 60 shares to every employee present in the Company on 9 November 2011, regardless of their business line, position or country. The collective nature of this plan reflects the goal of promoting corporate social responsibility.

In accordance with the twenty-ninth resolution of the General Meeting of Shareholders of 18 May 2011, the shares awarded will be definitively acquired:

- either at the end of a two-year vesting period, the beneficiaries then being required to hold said shares for a minimum of two years;
- or at the end of a four-year vesting period, without any minimum holding period.

This award will be carried out by means of the issue of new shares at the end of each vesting period, involving a maximum of up to 0.2% of the current share capital.

The countries in which share awards are not possible, or overly complex, benefit on the same terms from a plan involving the award of a sum equivalent to the Crédit Agricole S.A. share value.

At end-2011, the proportion of the share capital held by Group employees and former employees stood at 4.78%.

## Pension savings

Most Group entities in France have established a PERCO (*Plan d'Epargne Retraite Collectif* – Collective Pension Savings Plan). This mechanism allows employees to set aside money for retirement on advantageous terms. At end-2011, over 13,000 Crédit Agricole S.A. employees had signed up to a PERCO, representing assets of over €73 million.

## Agilis

Since 2009, the Group Human Resources department has undertaken a major overhaul of the payroll system, as part of the Agilis programme. Designed to pool payroll processing and management of all the French entities of Crédit Agricole S.A., this programme satisfies the twin goal of achieving economies of scale and improving service quality.

In order to homogenise the service provided to employees, the Group has developed two IT platforms to pool the payroll processing of entities. Pygmalion, the first, will link Crédit Agricole CIB, Crédit Agricole S.A. and LCL. Galatée, the second, will cover the other employees in France. Crédit Agricole CIB, the pilot entity, switched to Pygmalion in 2011. In January 2012, Crédit Agricole S.A. joined it, and will be followed by LCL in 2013. The goal of this programme is to pool the human, logistical and IT resources of the French entities of Crédit Agricole S.A. so as to optimise payroll processing. In order to strengthen this cross-company and joint action agenda, the Group "administration – payroll" function was created and given responsibility for coordinating the function, thus raising the professionalism of all involved and managing secure and optimised processes.

### COLLECTIVE VARIABLE COMPENSATION PAID DURING THE YEAR ON THE BASIS OF THE PREVIOUS YEAR'S RESULTS

| | 2011 | | | 2010 | | |
|---|---|---|---|---|---|---|
| | **Total amount** *(in thousands of euros)* | **No. of recipients** | **Average amount** *(in euros)* | **Total amount** *(in thousands of euros)* | **No. of recipients** | **Average amount** *(in euros)* |
| Profit-sharing | 69,528 | 40,874 | 1,701 | 74,824 | 42,114 | 1,777 |
| Incentive plans | 189,742 | 47,006 | 4,037 | 114,972 | 41,175 | 2,792 |
| Employer's additional contribution | 27,301 | 35,473 | 770 | 31,345 | 35,732 | 877 |
| **TOTAL AMOUNT** | **286,571** | | | **221,141** | | |
| *Coverage France* | | | *89%* | | | *97%* |

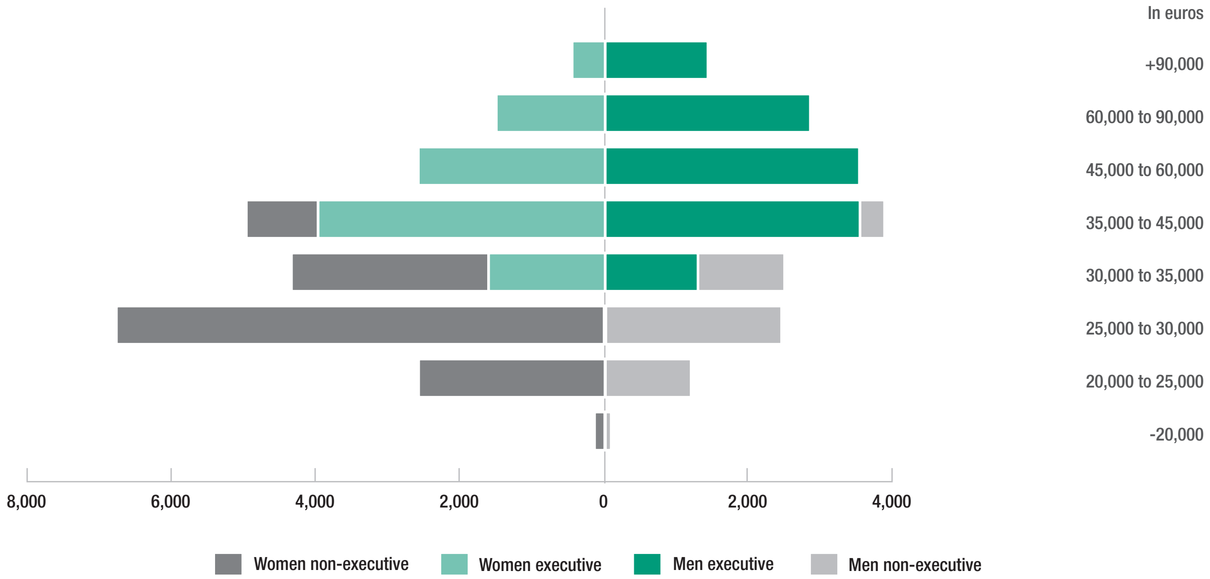
### AVERAGE MONTHLY SALARIES OF WORKING INDEFINITE-TERM CONTRACT EMPLOYEES IN FRANCE (GROSS BASIC SALARY)

| *(in euros)* | | 2011 | 2010 |
|---|---|---|---|
| Executives | Men | 5,006 | 4,944 |
| | Women | 4,129 | 4,026 |
| | Overall | 4,615 | 4,537 |
| Non-executives | Men | 2,342 | 2,297 |
| | Women | 2,356 | 2,292 |
| | Overall | 2,352 | 2,293 |
| **TOTAL** | **MEN** | **4,222** | **4,140** |
| | **WOMEN** | **3,126** | **3,022** |
| | **OVERALL** | **3,601** | **3,505** |
| *Coverage France* | | *99%* | *98%* |

- *The salaries presented here are based on weighted averages reflecting the observed composition of the workforce in 2010 and 2011. The figures include both movements in/out of the workforce and annual compensation changes.*

  *Note that more than 55.6% of employees in France received individual pay increases in 2011.*

### ANNUAL FIXED SALARY SCALE IN FRANCE




Scope covered in France: 98%

## Priority 6: consistency

Crédit Agricole S.A.'s ambition is to be recognised as a benchmark employer. This implies that the image conveyed by the men and women who make up the Group is consistent with this ambition and the Group's values.

In this regard, Crédit Agricole S.A. encourages the involvement of its employees in external professional projects or extra-professional projects that are consistent with its values.

### The Group's image

Employees represent the Group and help to make it known externally by participating in congresses, clubs, school forums, etc.

#### EMPLOYEE INVOLVEMENT IN SCHOOLS AND UNIVERSITIES

The Group encourages its employees to participate in the life of schools and universities in order to share their values and their know-how.

This involvement can take a number of forms. For example, LCL continued to encourage this practice in 2011 through a number of partnerships with schools and universities: teaching courses at bank training institutions (CFPB), presentation of corporate social responsibility at leading local schools and universities (INSEEC Bordeaux), the presentation of business lines in secondary schools and welcoming secondary school interns to learn about the corporate world.

Amundi employees regularly present their flagship business lines in schools and universities (such as HEC and the Institut d'Etudes Politiques Paris).

More broadly, employees participate throughout the year in numerous events connected with schools and universities (seminars, forums, conferences, etc.) within the various Group entities, Crédit Agricole Consumer Finance, CACEIS, Crédit Agricole CIB, SILCA, Crédit Agricole Ukraine, Crédit Agricole Bank Polska.

Abroad, in addition to the conferences organised by its managers at the Wroclaw Economics University, Crédit Agricole Bank Polska launched an educational campaign entitled "The bank in the classroom" in 2011 designed to raise awareness amongst primary school children of what the bank does and involving over 100 employees. This campaign reached 40 schools in Poland, representing some 3,000 children.

#### FINANCIAL SUPPORT FOR ASSOCIATIONS

In keeping with its values, it is only natural for the Group to support various associations.

In 2011, Crédit Agricole S.A. renewed for a period of three years its partnership with the *Dons Solidaires Association*, a pioneer of product philanthropy in France, the goal of which is to strive for sustainable development (solidarity, environment and economy). This association encourages companies to donate rather than destroy their unsold products and to combat exclusion by making these new current, non-food, consumables available to the disadvantaged.

This renewal provides an opportunity to refocus this support on new areas: developing the activities of the housing division, which aims to meet household appliance needs, supporting the *Noël pour tous* (Christmas for everyone) campaign and providing logistical support.

Along the same lines, in 2011 Crédit Agricole partnered with the Organising Committee of the Homeless World Cup (HWC), which was held in Paris for the first time in its history. The 2011 HWC was an international event with over 550 participants from 55 countries across five continents. But it is above all a social project since the teams are wholly made up of people being reintegrated back into society. Running parallel to an international symposium on the challenges of reintegration, it made it possible to tackle the practices which occur in various countries. According to the organisers, subsequent to the event, 73% of former HWC participants have been able to find accommodation or employment, to enrol in training or take control of their addiction.

### Employee involvement

The Group has set up and continues to support charitable initiatives undertaken by employees. It thus intends to recognise and encourage the concrete involvement of its employees in the areas of solidarity, assistance for the neediest, the environment and the general good.

#### *COURTE ÉCHELLE* PROGRAMME

Since 2008, Crédit Agricole S.A. and its Works Council have supported employee associations *via* the *Courte Echelle* programme. This programme contributes financially to the implementation of a project sponsored by an association in which an employee of Crédit Agricole S.A. ESU is actively involved. Eligible projects deal with solidarity, the environment and culture. To this end, 23 projects were chosen in 2011. The selection process is mainly based on the employee's commitment and the structure of the proposed project.

In 2011, this programme was extended to the Group insurance division. In the case of CACEIS, it is preparing its own initiative for 2012, "Be Generous", which will also be rolled out internationally. This programme was already implemented at CACEIS Luxembourg in 2011, with a €10,000 contribution to humanitarian projects.

#### EMPLOYEE INVOLVEMENT

It is with this in mind that the Group wishes to support and facilitate employee involvement in charitable initiatives.

For example, Crédit Agricole S.A. took part in the first *Défis Mecenova* in June 2011 and organised a week of activities at the Montrouge site to raise awareness of each association led by committed employees. During the event, an inter-company survey was carried out to identify employee charitable activities.

More specifically, in 2011 some 350 Crédit Agricole Consumer Finance employees helped Sidaction by handling donor calls at the Roubaix and Lille sites and for the first time at AMC in Evry Rostand. They collected a total of €307,509 in pledges, *i.e.* around 10% of the funds collected across France, in addition to the €11,410 donated by Crédit Agricole Consumer Finance from the 1,141 hours of voluntary work carried out by employees.

A number of activities were also undertaken outside France. This is true of Emporiki and of Crédit Agricole Consumer Finance Pays-Bas, which granted employee leave for elected officials or employees involved in charitable associations. In 2011, Crédit Agricole Ukraine also launched "My future – in agribusiness", designed to provide financial and professional support for orphans looking to study in agricultural schools.

#### SPORTING EVENTS

Most entities encourage employee participation in charitable sporting events. Accordingly, 14 SILCA employees participated as a team in the "Run for the heart" to raise awareness about organ donations. Twenty-two CAL&F employees took part in the inter-company challenge to support the *Action contre la faim* association. For every kilometre run by their employees, the companies undertook to contribute €15 to the association. Employees ran a total of 312 kilometres, representing a donation of over €4,600.

Finally, around 300 female employees from various entities took park in the fifteenth *La Parisienne*, which supports the combat against breast cancer.

## Priority 7: territory

Historically, Crédit Agricole S.A., true to its values of solidarity and community, has paid particular attention to initiatives that improve education and public health conditions, as well as access to culture in the regions in which Group entities are based, both in France and abroad.

Thus, in 2011, as a signed-up member of the Admical association, the Chairman of Crédit Agricole S.A. and the Chairman of FNCA signed the Corporate Patronage Charter to promote culture, solidarity, the environment, research and sport in France. For the first time this Charter defines patronage and sets out the values while also establishing a good causes framework, without seeking business fallouts. This Charter, built around ethical considerations, thus sets out the rules governing the relationship between patrons and project leaders.

### Education

Conscious of environmental and societal problems, the Group participates in activities designed to foster education in order to build the future.

Crédit Agricole S.A. is currently broadening its training offering, developing professional cycles together with schools and universities. To this end, Crédit Agricole S.A. renewed its agreement with the Audencia school with the aim of designing and developing an agro-food masters in 2011. Students would thus specialise in the agro-food business and could develop joint projects with the Group.

At a younger level, in 2011 CAAGIS welcomed interns to its Vaison-la-Romaine site as part of their secondary school studies. This provided the interns with an opportunity to familiarise themselves with the corporate world and for some of them to learn more about working at CAAGIS, IT management, the back office and its services.

### Health

In addition, true to its values of solidarity, Crédit Agricole S.A. makes commitments in the field of health.

Crédit Agricole Suisse is committed not only to aiding work on paraplegia, supporting research undertaken by the Geneva University Hospitals to combat children's cancers, but also to supporting the Dubois Ferrière Foundation dedicated to blood disorders and in particular leukaemia.

Committed to protecting health in Japan, the Group expressed its solidarity with the victims of the tsunami and earthquake of March 2011 and decided to allocate an initial aid budget of €800,000. The Group thus helped the reconstruction effort and showed solidarity with those affected. The two chosen organisations, *Médecins du Monde* and the Rainbow Bridge Foundation, provide psychological support for disaster victims. On 12 and 13 April 2011, the Secretary General of Crédit Agricole S.A. and the Chairman of the Group visited Japan in order to personally express the Group's solidarity with the Japanese people and with the expatriate employees.

### Social

Crédit Agricole S.A. contributes to the development of the regions in which it operates, in France and abroad.

Indeed, in 2011, Crédit Agricole Srbija became the official exclusive partner of the Novi Sad International Agricultural Fair. It signed a three-year partnership with the largest agricultural fair in the region, the goals of which are to improve the environment for the development of agro-food and to contribute to the economic growth of the country.

More broadly, Crédit Agricole Group was awarded the "Entreprise solidaire des banques alimentaires" label following a commitment by the Regional Banks to Food Banks and a new partnership signed by Crédit Agricole S.A. and FNCA with the Fédération française des Banques Alimentaires in 2011. Crédit Agricole S.A. is thus recognised for its commitment to combating food wastage and insecurity.

### Culture

The Group endeavours to facilitate access to culture and to contribute to major current and future events.

To this end, Crédit Agricole CIB provided support for two cultural events in 2011: the production of The Barber of Seville by Gioachino Rossini as part of its partnership with the Théâtre du Châtelet and the Samurai exhibition at Quai Branly.

For its part, Cariparma, heavily involved in Italian cultural events, held, amongst others in 2011, exhibitions on Arcimboldo, Toulouse Lautrec, Filippino Lippi and Sandro Botticelli and promoted the artist Artemisia Gentileschi, to commemorate her defence of the feminist cause.

As for Crédit Agricole S.A., the Group is patron of the 56th Contemporary Art Show in Montrouge. This cultural event presents 80 artists and the work of photography students over a period of one month. The highlight in 2011 was the attendance of all employees at this exhibition and the selection of the winning artist whose work was bought and put on display at the Evergreen site in Montrouge.

Art was a successful tool for the LCL Midi Network division. This division indeed organised a massive undertaking throughout its region during Hiring People With Disabilities Week, and involved the display of works of art by people with disabilities. These exhibitions, taking place in the branches, were very popular amongst both employees and customers and made it possible to showcase the skills of artists with disabilities.

Against the backdrop of the move of Crédit Agricole S.A. headquarters, the Historical Archives team in cooperation with the Group's Communications department ran an exhibition at the Evergreen campus going back through the history of the headquarters of Crédit Agricole S.A. from the 1920s to the present day. This exhibition, designed in chronological order, displayed a series of archive documents, items and photographs drawn from the Group's historic collections.

### Eco-citizen initiative

Crédit Agricole S.A. is also committed to an environmental, citizenship and economic initiative in partnership with *Entreprise Locale d'Initiatives au Service de l'Environnement (Elise)*. This social enterprise, which collects, ships, sorts and recycles waste, also favours the creation of jobs for people with disabilities.

Along the same lines, in 2011, Amundi, Crédit Agricole CIB and CACEIS organised the collection of electronic waste together with the APR2 disability-friendly company as part of the Hiring People With Disabilities Week. A twin goal: raising employee awareness about sustainable development and promoting the expertise of a disability-friendly company.

Active since 2010 in helping family caregivers and volunteers, Crédit Agricole Assurances, in association with France 3, launched the "La minute des aidants" programme in 2011. This 30-episode series of short programmes is intended to recognise the importance of caregivers as social agents and offer them practical solutions to support them on a daily basis. With this in mind, in March 2011, Crédit Agricole Assurances launched a national annual call for projects from NGOs supporting caregivers, to encourage community-based initiatives. Over 100 NGO projects were received. Seventeen of them were selected by a panel and received financial backing totalling €300,000, with funding plans running from one to three years depending on the funding requirements specified by the NGOs. The NGOs selected encompass the whole country and all aspects of caregiver needs: training, information, psychological support. On the back of this success, a new call for projects is planned for 2012.

## ENVIRONMENTAL RESPONSIBILITY

For several years, Crédit Agricole Group has been committed to reducing its negative environmental impacts. This commitment is reflected, in particular, in its signing, in 2003, to the United Nations Global Compact, as well as the signing of the Equator Principles by Crédit Agricole CIB in 2003 and the signing of the Principles for Responsible Investment by Amundi in 2006.

The Group has also made tackling climate change one of the main pillars of its environmental policy. This commitment was strengthened at end-2008 with the adoption of the Climate Principles Charter for the financial sector and the signing of its partnership with the NGO WWF France in 2010. To this end, the Group is focusing its efforts in three directions: its indirect impacts, its green products offer and its direct impacts.

## Priority 1: dialogue

### With our employees

A training module on the integration of social, environmental and economic responsibility principles into purchasing practices has been part of the IFCAM professional purchasing course since 2008.

Crédit Agricole CIB has included three training sessions on the fundamentals of sustainable development, the Equator Principles and the Climate Principles in its training catalogue. Furthermore, ad hoc training sessions on the Equator Principles are provided for Equator Principles correspondents. Presentations and awareness-raising meetings are also specifically organised with the Crédit Agricole CIB business lines.

At part of the 2011 sustainable development week, Crédit Agricole S.A., four subsidiaries and 18 Regional Banks launched the Reforest'action campaign in Senegal. This project, run by 400 farmers in the Saloum region, south of Dakar, consists of planting trees, in order to help the environment and improve the living conditions of 4,000 people. In total, around 33,000 trees have been planted by the Crédit Agricole Group and close to 1,000 employees have participated in this charitable operation. This effort was acknowledged by the Ministry of the Environment and included in company commitments as part of the sustainable development week.

### With our suppliers

To raise awareness amongst Group suppliers about CSR, the Group's Purchasing department organised the third Horizon awards ceremony. Open to the Group's suppliers, it is intended to reward suppliers with outstanding sustainable development strategies. This event brought together around 200 suppliers. Combined with a responsible purchasing policy, this prize is in line with the Group's strategy.

A rating campaign for suppliers has been in place since early 2008, involving a questionnaire which allows the scoring of suppliers on their maturity level in terms of CSR. In 2012, this questionnaire will be reviewed in order to tailor it to the various purchasing families and the rating will be part of final supplier selection. Beyond these different awareness-raising measures, the Group's Purchasing department also supports suppliers in defining progress plans for their own CSR approaches. Subsidiaries such as Crédit Agricole CIB and Crédit Agricole Consumer Finance also include social and environmental criteria in their supplier selection model.

### With civil society

#### CONTRIBUTION TO RESEARCH

Crédit Agricole CIB has participated, since its creation, in the Chair of Quantitative Finance and Sustainable Development at the Paris Dauphine University and the École Polytechnique*.* The aim of the Chair is to bring together quantitative finance specialists, economists and sustainable development experts to re-examine financial and economic instruments from the standpoint of sustainable development. Furthermore, Crédit Agricole CIB began to work on quantifying $CO_2$ emissions associated with the bank's financing and investment projects. The goal is to assess whether it is ultimately feasible to map the emissions generated. Initial results made it possible to assess the order of magnitude of annual emissions generated, reflecting the carbon intensity of the activities financed by Crédit Agricole CIB and corresponding to the active role played by the bank in financing the global economy. Additional work needs to be done in 2012 to take on board recent recommendations published by the *GHG Protocol*.

Pacifica, the property & casualty subsidiary of Crédit Agricole Assurances also partners with the Université Paris Dauphine and the Institut Europlace de Finance, to conduct research into insurance products for farmers taking into account climatic risks in particular. Furthermore, Crédit Agricole Assurances is working with the Fédération Française des Sociétés d'Assurance (FFSA) on a number of initiatives: participation in think tanks on regulatory changes associated with the agricultural disaster guarantee fund, the Statistics and Foresight Committee of the FFSA to stimulate discussion on the effects of climate change, the work done by FFSA and Météo France to more accurately forecast in terms of time and geography the climate events occurring over the next 20 to 30 years, etc.

In addition, Amundi is involved in the organisation and financing of the first academic Chair of Sustainable Finance and Responsible Investment, sponsored by the French Management Association (AFG) and led by the École Polytechnique and the Toulouse Institut d'économie industrielle (IDEI). Amundi also supports and is a member of the Responsible Investment Forum (RIF) prize Steering Committee for European research into finance and sustainable development, which rewards the best academic projects in these areas. Finally, since 2011 Amundi has partnered with the Climate Economics Chair, a joint initiative of CDC Climat (Caisse des Dépôts Group) and the Paris Dauphine University operating under the aegis of the Europlace Institute of Finance.

#### SUPPORT FOR INITIATIVES, DIALOGUE WITH NGOS

As part of its shareholder dialogue policy, Amundi supports a certain number of initiatives, including: the Carbon Disclosure Project (CDP), the Institutional Investors Group on Climate Change (IIGCC), the Global Compact Investor's Initiative, the Extractive Industries Transparency Initiative (EITI), as well as the Global Water Disclosure Project (GWDP) and the Forest Footprint Disclosure Project (FFDC), CDP Water Disclosure and the Access to Medicine Index. These are collective initiatives that are coordinated at international level, and aim to encourage companies to improve their practices and their communication in the areas of climate change, water, deforestation, and health problems in developing countries. They are also working to encourage the oil and mining industries to adopt greater transparency in their relations with the countries in which they operate.

## Priority 2: externalities

The Purchasing department of Crédit Agricole S.A. has included in its specifications CSR criteria associated with product eco-design (including waste and packaging issues as well as logistics), and social standards resulting, where possible, in outsourcing to the protected (*i.e.* disability-friendly) sector. Suppliers are also asked to provide supporting documentation to show that their products meet eco-design and social standards as defined above. With respect to the use of the protected sector, a practical guide was drawn up in coordination between purchasing and the disability units for both Crédit Agricole S.A. and the Regional Banks. This guide provides clear guidelines on the activities for which it is possible to have recourse to the protected sector. It also contains items enabling the exploration phase and the drafting of specifications and contractual clauses to be carried out.

Other Group entities such as Crédit Agricole CIB and Crédit Agricole Luxembourg, CFM Monaco and LCL also include environmental criteria in their specifications. They ask their suppliers to use or offer products (maintenance, office supplies, etc.) that meet the requirements of labels, such as the European Ecolabel.

To these initiatives can be added software solutions developed by the Group IT department designed to integrate people with disabilities.

More broadly, Crédit Agricole S.A. signed the responsible purchasing charter between major buyers and SMEs at end-2010, thus committing itself to 10 principles, notably including working on environmental issues with suppliers and economic aspects so as to ensure financial equity vis-à-vis suppliers and to reduce the risk of mutual dependence.

## Priority 3: markets

### Green products

The Regional Banks network has marketed the zero-rate eco-loan (Eco-PTZ) since its launch by the authorities in April 2009. This has enabled Crédit Agricole to build a leading position in France with a 27% market share in the first nine months of 2011, according to the Société de Gestion du Fonds de Garantie de l'Accession Sociale à la propriété. At 31 December 2011, and since its creation in April 2009, 59,000 Eco-PTZ loans have been provided by Crédit Agricole for over €950 million. In addition, since 2007 the Regional Banks have offered energy-saving loans, with preferential terms for energy conservation work carried out in older homes. From its creation to 31 December 2011, the Regional Banks granted 115,000 energy-saving loans for over €1.4 billion. A home simulator, Calculeo, is also online on certain Group websites. It provides a comprehensive, up-to-date and personalised list of government grants available for energy conservation work.

Furthermore, LCL Banque Privée offers its clients investments that allow $CO_2$ emissions to be cut, through recourse to renewable energy:

- the Photofort 2010 product, which makes it possible to invest in electricity production units on the basis of solar panels installed on the roofs of farm buildings in France or in French overseas territories and departments;
- the Innovation 2010 product, an innovation investment funds that enables clients to invest in innovative European SMEs, operating in growth sectors, and in particular in clean technologies.

Cariparma designed a catalogue of products intended to encourage the use of alternative energy, such as *Energicamente Gran Prestito,* loans to purchase solar panels.

In property & casualty insurance, products in the personal and small business ranges take into account climate constraints on various levels through insurance cover protecting policyholders and their property from storms, natural disasters, or climatic events such as hail and frost. Crédit Agricole Assurances introduced insurance cover for renewable energy facilities (solar panels, wind turbines) as part of its comprehensive home insurance policies and without any increase in premiums. In 2011, Crédit Agricole Assurances launched forest insurance to manage forest risks: fire, storms, natural disasters and civil liability. Finally, when taking out an eco-loan, customers are offered comprehensive home insurance with a 25% reduction in the first year.

In order to offer and coordinate a product offering that responds to the challenges faced by Corporate and investment banking, a Sustainable Banking unit was established at end-2009, within the Coverage & Investment Banking business line. The team thus responds to the growing requirement of Crédit Agricole CIB customers for financial advice on projects designed both to generate a financial return and have a social impact (reduce poverty, create jobs in disadvantaged areas, minimise the environmental footprint, etc.). The team supports customers to structure these operations, helps the business lines to be active in this field and works closely with the various entities of Crédit Agricole Group. The Sustainable Banking team is currently working on a number of investment projects designed to reduce poverty by means of economically viable approaches. In 2011, it played a key role in the establishment of the Livelihoods fund, designed to improve the living conditions of rural people in developing countries thanks to carbon finance. Co-financed by Danone, Schneider Electric, CDC Climat, La Poste Group and Crédit Agricole Group, the Livelihoods fund uses carbon credits to finance the restoration of ecosystems in poor rural communities. With an allocation of €21 million, the fund is targeting the capture of 900,000 tonnes of carbon dioxide equivalents over a period of 20 years. It is currently financing four projects: restoration of mangroves in Senegal and in India, agro-forestry (tree planting in cultivated land or meadows and pastures) in the Congo and India. The fund's partners receive certified carbon credits in proportion to their investment and may use them to offset their carbon emissions. The fund is called on to sustain a number of other projects in developing countries and also to include more shareholders.

### Socially responsible investment (SRI)

Socially responsible investment is practiced in two of the Group's entities, Amundi and Crédit Agricole Assurances.

#### AMUNDI

At 31 December 2011, the Amundi Group managed €54.8 billion in assets in socially responsible investment.

Amundi's SRI funds include every asset class and category: equity funds, bond funds and monetary funds. Amundi is also developing a range of so-called "socially committed" funds that includes ethical, philanthropic, social entrepreneurship and development aid funds. Finally, in employee savings programmes, Amundi manages a full range of SRI FCPEs known as Amundi Label. This range has been accredited since 2002 by the Comité Intersyndical de l'Épargne Salariale (CIES). Amundi Group's SRI range is marketed in France and abroad to institutional investors, foundations and companies. Personal investment products are available from Crédit Agricole's Regional Banks, LCL, Société Générale and Crédit du Nord.

#### Putting the stringent principles of SRI into practice

In consideration of economic, social and governance-related criteria, Amundi gives every issuer a grade, on a scale from A to G, with A being the best rating.

The principles are as follows:

- the lowest-graded issuers in their sector—that is, those rated E, F and G—are excluded from SRI portfolios. This rules out issuers with questionable ESG practices, so as to avoid both financial and reputational risk for the investor. In every case, including for non-SRI portfolios, issuers rated G are excluded;
- an SRI portfolio's ESG grade (the portfolio's average grade weighted by issuer's size) must be equal to or greater than the grade of its benchmark, including in areas of the world where practices are deemed to be good;
- a portfolio's ESG grade must be equal to or greater than a C, reflecting a stringent threshold in the assessment of ESG criteria by issuers.

#### Appropriate governance

In addition to controls for insuring that ESG criteria are included in SRI portfolios, Amundi established a Grading Committe in 2011. Chaired by Amundi's Director of Management and Control, this Committee certifies the ESG gradings and specifies those issuers who might be automatically excluded from Amundi's SRI portfolios.

#### IDEAM, the Amundi subsidiary dedicated to responsible investment, is now Amundi SRI Expertise

To have the organisational structure best suited to support its SRI ambitions, Amundi took over IDEAM on 30 September 2011. IDEAM is now "Amundi SRI Expertise", a department in the Institutional and Third-Party Distributors business line. This merger reflects the strategic role that SRI plays for Amundi.

#### Continued efforts in transparency and accreditation

The 31 funds offered by the Amundi Group, covering all the SRI asset classes and categories (Best-in-Class, ethical, philanthropic, social entrepreneurship and development aid) received Novethic certification in 2011. This accreditation recognizes Amundi's rigorous SRI approach, the transparency of its analytical and investing processes, and the quality of its extra-financial reporting.

#### Employee savings

Amundi received CIES accreditation for five new SRI lines in 2011: three among the offerings of the Crédit Agricole Regional Banks, LCL and Société Générale, which are intended to raise the visibility of SRI and CIES with small and medium enterprises, and two lines designed for entreprises. According to figures published as of 30 June 2011 by CIES, Amundi now ranks at the top of the employee savings plan markets with a market share of 56% for SRI funds accredited by CIES.

### CRÉDIT AGRICOLE ASSURANCES

Crédit Agricole Assurances has also become involved in SRI. First, Crédit Agricole Assurances makes investments in SRI products. Second, Predica launched an SRI product range as part of its high net worth life insurance savings line. At 31 December 2011 the SRI assets of Crédit Agricole Assurances were valued at €1.3 billion.

## Financing environmentally-friendly investment

Crédit Agricole S.A. also provides financing for environmentally-friendly investments, mainly through its French and international subsidiaries in areas such as lease financing, corporate finance and project finance.

Financing renewable energy is an essential component of Crédit Agricole CIB's strategy, making it one of the leading sources of financing in that sector. The bank has been involved in this sector since 1997 when it financed its first wind farms, and financed a solar energy project in Spain in 2008. The project finance business line has funded 226 wind farms representing some 10,000 megawatts (MW) of power and 21 solar power plants having 850 MW of installed capacity. In recent years this financing has represented an increasing share of electrical generation projects, reaching 50% of such transactions in 2011.

CAL&F, through its specialised subsidiary Unifergie, finances energy saving and environmental protection projects that contribute to sustainable development. In 2011 this entity continued to grow in the energy and environmental protection sectors, by financing €327 million of renewable energy projects in France. CAL&F was one of the main player in sustainable development projects in France. The cumulative power financed by CAL&F totalled 1,486 MW, enough electricity to supply 690,000 French homes in 2011. CAL&F's market share in renewable energy (excluding hydro) at end-2011 was nearly 20%.

In the wind market, CAL&F financed 12 farms in 2011, or one wind farm in every five, for a total of 114.3 MW. CAL&F arranged the financing for two wind farms located on Mont de Lacaune (Tarn), which called for an investment of over €20 million. In terms of solar energy production, the photovoltaic power put on line by end-2011 was 260 MW-peak (MWp), or a market share of 20%. In 2011 CAL&F financed 35 photovoltaic projects with a combined power of 51.5 MWp, in the amount of nearly €128 million. One CAL&F financing involved €15.3 million to EDF/EN for a 5.5 MWp ground solar farm at Montendre (Charente-Maritime). In 2011 CAL&F participated in eight biomass projects representing 25 MW by providing €37 million.

Finally, because the Group cares about its own environmental record, it tries to support companies that research and develop ways to limit the negative environmental impact of their operations. Accordingly, two venture funds solely focused on renewable energy were launched in 2006 and 2011. The strategy of these funds—Capenergie I with €109 million now wholly invested since 2010 and Capenergie II with a target size of €200 million—is to invest not only in the capital of developers, specialized promoters, equipment manufacturers and operators but also in energy project finance schemes. Capenergie II has at this point invested €50 million in seven deals.

## The Equator Principles

These principles are an essential methodological guide to the recognition and prevention of social and environmental impacts in the project finance process. They are used to assess the risks associated with environmental and social impacts generated for projects valued at more than $10 million. Crédit Agricole CIB belongs to the group of banks which launched the Equator Principles in June 2003 and has actively worked on promoting these principles, which in the space of a few years have become the market standard for project finance. Today Crédit Agricole CIB is the only French bank on the Equator Principles steering Committee. Crédit Agricole CIB is also working to see that the principles are widely implemented.

### PROJECT EVALUATION

Projects are classified based on the International Finance Corporation (IFC) classification, which has three levels:

- A corresponds to a project presenting potentially significant adverse social or environmental impacts that are non-uniform, irreversible or unprecedented;
- B corresponds to a project presenting limited adverse social or environmental impacts, generally to a single site, that are largely reversible and easily dealt with by mitigation measures;
- finally, C corresponds to projects presenting minimal or no adverse social or environmental impacts.

Crédit Agricole CIB classifies projects based on their social and environmental impacts using an evaluation tool developed by the bank in 2008. The relevance of the tool is continually reviewed based on experience, and it was decided that some improvements would be made to the tool.

### IMPLEMENTATION OF EQUATOR PRINCIPLES

At Crédit Agricole CIB, the Project Finance Group function has taken the initiative in implementing the Equator Principles. The assessment and management of environmental and social risks are carried out initially by business managers, assisted by a network of local correspondents within each regional project finance structuring centre in permanent cooperation with a coordination unit.

The Industry and Sector Research department (EIS) provides assistance and additional insights by offering its expertise in environmental and technical issues. This helps to refine risk analysis and identification in light of the business sector. The coordination unit, consisting of operational staff from the Project Finance business line, coordinates the practical aspects of implementing the Equator Principles. The unit coordinates the local correspondent network and organises specific training for those involved in the business.

The Ethics Committee for operations dealing with an Environmental or Social Risk (CERES), which in 2009 replaced the Equator Principles Committee, is consulted on all projects likely to be classified A. It also approves the classification of projects as A, B or C.

### STATISTICS

A total of 358 projects had been classified at 31 December 2011, 57 of them in 2011:

- 24 projects were classified A, 4 of them in 2011;
- 275 projects were classified B, 40 of them in 2011;
- 59 projects were classified C, 13 of them in 2011.

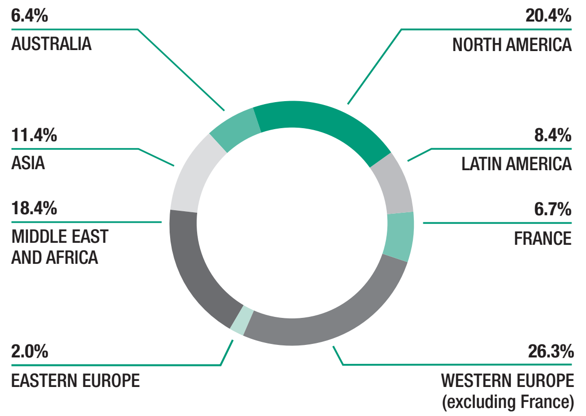
These projects were given environmental due diligence based on their classification, with special attention paid to class A projects, which are specifically monitored by the CERES Committee.

The breakdown by sector and region is as follows:

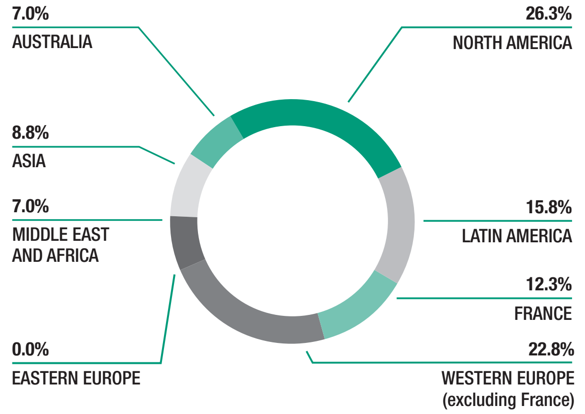
**BREAKDOWN OF PROJECTS IN PORTFOLIO AT END-2011 BY RATING**


**BREAKDOWN OF PROJECTS RATED IN 2011 BY RATING**

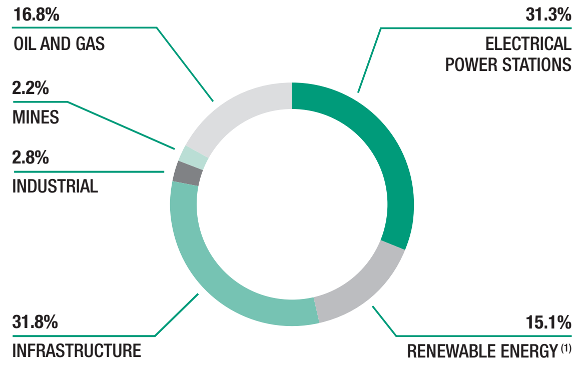

**BREAKDOWN OF PROJECTS IN PORTFOLIO AT END-2011 BY REGION**




**BREAKDOWN OF PROJECTS RATED IN 2011 BY REGION**

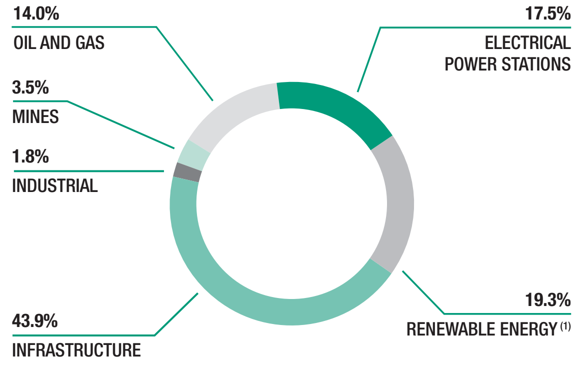



**BREAKDOWN OF PROJECTS IN PORTFOLIO AT END-2011 BY SECTOR**




(1) *Renewable energy = wind, solar, biomass, hydro*

**BREAKDOWN OF PROJECTS RATED IN 2011 BY SECTOR**




(1) *Renewable energy = wind, solar, biomass, hydro*

**PROJECTS IN NON-HIGH INCOME OECD COUNTRIES AT END-2011**
*(137 projects)*


### EXTENDING THE EQUATOR PRINCIPLES

The Equator Principles were developed to fit with the various constraints and possible actions in the process of project financing, as defined by the Basel Committee on Banking Supervision. Even though they cannot always be applied unchanged to other types of financing, they represent a useful methodological framework for factoring in, and preventing, social and environmental impacts whenever financing involves the construction of a specific industrial asset (factory, transport infrastructure, etc.).

Crédit Agricole CIB has been actively involved since the start in several working groups set up within the group of banks which have adopted Equator Principles. More specifically, Crédit Agricole CIB has helped to draw up Codes of good practice aimed at promoting the use of these principles for other types of financing than project finance. In 2011 Crédit Agricole CIB was an active participant in discussions on broadening the Equator Principles.

Moreover, since 2009 Crédit Agricole CIB has assessed the environmental or social aspects of its operations. Accordingly, an Ethics Committee for Operations dealing with an Environmental or Social Risk (CERES), chaired by the Chief Compliance Officer, issues recommendations prior to the Credit Committee regarding all transactions whose environmental or social impact it feels need close monitoring. Crédit Agricole S.A. is represented on this Committee by its Sustainable Development department.

## Sector policies

Crédit Agricole Group published its first sector policy on armaments in 2010. This procedure outlines the areas of intervention and exclusions and also describes the operating principles which apply to counterparties involved in this sector, identifying controversial and sensitive armaments and other weapons.

In 2011, Crédit Agricole CIB wrote sector policies for the energy sector. The key points of this policy, which brings together the Group's broad objectives in financing coal-fired power, nuclear power, hydro-electric dams, oil, gas and shale gas, will be published in the first half of 2012.

## Priority 4: ecosystems

For a number of years, Crédit Agricole has supported environmental protection initiatives.

This work has broadened to include organic farming, due largely to a partnership with Agence BIO, the French agency for developing and promoting organic farming, which was renewed in 2011 with a second set of awards in this area. This competition has brought attention and interest to the innovative work of organizations and businesses in the production, processing and distribution of organic foods. The aim is to present the organic farming industry as an innovative and dynamic sector, while fostering an exchange of expertise. In addition, a manual was put together with Agence BIO to help its farm agents in financing organic producers.

Since 2010, Crédit Agricole S.A. has joined forces with WWF France. As a result of this partnership, Crédit Agricole has supported three programmes run by the NGO:

- the fight against climate change and the development of a sustainable habitat;
- the protection of oceans and coasts;
- the preservation and protection of forests.

At the same time, Crédit Agricole S.A. has set up a number of projects to reduce the direct and indirect impact of the banking sector on the environment and to develop responsible banking products with the help of the WWF.

## Priority 5: transport

The majority of Crédit Agricole entities have by now introduced stricter rules for business travel and have invested in the necessary videoconferencing systems so that this becomes standard practice. A large number of Group companies have also introduced a car pooling policy. Crédit Agricole S.A., Crédit Agricole CIB, Crédit Agricole Consumer Finance, Crédit Agricole Immobilier and Crédit Agricole Srbija have all set up websites dedicated to employee car pooling.

At Crédit Agricole CIB, following the company travel plan established in 2009, additional steps have been taken to reach the targeted objectives: to lower greenhouse gas emissions due to transportation by 15% over three years.

Since 2009, LCL has included environmental certification among its company car selection criteria. About 600 vehicles a year are purchased in accordance with these criteria. At the same time, LCL has reduced its vehicle fleet by 15% over a period of four years.

## Priority 6: energy

### Group actions

An energy working group was created in 2011. It is led by the Sustainable Development department and the Purchasing departments of Crédit Agricole S.A. and the Fédération Nationale du Crédit Agricole. New objectives to supplement the actions already taken have been set: to lower the Group's energy usage by 5% a year for three years, to include sustainability criteria in the Group's energy related activities (such as certificates of energy saving and the use of renewable energy), to identify and share best practices and desired ratios to all parties involved.

The Group Informational Services and Operations department (IIG) takes sustainable development issues into account by committing to provide IT, collaborative tools and community-based products that combine energy efficiency and performance, so as to reduce the impact of IT and telecommunications on the environment.

It was with this in mind that the Group chose to build its new IT centre, Greenfield. Open since March 2011, near Chartres, Greenfield brings together the best technologies in terms of security, reliability and environmental protection. The two HQE® (high environmental quality) buildings of 14,000 m² were designed to mirror one another and are connected by a network of fibre optic cables that can take over from one another should one building experience a failure. One is partially sunk into the ground and covered with a planted slope, while the other is clad with wood. Electricity usage is optimised using free-cooling, an innovative cooling system using air from outside. This facility will gradually allow Crédit Agricole to pool formerly scattered computer resources.

The IIG also initiated research into certifications and standards so that the environmental quality of its internal processes might be certified. The target is to achieve the Code of Conduct accreditation from the energy division of the European Commission in 2012.

Furthermore, 25% of the electricity purchased by Crédit Agricole S.A. is renewable.

Apart from reducing energy consumption, for the past four years the Group has also worked on offsetting energy-related $CO_2$ emissions. To achieve this, Crédit Agricole has signed onto the clean development mechanism under the Kyoto protocol. In 2011, 2,655 tonnes of $CO_2$ were offset by the purchase of carbon certificates from a project using the REDD+ (Reduced Emissions from Deforestation and Degradation) approach, which is a programme for reducing emissions linked to deforestation and degradation in developing countries. This project, located in Kenya, makes it possible both to fight deforestation (by protecting naturally wooded areas that act as carbon sources) and to reforest the slopes of Mount Kasigau. Some 20,000 trees of native species are expected to be planted. The project also has social benefits: job creation, building classrooms and providing scholarships for higher education, etc. The carbon certificates from this project have been certified using the Verified Carbon Standard (VCS) and Climate Community and Biodiversity (CCB) standard, reflecting the high quality of the programme in terms of fighting climate change and promoting biodiversity.

It should be noted that for two years the offset projects have been voted on by the employees of Crédit Agricole S.A. They vote for the programme of their choice among several projects preselected for their quality in terms of the environment and human development.

Moreover, the Livelihoods Fund, which Crédit Agricole co-finances, enables the Group to make use of carbon credits which are vital in offsetting the bank's footprint, and at the same time finances projects with a high social impact for the local communities.

Finally, CFM Monaco chose to extend their voluntary offset of their $CO_2$ emissions from travel through 2011, amounting to more than 760 tonnes.

### The actions of Crédit Agricole Immobilier

Crédit Agricole Immobilier, a subsidiary of Crédit Agricole S.A., is the Group's centre of expertise and competence in real estate. It covers virtually all real estate businesses (except for financing): development, asset management, private and public project management, rental management, transactions and operating premises. Crédit Agricole Immobilier manages the Group's operating premises at four sites in the Paris region, representing a total floor space of just over 410,000 m² in 2011.

Having adopted an environmental policy in 2006, Crédit Agricole Immobilier has continued to build on its achievements in this area. In 2007 the management process of the sites and services unit, which handles the operating premises activity, obtained ISO 14001 certification. This certification has been extended to the works and implantation sectors of the same activity (certification renewed in June 2011) and to property development. In keeping with this certification, Crédit Agricole Immobilier has launched initiatives concerning:

- monitoring energy consumption in the Paris region buildings.

  An "environmental quality management" group, created in 2007 and consisting of the technical managers of each division within the Paris region, meets monthly for the main purpose of tracking energy usage and taking the necessary steps to meet the reduction objectives that have been set. Since 2009, Crédit Agricole Immobilier has used software to manage its energy consumption. This enables the company to integrate not only its own consumption, but also to gradually include the consumption of Group companies in France and abroad. At end-2011, the Crédit

Agricole headquarters were equipped with real-time monitors of electricity and water usage. This helps to limit excesses and to continuously track the levels of usage reached;

- making buildings more energy-efficient.

  When buildings undergo extensive refurbishment or major equipment changes, Crédit Agricole Immobilier conducts comparative studies to devise the most environmentally-friendly solutions with the least impact on the environment. When looking for new buildings to manage or new premises for the Group, Crédit Agricole Immobilier gives priority to projects eligible for:

  - the BBC label (Low Energy Consumption Building), with HQE® (High Environmental Quality) certification for tertiary activities (construction and project management of offices, warehouses, etc.),
  - Habitat et Environnement® certification for housing.

The future CAL&F building, for instance, which will be put into use in 2012, is a BBC building with HQE® new-building certification. In 2011 Crédit Agricole Immobilier received HQE® operating certification for the Crédit Agricole S.A. headquarters buildings in Montrouge. These buildings were rated outstanding for “building's relationship with its immediate environment,” “construction site with low environmental impact,” “water and waste management,” and “maintenance and long-term environmental performance” and rated as good in terms of managing energy, comfort and health.

Crédit Agricole Immobilier also includes sustainable development in its housing and office building programmes, primarily through: ISO 14001 certified processes, bioclimatic design for all projects, urban improvements compliant with the environmental Grenelle agreements, sustainable office buildings integrated into their environment and constructing residential buildings that already meet the BBC criteria that will be the basis of future thermal regulation RT2012. To illustrate, Crédit Agricole Immobilier today has over 6,000 BBC housing units in its portfolio.

## Reporting of environmental consumption

Crédit Agricole S.A. continues to broaden and deepen its reporting process.

### IMPROVED DATA COLLECTION

Crédit Agricole S.A. has published its energy and water consumption since 2007 (regarding consumption in 2006). Consumption reporting published this year was more extensive and included:

- Crédit Agricole Assurances premises in France;
- Crédit Agricole CIB premises in the Paris region;
- premises and branches of Crédit Agricole Consumer Finance in France;
- premises in the Paris region spread across the four sites (Evergreen, la Défense, Montparnasse, Saint-Quentin-en Yvelines) occupied by the Group and its subsidiaries, managed by Crédit Agricole Immobilier;
- central buildings and LCL branches, with a coverage rate of over 80% of surface areas;
- the buildings of three entities in the Private Banking division: Crédit Agricole Luxembourg, Crédit Agricole Suisse and CFM Monaco;
- the buildings and agencies of Emporiki Bank in Greece.

The floor space used for buildings corresponds to the gross leasable area (GLA) indicated in the lease.

### CONSOLIDATED INDICATORS

The indicators selected have to do with consumption of electricity, gas, heating systems, cooling systems, heating oil (heating use only, excluding use for generating electricity) and water.

All energy consumption is reported based on the bills issued by energy suppliers.

In addition, the electricity consumption and water consumption of a number of IT centres in France were again published in 2011. The data has been isolated from the rest of the consumption figures, given the high consumption of these centres, and to avoid distorting energy ratios.

### DESCRIPTION OF DATA COLLECTION

Energy and water consumption indicators are presented in the form of tables summarising consumption in 2011 by entity. The energy data for each year is expressed in kWh per $m^2$ and per year in order to facilitate comparison. Water statistics are expressed in $m^3$ per $m^2$ and per year.

The consolidated data cover a 12-month period, from 1 December 2010 to 30 November 2011, except for Crédit Agricole Suisse, which reported its consumption from 1 January to 31 December 2011. Additionally, electricity consumption by Crédit Agricole Luxembourg is for 2011 while the gas, heating system and water consumption refer to 2010. This is due to suppliers late delivery of comprehensive invoices.

Only consumption billed directly to Group entities is shown in the tables below. Consumption included in rental charges is not stated separately at present. Energy consumption is also consolidated in the form of an indicator expressed in tonnes of $CO_2$ equivalent, depending on the different energy sources.

### ELECTRIC POWER CONSUMPTION BY DATA CENTRES IN 2011 (1)

| *(in kWh/m²/year)* | | Crédit Agricole Assurances | Crédit Agricole CIB | Crédit Agricole Consumer Finance |
|---|---|---|---|---|
| Ratio | 2010 | Not measurable (2) | Not measurable (2) | 1,189 (3) |
| | **2011** | | | **1,151** |
| | *Change* | | | *(3.20%)* |

*(1) Changes from 2010 to 2011 are applicable only to entities mentioned in 2010 reporting.*

*(2) Since the data centres of these entities are not separate from the office buildings, their consumption has been directly consolidated in the table below.*

*(3) Figure differs to that provided last year following the indentification of an anomaly.*

### 2011 ENERGY CONSUMPTION

| Energy | | | Crédit Agricole Assurances | Crédit Agricole CIB | Crédit Agricole Consumer Finance |
|---|---|---|---|---|---|
| *Electricity* | Area measured | *in %* | 100 | 100 | 76 |
| | | *in m²* | 54,388 | 55,941 | 114,312 |
| | *Consumption* | *in kWh* | 6,876,491 | 22,949,711 | 15,757,562 |
| | *Ratio* | *in kWh/m²/year* | 126 | 410 | 138 |
| | tonnes eq. CO2/yr | | 330 | 1,565 | 756 |
| *Gas* | Area measured | *in %* | Not applicable | Not applicable | 100 |
| | | *in m²* | | | 17,484 |
| | *Consumption* | *in kWh* | | | 185,048 |
| | *Ratio* | *in kWh/m²/year* | | | 11 |
| | tonnes eq. CO2/yr | | | | 37 |
| *Heating network* | Area measured | *in %* | Not applicable | 100 | Not available |
| | | *in m²* | | 4,500 | |
| | *Consumption* | *in kWh* | | 349,066 | |
| | *Ratio* | *in kWh/m²/year* | | 78 | |
| | tonnes eq. CO2/yr | | | 68 | |
| *Cooling network* | Area measured | *in %* | Not applicable | Not applicable | Not applicable |
| | | *in m²* | | | |
| | *Consumption* | *in kWh* | | | |
| | *Ratio* | *in kWh/m²/year* | | | |
| | tonnes eq. CO2/yr | | | | |
| *Fuel oil* | Area measured | *in %* | Not applicable | Not applicable | Not applicable |
| | | *in m²* | | | |
| | *Consumption* | *in litre* | | | |
| | *Ratio* | *in litre/m²/year* | | | |
| | tonnes eq. CO2/yr | | | | |

*(1) Only electric and gas consumption data were collected for branches consolidated in 2011.*

| Crédit Agricole Immobilier | Crédit Agricole Luxembourg | Crédit Agricole Suisse | CFM Monaco | LCL Central Buildings | LCL Branches | Emporiki Bank |
|---|---|---|---|---|---|---|
| 4,095 | | | | | | |
| **3,746** | **Not measurable [2]** | **Not measurable [2]** | **Not measurable [2]** | **Not measurable [2]** | **Not measurable [2]** | **406** |
| *(8.52%)* | | | | | | |

| Crédit Agricole Immobilier | Crédit Agricole Luxembourg | Crédit Agricole Suisse | CFM Monaco | LCL Central Buildings | LCL Branches [1] | Emporiki Bank |
|---|---|---|---|---|---|---|
| 100 | 79 | 98 | 100 | 100 | 76 | 100 |
| 410,920 | 10,014 | 38,571 | 10,876 | 131,622 | 645,075 | 186,516 |
| 80,939,772 | 3,254,504 | 5,743,611 | 2,400,127 | 25,930,107 | 75,038,479 | 23,250,973 |
| 197 | 325 | 149 | 221 | 197 | 116 | 125 |
| 4,413 | 1,061 | 166 | 115 | 1,245 | 3,627 | 23,111 |
| 100 | 100 | 100 | | 100 | Not available | 100 |
| 126,671 | 7,845 | 22,841 | | 3,285 | 214,697 | 674 |
| 4,976,325 | 844,243 | 2,308,632 | Not applicable | 270,982 | 27,622,923 | 22,456 |
| 39 | 108 | 101 | | 82 | 129 | 33 |
| 1,005 | 171 | 466 | | 55 | 5,580 | 5 |
| 100 | 100 | | | 91 | | |
| 45,667 | 2,760 | | | 54,981 | | |
| 3,336,257 | 507,030 | Not applicable | Not applicable | 3,691,300 | Not available | Not applicable |
| 73 | 184 | | | 67 | | |
| 674 | 141 | | | 746 | | |
| 100 | | | | 100 | | |
| 12,612 | | | | 22,250 | | |
| 808,000 | Not applicable | Not applicable | Not applicable | 1,665,000 | Not available | Not applicable |
| 64 | | | | 75 | | |
| 15 | | | | 30 | | |
| | | | | | | 100 |
| | | | | | | 57,694 |
| Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not available | 242,074 |
| | | | | | | 4 |
| | | | | | | 66 |

### COMPARISON WITH 2010 [1]

| **Energy** *(in kWh/m²/year)* | | Crédit Agricole Assurances | Crédit Agricole CIB | Crédit Agricole Consumer Finance |
|---|---|---|---|---|
| *Electricity* | 2010 | 276 | 438 | 173 |
| | **2011** | **126** | **410** | **138** |
| | *Change* | *(54.60%)* | *(6.33%)* | *(20.11%)* |
| *Gas* | 2010 | | | 11 |
| | **2011** | Not applicable | Not applicable | **11** |
| | *Change* | | | *(0.32%)* |
| *Heating network* | 2010 | | 100 | |
| | **2011** | Not applicable | **78** | Not available |
| | *Change* | | *(22.71%)* | |
| *Cooling network* | 2010 | | | |
| | **2011** | Not applicable | Not applicable | Not applicable |
| | Change | | | |
| *Fuel oil* | 2010 | | | |
| | **2011** | Not applicable | Not applicable | Not applicable |
| | *Change* | | | |

*(1) Changes from 2010 to 2011 are applicable only to entities mentioned in 2010 reporting.*

### WATER CONSUMPTION OF IT DATA CENTRES IN 2011 [1]

| *(in m³/m²/year)* | | Crédit Agricole Assurances | Crédit Agricole CIB | Crédit Agricole Consumer Finance |
|---|---|---|---|---|
| **Ratio** | 2010 | | | 0.26 |
| | **2011** | Not measurable [2] | Not measurable [2] | **0.23** |
| | *Change* | | | *(10.47%)* |

*(1) Changes from 2010 to 2011 are applicable only to entities mentioned in 2010 reporting.*

*(2) The consumption of the these entities' data centres is directly included under water consumption in the table below.*

| | | | | LCL | | |
|---|---|---|---|---|---|---|
| Crédit Agricole Immobilier | Crédit Agricole Luxembourg | Crédit Agricole Suisse | CFM Monaco | Central Buildings | Branches | Emporiki Bank |
| 210 | | | | | | |
| **197** | **325** | **149** | **221** | **197** | **116** | **125** |
| *(6.37%)* | | | | | | |
| 45 | | | | | | |
| **39** | **108** | **101** | **Not applicable** | **82** | **129** | **33** |
| *(12.32%)* | | | | | | |
| 103 | | | | | | |
| **73** | **184** | **Not applicable** | **Not applicable** | **67** | **Not available** | **Not applicable** |
| *(29.01%)* | | | | | | |
| 64 | | | | | | |
| **64** | **Not applicable** | **Not applicable** | **Not applicable** | **75** | **Not available** | **Not applicable** |
| *0.54%* | | | | | | |
| | | | | | | |
| Not applicable | **Not applicable** | **Not applicable** | **Not applicable** | **Not applicable** | **Not available** | **4** |
| | | | | | | |

| | | | | LCL | | |
|---|---|---|---|---|---|---|
| Crédit Agricole Immobilier | Crédit Agricole Luxembourg | Crédit Agricole Suisse | CFM Monaco | Central Buildings | Branches | Emporiki Bank |
| 0.28 | | | | | | |
| **0.16** | **Not measurable [(2)]** | **Not measurable [(2)]** | **Not measurable [(2)]** | **Not measurable [(2)]** | **Not measurable [(2)]** | **0.14** |
| *(42.85%)* | | | | | | |

#### WATER CONSUMPTION IN 2011

| | | | Crédit Agricole Assurances | Crédit Agricole CIB | Crédit Agricole Consumer Finance |
|---|---|---|---|---|---|
| *Water* | Area measured | *in %* | 22 | 100 | 100 |
| | | *in m²* | 12,141 | 55,941 | 149,515 |
| | Consumption | *in m³* | 3,860 | 31,625 | 17,880 |
| | Ratio | *in m³/m²/year* | 0.32 | 0.57 | 0.12 |

#### COMPARISON WITH 2010 [(1)]

| *(in m³/m²/year)* | | Crédit Agricole Assurances | Crédit Agricole CIB | Crédit Agricole Consumer Finance |
|---|---|---|---|---|
| **Ratio** | 2010 | 0.32 | 0.63 | 0.29 |
| | **2011** | **0.32** | **0.57** | **0.12** |
| | Change | *(0.65%)* | *(9.68%)* | *(59.10%)* |

*(1) Changes from 2010 to 2011 are applicable only to entities mentioned in 2010 reporting.*

## Priority 7: resources

### Paper

The approach which was introduced in 2010 continued during 2011. In 2011 Crédit Agricole defined a policy for paper in partnership with WWF France. This effort is led by the Crédit Agricole S.A.'s Sustainable Development department and the Group Purchasing department, with the objective of reducing paper consumption, purchasing responsibly and recycling office paper.

A variety of tools make it possible, among other things, to put in place a special reporting system with various indicators, which is presently being deployed at some 15 Group entities that have now joined the programme. All types of printed matter are involved (office, editorial, internal communications, external communications and institutional).

#### GROUP CONSUMPTION IN 2011

Crédit Agricole S.A. again publishes a report on the paper consumption of several entities: Amundi, BGPI, Crédit Agricole Consumer Finance, Crédit Agricole Immobilier, CAL&F, Crédit Agricole S.A., IFCAM, LCL and its subsidiaries, Predica and Pacifica. In 2011 was only possible to consolidate A4 paper consumption. Starting in 2012, consistent with the Group's policy for paper, the reporting will be extended to other types of paper used. There are also plans to publish new indicators such as the percentage of recycled paper and the percentage of “label paper”.

| Use/Type of paper/ Indicators | A4 paper | Office printing paper | Direct marketing/ Communication with customers | Publishing & communication materials | Total across all applications |
|---|---|---|---|---|---|
| Number of reams consumed | 400,377 | Not available | Not available | Not available | 400,377 |
| Tonnage (value) | 1,000 | Not available | Not available | Not available | 1,000 |

#### STEPS TO REDUCING PAPER CONSUMPTION

The Group's “responsible paper” effort involves three closely related requirements, which have given rise to three distinct objectives:

- to prevent the production of waste paper by making careful use of paper ➤ a 25% reduction in paper consumption by end-2014;
- to promote the responsible use of paper by prioritising 100% certified recycled paper and easing the pressure on forests ➤ 100% responsible paper by end-2014;
- to increase the rate of paper recycling by organising the collection of our paper waste effectively ➤ 100% of used internal paper to be recycled by end-2012.

| | Crédit Agricole Immobilier | Crédit Agricole Luxembourg | Crédit Agricole Suisse | CFM Monaco | LCL Central Buildings | LCL Branches | Emporiki Bank |
|---|---|---|---|---|---|---|---|
| | 88 | 94 | 66 | 87 | 77 | | 83 |
| | 361,645 | 11,883 | 25,856 | 9,449 | 101,248 | Not available | 163,006 |
| | 196,713 | 5,598 | 79,306 | 2,481 | 31,463 | | 43,574 |
| | 0.54 | 0.47 | 3.07 | 0.26 | 0.31 | | 0.27 |

| | Crédit Agricole Immobilier | Crédit Agricole Luxembourg | Crédit Agricole Suisse | CFM Monaco | LCL Central Buildings | LCL Branches | Emporiki Bank |
|---|---|---|---|---|---|---|---|
| | 0.74 | | | | | | |
| | **0.54** | **0.47** | **3.07** | **0.26** | **0.31** | **Not available** | **0.27** |
| | *(26.58%)* | | | | | | |

Numerous actions consistent with the objectives set in 2011 have been in place for several years in many Group entities: default office printer settings of black and white and double-sided, reducing the weight of ream paper, using ream paper that is PEFC Europe (Programme for the Endorsement of Forest Certification) or FSC (Forest Stewardship Council) certified, printing institutional documents on either recycled or certified paper, increasing the number of printed customer statements on certified paper and mailings in envelopes of recycled and/or 80% FSC paper, etc.

In addition, the Group IT department started a project in 2011 to modernise the way we do our printing by using multi-function printers (MFPs) instead of single-function printers, combining scanning, photocopying, fax and printing in one machine. Other options (default black and white and double-sided printing, ability to delete mistaken print commands, mandatory signature by electronic badge, etc.) also make it possible to rationalise and reduce paper consumption. These MFPs were introduced at Crédit Agricole S.A. and LCL in 2011, leading to a reduction of between 30 and 40% in the volume of copied and printed paper.

Finally, several entities have also introduced a dematerialisation approach, such as LCL, Crédit Agricole Consumer Finance, Crédit Agricole Assurances and CAL&F, with the green factoring contract. Customers are offered three types of dematerialised communications, exempting them from sending paper documents (invoices, supporting documents, etc.) In 2011, a record 98% of communication was paperless.

## Recycling initiatives

### PAPER

Since 2007, paper recycling has been in place at Crédit Agricole S.A. Group sites in the Paris region managed by Crédit Agricole Immobilier. Segmented office waste bins, to separate paper from other waste, have been installed at all premises (*i.e.* 410,000 m²). In 2011, some 720 tonnes of paper and 120 tonnes of cardboard were collected, all of which could be sent for recycling. In 2011 Crédit Agricole S.A. awarded the collection, transport, sorting and recycling of paper at its new corporate headquarters in Montrouge to a new supplier, called Elise (Entreprise Locale d'Initiative au Service de l'Environnement). Elise also creates jobs for people with disabilities.

For its part, Crédit Agricole Consumer Finance works with the non-for-profit company Armelle, which in 2011 recycled 65 tonnes of paper at the central sites in Northern France. At the central sites in the Paris region, over 26 tonnes were recovered. Paper and plastics are also recycled in Germany (CreditPlus) and Hungary (Credigen).

LCL has also introduced compartmentalised recycling bins, collecting 420 tonnes of paper across all of its operating sites in Paris. Excluding central buildings, almost 1,000 tonnes of paper waste was collected in 2011.

Following the introduction of secure bins, CFM Monaco has organised the shredding of paper collected and its transportation to a recycling centre. Nearly 17 tonnes of paper were put into recycling in 2011.

### OTHER WASTE

In 2011 Crédit Agricole S.A. started to methanise the waste from its company restaurant at Montrouge. Methanisation is the natural biological process of digesting organic matter without oxygen. The organic waste decomposes and produces a gas. This recovered gas is then used to turn a turbine that generates electricity. The leftover methanised waste is used by farmers as fertilizer. In all, over 21 tonnes of waste were methanised in 2011, generating an energy equivalent of 6,200 kWh.

In 2011 Crédit Agricole CIB extended its recycling policy at its la Défense location to used pens, which are collected in a special container and recycled by TerraCycle into watering cans, pencil pots, wastebaskets, etc. A selective collection process was adopted in London, involving the recycling of food waste and electronics. The food waste collected is converted to high-quality compost (PAS 100) and used by farms in the Kent area. Old electronics (monitors, screens, printers, etc.) are collected by a company called End of the Line, which provides total recycling (no discharge and a fleet of vehicles certified carbon-neutral by CarbonNeutral®.)

Crédit Agricole Consumer Finance has also put Armelle in charge of recycling batteries, ink cartridges, plastic bottles and aluminum. The European subsidiaries of Crédit Agricole Consumer Finance, for example in the Netherlands (Crédit Agricole Consumer Finance Netherlands), Scandinavia (Finaref Nordic, Dankativ), Greece (Credicom) and Germany (CreditPlus), have introduced recycling for ink and toner cartridges and batteries, in accordance with the regulations in force in their respective countries.

Lastly, CAL&F began a campaign in 2011 to recycle used mobile phones. Over 360 phones have been recovered. The money saved by this operation was given to an association of Crédit Agricole employees who have been fighting for ten years against rare diseases.

### COMPUTERS

SILCA is continuing to recycle obsolete computer equipment, an activity it started in late 2007. This activity entails:

- erasing hard disk contents by internal staff using a software application approved by the Group's Security division;
- assessing the working condition of equipment, which is then sent for sorting at workshops belonging to the French association Emmaüs as part of its partnership with Crédit Agricole S.A.

Equipment in working order is reused by Emmaüs for charity purposes, while equipment that is no longer serviceable is destroyed in an environmentally-friendly manner. This is in line with the Group's commitment to social issues, as it makes optimum use of Crédit Agricole S.A. site near Tours and safeguards the jobs of Group employees in the region.

Since 2010, SILCA has also demagnetised all disks prior to their destruction by Emmaüs. After processing almost 7,000 computers in 2009, the 10,000 computer threshold was reached in 2010 with 9,384 monitors, 13,709 desktops and 1,083 laptops. In 2011, SILCA processed 2,885 screens, 4,861 desktops and 538 laptops.

Since 2010, the computers of Crédit Agricole CIB (la Défense site) have also been sorted, depending on their working condition. If they still work, they are sold to a broker (ISO 14001 certified) to be reused. If they are obsolete, they are recycled by a protected workshop (APR2), which has developed a plastics recycling technique enabling the recycling of between 97% and 99% of a computer.

## CROSS-REFERENCE TABLE

| Indicators | Where to find them? |
|---|---|
| **I. NRE (New Economic Regulations Law) social indicators** | |
| 1. Jobs | |
| ● Total number of employees | p. 39 to 40; p.50 to 51 |
| ● Recruitment | p. 41 |
| ● Lay-offs | p. 52 |
| ● External manpower | p. 48; p. 61 to 62 |
| ● Information relating to job reduction plans | p. 52 |
| 2. Working hours | |
| ● Organisation | p. 37 to 38; p. 46 |
| ● Duration | p. 41 |
| ● Absenteeism and reasons | p. 52 |
| 3. Compensation | p. 56 to 58 |
| 4. Professional relations and results of collective agreements | p. 54 to 55 |
| 5. Health and safety conditions | p. 52 to 54 |
| 6. Training | p. 44 to 45 |
| 7. Employment and integration of workers with disabilities | p. 48 |
| 8. Social services | p. 58 to 61 |
| 9. Suppliers | p. 48; p. 61 to 62 |
| **II. NRE (New Economic Regulations Law) environmental indicators** | |
| 1. Consumption | |
| ● Water | p. 72 to 75 |
| ● Energy | p. 70 to 73 |
| ● Measures taken to improve energy efficiency | p. 68 to 69 |
| ● Raw materials | p. 74 to 76 |
| ● Waste | p. 74 to 76 |
| 2. Measures taken to limit harm to the biological balance, natural environments and protected animal and plant species | p. 65 to 67 |
| 3. Environmental assessment and certification procedures | p. 68 to 69 |
| 4. Measures, if any, taken to ensure the Company's activities comply with applicable laws | Not applicable |
| 5. Expenditure incurred to prevent environmental impact from the Company's activities | Not applicable |
| 6. Environmental management | |
| ● Internal Environmental Management departments | p. 68 to 69 |
| ● Employee training and information | p. 45; p. 61 |
| 7. Amount of provisions and guarantees for environment-related risks, except where this information is likely to cause serious prejudice to the Company in a current dispute or lawsuit | Not applicable |
| 8. Amount of compensation paid out during the financial year arising from a court ruling relating to environmental matters and the steps taken to repair any damage done | Not applicable |
| 9. Information about targets set by the Company for its foreign subsidiaries on the points above | p. 32 to 76 |

# Corporate governance

2

# Report of the Chairman of the Board of Directors

## presented to the General Meeting of Shareholders of 22 May 2012 on the preparation and organisation of the Board's work and internal control procedures as required by the "French Financial Security Act" 2003-706 of 1 August 2003 as amended (French Commercial Code, Article L. 225-37; French Monetary and Financial Code, Article L. 621-18-3)

Financial year 2011

Dear shareholders,

In addition to the management report, I am pleased to present my report on the preparation and organisation of the Board's work and on Crédit Agricole S.A.'s internal control and risk management procedures, particularly as they apply to financial and accounting information.

For Crédit Agricole Group, the reporting duty of the Chairman of the Board of Directors as required by the French Financial Security Act includes Crédit Agricole S.A. and all the Regional Banks having issued cooperative investment certificates, as well the Group's main subsidiaries, whether or not they issue publicly traded financial instruments, or as required to comply with good internal control practice.

Consequently, Crédit Agricole S.A. has a uniform vision of the operation of the Group's decision-making bodies and additional information on these entities' internal control procedures, which supplements information gathered from internal reporting.

This report has been completed under my authority, primarily in coordination with the heads of Group General Inspection, of the Secretary of the Board of Directors, of Compliance, and of Group Risk Management and Permanent Controls, based on existing documentation on internal control and on risk management and oversight within the Group. This report was submitted to the Crédit Agricole S.A. Audit and Risks Committee on 20 February 2012 and was approved by the Board of Directors at its meeting of 22 February 2012.

# PREPARATION AND ORGANISATION OF THE BOARD'S WORKS

## 1. Board of Directors

### General presentation

At its meeting of 13 November 2008, Crédit Agricole S.A.'s Board of Directors decided, pursuant to the Act of 3 July 2008, that the AFEP/MEDEF Code of Corporate Governance for Listed Companies is Crédit Agricole S.A.'s Code of Reference for writing the report stipulated in Article L. 225-37 of the French Commercial Code.

Crédit Agricole S.A.'s Board of Directors comprises 21 Directors, as follows:

- **18 Directors elected by the General Meeting of Shareholders:**
  - ten Directors who are the Chairmen or Chief Executive Officers of Crédit Agricole's Regional Banks,
  - one Director that is a legal entity, SAS Rue la Boétie, represented by a Regional Bank Chairman who is also Chairman of SAS Rue la Boétie,
  - six Directors from outside Crédit Agricole Group,
  - one Director who is an employee of a Regional Bank;
- **one Director representing professional farming associations,** appointed by joint decree of the Ministry of Finance and the Ministry of Agriculture, pursuant to the Act of 18 January 1988 on the mutualisation of Caisse Nationale de Crédit Agricole, which became Crédit Agricole S.A. on 29 November 2001;
- **two Directors elected by the employees of Crédit Agricole S.A. Group.**

The Board of Directors has also appointed two non-voting Directors, a Chairman and a Chief Executive Officer of a Crédit Agricole Regional Bank.

Crédit Agricole S.A. Directors who are Chairmen or Chief Executive Officers of Crédit Agricole Regional Banks have the status of Directors of banking institutions.

Under the terms of the agreement entered into by the Regional Banks and Crédit Agricole S.A. at the time of the initial public offering, the Regional Banks, through SAS Rue la Boétie, own the majority of the share capital (56.25% at the end of 2011) and voting rights (56.41% at the same date) in Crédit Agricole S.A., making it immune to take over bids. The composition of the Board of Directors also ensures a majority representation of the Regional Banks. As a result, the proportion of independent Directors sitting on the Board of Directors and Special Committees is smaller than that recommended by the AFEP/MEDEF Code of Corporate Governance for Listed Companies.

On the recommendation of the Appointments and Governance Committee, the Board has examined the situation of each Director with regard to the six criteria of independence defined in the AFEP/MEDEF Code of Corporate Governance for Listed Companies:

1. is not, and has not been an employee or Corporate Officer of the Company, employee or Director of the parent company or of a company which the Company consolidates, and has not been within the last five years;
2. is not a Corporate Officer of a company in which the Company, directly or indirectly, acts as a Director or in which an employee designated as such or a Corporate Officer of the Company (currently or in the last five years) is a Director;
3. is not a significant client, supplier, corporate banker or investment banker for the Company or its Group, or for which the Company or its Group account for a large proportion of its business;
4. has no close family tie with a Corporate Officer;
5. has not been an auditor of the Company in the last five years;
6. has not been a Director for more than 12 years.

The Board noted that the representatives of the Regional Banks sitting on the Board of Directors of Crédit Agricole S.A. (Chairmen or Chief Executive Officers) could not be deemed to be independent Directors on the basis of the above criteria, as the Crédit Agricole Regional Banks are equity-accounted by Crédit Agricole S.A. This also applies to the Director representing the Regional Bank employees and the two Directors representing Crédit Agricole S.A. Group employees on the Board.

With respect to the Regional Bank Chairmen who sit on the Crédit Agricole S.A. Board, the Board noted that they are not employees of the Regional Banks and that they legitimately hold this office by election, in accordance with the Regional Banks' cooperative status.

The Board determined that the outside Director who chairs the Audit and Risks Committee should be deemed to be an independent Director, even though he also sits on the Boards of LCL and Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB). This situation arose from Crédit Agricole S.A.'s decision to assign to the Chairman of its Audit and Risks Committee special responsibilities *vis-à-vis* the Audit and Risks Committees of the main subsidiaries (chair of the Audit and Risks Committee of LCL and the Audit and Risks Committee of Crédit Agricole CIB), in order to ensure continuity in his mission.

Overall, the Board concluded that the existing *modus operandi* enables the Board and its Committees to fulfil their duties with the required effectiveness, objectivity and independence, particularly with respect to preventing potential conflicts of interest and to the equitable consideration of all shareholders' interests. On the recommendation of the Appointments and Governance Committee, the Board deems the following Directors to be independent, based on the above criteria:

| Independent Director | Main Office | Office in Crédit Agricole S.A. Committee |
|---|---|---|
| **Ms Caroline Catoire** | Financial Director of the Saur Group | Member of the Audit and Risks Committee |
| **Ms Laurence Dors** | Director in different companies | Chairperson of the Compensation Committee<br>Member of the Audit and Risks Committee<br>Member of the Appointments and Governance Committee |
| **Mr Xavier Fontanet** | Chairman of Essilor International | Member of the Strategy Committee |
| **Ms Monica Mondardini** | Deputy Director of "Gruppo Editoriale l'Espresso" | Chairperson of the Appointments and Governance Committee |
| **Mr Christian Streiff** | Chairman of CS Conseils | Member of the Compensation Committee |
| **Mr François Véverka** | Banking and Finance Consultant (Banquefinance Associés) | Chairman of the Audit and Risks Committee<br>Member of the Strategy Committee<br>Member of the Compensation Committee |

Three of the four Specialised Committees of the Board are chaired by independent Directors: these are the Audit and Risks Committee, the Compensation Committee, the Appointments and Governance Committee, with the Compensation Committee made up mainly of independent Directors, in accordance with regulatory provisions.

In 2011 the number of independent Directors on the Board was stepped up, with the appointment of a new Director from outside the Group. The proportion of independent Directors is now 28.6% (one third, considering directors elected by the General Meeting of Shareholders, which is the proportion recommended by the AFEP/MEDEF Corporate Governance Code of Listed Corporations for companies with a majority shareholder). The number of Directors who are individuals representing Regional Banks therefore decreased from 11 to 10 in 2011.

At 31 December 2011, six of the Directors on the Board were female, *i.e.* 28.6% of the members. Crédit Agricole S.A. is therefore in compliance with the above-mentioned Corporate Governance Code and with the provisions of the Act of 27 January 2011. This trend will continue in 2012: at the next General Meeting of Shareholders, the Board of Directors will propose the appointment of a woman as a Director, bringing the proportion of women within the Board to one third.

The Board's composition was affected by the following events in 2011:

- appointment by the General Meeting of Shareholders of Ms Caroline Catoire and Mr Christian Streiff from outside the Group to replace Mr Michael Jay and Mr Alain Diéval, the latter having been appointed a non-voting Director by the Board at its meeting of 18 May 2011;
- appointment by the Board, at its meeting of 13 December 2011, of Mr Pascal Célérier, Chief Executive Officer of a Regional Bank, as a non-voting Director to replace Mr Alain Diéval who wished to step down from the Board;
- appointment of Mr Xavier Beulin as Director representing professional agricultural organisations to the Board of Directors of Crédit Agricole S.A., by joint order of the Minister for Economic Affairs and for Agriculture on 30 September 2011. Mr Xavier Beulin, Chairman of the FNSEA (agricultural union), succeeds Mr Jean-Michel Lemétayer. His term of office is identical to that of the other Directors of Crédit Agricole S.A.

Following the death of a Director, Mr Claude Henry, in February 2012, the Board, at its meeting of 22 February 2012 decided to co-opt Mr Jean-Louis Delorme, Chairman of a Regional Bank and non-voting Director, as a Director. This co-opting will be submitted to the General Meeting of Shareholders for ratification on next 22 May.

The list of Directors appears in the section below entitled "Additional information on Corporate Officers".

The term of office of Crédit Agricole S.A. Directors is fixed at three years by the Articles of Association. Directors may not serve for more than four consecutive terms.

The average age of Crédit Agricole S.A. Directors is 57. The Company's Articles of Association provide for a maximum age limit of 65, and 67 for the Chairman.

In accordance with the Group's practice of splitting the guidance, Decision-making and Control functions from the Executive functions, the offices of Chairman and Chief Executive Officer of Crédit Agricole S.A. have been separated.

The powers of the Chairman were formalised by the Board and he is now registered, jointly with Crédit Agricole S.A.'s Chief Executive Officer, with the French Prudential Supervisory Authority (ACP), as the responsible senior corporate executive in accordance with Article L. 511-13 of the French Monetary and Financial Code.

In accordance with the AFEP/MEDEF recommendation, the Chief Executive Officer has no contract of employment with a Crédit Agricole S.A. Group entity.

The terms and conditions of shareholders' participation in the General Meeting of Shareholders are set out in Articles 21 to 29 of the Articles of Association, which are presented in section 7, "General information", of the registration document.

## Role and operation of the Board

### GENERAL INFORMATION

The Board of Directors' Rules of Procedure sets out the operating procedures of the Company's Board and Executive Management, while taking into account the separation of the offices of Chairman and Chief Executive Officer as well as the Company's duties as a central body under the terms of the French Monetary and Financial Code. These Rules of Procedure were updated (approved by the Board on the recommendation of the Appointments and Governance Committee at its meeting of 18 January 2011) to take into account legislative and regulatory changes affecting the operation of the Board and its Specialised Committees. It comprises five Articles:

#### 1. Organisation of the Board of Directors

This section describes:

- the role of the Chairman of the Board of Directors: "the Chairman guides and organises the Board's work. He calls meetings of the Board and sets the agenda for the meetings";
- the role of the Officers of the Board, composed of the Chairman and Deputy Chairmen. The Chief Executive Officer of Crédit Agricole S.A. takes part in the work of the Board. The Officers of the Board are responsible for preparing the Board's work. They meet when called by the Chairman as needed;
- the Specialised Committees of the Board, which defines the duties, composition and Rules of Procedure of such Committees. These are the Audit and Risks Committee, the Compensation Committee, the Strategy Committee and the Appointments and Governance Committee. The Board may appoint one or more non-voting Directors to take part in the Strategy Committee, the Compensation Committee or the Appointments and Governance Committee, under the same conditions as Directors.

#### 2. Powers of the Board of Directors and Chief Executive Officer

- **Powers of the Board of Directors**: in addition to the powers granted by law, "the Board:
  - on the recommendation of the Chairman and Chief Executive Officer, determines the Group's strategic orientations;
  - approves strategic investment projects and any transaction, specifically any acquisition or disposal transaction that is likely to have a significant effect on the Group's earnings, the structure of its balance sheet or its risk profile;
  - defines the general principles applicable to Crédit Agricole Group's internal financial organisation;
  - decides or authorises the issue of Crédit Agricole S.A. bonds;
  - grants the Chief Executive Officer the necessary powers to implement the decisions set out above;
  - is kept regularly informed by Executive Management of the risk position of the Group and measures taken to control these risks in accordance with CRBF Regulation 97-02. In addition, in accordance with the same Regulation, it determines the various commitment and risk limits for Crédit Agricole S.A. Group and, where applicable for Crédit Agricole Group;
  - determines the principles of the compensation policy within Crédit Agricole S.A. Group;
  - defines the criteria used to assess the independence of Directors."

  Furthermore, the Board makes all decisions concerning the Crédit Agricole Regional Banks and falling within the scope of Crédit Agricole S.A.'s duties as central body assigned by the French Monetary and Financial Code.

- **Powers of the Chief Executive Officer**: the Chief Executive Officer has "the fullest powers to act in the name of the Company in all circumstances and to represent it with respect to third parties. He must, however, secure the Board of Directors' approval prior to the following transactions:
  - the creation, acquisition or disposal of any subsidiaries and equity investments in France or abroad for amounts exceeding €150 million;
  - any other investment of any nature for amounts exceeding €150 million.

  If, due to the urgency of the situation, the Board cannot be called to deliberate on a transaction that exceeds this ceiling, the Chief Executive Officer will do all in his power to canvass all Directors or, at the very least, the Officers of the Board and the members of the relevant Specialised Committee prior to making any decision. Where this is not possible, the Chief Executive Officer may, with the Chairman's approval, make any decisions that are in the Company's interest in the areas set forth above (that is, in areas that are subject to a Board resolution as indicated in the section entitled "Powers of the Board of Directors" above). He reports such decisions to the Board at its next meeting".

### 3. Board operations

"The Board is convened by its Chairman, or any person authorised for that purpose by the Board of Directors, and meets as often as required by the Company's interests and at least six times each year. Should the Chairman be unable to attend, the Board is chaired by the oldest Deputy Chairman who is authorised to convene it. (...) Directors with an interest in matters deliberated by the Board shall abstain from voting on such matters. The Chief Executive Officer, the Secretary General, and any Deputy Chief Executive Officers participate in Board Meetings but do not have the right to vote. The Chief Executive Officer appoints representatives of Executive Management to participate in Board Meetings. The Board may appoint one or several non-voting Directors who participate in the Board Meetings."

"The Chairman and the Chief Executive Officer are required to supply to each Director all documents or information needed for the Director to fulfil his duties. Prior to Board Meetings, a file on agenda items requiring particular scrutiny and prior information will be sent out provided that confidentiality guidelines allow the communication of such information." These documents are generally sent out four days prior to each Board Meeting.

"All Board members receive all relevant information on the Company, in particular the press releases issued by the Company. (…) In the course of their work, Board Committees may invite Group employees or experts in areas that fall within the field of competence of the committees."

"At the Chairman's discretion, the Board may hold its meeting by means of video conferencing or other means of telecommunication, provided that:

- at least five Directors are physically present at the location of the Board Meeting;
- the video conferencing or other means of telecommunication allow for the identification of the Directors and ensure their full participation. As a minimum, the means retained transmit participants' voices and meet the technical requirements to allow continuous and simultaneous transmission of the Board's deliberations.

Directors attending a meeting by means of video conferencing or other means of telecommunication are deemed present for the purpose of calculating the quorum and majority. This provision does not apply where the Board is meeting to prepare and close the separate and consolidated financial statements and management reports, and/or to nominate or dismiss the Chairman or the Chief Executive Officer."

### 4. Board Committees

The duties of the four committees created within the Board, which are described under the relevant section of the Board's Rules of Procedure, are set out in section 2 of this report entitled "Presentation of Committees". On the recommendation of the Appointments and Governance Committee, the Board updated the Rules of Procedure of the Strategy Committee and the Rules of Procedure of the Appointments and Governance Committee. These updates were approved by the Board in January 2011.

### 5. Crédit Agricole S.A. Directors' Code of Conduct

The purpose of this Code of Conduct is to contribute to the quality of the Directors' work by encouraging them to apply the principles and best practices of corporate governance. Crédit Agricole S.A. Directors undertake to abide by the guidelines contained in the Code and to implement them.

The Code comprises 12 Articles:

#### *Article 1 – Corporate administration and interests*

Directors, regardless of how they are appointed, must consider themselves as representing all shareholders and other stakeholders and must act in their interests and in the Company's interests under all circumstances.

#### *Article 2 – Compliance with the law and Articles of Association*

When Directors first assume their office and throughout their term of office, they must be fully conversant with their general and/or special rights and obligations. They must know and comply with the laws and regulations applicable to the Company and to their office, the applicable Codes of Governance and Best Practice, as well as the Company's own rules as set out in the Articles of Association and Rules of Procedure.

#### *Article 3 – Diligence*

Directors shall dedicate the necessary time, care and attention to their duties. Unless genuinely unable to do so, they must diligently attend all meetings of the Board and of any Committees on which they may sit.

#### *Article 4 – Information*

The Chairman ensures that all relevant information and documents are made available to the Directors in sufficient time to properly carry out their duties. Likewise, the Chairman of each Specialised Committee ensures that all relevant information and documents are made available to the Directors in sufficient time to properly carry out their duties.

Directors, regardless of their experience, have a responsibility to remain informed and acquire knowledge on an ongoing basis. They must keep themselves informed so as to be able to give full consideration to the matters covered in the Meeting agenda.

### *Article 5 – Performance of duties: guidelines*

Directors must act independently, fairly, loyally and professionally in the performance of their duties.

### *Article 6 – Independence and duty to speak out*

Directors must ensure that they retain their independence and freedom of judgement, decision and action in all circumstances. They must be impartial and undertake not to be influenced by any factor that may be detrimental to the corporate interests that they are bound to defend. They should disclose to the Board any matter that may come to their attention and that they deem to be a potential threat to the Company's interests. They are duty-bound to clearly express their questions and opinions. In the event that they disagree, they should request that their objections be expressly recorded in the minutes of the Meeting.

### *Article 7 – Independence and conflict of interests*

The Director informs the Board of any conflict of interest, including potential conflict of interest, he could be directly or indirectly involved in. He will refrain from taking part in the debates and making decisions on the subjects.

### *Article 8 – Loyalty and good faith*

Directors shall act in good faith in all circumstances and shall not do anything that could be detrimental to the interests of the Company or other Crédit Agricole Group companies. The Directors personally undertake to keep confidential all information received, all discussions in which they participate and all decisions made.

### *Article 9 – Inside information – Insider trading*

Directors shall not use inside information to which they have access for their personal gain or for the gain of any other person.

**Crédit Agricole S.A. shares and related financial instruments**

Directors who have access to non-public information about the Company on whose Board they sit shall refrain from using such information to engage in trading in Crédit Agricole S.A. shares, whether directly or through a third party.

They shall follow the rules defined for Crédit Agricole Group employees who meet the definition of "Permanent Insiders" for purposes of trading in Crédit Agricole S.A. shares. These rules stipulate that "Permanent Insiders" may trade in Crédit Agricole S.A. shares within six weeks following the release of quarterly, half-year and separate results, providing that, during those periods, they do not have any information that the Company has not publicly disclosed.

Crédit Agricole S.A. may from time to time prohibit trading in any Crédit Agricole S.A. financial instrument, including during those periods.

Directors are required to disclose any trading in the Company's shares and related financial instruments, whether on their own account or by any related parties, in accordance with the applicable laws and regulations.

Persons who are required to file disclosures must send their disclosures to the Autorité des marchés financiers (AMF) by electronic means within five trading days after completion of the trades. Each disclosure is published on the AMF website.

At the General Meeting of Shareholders, the shareholders are informed of trading by Directors during the past financial year. This is presented in a summary statement in the Company's management report.

**Financial instruments other than those issued by or related to Crédit Agricole S.A.**

In addition, Directors are required to disclose to Crédit Agricole S.A. any trading in financial instruments other than those issued by or related to Crédit Agricole S.A., whether on their own account and for related parties, if they believe this will result in a potential conflict of interest or if they hold confidential information that can be deemed to be inside information acquired in the performance of their duties as Director of Crédit Agricole S.A. Crédit Agricole S.A. may from time to time prohibit trading in any financial instrument on which specific information that has not been publicly disclosed is revealed at a Crédit Agricole S.A. Board Meeting (such as a strategic transaction, acquisition, joint venture creation, etc.).

Moreover it is also recommended that Directors arrange for their securities portfolio to be managed under a discretionary management mandate or, more simply, only hold mutual funds in their portfolio. It is also recommended that such a discretionary management mandate should not include any instructions from Directors pertaining to financial instruments issued by or associated with Crédit Agricole S.A.

The Directors are kept informed of any change in the laws or regulations.

### *Article 10 – Professionalism and effectiveness*

Each Director participates in shared administration and contributes to the effectiveness of the work of the Board and Board Committees. Each Director will make any recommendations they consider might improve Board procedures, in particular during periodic reviews of the Board. Each Director works with the other Board members to ensure that recommendations are implemented and oversight is performed effectively and without hindrance. Directors are in particular responsible for ensuring that the Company has instituted control systems for verifying compliance with the laws and regulations.

### *Article 11 – Application of the Code of Conduct*

When Directors are no longer in a position to carry out their duties in accordance with the Code, either by their own doing or for any other reason, including reasons arising from the internal rules of the Company on whose Board they sit, they shall notify the Chairman of the Board of Directors thereof and strive to find a solution to remedy the situation. If no solution can be found, they should draw their own conclusions as to whether to remain in office.

*Article 12 – Non-voting Director*

The non-voting Director(s) designated by the Board pledge(s) to respect the guidelines included in this Code and to implement them.

## Review of the Board of Directors' work during 2011

The Board was very active in 2011 (eleven meetings, including three extraordinary sessions).The attendance rate remained very high at 95% (97% for regularly scheduled meetings and 88% for extraordinary sessions), reflecting the strong commitment of all the Directors.

With a marked contrast between the first and second half of the year, the Board mainly concentrated, in the first half, on finalising the medium-term plan, Commitment 2014, for Crédit Agricole S.A. – in line with the orientations retained by Crédit Agricole Group Project drawn up in late 2010 – and, from the summer onwards, on analysing the consequences for the Group in terms of risk, liquidity and solvency, the deterioration of the economic and financial environment, the worsening of the sovereign debt crisis, particularly in Greece, and the significant tightening of prudential requirements of financial institutions. These analyses, which involved, more specifically, the Audit and Risks Committee and the Strategy Committee upstream of Board Meetings, led to the organisation, at the end of the year, of a day of strategic reflection during which the Board drew up the Group's plan for adjusting to its new environment.

The Board also carried out a self-assessment of its operations in the first half, with the help of an external consultancy firm. This assessment was led by the Appointments and Governance Committee and its results were presented to the Board at its July meeting. These results pointed up the progress made since the previous assessment — carried out in 2008 — in particular as regards the quality and wealth of information transmitted to Directors, its conduct of meetings, the quality of discussions and the role of Specialised Committees in preparing Board decisions. The assessment also identified areas for improvement and the Board decided to implement measures to respond to observations made during the assessment, in particular as regards format (introduction of fact sheets), lead times in making files available, and preparing agendas for Board and Specialised Committee meetings (annual scheduling set up). The assessment findings were discussed by each of the Specialised Committees, in order to take account of the observations concerning them.

After analysis by the Audit and Risks Committee, the Board examined the following:

- the evolution of Crédit Agricole S.A. and Crédit Agricole Group's position in terms of shareholders' equity and solvency against a backdrop of tighter regulatory constraints;
- the development of the Group's position in terms of liquidity and measures taken to deal with the crisis;
- the European bailout plan for Greece and its consequences for the Group and the development of Group activity in that country. This issue was also examined by the Strategy Committee;
- the Group's exposure to sovereign risk in other eurozone countries affected by the crisis;
- annual (at 31 December 2010), half-yearly and quarterly developments in terms of credit risk, market risk and operational and security risks. The Board also appointed a new manager to the risk sector for Crédit Agricole S.A. Group and Crédit Agricole Group;
- the Group's system for managing financial risk;
- Crédit Agricole Group's results on European stress tests;
- the "Switch" guarantee mechanism, in line with the Group's internal financial relations;
- the Recovery & Resolution Plan, which was approved by the Board at its December 2011 meeting;
- on the recommendation of the Audit and Risks Committee (see paragraph 2 below), the Board also decided to put a motion to the General Meeting of Shareholders to be held on 22 May 2012 to reappoint the Statutory Auditors.

After appraisal by the Strategy Committee, the Board examined the following:

- the medium-term plan (Commitment 2014) of Crédit Agricole S.A.;
- the Group's plan for adjusting to the new environment;
- the position of its subsidiary Emporiki, in Greece, in connection with the deterioration of the situation in that country and the sovereign debt crisis;
- proposed partnerships or repositioning of Group activities in various business lines;
- the affiliation of Crédit Agricole CIB with the Crédit Agricole network, subsequent to changes to the French Monetary and Financial Code;
- the evaluation of investments previously carried out by the Group.

Having carried out an analysis and received proposals from the Compensation Committee (as outlined in paragraph 2 below), the Board:

- set the fixed compensation and criteria for determining variable compensation (annual and long-term) of Executive and non-Executive Corporate Officers (see paragraph 4 below), taking account of regulatory changes and the compensation policy of Crédit Agricole S.A. set by the Board at the end of 2009;
- set the Company performance indicators included in the variable compensation for executives in the Crédit Agricole S.A. Group;
- became aware of exchanges with the regulator regarding Crédit Agricole S.A. Group's variable compensation policy for employees covered by the regulatory provisions of CRD 3;
- modified the employment contract of a Deputy Chief Executive Officer, which will be submitted to the General Meeting of Shareholders on 22 May 2012 for approval under regulated agreements.

In respect of **governance**, in addition to the Board's self-assessment, and on the recommendation of the Appointments and Governance Committee, the Board:

- updated the internal Rules of Procedure of the Strategy Committee, the Appointments and Governance Committee and of the Board of Directors;
- implemented an integration programme for new directors from outside the Group;
- adjusted the composition of the Board of some Specialised Committees in line with changes occurring within the Board;
- at its meeting of 22 February 2012, examined the report on professional and compensation equality within Crédit Agricole S.A. en 2011 and initiatives undertaken at Crédit Agricole S.A. Group level to encourage professional equality and diversity.

**Other issues** reviewed by the Board included:

- the Crédit Agricole S.A. and Crédit Agricole S.A. Group budgets for 2011;
- preparation of the separate financial statements and review of the half-year and quarterly financial statements for Crédit Agricole S.A., Crédit Agricole S.A. Group and Crédit Agricole Group following a review of these financial statements by the Audit and Risks Committee, whose Chairman reported on them to the Board. At each of these closing of accounts, the Board also heard from the Company's Statutory Auditors who, having presented the conclusions of their work to the Audit and Risks Committee, presented them to the Board;
- letters sent to the Company by regulators and, where applicable, measures taken to respond to their observations;
- the annual internal control report for 2010 and interim information (first half 2011) on internal control, as coordinated by the Group Risk Management and Permanent Control department after it had been reviewed by the Audit and Risks Committee;
- the Group's policy in terms of social and environmental responsibility, following a review by the Strategy Committee;
- the annual issue programme of Crédit Agricole S.A.;
- in the area of Compliance, following a review by the Audit and Risks Committee: a report on non-compliance risk within Crédit Agricole S.A. Group (including mapping non-compliance risk); a summary assessment of the Compliance measures undertaken in Crédit Agricole Group; a report on the Group's litigation files;
- the optimisation of the Group's organisation as regards IT sites and the streamlining of Crédit Agricole S.A. Group's property portfolio.

Finally, as the central body of Crédit Agricole S.A., the Board examined a number of Regional Bank projects relating to the development of their activities abroad.

### Related-party agreements

In 2011 the Board gave prior authorisation for two new agreements, in accordance with the provisions of Article L. 225-38 of the French Commercial Code. These agreements, together with agreements concluded prior to 2011 and whose effects continued during the financial year, were disclosed to the Statutory Auditors in accordance with Article L. 225-40 of the French Commercial Code. The Statutory Auditors will present their special report to the General Meeting of Shareholders of Crédit Agricole S.A.

## 2. Presentation of Committees

Four committees have been set up within the Board of Directors. These are the Audit and Risks Committee, Compensation Committee, Strategy Committee, Appointments and Governance Committee. Committee members are appointed by the Board, on the Chairman's recommendation.

The Board may terminate the appointment of a Committee member at any time. A Committee member may resign from his office at any time. All Committee members, and all other persons who attend Committee Meetings, are bound by professional secrecy.

### Audit and Risks Committee

As of 31 December 2011, the Audit and Risks Committee comprised six members:

- Mr François Véverka, Committee Chairman and independent Director;
- Ms Caroline Catoire, independent Director;
- Mr Patrick Clavelou, Crédit Agricole Regional Bank Chief Executive Officer;
- Ms Laurence Dors, independent Director;
- Mr Noël Dupuy, Deputy Chairman of the Board of Directors and Crédit Agricole Regional Bank Chairman;
- Ms Véronique Flachaire, Crédit Agricole Regional Bank Chief Executive Officer.

The composition of the Committee was affected in 2011 by the appointment of Ms Catoire to the Audit and Risks Committee to replace Mr Michael Jay, and by the resignation of Mr Diéval upon his appointment as a non-voting Director in May 2011.

Members of the Audit and Risks Committee are selected because of their financial and/or accounting skills, whether they are independent Directors or members from Regional Banks, Chairman or Chief Executive Officer of credit institutions. Thus, Ms Catoire, appointed to the Committee in May 2011, is the Chief Financial Officer of a large group.

The Group Chief Financial Officer, the Head of Accounting and Consolidation, the Head of Group Risk Management and Permanent Controls, the Head of Group Control and Audit and the Head of Group Compliance attend meetings of the Audit and Risks Committee.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors. The Committee's main duties are to:

- review Crédit Agricole S.A.'s separate and consolidated financial statements;
- monitor the process of preparing accounting and financial information, ensure the quality and efficiency of the internal control and risk management systems, and assess the effectiveness of the accounting policies used to prepare the separate and consolidated financial statements, and the quality of internal control;
- evaluate and verify the effectiveness of procedures ensuring that the Group's business complies with laws and regulations in France and other countries;
- monitor the auditing of the separate and consolidated financial statements by the Statutory Auditors. The Committee monitors the Statutory Auditors' independence and makes its recommendation on their appointment by the General Meeting of Shareholders.

The Committee's work is set out in an annual schedule based on seven meetings. The Committee met nine times in 2011, and two additional meetings were organised in view of the current situation of the Group. The attendance rate was 97% (96% for regularly scheduled meetings and 100% for extraordinary sessions).

With the deterioration in the economic and financial climate, the worsening of sovereign risk, the liquidity crisis from the summer onwards and tighter regulatory constraints for credit institutions, the Committee devoted much of its work to examining the **financial impact** of this deteriorating climate, in particular in terms of **liquidity** and **solvency**, and the development of **risks** for the Group.

The main **financial issues** examined by the Committee were:

- the liquidity risk management system within Crédit Agricole Group, the emergency liquidity plan and the results of the project on liquidity management within the Group as carried out by the General Inspection. The Group's liquidity position is now examined at each of its meetings;
- the position of Crédit Agricole S.A. and Crédit Agricole Group with regard to shareholders' equity and solvency, and measures envisaged to comply with the new regulatory requirements (Basel 3 and Basel 2.5);
- the handling of the Group's exposure to Greece and the consequences of the crisis on the value of some assets;
- global interest rate risk management;
- the Crédit Agricole S.A. Financial Management Charter and monitoring of projects currently under way;
- the "Switch" guarantee mechanism;
- the monitoring of accounting projects.

The second area of the Committee's work involved an in-depth review of the **separate, half-year and quarterly financial statements** prior to their presentation to the Board: accounting options for each reporting period, review of consolidated results and results for each Group business line, regulatory situation and financial communication axes. As part of this, the Committee interviewed the Company's Statutory Auditors on the basis of a detailed document delivered by the Statutory Auditors at each reporting date. The Statutory Auditors also presented to the Committee the general work programme and the various surveys carried out. Each year, the Committee interviews the Statutory Auditors without the management present.

In the area of **risk**, the Committee examined the following:

- the Group's system for managing financial risk;
- the annual review of Crédit Agricole Group risks for 2010, and half-year and quarterly risk reviews for 2011 (credit and counterparty risks, market risks, operational risks) in advance of these documents being presented to the Board. In addition, the Committee devotes one meeting each year to an in-depth horizontal review of all Group risks;

- the Recovery & Resolution Plans, prior to approval by the Board and transmission to the regulator;
- the position of Greek subsidiary Emporiki;
- the position of Italian subsidiary Cariparma;
- analysis of the results of the stress tests performed at Crédit Agricole Group level during the financial year and the results of the self-assessment requested by the *Autorité de contrôle prudentiel* (the French Prudential Supervisory Authority);
- business continuity plans;
- the provision of key outsourced services;
- occasional updates on Group risks in different business lines (insurance, LBO, private equity, asset management) and in different countries (Egypt, Morocco);
- the implementation of the Lagarde plan in the Group report and the management of operating risks in the Group's market businesses;
- the monitoring of sensitive issues.

The final area of work by the Committee involved internal audit, internal control and dealings with the Regulatory Authorities and Compliance. In this respect, the following were reviewed in particular:

- in terms of internal audit:
  - a summary of audits conducted by Crédit Agricole S.A. Group Control and Audit and the Control and Audit teams of Crédit Agricole CIB and LCL in the second half of 2010, as well as reports from the various audits carried out during the first half of 2011,
  - monitoring the implementation of the recommendations of the regulatory authorities and the internal and external auditors of the Crédit Agricole Group (at 31 December 2010 and at 31 March 2011),
  - the annual summary of audits conducted in 2010 by the French Prudential Supervisory Authority (ACP),
  - the annual summary of missions conducted in Crédit Agricole's Regional Banks,
  - the updating of the Audit Charter,
  - lastly, at its meeting of 7 November 2011, the Committee approved the 2012 audit plan;
- in terms of internal control:
  - the annual internal control report for the 2010 financial year,
  - 2011 interim (half-year) information on internal control;
- relations with regulatory and compliance authorities:
  - a report on the risks of non-compliance inside Crédit Agricole S.A. Group for 2010 and an assessment, in the first half of 2011, of compliance actions within Crédit Agricole S.A. Group,
  - the 2010 assessment of the implementation of internal and external fraud prevention systems within the Group,
  - prior to their presentation to the Board, letters from the French Prudential Supervisory Authority (ACP) and the answers from Crédit Agricole S.A. as well as, where applicable, measures taken to respond to the ACP's observations,
  - monitoring current procedures on sensitive issues, notably litigation files,
  - finally, a reference document on regulatory changes in the Compliance area was forwarded to Committee members.

The Committee led the process to reappoint the Statutory Auditors, which is to be put to the General Meeting of Shareholders called to approve the financial statements for the 2011 financial year. Based on specifications approved by the Committee, the Committee devoted one meeting specifically to interviewing the Statutory Auditors, after which it recommended that the Board move to reappoint the current auditors at the General Meeting of Shareholders.

Finally, the Committee examined the Chairman's report to the General Meeting of Shareholders on the preparation and organisation of the work of the Board of Directors and on internal control procedures.

The Chairman of the Audit and Risks Committee reported to the Board on the work accomplished by the Committee. During each meeting, he also reported to the Board on the work accomplished in between Committee meetings. Therefore, in 2011, Mr Véverka, Chairman of the Committee, who also chairs the Audit and Risks Committee of Crédit Agricole CIB and LCL's Risks and Accounts Committee, organised 70 working meetings or meetings with the people responsible for the Risk, Finance, Internal Audit and Compliance functions, with the Statutory Auditors and with members of the Executive Management of Crédit Agricole S.A., Crédit Agricole CIB, LCL and the other members o f the Committee. The Chairman of Crédit Agricole S.A.'s Audit and Risks Committee also receives summary reports from the Control and Audit function of the three companies.

Minutes of each Committee meeting are drawn up and distributed to all the Directors.

### Compensation Committee

At 31 December 2011 the Compensation Committee comprised five members:

- Ms Laurence Dors, Committee Chairperson, independent Director;
- Mr Dominique Lefèbvre, Deputy Chairman of the Board of Directors and Crédit Agricole Regional Bank Chairman;
- Mr Christian Streiff, independent Director;
- Mr Christian Talgorn, Crédit Agricole Regional Bank Chairman;
- Mr François Véverka, independent Director.

The Committee's composition was affected in 2011 by the appointment of Mr Streiff (replacing Ms Mondardini following her appointment to the Chair of the Appointments and Governance Committee). The Committee is made up chiefly of independent Directors.

The Head of Group Human Resources attends Compensation Committee meetings.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors. The Compensation Committee's tasks are as follows:

- to prepare recommendations and opinions to be submitted to the Board of Directors relating to Crédit Agricole S.A. Group's compensation policy, in particular:
  - the principles for determining total amounts of bonuses, taking into account the impact of the risks and capital requirements inherent to the business activities concerned,
  - the application of professional standards concerning employees whose activities may have a significant impact on the risk exposure of the Crédit Agricole S.A. Group entities concerned;
- preparing recommendations relating to compensation of Corporate Officers;
- preparing recommendations relating to the amount and breakdown of the total amount of Directors' fees;
- preparing recommendations relating to proposed capital increases reserved for employees of Crédit Agricole Group and, if applicable, stock option and variable compensation share award plans to be submitted to shareholders for approval at the Annual General Meeting of Shareholders, as well as the terms for the implementation of these capital increases and plans.

The Compensation Committee met six times in 2011, including in one extraordinary session. The attendance rate was 97% (96% for regularly scheduled meetings and 100% for the extraordinary session).

The Chairman of the Compensation Committee reported to the Board on the work accomplished by the Committee at each of its meetings and submitted the Committee's recommendations on matters subject to approval by the Board.

The matters reviewed by the Committee in 2011 and subsequently submitted to the Board of Directors for approval related to:

- compensation of Corporate Officers:
  - compensation of the Chairman of Crédit Agricole S.A.,
  - fixed compensation and the criteria used to determine variable compensation for 2011, (annual and long-term) of the Chief Executive Officer and Deputy Chief Executive Officers, taking account of the regulatory provisions and the compensation policy of Crédit Agricole S.A.;
- changes to the fixed compensation of a Deputy Chief Executive Officer;
- changes to the employment contract of a Deputy Chief Executive Officer;
- the adjustment of Crédit Agricole S.A. Group's compensation policy pursuant to the CRD 3 directive;
- corporate performance indicators for the allocation of long-term incentive plans to Crédit Agricole S.A. Group executives;
- the total amount of Directors' fees to be submitted to shareholders for approval at the General Meeting of Shareholders and how this amount will be distributed.

The other issues reviewed by the Committee included:

- the adjustment of the Crédit Agricole CIB deferred variable compensation plan;
- the implementation of a bonus share plan for Crédit Agricole S.A. Group employees;
- the regulator's letter relating to the application of the CRD 3 directive;
- annual variable compensation within Crédit Agricole S.A. Group above a threshold set by the Board and the compensation of the Head of Group Risk Management and Permanent Controls.

The principles and rules used to determine the compensation of Corporate Officers of Crédit Agricole S.A. in the 2011 financial year are set forth in section 4 below.

## Strategy Committee

The Strategy Committee has seven members. At 31 December 2011 the Committee comprised the following members:

- Mr Jean-Marie Sander, Committee Chairman, Chairman of the Board of Directors of Crédit Agricole S.A. and Crédit Agricole Regional Bank Chairman;
- Mr Dominique Lefèbvre, Deputy Chairman of the Board and Crédit Agricole Regional Bank Chairman;
- Mr Philippe Brassac, Deputy Chairman of the Board and Crédit Agricole Regional Bank Chief Executive Officer;
- Mr Noël Dupuy, Deputy Chairman of the Board and Crédit Agricole Regional Bank Chairman;
- Mr Xavier Fontanet, independent Director;
- Mr Bernard Lepot, Crédit Agricole Regional Bank Chief Executive Officer;
- Mr François Véverka, independent Director.

No changes occurred in the composition of the Committee in 2011.

Crédit Agricole S.A.'s Chief Executive Officer, the Secretary General and the Head of Group Strategy attend Strategy Committee meetings.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors. This was updated in January 2011 on the recommendation of the Appointments and Governance Committee. The Committee key duty is to conduct in-depth reviews of the Group's strategic planning for its various business lines in France and internationally, under the responsibility of the Board of Directors. As such, the Committee reviews plans for strategic investments or acquisitions and formulates an opinion on such plans.

The Strategy Committee met six times in 2011, including two extraordinary sessions, with an attendance rate of 88% (89% for regularly scheduled meetings and 86% for extraordinary sessions).

The Committee devoted a large part of its work to the following:

- in the first half, preparing the medium-term plan of Crédit Agricole S.A. (Commitment 2014), in line with the orientations retained in the Crédit Agricole Group Project;
- in the second half, the Group's position in Greece and in preparing the Group's plan for adjusting to the new economic, financial and regulatory environment.

The other issues reviewed by the Committee included:

- the Group's sustainable development policy;
- a proposed brokerage partnership;
- adapting the Group's organisation in various business lines;
- the affiliation of Crédit Agricole CIB with the Crédit Agricole network;
- the planned development of a foreign Regional Bank;
- analysing previous Group investments.

The Committee Chairman reported to the Board on all issues examined by the Committee and set out its opinion on those for which Board approval is required.

## Appointments and Governance Committee

At 31 December 2011, the Appointments and Governance Committee comprised six members:

- Ms Monica Mondardini, Committee Chairperson and independent Director;
- Mr Jean-Marie Sander, Chairman of Crédit Agricole S.A.'s Board of Directors and Crédit Agricole Regional Bank Chairman;
- Mr Dominique Lefèbvre, Deputy Chairman of the Board and Crédit Agricole Regional Bank Chairman;
- Mr Philippe Brassac, Deputy Chairman of the Board and, Crédit Agricole Regional Bank Chief Executive Officer;
- Ms Laurence Dors, independent Director;
- Mr Michel Michaut, Chairman of Crédit Agricole Regional Bank until September 2011.

The composition of the Committee was affected in 2011 by the appointment of Mr Fontanet as Chairman in May 2011, to replace Mr Jay, then, in November 2011, the appointment of Ms Mondardini as Chairman to replace Mr Fontanet.

The operation and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors. This was updated in January 2011 on the recommendation of the Appointments and Governance Committee. The Committee's key duties, under the responsibility of the Board of Directors are as follows:

- to make recommendations to the Board on the selection of voting Directors and non-voting Directors from outside Crédit Agricole Group, bearing in mind that candidates for directorships who are serving as Chairman or Chief Executive Officers of a Regional Bank are proposed to the Board of Directors *via* the holding company that controls Crédit Agricole S.A., pursuant to the Memorandum of Understanding entered into by the Regional Banks and Crédit Agricole S.A. prior to the initial public offering of Crédit Agricole S.A. (the provisions of this agreement are set out in the registration document of 22 October 2001 registered by the *Commission des opérations de Bourse* under number R. 01-453). The recommendations of the SAS Rue la Boétie are presented to the Appointments and Governance Committee, prior to the Board's decision;
- with respect to Corporate Officers:
  - to issue an opinion on the recommendations of the Chairman of the Board of Directors regarding the appointment of the Chief Executive Officer, in accordance with the Board of Directors' Rules of Procedure, and on the Chief Executive Officer's recommendations on the appointment of Deputy Chief Executive Officers, in accordance with the Board's Rules of Procedure,
  - with respect to the succession of the Corporate Officers, the Committee implements a procedure for preparing succession plans for the Corporate Officers in the event of an unforeseeable vacancy;
- to oversee the Board of Directors' periodic assessment process. It recommends any necessary updates to the rules of governance of Crédit Agricole S.A. (Rules of Procedure of the Board of Directors and Specialised Committees of the Board) or any other measure to improve the operation of the Board of Directors;
- it provides recommendations to the Board on criteria for assessing the independence of Directors.

The Chairman of the Appointments and Governance Committee reports to the Board on its work and opinions.

The Committee met twice in 2011, with an average attendance rate of 92%. During these two meetings, it examined:

- the proposed appointment of a new Director from outside the Group, which is to be put to the Board with a view to submitting it to the General Meeting of Shareholders on 18 May 2011, following the decision by SAS Rue la Boétie to free up a directorship representing the Regional Banks. As a result, the number of Directors who are individuals representing Regional Banks therefore decreased from 11 to 10 in 2011;
- the recommendations of SAS Rue la Boétie concerning the proposed appointment of Directors representing the Crédit Agricole Regional Banks to be submitted to the General Meeting of Shareholders in May 2011 for approval;
- the questionnaire drawn up by an external consultancy firm on the Board's self-assessment, together with the report drawn up by the firm based on the results of this assessment and the presentation of its recommendations. On this basis, the Committee submitted recommendations to the Board regarding the improvement of its operating procedures and these were approved at its meeting in July 2011.

The Committee reviewed the criteria for determining the independence of Directors, with reference to the AFEP/MEDEF Code of Corporate Governance at its meeting on 14 February 2012. The Board discussed these criteria at its meeting on 22 February 2012. It established that the number of independent Directors on the Board of Crédit Agricole S.A. was below the number recommended for companies controlled by a majority shareholder. It concluded that the existing operation enabled the Board and its Committees to fulfil their duties with the required effectiveness, objectivity and independence, particularly with respect to preventing potential conflicts of interest and to the equitable consideration of all shareholders' interests. On the recommendation of the Appointments and Governance Committee, and based on the aforesaid Code of Corporate Governance, the Board reviewed the situation of all of its members and found that Ms Catoire, Ms Dors, Ms Mondardini, Mr Fontanet, Mr Streiff and Mr Véverka could be considered to be independent Directors insofar as they are not in a position that is likely to influence their independent judgement or to put them in a position of real or potential conflict of interest.

## 3. Restrictions on the Chief Executive Officer's powers exercised by the Board of Directors

The Chief Executive Officer shall enjoy the broadest powers to act in all cases on behalf of Crédit Agricole S.A. and to represent the Bank with respect to third parties. He exercises his authority within the limits of the Company's objects and subject to that authority expressly assigned by law to Meetings of Shareholders and to the Board of Directors.

Restrictions on the Chief Executive Officer's powers exercised by the Board of Directors are described in section 1 above.

## 4. Principles and rules used to determine the compensation of Executive and non-Executive Corporate Officers

On the recommendation of the Compensation Committee, the Board determines the compensation payable to Executive and non-Executive Corporate Officers of Crédit Agricole S.A., the amount of which appears in the section entitled "Additional Information on Executive and non-Executive Corporate Officers".

### Compensation of the Chairman of the Board of Directors

The fixed component of the compensation paid to the Chairman of the Board of Directors of Crédit Agricole S.A. is determined by the Board, on the Compensation Committee's recommendation, based on an analysis of compensation paid to executives holding similar offices in major listed companies. The Board approved these proposals at its meeting on 15 February 2011.

The Chairman also receives an allowance to be allocated to fund retirement benefits, housing and a Company car. The total amount of the allowance (which is also determined by the Board on the Compensation Committee's recommendation) and the value of the housing allowance appear in the section entitled "Compensation of Executive and non-Executive Corporate Officers".

No severance pay has been planned for the Chairman.

### Compensation of the Chief Executive Officer and Deputy Chief Executive Officers

**Fixed compensation**

The fixed component of the compensation paid to the Chief Executive Officer and Deputy Chief Executive Officers is determined by the Board, on the Compensation Committee's recommendation, based on an analysis of market practice and of the compensation paid to executives holding similar offices in major listed companies.

**Annual variable compensation**

The principles for determining the annual variable compensation of the Chief Executive Officer and Deputy Chief Executive Officers are based on the achievement of targets set at the beginning of the financial year and are balanced between economic and financial targets for Crédit Agricole S.A. and non-economic targets relating to their scope of responsibility. If these targets are exceeded, bonuses may be up to 20% higher than the target amount for the Chief Executive Officer and up to 50% higher for Deputy Chief Executive Officers.

**Long-term incentive plans**

Depending on performance over the financial year under consideration, a long-term incentive plan may be allocated.

**Global variable compensation**, comprising annual variable compensation and a long-term incentive plan, is allocated 60% in Crédit Agricole S.A. shares, whose definitive acquisition is progressively deferred over 3 years and contingent upon the achievement of three performance targets:

- the intrinsic economic performance of Crédit Agricole S.A. Group;
- the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks;
- the corporate performance of Crédit Agricole S.A. Group measured by the FReD index. The FReD index is explained in the section "Economic, Social and Environmental Information" of this document.

The non-deferred portion of this global variable compensation is paid in part on allocation and in part six months later. The latter payment is indexed on the change in the price of the Crédit Agricole S.A. share between March and September.

On the date of publication of the registration document, the Board of Directors of Crédit Agricole S.A. had not set the variable compensation of the Chief Executive Officer and the three Deputy Chief Executive Officers for 2011.

### COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

The **fixed component** of the Chief Executive Officer's compensation is determined by reference to market practice for executives holding comparable positions.

The **annual variable component**, which is capped, is based on two sets of criteria:

- the first (50%), on three economic and financial criteria relating to the performance of Crédit Agricole S.A. Group:
  - revenues,
  - cost/income ratio,
  - gross operating income -cost of risk +share in equity-accounted entities;
- the second (50%) is determined by non-economic criteria based on predefined targets:
  - development of human capital,
  - value creation for external and internal clients,
  - social value creation, in line with Crédit Agricole's mutualist and ethical identity.

The Chief Executive Officer's performance is assessed by comparing results achieved with the targets defined by the Board for each indicator. His performance is assessed based on results.

The amount of the annual variable component is based on a target value of 100% of fixed compensation, up to a maximum of 120% of fixed compensation.

The **long-term incentive plans** are allocated by the Board, on the recommendation of the Compensation Committee, based on annual performance.

The Chief Executive Officer has the use of a Company car and Company housing.

### COMPENSATION OF THE DEPUTY CHIEF EXECUTIVE OFFICERS OF CRÉDIT AGRICOLE S.A.

The **fixed component** of the Deputy Chief Executive Officers' compensation is determined by reference to market practice for executives holding comparable positions.

The **annual variable component**, which is capped, is based on two sets of criteria:

- the first (50%), is based on three **economic and financial** criteria.

  The criteria applied to a Deputy Chief Executive Officer in charge of Central Support functions reflect changes in Crédit Agricole S.A. Group's financial performance indicators:

  - revenues,
  - cost/income ratio,
  - gross operating income -cost of risk +share in equity-accounted entities.

    The criteria applied to a Deputy Chief Executive Officer in charge of a "Business line" area reflect:

  - Changes in Crédit Agricole S.A. Group's financial performance indicators (25%):
    - revenues,
    - cost/income ratio,
    - gross operating income -cost of risk +share in equity-accounted entities, and,
  - changes in the same indicators in his area(s) of responsibility (25%);
- the second (50%) is determined by **non-economic** criteria based on predefined targets:
  - development of human capital,
  - value creation for external and internal clients,
  - social value creation, in line with Crédit Agricole's mutualist and ethical identity.

The Deputy Chief Executive Officers' performance assessment is presented to the Compensation Committee by the Chief Executive Officer.

The amount of the variable component is based on a target value of 80% of fixed compensation, up to a maximum of 120% of fixed compensation.

The **long-term incentive plans** are allocated by the Board, on the recommendation of the Compensation Committee, based on annual performance.

The Deputy Chief Executive Officers have the use of a Company car and Company housing.

#### POST-EMPLOYMENT BENEFITS

**The Chief Executive Officer** is not eligible for any special retirement or death & disability benefits. However, if Crédit Agricole S.A. terminates his term of office, he will receive a severance payment under the conditions approved by the General Meeting of Shareholders of 19 May 2010 as set out below.

If Crédit Agricole S.A. terminates his term of office because of a change of control or strategy, a severance payment subject to performance conditions will be paid to the Chief Executive Officer.

This payment will be determined on the basis of twice the total gross annual compensation for the calendar year preceding the termination of his term of office. This basis will be degressive on a linear basis by one fifth per full year from 1 January 2010.

Performance-related criteria are budgetary criteria linked to the performance of Crédit Agricole S.A. Group business lines, taking into account internal growth in activities and the cost of risk, hence:

- revenues from operational business lines (excluding corporate centre);
- operating income from operational business lines (excluding corporate centre).

Where a severance payment is made, the Chief Executive Officer may not claim his retirement benefit rights before a period of 12 months has elapsed. This severance payment includes any other compensation, in particular relating to a non-competition clause, where applicable.

**Deputy Chief Executive Officers** of Crédit Agricole S.A. are not eligible for any special retirement or death and disability benefits linked to the termination of their offices. If a Deputy Chief Executive Officer's term of office is terminated, his employment contract will be reactivated under the conditions approved by the General Meeting of Shareholders of 19 May 2010.

In the event of termination of their employment contract, Deputy Chief Executive Officers will receive a severance payment. This payment will be determined based on twice the gross annual compensation received in the 12 months preceding the termination (excluding benefits in kind), including any other compensation, in particular relating to contractual severance payments and any non-competition clause, where applicable. Where the retirement payments can be conferred at their full rate, no severance payment will be due.

#### SUPPLEMENTARY PENSION PLAN OF MR JEAN-PAUL CHIFFLET, CHIEF EXECUTIVE OFFICER, MR BRUNO DE LAAGE, MR MICHEL MATHIEU AND MR JEAN-YVES HOCHER, DEPUTY CHIEF EXECUTIVE OFFICERS OF CRÉDIT AGRICOLE S.A.

Mr Jean-Paul Chifflet, Chief Executive Officer, Mr Bruno de Laage, Mr Jean-Yves Hocher and Mr Michel Mathieu, Deputy Chief Executive Officers, are covered by the supplementary retirement plan established for Crédit Agricole Group's executives, which supplement the collective mandatory pension and death and disability plans.

These plans comprise a combination of a defined contribution plan and a defined benefit plan. The rights to the defined benefit plan are determined after the rights paid under the defined contribution plan. Contributions to the defined contribution plan are equal to 8% of gross salary and are capped at eight times the social security ceiling. The supplementary rights of the defined benefit plan are the same, subject to a condition of continuing to serve the Group, for each year of seniority, at 1.20% of fixed compensation plus variable compensation (up to a maximum of 60% of fixed compensation).

The total pension amount obtained through these plans is capped at a maximum total benefit equal to 70% of the average of the three years with the highest total compensation (fixed and variable) out of the last ten years of service, and on the other, at 23 times the annual social security ceiling on the date of the retirement benefit.

#### RETIREMENT BONUSES FOR DEPUTY CHIEF EXECUTIVE OFFICERS OF CRÉDIT AGRICOLE S.A.

Mr Bruno de Laage, Mr Michel Mathieu and Mr Jean-Yves Hocher qualify for the retirement allowance that applies to all employees under the terms of Crédit Agricole S.A. collective agreement, stipulating that the allowance can amount to up to six months of fixed salary plus bonus and is capped at 4.5% of their fixed salary.

#### STOCK OPTIONS – FREE SHARES

No Crédit Agricole S.A. stock options have been allocated to Executive and non-Executive Corporate Officers since 2006.

The Executive and non-Executive Corporate Officers were eligible to participate in the free share plan set up for over 82,000 Crédit Agricole S.A. Group employees in 2011.

### Directors' compensation

Board members receive Directors' fees. On the recommendation of the Compensation Committee, the Board determines the amount of total Directors' fees to be submitted to the shareholders for approval at the General Meeting of Shareholders. The conditions for allocating Directors' fees, as described below, are determined by the Board on the recommendation of the Compensation Committee.

Compensation of Board members is based entirely on their attendance at Board Meetings. Directors receive the same compensation for attending extraordinary sessions and regularly scheduled meetings, up to a maximum of the total amount approved, and each Board member may compensate between regularly scheduled meetings and extraordinary sessions.

The Chairmen of the four Specialised Committees receive an annual set fee, which varies according to the Committee. Committee members receive a set fee for each Committee meeting they attend.

The amount of the set fee per Board Meeting and Committee meeting is determined by the Board each year.

The Board has also set up a system for reimbursing Board members for travel expenses, based on costs incurred by each member for attending Board and Committee meetings. This system is renewed by the Board each year.

### COMPENSATION FOR SERVING IN OTHER OFFICES WITHIN GROUP COMPANIES (CRÉDIT AGRICOLE CIB, LCL AND AMUNDI GROUP)

The total amount of Directors' fees for Crédit Agricole CIB, LCL and Amundi Group is determined by their Board of Directors and submitted to their shareholders for approval at their General Meeting of Shareholders.

The allocation of Directors' fees at these three companies is based on their attendance at Board Meetings and their participation in the Board's Specialised Committees.

# INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Crédit Agricole Group's internal control system complies with all legal and regulatory requirements as well as with Basel Committee recommendations.

The internal control system and procedures, within Crédit Agricole Group, are defined as the framework designed to manage and control all types of operations and risks and to ensure that all transactions are carried out in a manner that is proper (in compliance with laws, regulations and internal standards), secure and effective, in accordance with the references listed in item 1 below.

The internal control system and procedures can be classified by their assigned objectives:

- application of instructions and guidelines determined by Executive Management;
- financial performance through the effective and adequate use of the Group's assets and resources, and protection against the risk of loss;
- comprehensive, accurate and ongoing knowledge of the data required to make decisions and manage risks;
- compliance with laws and regulations and internal standards;
- prevention and detection of fraud and error;
- accuracy and completeness of accounting records and timely production of reliable accounting and financial information.

These procedures nevertheless incorporate the limitations of all internal control systems owing, in particular to technical or human deficiencies.

In accordance with the Group's principles, the internal control system has a broad scope of application to cover supervision and control of activities and to measure and monitor risks on a consolidated basis. Each Crédit Agricole S.A. Group entity applies this principle to its own subsidiaries, thereby ensuring a consistent internal control system throughout the entire Group. The system implemented by Crédit Agricole S.A., in line with the standards and principles set forth below, is thus adapted and deployed across the various business lines and risks at each level within Crédit Agricole Group, in order to best observe regulatory requirements relating to banking activities.

Through the procedures, tools and reporting systems that have been implemented in this standardised framework, information is delivered on a regular basis in particular to the Board of Directors, the Audit Committee, executives and management on the operation of the internal control systems and their adequacy (permanent and periodical controls, reports on risk monitoring and measurements, corrective action plans, etc.).

## Standards for internal control

The general internal control environment and principles are in keeping with the provisions of the French Monetary and Financial Code [(1)], CRBF Regulation no. 97-02 as amended relating to internal control in credit institutions and investment companies, the AMF's General Regulations and Basel Committee recommendations on internal control, risk management and solvency.

These national and international external standards are supplemented by internal standards specific to Crédit Agricole:

- a body of permanent rules (both external regulations and internal rules) governing the entire Crédit Agricole Group, compliance with which is compulsory, and more particularly rules concerning accounting (Crédit Agricole chart of accounts), financial management, risk management and permanent controls;
- the Code of Conduct of Crédit Agricole Group;
- recommendations of the Regional Banks Plenary Committee for internal control;
- a set of "procedures" governing the Crédit Agricole S.A. Group, concerning the organisation, operations and risks. In this context, Crédit Agricole S.A. adopted, as early as 2004, a set of procedures to control its compliance with laws and regulations. These procedures have since been adapted to changes in regulations and deployed within Group entities, in particular in the areas of financial security (prevention of money laundering and terrorism financing, asset freezing, compliance with embargos, etc.) and in the identification of failures in applying laws, regulations, professional and compliance standards, for example. These procedures are updated regularly as required, and more particularly to take into account regulatory developments and changes in the internal control scope.

## Organisation of the internal control system

To ensure that the internal control systems are effective and consistent throughout the Group, Crédit Agricole Group has established a set of common rules and recommendations based on the implementation of, and compliance with, certain underlying fundamental principles.

Each Crédit Agricole Group entity (Regional Banks, Crédit Agricole S.A., banking or investment subsidiaries, other subsidiaries, etc.) must apply these principles at its own local level.

*(1) Article L. 511-41.*

## Fundamental principles

The organisational principles and components of Crédit Agricole S.A.'s internal control system which are common to all Crédit Agricole Group entities cover obligations relating to:

- reporting to the decision-making body (risk strategies, risk limits, internal control activity and results, significant events);
- the direct involvement of the executive body in the organisation and operation of the internal control system;
- the comprehensive coverage of all business operations and risks, and accountability of all persons involved;
- the clear definition of tasks, effective segregation of the commitment and control functions, formal and up-to-date authorised limits;
- formal, up-to-date standards and procedures, particularly in the area of accounting.

These principles are supplemented by:

- systems for measuring, monitoring and controlling the following types of risks: credit, market, liquidity, financial, operational (operational processing, quality of financial and accounting data, IT processes), non-compliance and legal risks;
- a control system, forming part of a dynamic and corrective process, encompassing permanent controls, which are carried out by the operating units themselves or by dedicated staff, and periodic controls (carried out by Group Control and audit or Audit units);
- adapting the Group's compensation policies (voted by the Board of Directors on 9 December 2009 and 23 February 2011) and internal control procedures to the EU Decrees of 14 January 2009, 3 November 2009 and 13 December 2010 amending Regulation 97-02, as well as to the recommendations of the banking industry concerning (a) the fit between our compensation policy and our risk management objectives and (b) the compensation of our executives and that of those who assume risks (see Part I of this report).

## Oversight

Following the changes instituted by Regulation 97-02 on internal control and pertaining to the organisation of the control functions, every individual who is responsible for an entity or business line, every manager, employee and all departments within the Group are reminded of their obligation to report and to be in a position at all times to demonstrate that they have adequate control over their business activities and associated risks, in accordance with the standards applicable to banking and financial operations, to ensure the sustainable security of each activity and development project and to adjust the control mechanisms to be implemented to the degree of the risks incurred.

This requirement is based on organisational principles and a structure of responsibilities, operating and decision-making procedures, controls and reporting to be implemented in a formal, effective manner at each level of the Group: central functions, business lines, subsidiaries, operational units and support functions.

### THE GROUP INTERNAL CONTROL COMMITTEE

The Group Internal Control Committee (GICC), the body that oversees all the systems, has held periodic meetings chaired by the Chief Executive Officer of Crédit Agricole S.A.

The purpose of this Committee is to reinforce cross-functional actions to be implemented within the Crédit Agricole Group. It is responsible for reviewing internal control issues common to the Group as a whole (Crédit Agricole S.A., subsidiaries of Crédit Agricole S.A., the Regional Banks, resource pooling entities) and for ensuring the consistency and effectiveness of internal controls on a consolidated basis. The GICC is an executive decision-making body. It is composed of salaried executives of Crédit Agricole S.A. In this respect, it is different from the Audit and Risk Committee, which is an arm of the Board of Directors. The Committee is in particular responsible for coordinating the three control functions: Control and Audit, Risk Management and Permanent Controls, Compliance.

### THREE GROUP CONTROL FUNCTIONS

The Head of Group Risk Management and Permanent Controls department and the Head of Group Control and Audit, who is in charge of periodical controls, both report directly to the Chief Executive Officer of Crédit Agricole S.A. In addition, the Compliance function, overseen by a Group Legal and Compliance Director, reports to a Deputy Chief Executive Officer, in his capacity as Head of Compliance. The three heads of Periodical Controls, Permanent Controls and Compliance have extensive access to the Audit and Risks Committee and to the Crédit Agricole S.A. Board of Directors.

Furthermore, pursuant to the order of 19 January 2010 amending Regulation 97-02, the Head of the Group Risk Management and Permanent Controls department was appointed as head of the "risks" sector of Crédit Agricole S.A. Group and Crédit Agricole Group.

Control functions are responsible for supporting the business lines and operating units to ensure that all transactions are carried out in a manner that is proper, secure and effective. Responsibilities are divided as follows:

- the Group Risk Management and Permanent Controls department is responsible for the oversight and control of credit, market, liquidity, financial and operational risks; it is also in charge of last-line control of accounting and financial information and of monitoring the roll-out of IT system security and business continuity plans;

- the Compliance and Legal Affairs department is responsible for prevention and control of non-compliance and legal risks. The Compliance department is responsible in particular for prevention of money laundering and terrorism financing, fraud prevention, and compliance with embargos and obligations to freeze assets. The Legal Affairs department, which is organised as a business line, has two main goals: to control legal risk which can generate litigation and liability, whether civil, disciplinary or criminal, and to provide the requisite support to the entities to enable them to engage in their business activities while minimizing risks and legal costs;
- Group Control and Audit is responsible for independent periodical control to ensure that all Crédit Agricole Group entities are operating properly.

In addition to the actions of the different control functions, the other Crédit Agricole S.A. central functions, departments and business lines participate in implementing internal control systems on a consolidated basis, either through Specialised Committees or through actions designed to standardise procedures and to centralise data (accounting, management control, etc.).

Pursuant to the order of 19 January 2010 amending Regulation 97-02, a head of the "risks" sector has been appointed in each main subsidiary of Crédit Agricole S.A. and each Regional Bank. His or her role is, in particular, to alert the executive and decision-making bodies to any situation which may have a significant impact on risk control.

Crédit Agricole S.A. has also circulated among its main French banking subsidiaries and the Regional Banks a "Self-Evaluation Guide", the framework of which is based on the collection of good risk management practices circulated by the French Banking Federation and approved by the French Prudential Supervisory Authority (ACP). This guide made it possible to ensure that the various Group entities complied with the new requirements of Regulation 97-02. Where applicable, a corrective action plan has been implemented.

#### Crédit Agricole S.A. and its subsidiaries

The functions, departments and business lines are themselves supported by decentralised local units within each legal entity (those main subsidiaries forming part of Crédit Agricole S.A.'s internal control scope), comprising:

- Internal Control Committees, which meet quarterly. These are executive decision-making bodies, which include the Chief Executive Officer of the unit and the representatives of control functions of the entity and of Crédit Agricole S.A., who are responsible, in particular, for monitoring the internal control systems within the entity, for reviewing the main risks to which the entity is exposed, for a critical assessment of the internal control systems and internal audit work, for monitoring audits, and for overseeing any corrective measures;
- each entity's Specialised Committees;
- a network of officers and committees dedicated to each business line.

#### Crédit Agricole Regional Banks

The application of all the Group's regulations to the Regional Banks is facilitated by the circulation of national recommendations on internal control by the Regional Banks Plenary Committee for internal control and by the activity of the Crédit Agricole S.A. central control functions. The Plenary Committee, which is responsible for strengthening the Regional Banks' internal control systems, is composed of Regional Banks' Chief Executive Officers, managers and internal control officers, as well as Crédit Agricole S.A. representatives. Its work is extended through regular regional meetings and through work and information meetings between Crédit Agricole S.A. internal control officers and their Regional Bank counterparts.

The role assigned to Crédit Agricole S.A. as the central body has led it to be very active and vigilant with respect to internal control. Crédit Agricole S.A. specifically monitors the Regional Banks' risks and controls through the Regional Banks Unit of the Risk Management and Permanent Controls department and *via* the Compliance department.

### ROLE OF THE BOARD OF DIRECTORS [1]

The Board of Directors of Crédit Agricole S.A. is aware of the Company's overall organisational structure and approves its internal control system. It approves the overall organisation of the Group as well as its internal control system. It is informed of the organisation, operation and results of the internal control system. In addition to the information it receives on a regular basis, it receives the annual and interim reports on internal control, which are sent to it in accordance with banking regulations and Crédit Agricole S.A. procedures. The Chairman of the Board of Directors of Crédit Agricole S.A. receives regular reports summarising the conclusions of audits conducted by Group Control and Audit.

The Board is informed by the Audit and Risks Committee of the main risks incurred by the Company and of significant incidents picked up by internal control and risk management systems.

The Chairman of the Crédit Agricole S.A. Audit and Risks Committee reports to the Board on the Committee's work in general and, more particularly, on the annual report on internal controls and on risk measurement and monitoring. As of the date of the General Meeting of Shareholders, the annual report for 2011 will have been presented to the Audit and Risks Committee and duly sent to the French Prudential Supervisory Authority (ACP) and the Statutory Auditors. It will also have been presented to the Board of Directors.

(1) *Information on the work done by the Board of Directors is presented in the section of this report titled "Preparation and Organisation of the Work" of the Board of Directors.*

#### ROLE OF THE AUDIT AND RISKS COMMITTEE [1]

The Crédit Agricole S.A. Internal Control Officers report to the Audit and Risks Committee created by Crédit Agricole S.A.'s Board of Directors.

The Audit and Risks Committee is in charge of verifying the clarity of information provided and of assessing the appropriateness of accounting methods as well as the effectiveness of the risk management and internal control system. As such, it has broad communications powers in respect of all information relating to periodical control, permanent control, including accounting and financial control, and compliance control.

It receives periodic reports on activity management systems and risk measurement. An interim (half-year) report on internal control for the first half of 2011 was presented to the Committee at its meeting of 7 November 2011. The annual report for 2011 will be presented to the Committee at its meeting of 12 April 2012.

The Chairman of the Audit and Risks Committee also receives regular reports summarising the conclusions of audits conducted by the Group Control and Audit function.

#### ROLE OF THE CHIEF EXECUTIVE OFFICER REGARDING INTERNAL CONTROL

The Chief Executive Officer defines the Company's general organisation and oversees its implementation by competent qualified staff. He is directly and personally involved in the organisation and operation of the internal control system. In particular, he defines roles and responsibilities and allocates adequate resources to the internal control function.

He ensures that risk strategies and limits are compatible with the financial position (capital base, earnings) and strategic guidelines set by the Board of Directors.

He oversees the implementation of risk identification and measurement systems that are appropriate for the Company's activities and organisation. He also ensures that all essential information produced by these systems is reported to him on a regular basis.

He ensures that the internal control system's adequacy and effectiveness are permanently monitored. He receives information on any failures identified by the internal control system and on proposed corrective measures. In this respect, the Chief Executive Officer receives regular reports summarising the conclusions of audits conducted by the Group Control and Audit function.

## Internal control procedures and risk management and supervision within Crédit Agricole S.A.

### Risk measurement and supervision

Crédit Agricole S.A. has risk measurement, supervision and control systems covering all risks (counterparty risks, market risks, operational risks, structural financial risks, etc.), which are adapted to its business activities and organisation, and forming an integral part of the internal control system. Information is reported periodically to the executive body, the decision-making body and the Audit and Risks Committee, notably through the reports on internal control and risk measurement and supervision.

Detailed information on risk management is presented in the chapter on "Risk factors" and in a separate note to the consolidated financial statements (Note 3).

### Risk Management and Permanent Controls

The Risk Management and Permanent Controls function was created in 2006 in accordance with Regulation 97-02 as amended. Its activity level was intense in 2011, as it focused on risk measurement and control for the Group while optimising its responsiveness and effectiveness.

The Risk Management and Permanent Controls function is responsible both for overall risk management and for the Group's permanent control system. It manages and controls credit, financial and operational risks, in particular those associated with the quality of financial and accounting information and with physical security, IT systems security, business continuity and supervision of key outsourced services.

Risk management is underpinned by a Group-wide system under which the business lines' strategies, including the launch of new business activities or new products, are subject to a risk assessment and to risk limits that are formally applied as part of the risk strategy of each sensitive business and entity. These limits are reviewed at least once a year or whenever there is a change in a business or in risk exposure, and they are validated by the Group Risk Management Committee. They are associated with Group-wide limits, particularly for large counterparties. Mapping of potential risks and measurement and monitoring of identified risks are periodically adjusted as a function of the business activity.

Control plans are proportionately adjusted to accommodate changes in business activity and risks.

The Group function reports to the Head of Crédit Agricole S.A. Group Risk Management and Permanent Controls, who is not attached to any operational function and in turn reports to the Chief Executive Officer of Crédit Agricole S.A. It brings together the cross-functional departments of Crédit Agricole S.A. (Group Risk

(1) *Information on the Audit and Risk Committee's work is detailed in the "Preparation and organisation of the Board's work" section of this report.*

Management and Permanent Controls) and the decentralised Risk Management and Permanent Controls functions, which are closest to the business lines, in each Group entity, in France and abroad. At the end of 2011, the Risk Management and Permanent Controls Group function employed approximately 2,500 full-time equivalent employees within the scope of Crédit Agricole S.A. Group.

Its function is based on structured governance bodies, including the Internal Control Committees, the Group Risk Management Committee (the forum where the Executive Committee approves the Group's strategies and is informed of its risk exposure), the Regional Banks Risk Monitoring Committee, the Group Security Committee, the Standards and Methodology Committee, the Basel 2 Steering Committee, the Business Line Monitoring Committees, which bring together at regularly scheduled meetings the Group Risk Management and Permanent Controls department and the subsidiaries, and other Committees in charge, in particular, of the rating and IT systems. The Group Risk Management Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., meets weekly and its role is to monitor the risks that appear in order to clarify appropriate policy guidance.

In 2011, the executive body (*via* the Group Risk Management Committee), the Audit Committee and the Board of Directors were kept closely informed of risk strategies and the extent of the Group's credit and financial risk exposures. The Group Risk Management Committee re-examined the strategies applied by the Group's business lines and adjusted intervention limits as needed. Furthermore, a Group-wide approach was developed for sensitive business sectors and countries.

### CRÉDIT AGRICOLE S.A. CROSS-FUNCTIONAL DEPARTMENTS (GROUP RISK MANAGEMENT AND PERMANENT CONTROLS DEPARTMENT)

Crédit Agricole S.A.'s Group Risk Management and Permanent Controls department is responsible for monitoring and managing the Group's overall risk management and permanent control systems.

#### Overall management of Group risks

The Group Risk Management and Permanent Controls department oversees and measures overall risks for the consolidated entity through specialised units for each category of risk. These units define and implement risk management and consolidation systems (standards, methodologies, IT systems).

The system implemented by the Group Risk Management and Permanent Controls department also comprises a "Business Line Monitoring" function, responsible for the global and individual relationship with each Crédit Agricole S.A. Group subsidiary. Dedicated business line officers are responsible for monitoring the global and consolidated relationship with each Group subsidiary (including all types of risk), in particular the Corporate and investment banking business line (Crédit Agricole Corporate and Investment bank). The supervision of risks within the Regional Banks is carried out by a specific unit within the Group Risk Management and Permanent Controls department.

Risk monitoring at Group level is not only carried out by entity and by units monitoring each business line, but also carried out *via* the examination of risks at the Group Risk Committee and at the Regional Banks Risk Monitoring Committee.

Crédit Agricole S.A.'s risk measurement system is comprehensive and accurate. It covers all categories of commitments (on- and off-balance sheet) and positions, and consolidates commitments to companies belonging to the same group, by aggregating all portfolios and identifying risk levels.

These measures are supplemented by periodically altering the risk profile under stress scenarios and by regularly making assessments based on various types of disaster scenarios. In 2011 the Group took part in crisis simulation exercises organised by the European Banking Authority (EBA), the results of which were published in July 2011 (European Stress Tests) and December 2011 ("EBA Capital Exercise"). These exercises were conducted on Crédit Agricole Group's regulatory scope. The "EBA Capital Exercise" found there was no need for additional capital to maintain the solvency objective required by the EBA between then and 30 June 2012.

In terms of internal management, the stress tests were performed by all entities as part of the Group's 2012 budgeting, in order to enhance our efforts at measuring the sensitivity of risks and the income statement of a variety of Group entities to a significant downturn in the economy.

Crédit Agricole S.A., its subsidiaries and Regional Banks, collectively and individually undertake the risk management process by employing procedures for monitoring limits and making adjustments whenever they are exceeded, monitoring the operation of accounts, appropriate classification of receivables (particularly impaired receivables) in keeping with applicable regulations, ascertaining that provisions are sufficient to cover exposure under the control of the Risk Committees, and periodically reviewing major risks and portfolios, particularly those involving "deals at risk."

Given the risks contained in 2011 (apart from the Greek situation) and the uncertainties for 2012, Crédit Agricole S.A. has pursued a policy of actively reviewing the risk policies adopted by its subsidiaries. Procedures for alerts and escalation are in place should anything appear wrong for an extended period, depending on its materiality.

Since 2008 Crédit Agricole S.A. has implemented measurements of risk-weighted assets for calculating share capital under Basel 2 based on internal models certified by the French Prudential Supervisory Authority (ACP) (the IRB approach for calculating credit risk, the AMA model for calculating operational risk; the standardised approach is applied where models are to be validated subsequently or to which that approach will be applied on a sustainable basis).

With respect to liquidity risk, following publication of the order of 5 May 2009 amending Regulation 97-02 and the Group's decision to establish a liquidity risk management system as an advanced approach, since 2009 work has been done to strengthen the liquidity supervision and management system. The Group has established a liquidity risk containment system and has tools and indicators for measuring short- and medium-term liquidity risk on a representative management scope for such risk.

In 2011, given an environment of accelerating crisis in sovereign debts and rising tension on banks' refinancing markets, the Group modified its liquidity risk management accordingly, by:

- adopting a set of specific measures to reduce structural liquidity needs, especially for the short term;
- forming an oversight committee knowledgeable about the Group's liquidity situation, drawn from Executive Management and the Finance and Risk departments;
- enhancing its permanent control system as to key indicators, particularly liquidity reserves.

In addition, the Group has continued to perform analyses and simulations involving future regulatory liquidity ratios, such as the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

In 2011, Crédit Agricole S.A. developed the system in light of the state of the markets and how the crisis had evolved, including by a careful tracking of key indicators. In the area of market operations, moreover, Crédit Agricole CIB established rules for calculating regulatory capital appropriate to market risk, in accordance with Directive CRD 3.

A significant incident system for all risks was established in 2009 and a procedure specifies the significant thresholds and how to report incidents to the executive and decision-making bodies of Crédit Agricole S.A., its subsidiaries and Regional Banks.

The guidelines for organizing the risk departments drawn up in 2010 were turned into an action plan in 2010 and 2011, primarily involving the use of risk mapping.

### Permanent controls and operational risks

The Risk Management and Permanent Controls department coordinates the Group permanent controls system (definition of key control indicators by type of risk; deployment of a single software platform integrating operational risk assessment and the results of permanent controls; and organisation of reporting of control results to the relevant consolidation levels within the Group). In 2011 the Risk Management department produced a questionnaire to update the deployment of permanent control procedures and conducted a survey of best practices. Extending the methodological work done in 2010, the Crédit Agricole Group has gradually heightened its management of risks related to essential outsourced activities. In terms of operational risk, the Group strengthened its procedures for monitoring operational risk by enhancing its management and governance, by developing a new data gathering tool linked to the software platform for permanent controls and by rewriting the calculation model for capital requirements in the AMA model. The Risk department also made an assessment of the alert procedures and revised the relevant standard.

With regard to the enhanced management of operational risks created by market activities, the Marly dedicated program launched in 2007 at Crédit Agricole CIB and converted since then into an ongoing process, resulted in the closing 18 of 29 sites in 2011. Following the disclosure of embezzlement in the trading activities of a European bank in 2011, Crédit Agricole CIB has made a point of reviewing its equity derivatives processes.

## DECENTRALISED RISK MANAGEMENT AND PERMANENT CONTROL FUNCTIONS IN EACH GROUP BUSINESS LINE

### Within Crédit Agricole S.A.

The roll-out of the Group function is on a hierarchical basis with the appointment of a Risk Management and Permanent Controls Officer (RCPR) for each subsidiary or business line. The Business Line RCPR reports hierarchically to the Group RCPR and functionally to the executive body of the relevant business line. This safeguards the independence of the local Risk Management and Permanent Controls departments.

Acting under the responsibility of its own RCPR, each subsidiary or business line secures the resources it needs for managing its risks and to ensure the compliance of its permanent control system, in order to obtain a comprehensive, consolidated view of its risks that will guarantee the entity's sustainability throughout its internal control scope.

Relations between each subsidiary or business line and the Group Risk Management and Permanent Controls department are based on the following main principles:

- each subsidiary or business line applies the Group-wide standards and procedures defined by the Risk Management and Permanent Controls department;
- each subsidiary or business line defines its own risk strategy, which is approved by the Group Risk Management Committee on the Risk Management and Permanent Controls department's recommendation, specifying the overall limits on the entity's commitments;
- each subsidiary or business line enters into an operating agreement with the Risk Management and Permanent Controls department; this agreement is periodically revised and specifies the procedures to be applied within the entity to apply Group risk management and permanent controls rules to its own operations, and namely the format for reporting to the Risk Management and Permanent Controls department;
- authority is delegated from the Group RCPR to the Business Line RCPRs, which report hierarchically to the Group RCPR in carrying out their duties; these Officers are also subject to disclosure and early-warning obligations vis-à-vis the Group Risk Management and Permanent Controls department;
- a Business Line Monitoring Committee, which periodically brings together the Risks Management and Permanent Controls department and the entity to discuss the quality of the risk management and permanent controls system and the level of risk, including those which relate to Corporate and investment banking (Crédit Agricole CIB).

### Regional Banks

Banking regulations on risks apply to each Regional Bank individually. Each Regional Bank is responsible for its own risks and permanent controls framework. Each one has a Risk Management and Permanent Controls Officer, who reports to his Chief Executive Officer and is in charge of the oversight of risk management and permanent controls. The Compliance Officer may also report to him. If this is not the case, the Compliance Officer directly reports to the Chief Executive Officer. The framework was completed in 2010 with the appointment of a Head of Risk Management for the newly-formed Risk department, as set forth in law.

As the central body for the Group, Crédit Agricole S.A. consolidates the risks borne by the Regional Banks and manages their Risk Management and Permanent Controls function *via* the Group Risk Management and Permanent Controls department, notably by circulating the appropriate procedures to the Regional Banks, particularly for implementing the Group permanent control system.

Furthermore, large credit exposures borne by the Regional Banks must be presented to Foncaris, a credit institution that is a wholly owned subsidiary of Crédit Agricole S.A., which partially guarantees such exposures. The requirement that the Regional Banks must ask Foncaris to guarantee their main transactions (when the amount exceeds a limit defined jointly by the Regional Banks and Foncaris) gives the central body an effective tool for assessing the associated risk before accepting it.

## Internal control system for information systems security and business continuity plans

Through the internal control system that has been established, periodic reports on the main entities' situation regarding risk monitoring of Business Continuity Plans (BCP) and IT System Security (ITSS) are made to the governance authorities for Group security.

Locally, the ITSS and BCP Officers have worked to apply and implement the general guidelines on Group security at the various levels. Several unit tests were done by the entities in this framework, and they confirmed that the emergency solutions implemented are operational.

As part of the Group's effort in 2010 to create BCPs by Group function, to avoid "compartmentalizing" should a Group function entity suffer damages, cross-functional tests were carried out in 2011 for Insurance, Payment Instruments and Retail Securities.

The French national crisis management plan was tested quarterly, by linking all the crisis officers named by the Group's entities (Regional Banks and subsidiaries).

Among the major strategic projects undertaken in 2010 by the Group that supplement its ability to hedge and control operating and IT risks, two were put into effect in 2011:

- Project Evergreen: combining some departments of Crédit Agricole S.A. and some subsidiaries in Montrouge was completed in the first quarter of 2011;
- Project Greenfield: the relocation and centralization of Crédit Agricole S.A.'s data production sites on a "twin-site" basis outside of Paris has been operational since the second quarter of 2011.

In addition, the NICE program, undertaken since 2009 to unify the information systems of the Regional Banks by the end of 2013, received special attention from Crédit Agricole S.A. in 2011 in the following ways:

- regular monitoring by the Group Information Technology department;
- effective support given by the various business line teams and project owners at Crédit Agricole S.A. and its subsidiaries to the development of NICE program projects commissioned in 2011 by the different business lines;
- a progress report presented to the ACP on the NICE migration and its internal control system.

## Internal control system for accounting and financial information

### ROLES AND RESPONSIBILITIES FOR THE PREPARATION AND PROCESSING OF FINANCIAL INFORMATION

In keeping with the applicable rules within the Group, the organisational principles and responsibilities of the Group Finance department functions are set out in a note of procedure.

The Central Finance function is organised as a business line within the Crédit Agricole S.A. Group. The heads of the Finance function for a business line or subsidiary report hierarchically to the head of the business line or subsidiary and functionally to the Group Chief Financial Officer.

At each business line, the Finance department acts as a relay for circulating the Group's principles with respect to standards and information system organisation, in line with each business line's special attributes. In some cases, it also constitutes an intermediate level for preparation of the business line's accounting and business management information. Each Risk Management and Permanent Controls department within the Group is also responsible for producing the risk data used to prepare financial information and for implementing controls to ensure that this information is accurately reconciled with accounting data.

Each business line and/or entity must have the resources to ensure that accounting, management and risk information transmitted to the Group for consolidation purposes is reliable. It must ensure that data conform to Group accounting standards and are consistent with the individual financial statements approved by its decision-making body, and it is responsible for reconciliation of accounting and management data.

Within the Group Finance department, three functions are primarily responsible for the preparation of published accounting and financial information: Accounting, Management Control and Financial Communication.

#### Accounting

The main purpose of the Accounting function is to draw up the separate financial statements of Crédit Agricole S.A., the consolidated financial statements of the Crédit Agricole S.A. and Crédit Agricole Groups, including operating segment information for Crédit Agricole S.A. based on the definition of the business lines for financial reporting purposes and in compliance with IFRS 8. To fulfil this mission, the Accounting function, in accordance with applicable regulations, defines and circulates the accounting standards and principles that apply to the Group. It oversees accounting bases, lays down the rules governing the architecture of the accounting information and regulatory reporting system, and manages the accounting processes for consolidation of the financial statements and regulatory reporting. It should be noted that the consolidation tool was changed in 2011.

#### Management Control

In the field of preparing financial information, the Group Management Control function, together with the Financial Management department, defines the rules for allocating economic share capital (definition, allocation policy); consolidates, puts together and quantifies the budget and the medium-term plan for the Crédit Agricole S.A. Group; and ensures budget reporting and monitoring. To meet this objective, Group Management Control defines the management control procedures and methods and the structure and management regulations for the Group management control system.

#### Financial Communication

Crédit Agricole S.A.'s Financial Communication and Investor Relations function is responsible for information published in press releases and presentations to shareholders, financial analysts, institutional investors, rating agencies, as well as information contained in documents subject to approval by the *Autorité des marchés financiers* (AMF). In this respect, working under the responsibility of the Chief Executive Officer and Crédit Agricole S.A. Group's Chief Financial Officer, the Financial Communication function provides the materials used as the basis for presentations of Crédit Agricole S.A. Group results, financial position and changes in the Group's business lines needed to enable third parties to formulate an opinion, particularly on the Group's financial strength, profitability and outlook.

#### Procedures for preparation and processing of financial information

Each Group entity has responsibility, vis-à-vis the Group and the supervisory authorities to which it reports, for its own financial statements, which are approved by its decision-making body. Depending on the entity's size, these financial statements are subject to prior review by the entity's Audit Committee, if it has one.

As for the Crédit Agricole Regional Banks, once their financial statements are drawn up, they are approved by the Accounting department of Crédit Agricole S.A.; this is one of its responsibilities as central body. Crédit Agricole Group's consolidated financial statements are submitted to the Audit Committee and approved by the Board of Directors of Crédit Agricole S.A.

Most published financial information is based on accounting data and on management and risk data.

#### Accounting data

Figures for each individual entity are drawn up in accordance with the accounting standards applicable where the entity operates. For the purposes of preparing Group consolidated financial statements, local financial statements are restated to conform to IFRS policies and principles adopted by the Crédit Agricole S.A. Group.

#### Management data and risk data

Management data is produced by the Management Control function of the Group Finance department or the Group Risk Management department. Each business line and/or subsidiary forwards its management information to Crédit Agricole S.A. after reconciling it with the accounting information of the business line or of the subsidiary.

Furthermore, external sources of information (such as the European Central Bank and Bank of France) may be used for management data, particularly for calculating market shares.

In accordance with AMF and CESR recommendations, the use of management data for preparing published financial information meets the following guidelines:

- classification of the type of financial information published: historical information, *pro forma* data, projections or trends;
- a clear description of the sources from which the financial information was drawn. When published data are not extracted directly from accounting information, the sources and definition of calculation methods are mentioned;
- comparability of figures and indicators over time, which implies ongoing use of the same sources, calculation methods and methodologies.

#### Description of the permanent accounting control system

The Permanent Accounting Control function's objective is to provide adequate coverage of major accounting risks that can alter the quality of accounting and financial information. This function is provided by the Group's FIG (Group Finance division) Accounting Control and Permanent Control Office, which reports to the Risks and Permanent Controls department. The Group permanent accounting control function is based on cross-linking the network of Risk Management and Permanent Control officers of the subsidiaries and Regional Banks. It is directly in charge of carrying out control assignments on the functions that prepare Crédit Agricole S.A. financial information.

The unit has four key roles in this area:

- to define the standards and organisational and operational principles of permanent controls within Crédit Agricole Group;
- to assess the quality of Group processes for producing accounting and financial information and the system for monitoring risks associated with this information implemented within the Crédit Agricole Group;
- to oversee and to manage the permanent accounting control systems implemented within the Group's subsidiaries and Regional Banks;
- to report to the Group's internal control oversight committees and, at their request, to the decision-making body or to the Audit and Risks Committee, on the quality of the permanent control systems regarding accounting and financial information for all entities in the Crédit Agricole S.A. Group.

In 2011 the Group's permanent accounting control function continued to lead and support entities in the deployment of their systems, primarily in the deployment of the key controls in the Accounting Control Guide and in articulating procedures for aligning accounting and risks. It also circulated guidelines for the alert procedures on accounting risks and updated the Accounting Control Guide and a reference manual of permanent control indicators at Group level.

### Relations with the Statutory Auditors

The registration document, its updates, securities notes and prospectuses prepared for new debt or share issues, which contain comprehensive financial information, are subject to approval or registration by the AMF.

In accordance with applicable professional standards, the Statutory Auditors perform those procedures they deem appropriate on published financial and accounting information:

- audit of the separate and consolidated financial statements;
- partial audit of interim consolidated financial statements;
- overall review of quarterly financial information and materials used as a basis for presenting financial information to financial analysts.

As part of the duties assigned to them by law, the Statutory Auditors submit to Crédit Agricole S.A.'s Audit Committee their overall work programme, the various spot checks they have carried out, the conclusions of their work on the financial and accounting information they have reviewed in carrying out their assignment, as well as the significant weaknesses of the internal controls, with regards to the procedures used for the preparation and processing of accounting and financial information.

## Non-compliance risk prevention and controls

Crédit Agricole S.A., its subsidiaries and the Regional Banks each have their own Compliance department. These functions employ approximately 800 full-time equivalent (FTE) employees within Crédit Agricole S.A. Group.

The Compliance function is assumed by the Group's Chief Legal and Compliance Officer, who reports to a Deputy Chief Executive Officer responsible for Group Central functions, Insurance and Asset Management and is the compliance manager contemplated by Regulation 97-02.

The Compliance department has functional authority over the Compliance officers of the French and foreign subsidiaries of Crédit Agricole S.A. The Compliance officers of Crédit Agricole S.A. Group subsidiaries operate completely independently, with a hierarchical reporting line to the entity and a functional reporting line to the Compliance function.

The Group Compliance department is responsible for developing policies with respect to:

- laws and regulations, their circulation and monitoring that they are observed;
- rules on prevention of money laundering and the financing of terrorism, on management of embargos and asset freezes, and fraud prevention.

Within the Compliance function, each Compliance Officer updates a non-compliance risk map and these are consolidated by the Group Compliance department.

The Compliance Management Committee, which is chaired by the Deputy Chief Executive Officer, holds bimonthly plenary meetings. It takes the decisions needed to prevent non-compliance risks and in order to implement and monitor corrective measures following the reporting of major irregularities to the Committee. The Committee periodically reports on its work to the Audit and Risks Committee of the Crédit Agricole S.A. Board of Directors.

Within the Group Compliance department, dedicated units cover specialist areas across the Group: Compliance and Procedures, Financial Safety and Fraud Prevention, Compliance and Systems. In addition, dedicated units cover business lines: Retail banking in France, International retail banking, Insurance and Specialised financial services, Capital markets, Asset management and investor services, and the Financial security of International private banking.

As the central body, Crédit Agricole S.A., *via* the Group Compliance department, manages and coordinates the Compliance Group function in the Regional Banks, in particular by circulating the required standards in accordance with the General Regulations of the AMF and amended Regulation 97-02.

As part of the actions already initiated and following changes in the regulatory provisions, the Compliance Group function has notably:

- strengthened operational oversight procedures in order to comply with international embargo and asset-freezing rules, and put in place specific measures to manage the fallout of the crises in Libya and Syria;
- finalized and circulated procedures for preventing corruption;
- written a procedural statement on filtering funds flows and started to apply it within different Group entities;
- circulated the compliance rules applicable to structured municipal financings;
- continued the action plan for making customer files compliant;
- strengthened its customer protection procedures, primarily through monitoring compliance with professional standards (banking mobility and rate setting);
- created a site for customer complaints, intended to increase the transparency and quality of customer service;
- developed the site on the New Products/New Activities process within the Crédit Agricole S.A. Group;
- circulated instructions on improving the FIM-related procedures at the Regional Banks;
- developed new compliance (including anti-corruption) training paths;
- sent a memorandum summarizing the key points of the Fides compliance procedures to all Crédit Agricole S.A. employees (still being circulated at the Regional Banks);
- supported the Group Sustainability effort by implementing CSR action plans (Corporate Social Responsibility).

In terms of **fraud prevention**, Group and business line Co-ordination Committees provided leadership and oversight, holding in 2011 a day-long seminar devoted to retail banking for the Regional Banks and French subsidiaries and contributing to Regional Banks' community meetings. In addition, a workshop was held on the prevention and treatment of identity and document theft, with a three-way focus: Operational treatment of cases of fraud, primarily in terms of legal remedies, increased awareness among the Group's networks about controls on original documents submitted by customers and widespread adoption of a tool for detecting false documents.

With regard to raising awareness of fraud prevention, employee training programs based on Group e-learning modules are currently under way, and a module about Private Banking has been completed.

In terms of **information systems**, in France software now includes constraints in line with the third European Directive concerning money laundering and the financing of terrorism and is also being deployed internationally in retail banks. A secured data sharing application used as one of the requirements of information exchange within the Group has been modified to handle prevention and upward reporting of instances of fraud. It will be gradually deployed throughout the Regional Banks and at LCL during 2012. Funds flow filtering procedures continue to be deployed at bank entities near foreign borders, following filtering specifications formalized in 2011.

Amongst its Bank software enhancements, the Group has, for example, developed a shared database that enables the upward reporting of malfunctions, planned for deployment in early 2012.

Lastly, beginning 1 July 2013 [1], all financial assets held outside the United States by U.S. persons (American nationals or tax residents) need to be declared to the U.S. tax authority (the IRS) by foreign financial institutions, under the Foreign Account Tax Compliance Act (FACTA), or else be subject to a 30% withholding penalty on U.S.-sourced payments. Since the Crédit Agricole S.A. Group has decided to apply this provision, a global, cross-functional plan has been adopted, with co-ordination from the Compliance department.

## Periodic controls

Group Control and Audit, which reports directly to the Chief Executive Officer of Crédit Agricole S.A., is the highest level of control within the Crédit Agricole Group. It is responsible for periodic controls of the Crédit Agricole Group through the missions it conducts, through the oversight of the Control and Audit function of the Crédit Agricole S.A. Group, which reports hierarchically to this function, and through management of the Regional Banks' internal audit units.

It also carries out field and paper audits in the Regional Banks and in all Crédit Agricole S.A. business units and subsidiaries, including those that have their own internal audit teams.

These periodical audits include a critical assessment of the internal control system implemented by the audited entities. These procedures are designed to provide reasonable assurance that the system is effective in terms of transaction security, risk management and compliance with external and internal regulations.

They include verifying that the audited entities comply with external and internal regulations, assessing the security and effectiveness of operational procedures, ensuring that the system for measuring and supervising all risks is adequate, and verifying the reliability of accounting information.

*(1) Date to be confirmed.*

During the 2011 financial year, the Group Control and Audit office performed on-site document inspections at a variety of entities and units, in particular with respect to procedures for measuring and managing liquidity risk, regulatory compliance in the marketing of financial products, the property insurer subsidiary Pacifica, the on-line bank BforBank, the Basel 2 procedures (roll-out at CA Consumer Finance, Cariparma and the Regional Banks, and assessment of the Crédit Entreprises model), the credit portfolio of Crédit Agricole CIB New York, Crédit Agricole CIB's 2010 CAP project (related to new capital requirements for market risk), interest rate management at Amundi, procedures for monitoring market risks, the security of the principal telecommunications networks, the way authorizations are handled, and certain other financial, regulatory and technological issues.

Group Control and Audit also provides central oversight of the Control and Audit function for all subsidiaries, including Crédit Agricole CIB and LCL, thereby improving the effectiveness of controls, through the harmonisation of audit practices to the highest standards, in order to guarantee the security and conformity of transactions carried out in the Group's various entities and to develop common areas of expertise. At the end of 2011, the Group function employed 870 full-time equivalents within Crédit Agricole S.A. Group (including Group Control and Audit but not including audit teams at the Regional Banks, which have 400 staff members assigned to this task).

In addition, joint audit assignments are carried out regularly by Group Control and Audit and the subsidiaries' internal audit departments, to encourage the exchange of best practices. Special importance is placed on topical and cross-functional investigations.

Through the relevant Group subsidiaries' Internal Control Committees, to which members of each entity's Executive Management, internal audit department, Permanent Controls Officer and Compliance Officer belong, Group Control and Audit ascertains that audit plans are successfully carried out, that risks are properly managed, and, more generally, that each entity's internal control systems are adequate.

Audits carried out by Crédit Agricole S.A. Group Control and Audit, the internal audit departments and all external audits (conducted by supervisory authorities or outside firms) are monitored through a formal system. For every recommendation formulated as a result of these audits, this system ensures that all recommendations made are implemented through corrective and prioritised action plans, according to a clearly defined timetable set by order of priority. In accordance with Article 9-1 of Group Regulation 97-02 as amended, it is the duty of the Head of the Control and Audit function to alert the Audit and Risks Committee if required.

The Board of Directors of Crédit Agricole S.A., of which I am Chairman, the Audit and Risks Committee and the Chief Executive Officer, due to his own specific responsibilities, are provided with comprehensive information on internal control and exposure to risks, areas of improvements achieved in this area and the status of any corrective measures adopted. The internal control system and procedures are updated continuously to meet new developments in regulations, business activities and risks incurred by the Company.

All this information is contained in the annual report on internal control and risk measurement and supervision, the management report and regular reporting on operations and control.

The Chairman of the Board of Directors of Crédit Agricole S.A.

Jean-Marie SANDER

# Statutory Auditors' report

## prepared with Article L. 225-235 of the French Commercial Code (Code de Commerce) on the report prepared by the Chairman of the Board of Directors of Crédit Agricole S.A.

*This is a free translation into English of the Statutory Auditors' report issued in the French language. It is provided solely for the convenience of English speaking readers.*
*This report should be read and construed in accordance with French law and professional auditing standards applicable in France.*

Year ended December 31, 2011

To the Shareholders,

In our capacity as Statutory Auditors of Crédit Agricole S.A. and in accordance with the provisions of Article L. 225-235 of the French Commercial Code *(Code de Commerce),* we hereby report to you on the report prepared by the Chairman of your Company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the year ended 31 December 2011.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

### Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information underlying the information presented in the Chairman's report and of the existing documentation;
- obtaining an understanding of the work performed to prepare this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the report of the Chairman of the Board of Directors, prepared in accordance with Article L. 225-37 of the French Commercial Code.

### Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, March 14, 2012

The Staturoty Auditors

| PricewaterhouseCoopers Audit | ERNST & YOUNG et Autres |
|---|---|
| Catherine Pariset | Valérie Meeus |

# Compensation paid to Executive and non-Executive Corporate Officers

**The information given in this document takes into account the provisions of EC Regulation No. 809/2004 of 29 April 2004, order No. 2004-604 of 24 June 2004, the AFEP/MEDEF Code of Corporate Governance for listed companies, the AMF recommendation of 22 December 2008 on information to be provided in the registration documents regarding compensation paid to Corporate Officers and the provisions of Articles L. 225-102-1, paragraphs 1, 2 and 3 of L. 225-184 of the French Commercial Code.**

### TABLE 1 – SUMMARY OF COMPENSATION, SHARES AND STOCK OPTIONS AWARDED TO THE EXECUTIVE CORPORATE OFFICERS OF CRÉDIT AGRICOLE S.A.

| Gross Amount | Jean-Marie Sander Chairman (3) | | Jean-Paul Chifflet Chief Executive Officer (4) | | Bruno de Laage Deputy Chief Executive Officer (5) | | Jean-Yves Hocher Deputy Chief Executive Officer (6) | | Michel Mathieu Deputy Chief Executive Officer (5) | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(in euros)* | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 |
| Compensation due with respect to the financial year (1) (See below: detailed information) | 359,031 | 590,588 | 1,805,731 | 1,091,959 (7) | 759,555 | 573,909 (7) | 1,124,175 | 545,622 (7) | 944,389 | 615,105 (7) |
| Value of options awarded during the financial year (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Value of performance shares awarded during the financial year (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **359,031** | **590,588** | **1,805,731** | **1,091,959** | **759,555** | **573,909** | **1,124,175** | **545,622** | **944,389** | **615,105** |

*(1) The compensation shown in this table represents amounts awarded in respect of the year indicated. The itemised tables below show compensation awarded with respect to a given year and compensation received during that year.*

*(2) No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2011. No performance share plan was instituted at Crédit Agricole S.A.*

*(3) Jean-Marie Sander has served as Chairman since 19 May 2010.*

*(4) Jean-Paul Chifflet has served as Chief Executive Officer since 1 March 2010.*

*(5) Bruno de Laage and Michel Mathieu have served as Deputy Chief Executive Officers since 1 March 2010.*

*(6) Jean-Yves Hocher has served as Deputy Chief Executive Officer since 15 October 2008.*

*(7) On the date on which the present document is published, the Board of Directors of Crédit Agricole S.A. had not set the variable compensation of Corporate Officers for 2011. As soon as the Board of Directors has deliberated on this, this information will be published.*

### TABLE 2 – SUMMARY TABLE OF GROSS REMUNERATION IN EUROS PAID TO EACH EXECUTIVE CORPORATE OFFICER (AMOUNTS IN EUROS)

| Jean-Marie Sander<br>Chairman of the Board of Directors<br>of Crédit Agricole S.A. | 2010<br>Due (amount awarded)[1]<br>*Pro rata* based on attendance time | 2010<br>Due (amount awarded)[1]<br>On an annual basis[3] | 2010<br>Paid out[2] | 2011<br>Due (amount awarded)[1] | 2011<br>Paid out[2] |
|---|---|---|---|---|---|
| Fixed compensation [a] | 258,548 | 420,000 | 258,548 | 420,000 | 420,000 |
| Variable compensation [b] | 0 | 0 | 0 | 0 | 0 |
| Exceptional compensation | 0 | 0 | 0 | 0 | 0 |
| Directors' fees [c] | 14,300 | 15,000 | 14,300 | 19,800 | 19,800 |
| Benefits in kind [d] | 86,183 | 150,000 | 24,624 | 150,788 | 102,347 |
| **TOTAL** | **359,031** | **585,000** | **297,472** | **590,588** | **542,147** |

**Jean-Marie Sander has served as Corporate Officer since the General Meeting of Shareholders of 19 May 2010.**

(a) *Gross fixed compensation before tax from 19 May 2010.*

(b) *Jean-Marie Sander does not receive any variable compensation.*

(c) *Jean-Marie Sander receives Directors' fees for serving as Chairman of the Crédit Agricole S.A. Strategy Committee.*

(d) *Benefits in kind consist of the provisions of company housing and payments (the amount of which is decided by the Board of Directors on the recommendation of the Compensation Committee) to fund his retirement. The payment of €61,559 for 2010 was paid in 2011 and that for 2011 will be paid in 2012.*

| Jean-Paul Chifflet<br>Chief Executive Officer | 2010<br>Due (amount awarded)[1]<br>*Pro rata* based on attendance time | 2010<br>Due (amount awarded)[1]<br>On an annual basis[3] | 2010<br>Paid out[2] | 2011<br>Due (amount awarded)[1] | 2011<br>Paid out[2] |
|---|---|---|---|---|---|
| Fixed compensation [a] | 750,000 | 900,000 | 750,000 | 900,000 | 900,000 |
| Variable compensation [b] | 274,400 | 329,280 | - | Not available | 274,400 |
| Variable compensation indexed on Crédit Agricole S.A. share price [b] | 91,600 | 109,920 | - | Not available | 46,716 |
| Deferred and conditional compensation [c] | 550,000 | 660,000 | - | Not available | - |
| Exceptional compensation | 0 | 0 | 0 | Not available | 0 |
| Directors' fees [d] | 51,000 | 60,000 | 51,000 | 87,500 | 60,000 |
| Benefits in kind [e] | 88,731 | 104,459 | 88,731 | 104,459 | 104,459 |
| **TOTAL** | **1,805,731** | **2,163,659** | **889,731** | **Not available** | **1,385,575** |

**Jean-Paul Chifflet has served as Corporate Officer since 1 March 2010.**

(a) *Gross fixed compensation before tax from 1 March 2010.*

(b) *Jean-Paul Chifflet did not receive any variable compensation in 2010. The non-deferred variable compensation includes a portion paid immediately upon allocation in year N+1 and a portion paid 6 months later, indexed on the change in share price over these 6 months.*

(c) *Deferred variable compensation is awarded in the form of Crédit Agricole S.A. shares to be gradually acquired over a three-year period subject to attendance and linked to the achievement of three performance targets as described in point 4 of the Chairman's report.*

(d) *Jean-Paul Chifflet received Directors' fees for serving as Chairman of Crédit Agricole CIB and LCL in 2010 and 2011 and Chairman of Amundi in 2011. The Directors' fees for Amundi, due in 2011, will be paid in 2012.*

(e) *The benefits in kind paid consist of the provision of company housing.*

(1) *The amounts shown are sums awarded for serving in the office in respect of the year indicated. With the exception of the Chairman, who does not receive variable compensation, a portion of the variable compensation awarded is conditional. On the date on which the present document is published, the Board of Directors of Crédit Agricole S.A. had not set the variable compensation of Jean-Paul Chifflet, Bruno de Laage, Jean-Yves Hocher and Michel Mathieu for 2011. As soon as the Board of Directors has deliberated on this, this information will be published.*

(2) *The amounts shown are sums paid for serving in the office during the year indicated.*

(3) *Since the term of office started during the course of 2010, the amount is calculated on a pro rata basis; an annualised basis for 2010 allows for better comparison with the 2011 financial year.*

*The criteria for determining variable compensation are detailed in the Chairman's report to the General Meeting of Shareholders.*

| Bruno de Laage<br>Deputy Chief Executive Officer | 2010<br>Due (amount awarded)[1]<br>*Pro rata* based on attendance time | 2010<br>Due (amount awarded)[1]<br>On an annual basis[3] | 2010<br>Paid out[2] | 2011<br>Due (amount awarded)[1] | 2011<br>Paid out[2] |
|---|---|---|---|---|---|
| Fixed compensation [(a)] | 300,000 | 400,000 | 300,000 | 500,000 | 500,000 |
| Variable compensation [(b)] | 123,500 | 148,200 | - | Not available | 123,500 |
| Variable compensation indexed on Crédit Agricole S.A. share price [(b)] | 41,167 | 49,400 | - | Not available | 20,995 |
| Deferred and conditional compensation [(c)] | 247,000 | 296,400 | - | Not available | - |
| Exceptional compensation | 0 | 0 | 0 | Not available | 0 |
| Directors' fees [(d)] | 8,000 | 12,000 | 8,000 | 12,000 | 12,000 |
| Benefits in kind [(e)] | 39,888 | 60,000 | 39,888 | 61,909 | 61,909 |
| **TOTAL** | **759,555** | **966,000** | **347,888** | **Not available** | **718,404** |

**Bruno de Laage has served as Deputy Chief Executive Officer since 1 March 2010.**

(a) *Gross fixed compensation before tax from 1 April 2010.*

(b) *Bruno de Laage did not receive any variable compensation in 2010. The non-deferred variable compensation includes a portion paid immediately upon allocation in year N+1 and a portion paid 6 months later, indexed on the change in share price over these 6 months.*

(c) *Deferred variable compensation is awarded in the form of Crédit Agricole S.A. shares to be gradually acquired over a three-year period subject to attendance and linked to the achievement of three performance targets as described in point 4 of the Chairman's report.*

(d) *Bruno de Laage received Directors' fees for serving as Director of LCL. Also Director of Cariparma, Crédit Agricole Egypt, Crédit du Maroc, Emporiki Bank and BES, Bruno de Laage did not request any Directors' fees for these offices.*

(e) *The benefits in kind paid consist mainly of the provision of company housing.*

| Jean-Yves Hocher<br>Deputy Chief Executive Officer | 2010<br>Due (amount awarded)[1] | 2010<br>Paid out[2] | 2011<br>Due (amount awarded)[1] | 2011<br>Paid out[2] |
|---|---|---|---|---|
| Fixed compensation [(a)] | 500,000 | 500,000 | 500,000 | 500,000 |
| Variable compensation [(b)] | 166,200 | 375,565 | Not available | 166,200 |
| Variable compensation indexed on Crédit Agricole S.A. share price [(b)] | 55,400 | - | Not available | 28,254 |
| Deferred and conditional compensation [(c)] | 332,400 | - | Not available | - |
| Exceptional compensation | 0 | 0 | Not available | 0 |
| Directors' fees [(d)] | 34,957 | 27,457 | 10,287 | 17,787 |
| Benefits in kind [(e)] | 35,218 | 35,218 | 35,335 | 35,335 |
| **TOTAL** | **1,124,175** | **938,240** | **Not available** | **747,576** |

**Jean-Yves Hocher has served as Deputy Chief Executive Officer since 15 October 2008.**

(a) *Gross fixed compensation before tax.*

(b) *The non-deferred variable compensation includes a portion paid immediately upon allocation in year N+1 and a portion paid 6 months later, indexed on the change in share price over these 6 months.*

(c) *Deferred variable compensation is awarded in the form of Crédit Agricole S.A. shares to be gradually acquired over a three-year period subject to attendance and linked to the achievement of three performance targets as described in point 4 of the Chairman's report.*

(d) *Jean-Yves Hocher received Directors' fees for serving as Director of Credit Agricole CIB and Amundi in 2010 (the Directors' fees for Amundi, due in 2010, were paid in 2011), for serving as Director of Emporiki Bank in 2010 and 2011 and BGPI in 2011.*

(e) *The benefits in kind paid consist mainly of the provision of company housing.*

(1) *The amounts shown are sums awarded for serving in the office in respect of the year indicated. With the exception of the Chairman, who does not receive variable compensation, a portion of the variable compensation awarded is conditional. On the date on which the present document is published, the Board of Directors of Crédit Agricole S.A. had not set the variable compensation of Jean-Paul Chifflet, Bruno de Laage, Jean-Yves Hocher and Michel Mathieu for 2011. As soon as the Board of Directors has deliberated on this, this information will be published.*

(2) *The amounts shown are sums paid for serving in the office during the year indicated.*

(3) *Since the term of office started during the course of 2010, the amount is calculated on a pro rata basis; an annualised basis for 2010 allows for better comparison with the 2011 financial year.*

*The criteria for determining variable compensation are detailed in the Chairman's report to the General Meeting of Shareholders.*

| Michel Mathieu<br>Deputy Chief Executive Officer | 2010 | | | 2011 | |
|---|---|---|---|---|---|
| | Due (amount awarded) (1) | | | | |
| | *Pro rata* based on attendance time | On an annual basis (3) | Paid out(2) | Due (amount awarded) (1) | Paid out(2) |
| Fixed compensation (a) | 375,000 | 500,000 | 375,000 | 500,000 | 500,000 |
| Variable compensation (b) | 149,750 | 179,700 | - | Not available | 149,750 |
| Variable compensation indexed on Crédit Agricole S.A. share price (b) | 49,917 | 59,900 | - | Not available | 25,457 |
| Deferred and conditional compensation (c) | 299,500 | 359,400 | - | Not available | - |
| Exceptional compensation | 0 | 0 | 0 | Not available | 0 |
| Directors' fees (d) | 36,750 | 35,000 | 36,750 | 39,779 | 34,779 |
| Benefits in kind (e) | 33,472 | 75,000 | 33,472 | 75,326 | 75,326 |
| **TOTAL** | **944,389** | **1,209,000** | **445,222** | **Not available** | **785,312** |

**Michel Mathieu has served as Deputy Chief Executive Officer since 1 March 2010.**

(a) *Gross fixed compensation before tax from 1 April 2010.*

(b) *Michel Mathieu did not receive any variable compensation in 2010. The non-deferred variable compensation includes a portion paid immediately upon allocation in year N+1 and a portion paid 6 months later, indexed on the change in share price over these 6 months.*

(c) *Deferred variable compensation is awarded in the form of Crédit Agricole S.A. shares to be gradually acquired over a three-year period subject to attendance and linked to the achievement of three performance targets as described in point 4 of the Chairman's report.*

(d) *Michel Mathieu received Directors' fees for serving as Director of LCL, Cariparma and BES in 2010 and 2011 as well as Director of Amundi in 2011. The Directors' fees for Amundi, due in 2011, will be paid in 2012.*

(e) *The benefits in kind paid consist mainly of the provision of company housing.*

(1) *The amounts shown are sums awarded for serving in the office in respect of the year indicated. With the exception of the Chairman, who does not receive variable compensation, a portion of the variable compensation awarded is conditional. On the date on which the present document is published, the Board of Directors of Crédit Agricole S.A. had not set the variable compensation of Jean-Paul Chifflet, Bruno de Laage, Jean-Yves Hocher and Michel Mathieu for 2011. As soon as the Board of Directors has deliberated on this, this information will be published.*

(2) *The amounts shown are sums paid for serving in the office during the year indicated.*

(3) *Since the term of office started during the course of 2010, the amount is calculated on a pro rata basis; an annualised basis for 2010 allows for better comparison with the 2011 financial year.*

*The criteria for determining variable compensation are detailed in the Chairman's report to the General Meeting of Shareholders.*

### TABLE 3 – DIRECTORS' FEES RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

| | 2011 | | | | | 2010 |
|---|---|---|---|---|---|---|
| Directors | Crédit Agricole S.A. | Crédit Agricole CIB | LCL | Amundi Group | TOTAL | TOTAL |
| **Directors elected by the General Meeting of Shareholders** | | | | | | |
| Jean-Marie Sander | 19,800 | - | - | - | 19,800 | 55,100 |
| Dominique Lefèbvre | 61,600 | - | - | - | 61,600 | 50,000 |
| Philippe Brassac | 52,800 | 21,000 | 12,000 | - | 85,800 | 75,700 |
| Noël Dupuy | 67,100 | - | 10,000 | - | 77,100 | 67,000 |
| Caroline Catoire (1) | 33,000 | - | - | - | 33,000 | - |
| Gérard Cazals | 36,300 | - | - | - | 36,300 | 36,300 |
| Patrick Clavelou | 56,100 | - | - | 10,000 | 66,100 | 51,700 |
| Laurence Dors | 72,450 | - | - | - | 72,450 | 62,000 |
| Véronique Flachaire | 56,100 | - | - | - | 56,100 | 38,500 |
| Xavier Fontanet | 33,000 | - | - | - | 33,000 | 35,200 |
| Carole Giraud | 33,000 | - | - | - | 33,000 | 36,300 |
| Claude Henry | 36,300 | - | - | - | 36,300 | 19,800 |
| Michael Jay (2)(3) | 10,725 | - | - | - | 10,725 | 38,775 |
| Bernard Lepot | 49,500 | - | - | - | 49,500 | 34,100 |
| Michel Michaut | 39,600 | - | - | - | 39,600 | 44,550 |
| Monica Mondardini (3) | 25,163 | - | - | - | 25,163 | 4,950 |
| Christian Streiff (1) | 22,000 | - | - | - | 22,000 | - |
| Christian Talgorn | 47,300 | - | - | - | 47,300 | 23,100 |
| François Véverka | 79,500 | 54,000 | 32,000 | - | 165,500 | 144,400 |
| **Directors elected by the staff** | | | | | | |
| Daniel Coussens | 36,300 | - | - | - | 36,300 | 36,300 |
| Kheira Rouag | 33,000 | - | - | - | 33,000 | 36,300 |
| **Directors representing the professional agricultural organisations** | | | | | | |
| Xavier Beulin (4) | 6,600 | - | - | - | 6,600 | - |
| Jean-Michel Lemétayer (5) | 29,700 | - | - | - | 29,700 | 26,400 |
| **Non-voting Directors** | | | | | | |
| Jean-Louis Delorme | 36,300 | - | - | - | 36,300 | 18,700 |
| Alain Diéval (6) | 42,900 | - | - | - | 42,900 | 51,700 |
| **TOTAL** | **1,016,138** | **75,000** | **54,000** | **10,000** | **1,155,138** | **986,875** |

*(1) From May 2011.*
*(2) Until May 2011.*
*(3) After tax withholding of – 25%, according to French tax law.*
*(4) From November 2011.*
*(5) Until August 2011.*
*(6) Director until May 2011 – then non-voting Director.*

The total amount of Directors' fees approved by the Crédit Agricole S.A. General Meeting of Shareholders of May 2011 was €1,050,000. This sum was paid by Crédit Agricole S.A., in accordance with the following principles:

- for each Board meeting attended, each Director and each non-voting Director received €3,300, which were allotted for their effective participation in meetings;
- the Chairman of the Board only received fees in his capacity as Chairman of the Strategy Committee and as a member of the Appointments and Governance Committee. His compensation for serving as Chairman of the Board (see table 2 above) is determined by the Board, based on the recommendation of the Compensation Committee;
- the Chairmen of the Audit and Risks Committee, the Strategy Committee, the Compensation Committee and the Appointments and Governance Committee receive additional Directors' fees: annual fees of, respectively, €20,000 for Audit and Risks Committee, €16,500 for the Strategy Committee, the Compensation Committee and the Appointments and Governance Committee;
- members of all the Committees received an additional €2,200 per Committee meeting attended. These fees are allotted for their effective participation in the meetings of the aforementioned Committees.

### TABLE 4 – STOCK OPTIONS AWARDED TO EXECUTIVE CORPORATE OFFICERS IN 2011 BY CRÉDIT AGRICOLE S.A. OR ANY OTHER GROUP COMPANY

No stock options were awarded to Corporate Officers in 2011.

### TABLE 5 – STOCK OPTIONS EXERCISED BY THE EXECUTIVE CORPORATE OFFICERS IN 2011

No Crédit Agricole S.A. stock options were exercised by Corporate Officers in 2011.

### TABLE 6 – PERFORMANCE SHARES AWARDED TO CORPORATE OFFICERS IN 2011

No performance share plan was instituted at Crédit Agricole S.A.

Jean-Paul Chifflet, Bruno de Laage, Jean-Yves Hocher and Michel Mathieu benefitted from a free share distribution plan established in 2011 (60 shares) as did all employees of the Group.

### TABLE 7 – PERFORMANCE SHARES MADE AVAILABLE IN 2011 FOR CORPORATE OFFICERS

Not applicable. No performance share plan was instituted at Crédit Agricole S.A.

### TABLE 8 – STOCK OPTIONS AWARD HISTORY

**Situation of Corporate Officers in office as of 31 December 2011**

| Crédit Agricole S.A. stock option plans | Plan No. 1 |
|---|---|
| Date of Board Meeting | 18/07/2006 |
| Option attribution date | 06/10/2006 |
| First exercise date | 06/10/2010 |
| Expiry date | 05/10/2013 |
| **Number of options** | |
| awarded to all beneficiaries | 13,116,803 |
| exercise price | €30.83 |
| **Number of options awarded to Executive and non-Executive Corporate Officers** (1) | 27,256 |
| of which | |
| ■ Jean-Paul Chifflet | 0 |
| ■ Bruno de Laage | 0 |
| ■ Jean-Yves Hocher | 27,256 |
| ■ Michel Mathieu | 0 |

(1) *This table shows the options awarded to the Corporate Officers in office on 31 December 2011 and not those awarded to Corporate Officers on the date on which the plans were set up.*

Additional information on the plans is provided in the table showing historical information on the plans appearing in Note 7 to the Consolidated Financial Statements in the registration document.

### TABLE 9 – STOCK OPTIONS AWARDED TO THE TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND WHO HOLD THE LARGEST NUMBER OF OPTIONS AND THE OPTIONS EXERCISED BY THESE EMPLOYEES IN 2011

Not applicable. Crédit Agricole S.A. did not award any options in 2011 and no options were exercised in 2011.

### TABLE 10 – COMPLIANCE WITH THE AFEP/MEDEF RECOMMENDATIONS OF OCTOBER 2008

| Executive Corporate Officers | Employment contract (1) | | Supplementary pension scheme (2) | | Indemnities and benefits due or likely to be due upon termination or change in office (3) | | Indemnity under a non-competition clause (4) | |
|---|---|---|---|---|---|---|---|---|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| **Jean-Marie Sander**<br>Chairman<br>Date of taking office: 19/05/2010 | | X | | X | | X | | X |
| **Jean-Paul Chifflet**<br>Chief Executive Officer<br>Date of taking office: 01/03/2010 | | X | X | | X | | X | |
| **Bruno de Laage**<br>Deputy Chief Executive Officer<br>Date of taking office: 01/03/2010 | X | | X | | X | | X | |
| **Jean-Yves Hocher**<br>Deputy Chief Executive Officer<br>Date of taking office: 15/10/2008 | X | | X | | X | | X | |
| **Michel Mathieu**<br>Deputy Chief Executive Officer<br>Date of taking office: 01/03/2010 | X | | X | | X | | X | |

*(1) The AFEP/MEDEF recommendation against holding a corporate office while being covered by an employment contract applies only to the Chairman of the Board of Directors, the Chairman and Chief Executive Officer and the Chief Executive Officer.*

*The employment contracts of Jean-Yves Hocher, Michel Mathieu and Bruno de Laage, Deputy Chief Executive Officers, were, however, suspended by amendment.*

*They will take effect once more at the end of their respective corporate offices, at the updated compensation and function conditions which prevailed prior to their terms of office.*

*(2) Information concerning supplementary pension schemes for the Chief Executive Officer and the Deputy Chief Executive Officers is in the report of the Chairman of the Board of Directors to the General Meeting of Shareholders.*

*(3) If Crédit Agricole S.A. terminates the Chief Executive Officer's term of office, due to a change in control or strategy, he will receive a severance payment subject to performance conditions under the conditions approved by the General Meeting of Shareholders of 19 May 2010, outlined in the Chairman's report included in this document.*

*Should their respective employment contracts be terminated, Michel Mathieu, Bruno de Laage and Jean-Yves Hocher will receive a severance payment, based on a sum corresponding to twice the sum of their total gross annual compensation (excluding benefits in kind) received in the 12 months preceding the termination of their contract, including any other indemnity, in particular, traditional severance pay and any possible non-competition payments. In the event that their pension is settled at the full rate, no severance payment will be due.*

*(4) If Crédit Agricole S.A. terminates the Chief Executive Officer's term of office, he could be subject to a non-competition clause for a period of one year under the conditions approved by the General Meeting of Shareholders of 19 May 2010.*

*Following the termination of his employment contract, Jean-Yves Hocher will be subject to a non-competition clause for a period of one year starting from the notification of the termination of his employment contract. This will be offset against a sum equal to 50% of the total annual compensation as declared for tax purposes, excluding benefits in kind.*

*Following the termination of their respective employment contracts, Michel Mathieu and Bruno de Laage will be subject to a non-competition clause for a period of one year starting from the notification of the termination of their employment contract. This will be offset against a monthly payment equal to 50% of the last fixed compensation, for the duration of this obligation.*

## TRADING IN THE COMPANY'S SHARES

**Summary of trading in the Company's shares by executives of Crédit Agricole S.A. and other persons covered by Article L. 621-18-2 of the French Monetary and Financial Code during 2011**, for trades exceeding an aggregate ceiling of €5,000 (pursuant to Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-26 of the General Regulations of the *Autorité des marchés financiers* (AMF)).

In accordance with Article 223-22 of the AMF's General Regulations, these trades have been reported to the AMF.

| Name and position | Trading by members of the Board of Directors and by any persons related thereto |
|---|---|
| **Michel Michaut**<br>Director | Subscription of 1,226 shares for €9,044.61 (three transactions) |

**Specific measures concerning restrictions on or operations by Directors with regard to trading in the Company's shares:**

Because each Director, by definition, is a "permanent insider", the rules on "windows" for subscription/prohibition against trading in Crédit Agricole S.A. shares apply to each Director. The dates corresponding to these windows are communicated to the Directors at the beginning of each financial year.

| Name and position | Trading in the Company's shares by Executive Corporate Officers on a personal basis, and by any persons related thereto |
|---|---|
| **Jean-Paul Chifflet**<br>Chief Executive Officer | Subscription of 11,680 shares for €49,873.93 (one transaction) |
| **Michel Mathieu**<br>Deputy Chief Executive Officer | Subscription of 1,500 shares for €9,232.50 (one transaction) |

# Additional information on Executive and non-Executive Corporate Officers

## COMPOSITION OF THE BOARD OF DIRECTORS

At 31 December 2011

### ELECTED BY THE GENERAL MEETING OF SHAREHOLDERS

| | |
|---|---|
| **Mr Jean-Marie SANDER** | Chairman of the Board of Directors<br>Chairman of the Caisse régionale d'Alsace-Vosges |
| **SAS Rue La Boétie represented by Mr Dominique LEFÈBVRE** | Deputy Chairman of the Board of Directors<br>Chairman of the Caisse régionale Val de France<br>Chairman of FNCA (Fédération nationale du Crédit Agricole) and SAS Rue La Boétie |
| **Mr Philippe BRASSAC** | Deputy Chairman of the Board of Directors<br>Chief Executive Officer of the Caisse régionale Provence Côte d'Azur<br>Secretary General of FNCA<br>Deputy Chairman of SAS Rue La Boétie |
| **Mr Noël DUPUY** | Deputy Chairman of the Board of Directors<br>Chairman of the Caisse régionale de la Touraine et du Poitou |
| **Mrs Caroline CATOIRE** | Chief Financial Officer of the SAUR group |
| **Mr Gérard CAZALS** | Chairman of the Caisse régionale Toulouse 31 |
| **Mr Patrick CLAVELOU** | Chief Executive Officer of the Caisse régionale Brie-Picardie |
| **Mrs Laurence DORS** | Director in different companies |
| **Mrs Véronique FLACHAIRE** | Chief Executive Officer of the Caisse régionale Charente-Maritime Deux-Sèvres |
| **Mr Xavier FONTANET** | Chairman of the Board of Directors of Essilor International |
| **Mrs Carole GIRAUD** | Representing the employees of Crédit Agricole Regional Banks |
| **Mr Claude HENRY** (1) | Chairman of the Caisse régionale Centre Est |
| **Mr Bernard LEPOT** | Chief Executive Officer of the Caisse régionale Nord Midi-Pyrénées |
| **Mr Michel MICHAUT** | Chairman of the the Caisse régionale Champagne Bourgogne (up to September 2011) |
| **Mrs Monica MONDARDINI** | Deputy Director of "Gruppo Editoriale L'Espresso" |
| **Mr Christian STREIFF** | Chairman of C.S. Conseils |
| **Mr Christian TALGORN** | Chairman of the Caisse régionale du Morbihan |
| **Mr François VÉVERKA** | Banking and finance Consultant (BanqueFinance Associés) |

*(1) Mr Claude HENRY passed away in February 2012. Information relating to his offices is not presented in the following pages.*

## REPRESENTING THE PROFESSIONAL AGRICULTURAL ORGANISATIONS – APPOINTED BY DECREE

| | |
|---|---|
| **Mr Xavier BEULIN** | Chairman of the FNSEA (Fédération nationale des syndicats d'exploitants agricoles) |

## ELECTED BY THE EMPLOYEES (CRÉDIT AGRICOLE S.A. – ESU)

| | |
|---|---|
| **Mr Daniel COUSSENS** | Staff Representative (Executives) |
| **Mrs Kheira ROUAG** | Staff Representative (non Executives) |

## APPOINTED BY THE BOARD

| | |
|---|---|
| **Mr Pascal CÉLÉRIER** | Non-voting Director<br>Chief Executive Officer of the Caisse régionale de Paris et d'Île-de-France |
| **Mr Jean-Louis DELORME** | Non-voting Director<br>Chairman of the Caisse régionale de Franche-Comté |

## REPRESENTING THE WORKS' COUNCIL

**Mr Dominique PORTIN**

## OFFICES HELD BY CORPORATE OFFICERS

The information provided below concerning the offices held by members of the Board of Directors and Executive management is required by Article L. 225-102-1, paragraph 4 of the French Commercial Code and Annex I to EC Regulation 809/2004 of 29 April 2004.

### THE CRÉDIT AGRICOLE S.A. BOARD OF DIRECTORS AS OF 31 DECEMBER 2011

**Jean-Marie SANDER**
**Main office within the Company: Chairman of the Board of Directors**
**Chairman of the Strategy Committee and member the Appointments and Governance Committee**

| | | | |
|---|---|---|---|
| Born in 1949 | | Business address: | Caisse régionale d'Alsace-Vosges<br>1 place de la Gare – BP 440<br>67008 Strasbourg Cedex |
| Date first appointed | May 2010 (individual) | | |
| Term of office ends | 2013 | | |
| Number of Crédit Agricole S.A. shares held (1) at 31/12/2011 | 18,267 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| Chairman | Caisse régionale d'Alsace-Vosges | Chairman | - FNCA (2010)<br>- SAS Rue La Boétie (2010)<br>- SAS Sacam International (2010)<br>- SAS Sacam Participations (2010)<br>- SAS Sacam Développement (2010)<br>- SCICAM (2010)<br>- GIE GECAM Management Committee (2010) |
| Deputy Chairman | - FNCA | | |
| Director | - SAS Rue La Boétie<br>- Sacam Participations<br>- SCICAM | | |
| Member | - FNCA Board | Deputy Chairman | - Sacam (2009)<br>- SAS Sacam Développement (2010) |
| Management Committee Member | - Gecam (GIE) | Director | - LCL (2010)<br>- Crédit Agricole CIB (2010)<br>- CIRECAM (2010) |
| | | Chairman's legal representative (SAS Sacam Participations) | - SAS Ségur<br>- SAS Miromesnil<br>- SAS Sacam Santeffi<br>- SAS Sacam Assurance Caution<br>- SAS Sacam<br>- SAS Sacam Fireca<br>- SAS Sacam Progica<br>- SAS Sacam Avenir (2010) |
| | | Management Committee Member | - Adicam (2010) |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| Director | - Electricité de Strasbourg | Non-voting member | - Société Électricité de Strasbourg (2009) |
| **Other offices** | | | |
| Chairman | - CICA | Chairman | - CNMCCA (2007)<br>- Conseil économique et social d'Alsace (2007) |
| Director | - Fondation Grameen | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Representative of SAS Rue La Boétie:**
**Dominique LEFÈBVRE**
**Main office within the Company: Deputy Chairman of the Board of Directors**
**Member of the Strategy Committee, of the Compensation Committee and of the Appointments and Governance Committee**

| | | | |
|---|---|---|---|
| Born in 1961 | | Business address: | Caisse régionale Val de France<br>1 rue Daniel-Boutet<br>28002 Chartres |
| Date first appointed | June 2010 (SAS Rue La Boétie) | | |
| Term of office ends | 2012 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 3,558 (personally owned) | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| Chairman | - Caisse régionale Val de France<br>- FNCA<br>- SAS Rue La Boétie<br>- SAS Sacam Participations<br>- SAS Sacam International<br>- GIE Gecam | Chairman | - SAS Pleinchamp (2008)<br>- Compétitivité et satisfaction client committee (2009)<br>- "Développement Industriel" Steering Committee (2010) |
| Deputy Chairman | - SAS Sacam Développement | Member of the Board and Deputy Chairman | - FNCA (2010) |
| Member | - Adicam Management Committee | Director | - LCL (2010)<br>- HECA (2010) |
| Chairman's legal representative (SAS Sacam Participations) | - SAS Miromesnil<br>- SAS Sacam Santeffi<br>- SAS Segur<br>- SAS Sacam Progica<br>- SAS Sacam Assurance Caution<br>- SAS Sacam Fireca<br>- SAS Sacam Pleinchamp<br>- SAS Sacam Avenir | Member | - IT Systems Strategy Committee and Purchasing Strategy Committee – FNCA (2009)<br>- Fireca Strategy Committee (2007)<br>- Development Commission – FNCA (2010) |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| Deputy Chairman | - CNMCCA | | |
| Director | - INRA<br>- SCICAM | | |
| Member | - Economic, social and environmental Board<br>- CDOA | | |
| Chairman of the Finance Commission | - Chambre d'Agriculture d'Eure-et-Loir | | |
| Farmer | | | |
| Manager | - EARL de Villiers-le-Bois | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Philippe BRASSAC**
**Main office within the Company: Deputy Chairman of the Board of Directors**
**Member of the Strategy Committee and of the Appointments and Governance Committee**

| | | | |
|---|---|---|---|
| Born in 1959 | | Business address: | Caisse régionale Provence Côte d'Azur<br>111 avenue Émile-Dechame – BP 250<br>06708 Saint-Laurent-du-Var |
| Date first appointed | January 2010 | | |
| Term of office ends | 2013 | | |
| Number of Crédit Agricole S.A. shares held [1] at 31/12/2011 | - [1] | | |

| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| Chief Executive Officer | - Caisse régionale Provence Côte d'Azur<br>- Sacam International | Chairman | - AMT (2010) |
| Secretary General | - FNCA | Director | - Crédit Foncier de Monaco (2010)<br>- Cariparma (2007) |
| Chairman | - SAS Sacam Développement<br>- SOFIPACA and SOFIPACA Gestion | | |
| Deputy Chairman | - SAS Rue La Boétie | | |
| Director | - LCL<br>- Crédit Agricole CIB<br>- Fédération Régionale du CAM | Chairman and Chief Executive Officer | - Deltager SA (2010) |
| Member of the Board of Directors | - SAS Sacam Participations<br>- SCICAM | | |
| Management Committee Member | - Sarl Adicam | | |
| Secretary General of the Management Committee | - Gecam (GIE) | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| | | | |

*(1) Philippe Brassac holds Crédit Agricole S.A. shares through Crédit Agricole Group Mutual Funds.*

**Noël DUPUY**
**Main office within the Company: Deputy Chairman of the Board of Directors**
**Member of the Strategy Committee and of the Audit and Risks Committee**

| | | | |
|---|---|---|---|
| Born in 1947 | | Business address: | Caisse régionale de la Touraine et du Poitou<br>Boulevard Winston Churchill<br>37041 Tours Cedex |
| Date first appointed | May 2003 | | |
| Term of office ends | 2012 | | |
| Number of Crédit Agricole S.A.shares held [1] at 31/12/2011 | 6,839 | | |

| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| Chairman | - Caisse régionale de la Touraine et du Poitou | Director | - Idia Participations (2007)<br>- Sofipar (2007)<br>- Sapacam (2009)<br>- Sacam (2009)<br>- SCICAM (2009) |
| Member of the Board | - FNCA | | |
| Deputy Chairman | - Local Bank Vallée de l'Indre | | |
| Director | - LCL | | |
| Director, representative of Crédit Agricole S.A. | - Predica<br>- Sopexa | Deputy Chairman | - FNCA (2008) |
| **in other listed companies** | | | |
| | | Supervisory Board Member | - Eurazeo (2011) |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| Member of the National Committee | - Assurance en agriculture | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Caroline CATOIRE**
**Main office within the Company: Director**
**Member of the Audit and Risks Committee**

| | | | |
|---|---|---|---|
| Born in 1955 | | Business address: | Groupe SAUR<br>Atlantis – 1 avenue Eugène Freyssinet<br>78064 Saint-Quentin-en-Yvelines Cedex |
| Date first appointed | May 2011 | | |
| Term of office ends | 2014 | | |
| Number of Crédit Agricole S.A.shares held [1] at 31/12/2011 | 1,000 | | |

| Offices held at 31/12/2011 | | Other offices held within the past five years |
|---|---|---|
| **in Crédit Agricole Group companies** | | |
| | | |
| **in other listed companies** | | |
| Chief Financial Officer | - Groupe Saur | |
| Executive Committee Member | - in charge of Finance and IT functions | |
| Director | - Société Coved<br>- Société Saurea | |
| **in other non-listed companies** | | |
| | | |
| **other offices** | | |
| | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| **Gérard CAZALS<br>Main office within the Company: Director** | | | |
|---|---|---|---|
| Born in 1947 | | Business address: | Caisse régionale Toulouse 31<br>6-7 place Jeanne-d'Arc – BP 40535<br>31005 Toulouse Cedex 06 |
| Date first appointed | May 2008 | | |
| Term of office ends | 2012 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 185 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| Chairman | - Caisse régionale Toulouse 31<br>- Local Bank Crédit Agricole de Cintegabelle<br>- CAMPY (Fédération Régionale des Caisses régionales de Midi-Pyrénées), representing CAMPY: member of the Economic and Social Committee | Director | - Sofinco (2011) |
| Director | - Crédit Agricole Consumer Finance (CACF)<br>- Agrimip (representing CAMPY) | | |
| Supervisory Board Member | - Crédit Agricole Titres (SNC) | | |
| Permanent Representative and Director | - Grand Sud Ouest Capital | | |
| Member | - FNCA Customer Relation Commission<br>- Development Orientation Committee | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| | | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Patrick CLAVELOU**
**Main office within the Company: Director**
**Member of the Audit and Risks Committee**

| | | | |
|---|---|---|---|
| Born in 1950 | | Business address: | Caisse régionale Brie Picardie<br>500 rue Saint-Fuscien<br>80095 Amiens |
| Date first appointed | January 2009 | | |
| Term of office ends | 2012 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 41 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| Chief Executive Officer | - Caisse régionale Brie Picardie | Supervisory Board Member | - Crédit Agricole Titres (SNC) (2009) |
| Director | - Amundi Group<br>- Bank Polska (ex.Lukas Bank) | | |
| Supervisory Board Member | - FCPE Crédit Agricole Classique | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| Director | - SA Picardie Investissement | Director | - SICAV Iéna Actions Européennes (2010) |
| Manager | - Sarl Picarde de Développement | Supervisory Board Member | - SCPI SEFA (2011) |
| Director, Regional Bank representative | - SA Clarisse | | |
| **other offices** | | | |
| | | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Laurence DORS**
**Main office within the Company: Director**
**Chairman of the Compensation Committee; Member of the Audit and Risks Committee and of the Appointments and Governance Committee**

| | | | |
|---|---|---|---|
| Born in 1956 | | Business address: | Crédit Agricole S.A.<br>12 place des États-Unis<br>92120 Montrouge |
| Date first appointed | May 2009 | | |
| Term of office ends | 2014 | | |
| Number of Crédit Agricole S.A.shares held [(1)] at 31/12/2011 | 1,085 | | |

| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| | | | |
| **in other listed companies** | | | |
| Independent Director | - CAP GEMINI<br>- Egis SA | Secretary General | - EADS Group (2008) |
| | | Deputy Chief Executive Officer | - Dassault Systems Group (2010) |
| | | Management Committee Member and special advisor to the Chairman | - Renault (2010) |
| | | Secretary General | - Groupe Renault (2011) |
| | | Executive Committee Member | - Groupe Renault (2011) |
| **in other non-listed companies** | | | |
| | | Director | - RCI Banque (2011) |
| **other offices** | | | |
| | | Chairman | - MEDEF Europe Americas Committee (2010) |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Véronique FLACHAIRE**
**Main office within the Company: Director**
**Member of the Audit and Risks Committee**

| | | | |
|---|---|---|---|
| Born in 1957 | | Business address: | Caisse régionale Charente-Maritime Deux-Sèvres<br>12 boulevard Guillet-Maillet<br>17117 Saintes cedex |
| Date first appointed | February 2010 | | |
| Term of office ends | 2013 | | |
| Number of Crédit Agricole S.A.shares held [1] at 31/12/2011 | 300 | | |

| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| Chief Executive Officer | - Caisse régionale Charente-Maritime Deux-Sèvres | Manager | - Crédit Agricole S.A.: Regional Bank Relations (2009) |
| Chairman | - Santeffi<br>- UNEXO (ex. UEO) | Chief Executive Officer | - Cedicam (2007) |
| Director | - BforBank<br>- Acticam<br>- CCPMA<br>- HECA<br>- CA Technologies<br>- Adicam | | |
| Member | - Development Orientation Committee<br>- Human Resources Commission (FNCA)<br>- National Negotiation Commission (FNCA) | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| | | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| Xavier FONTANET<br>Main office within the Company: Director<br>Member of the Strategy Committee | | | |
|---|---|---|---|
| Born in 1948 | | Business address: | Essilor International<br>147 rue de Paris<br>94127 Charenton Cedex |
| Date first appointed | November 2001 | | |
| Term of office ends | 2014 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 5,038 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| | | | |
| **in other listed companies** | | | |
| Chairman of the Board of Directors | - Essilor International | Chairman and Chief Executive Officer | - Essilor International (2010) |
| Director | - L'Oréal | | |
| Member | - Supervisory Board, Schneider Electric SA | | |
| **in other non-listed companies** | | | |
| | | Chairman | - EOA Holding Co Inc. (2010)<br>- Nikon and Essilor Joint Research Center Co. Ltd (2011) |
| | | Director | - Essilor of America (2010)<br>- Transitions Optical Inc. (2010)<br>- EOA Holding Co Inc. (2010)<br>- Shanghai Essilor Optical Company Ltd. (2010)<br>- Transitions Optical Holding B.V. (2010)<br>- Essilor Manufacturing India PVT Ltd (India) (2010)<br>- Essilor India PVT Ltd (India) (2010)<br>- Nikon-Essilor Co. Ltd. (Japan) (2011)<br>- Essilor Amico (L.L.C.) United Arab Emirates (2011)<br>- Fonds stratégique d'investissement SA (2011) |
| **other offices** | | | |
| Director, permanent representative of Essilor International | - Association nationale des sociétés par actions | Chairman | - MEDEF Ethics Committee (2007) |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| **Carole GIRAUD**<br>**Main office within the Company: Director representing Crédit Agricole Regional Bank employees** | | | |
|---|---|---|---|
| Born in 1965 | | Business address: | Caisse régionale Sud Rhône Alpes<br>15-17 rue Paul-Claudel – BP 67<br>38041 Grenoble Cedex 9 |
| Date first appointed | November 2001 | | |
| Term of office ends | 2012 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 14 | | |

| Offices held at 31/12/2011 | Other offices held within the past five years |
|---|---|
| **in Crédit Agricole Group companies** | |
| - Caisse régionale Sud Rhône-Alpes: in charge or branch banking organisation and operations | - Webmaster Analyst, Caisse régionale Sud Rhône-Alpes (2008) |
| **in other listed companies** | |
| | |
| **in other non-listed companies** | |
| | |
| **other offices** | |
| | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| **Bernard LEPOT**<br>**Main office within the Company: Director**<br>**Member of the Strategy Committee** | | | |
|---|---|---|---|
| Born in 1951 | | Business address: | Caisse régionale Nord Midi-Pyrénées<br>219 avenue François-Verdier<br>81000 Albi |
| Date first appointed | February 2010 | | |
| Term of office ends | 2014 | | |
| Number of Crédit Agricole S.A.shares held [(1)] at 31/12/2011 | 7,988 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| Chief Executive Officer | - Caisse régionale Nord Midi-Pyrénées | Director | - SAS Inforsud FM (2009)<br>- SNC Exa (2010) |
| Chairman and Director | - SA Inforsud Gestion | | |
| Member of the Board | - FNCA | | |
| Director | - SA Pacifica<br>- Crédit Agricole Egypt<br>- SAS Edokial<br>- Scicam<br>- SAS Sacam Participations<br>- GIE CMM<br>- SAS Caagis<br>- Société d'assurance mutuelle (CAMCA)<br>- CAMCA Assurance SA (Luxembourg)<br>- CAMCA Réassurance SA (Luxembourg)<br>- CAMCA Vie SA<br>- CAMCA Courtage (brokerage) (Supervisory Committee)<br>- SA FIA-NET (Europe) | | |
| Chairman | - SA Grand Sud Ouest Capital | | |
| Member | - SCI SUD 2<br>- Executive Committee, SAS Sacam Assurance Caution<br>- Steering Committee, SAS Agilor<br>- Satisfaction Commission, FNCA<br>- FNCA Customer Relation Commission<br>- Payment Resources Strategy Committee<br>- Management Committee, GIE GICAM<br>- Development Orientation Committee Guest<br>- Marketing Oversight Committee FNCA | | |
| Supervisory Board Member | - Crédit Agricole Titres (SNC) | | |
| Management Board member | - SARL Adicam | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| | | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Michel MICHAUT**
**Main office within the Company: Director**
**Member of the Appointments and Governance Committee**

| | | | |
|---|---|---|---|
| Born in 1947 | | Business address: | Caisse régionale Champagne Bourgogne<br>269, faubourg Croncels<br>10 000 Troyes |
| Date first appointed | May 2004 | | |
| Term of office ends | 2014 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 6,017 | | |

| Offices held at 31/12/2011 | | Other offices held within the past five years | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| Chairman | - Crédit Agricole Leasing & Factoring<br>- Eurofactor | Chairman | - Caisse régionale Champagne Bourgogne (September 2011) |
| Director | - CAMCA | Director and Permanent Representative, CA Leasing & Factoring | - UNIMAT (2011) |
| Member | - Development Orientation Committee<br>- Commission for corporate relations and federal delegation of negotiation (FNCA)<br>- Management Board, Adicam<br>- Regional Bank Chairmen's Association (FNCA) | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| Chairman of the Board | - Crédit Agricole section of the *Groupement pour le Développement de la Formation Professionnelle et de l'Emploi dans les services du monde rural* (GDFPE) | Partner and Manager | - GAEC de la Baderie, Lixy (2006) |
| Member | - GIE Agricompétences | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Monica MONDARDINI**
**Main office within the Company: Director**
**Chairman of the Appointments and Governance Committee**

| | | | |
|---|---|---|---|
| Born in 1960 | | Business address: | Gruppo Editoriale L'Espresso Ufficio Amministratore Delegato Via C. Colombo 149 00147 Rome |
| Date first appointed | May 2010 | | |
| Term of office ends | 2012 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 500 | | |

| Offices held at 31/12/2011 | | Other offices held within the past five years | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| | | | |
| **in other listed companies** | | | |
| Deputy Director | - Gruppo Editoriale L'Espresso | | |
| Director | - SCOR SE | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| | | Deputy Director | - Generali Espana (2008) |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| **Christian STREIFF**<br>**Main office within the Company: Director**<br>**Member of the Compensation Committee** | | | |
|---|---|---|---|
| Born in 1954 | | Business address: | Goetzpartners Corporate Finance SAS<br>19 avenue George V<br>75008 Paris |
| Date first appointed | May 2011 | | |
| Term of office ends | 2014 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 100 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| | | | |
| **in other listed companies** | | | |
| | | Chairman of the Executive Board | - PSA Peugeot Citroën (2009) |
| | | Executive Chairman | - Airbus (2006) |
| **in other non-listed companies** | | | |
| Chairman | - C.S. Conseils | | |
| **other offices** | | | |
| Director | - ThyssenKrupp AG (Germany)<br>- Finmeccanica SpA (Italy)<br>- TI-Automotive (UK) | | |
| Member of the Board | - École des Mines | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Christian TALGORN**
**Main office within the Company: Director**
**Member of the Compensation Committee**

| | | | |
|---|---|---|---|
| Born in 1949 | | Business address: | Caisse régionale du Morbihan<br>Avenue de Kéranguen<br>56000 Vannes |
| Date first appointed | May 2010 | | |
| Term of office ends | 2013 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 1,872 | | |

| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| Chairman | - Caisse régionale du Morbihan<br>- Local Bank Vannes Ouest<br>- Mutual insurance life and identity commission (FNCA)<br>- Housing Committee (FNCA)<br>- Crédit Agricole en Bretagne (ex-Fédération Bretonne du Crédit Agricole) | Director | - SAS Uni Expansion Ouest (2011) |
| Director | - Crédit Agricole Egypt<br>- BforBank | | |
| Member | - Human Resources Commission (FNCA)<br>- Commission Banque Universelle | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| Director | - Fondation Grameen | Manager | - Institut Universitaire Professionnalisé de Sciences de Gestion of the Université de Bretagne Sud (2006)<br>- Campus des Métiers of the Université de Bretagne Sud (2006) |
| Deputy Chairman | - European Association of Cooperative Banks | | |
| Professor of Law | - Université Bretagne Sud | | |
| Member | - Centre de recherches Européennes at the Université de Rennes | | |
| European lecturer | - Team Europe | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| **François VÉVERKA<br>Main office within the Company: Director<br>Chairman of the Audit and Risks Committee; Member of the Strategy Committee and the Compensation Committee** | | | |
|---|---|---|---|
| Born in 1952 | | Business address: | Banquefinance Associés<br>84 avenue des Pages<br>78110 Le Vésinet |
| Date first appointed | May 2008 | | |
| Term of office ends | 2014 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 761 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| Director | - LCL, Chairman of the Risk Management and Accounts Committee<br>- Crédit Agricole CIB, Chairman of the Audit Committee | | |
| Non-voting member | - Amundi Group, member of the Audit Committee | | |
| Non executive Director | - Amundi UK Ltd | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| Consultant | - Banking and finance activities (Banquefinance associés) | Chief Executive Officer | - Compagnie de Financement Foncier (2007) |
| | | Executive Committee Member | - Compagnie de Financement Foncier (2008) |
| Chairman of the Supervisory Board | - Octofinances | Executive Managing Director | - Standard & Poor's – Institutional Affairs for European Activities (2006) |
| | | Supervisory Board Member | - Octofinances (2011) |
| **other offices** | | | |
| Teacher | - ESCP-EAP<br>- École polytechnique fédérale, Lausanne | Member | - Finance Committee, Fondation pour la recherche médicale (2009) |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Xavier BEULIN**
**Main office within the Company: Director representing the professional agricultural organisations.**

| | | | |
|---|---|---|---|
| Born in 1958 | | Business address: | FNSEA<br>11 rue de la Baume<br>75008 Paris |
| Date first appointed | September 2011 | | |
| Term of office ends | 2014 | | |
| Number of Crédit Agricole S.A.shares held [(1)] at 31/12/2011 | - | | |

| Offices held at 31/12/2011 | | Other offices held within the past five years | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| | | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| Chairman | - Sofiproteol | | |
| Deputy Chairman | - Copa | | |
| **other offices** | | | |
| Chairman | - FNSEA<br>- Conseil économique et social régional du Centre<br>- Chambre départementale d'agriculture du Loiret<br>- EOA (European oilseeds alliance)<br>- Grand Port Maritime de la Rochelle | First Deputy Chairman | - FNSEA and Chairman of the Specialised Associations Co-ordinating Committee (2010) |
| | | Deputy Chairman | - CETIOM (Mainland France Inter-professional Oilseeds Technical Centre) (2009) |
| First Deputy Chairman | - Chambre régionale d'agriculture du Centre | Chairman | - Board of Directors, France AgriMer (national institute for agricultural products and seafoods) (2010) |
| Deputy Chairman | - Department Federation of Farmer's Unions, Loiret | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| **Daniel COUSSENS<br>Main office within the Company: Director representing employees** | | | |
|---|---|---|---|
| Born in 1949 | | Business address: | Crédit Agricole S.A.<br>DMO/PR<br>12 place des États-Unis<br>92120 Montrouge |
| Date first appointed | June 2006 | | |
| Term of office ends | 2012 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 4,211 | | |

| **Offices held at 31/12/2011** | **Other offices held within the past five years** |
|---|---|
| **in Crédit Agricole Group companies** | |
| Crédit Agricole S.A.: Professional Marketing Officer – Corporate Markets and Tenders department | |
| **in other listed companies** | |
| | |
| **in other non-listed companies** | |
| | |
| **other offices** | |
| | |

(1) *Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| **Kheira ROUAG<br>Main office within the Company: Director representing employees** | | | |
|---|---|---|---|
| Born in 1963 | | Business address: | Crédit Agricole Immobilier<br>CAIM/AFR<br>12 place des États-Unis<br>92120 Montrouge |
| Date first appointed | June 2009 | | |
| Term of office ends | 2012 | | |
| Number of Crédit Agricole S.A.shares held [(1)] at 31/12/2011 | 55 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| Crédit Agricole Immobilier | - Accounting Officer,<br>Cash management department | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| Employee adviser, Paris | | Union Representative | - FO Union (2009) |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| Pascal CÉLÉRIER<br>Main office within the Company: Non-voting member | | | |
|---|---|---|---|
| Born in 1953 | | Business address: | Caisse régionale de Paris et d'Île-de-France<br>26 quai de la Rapée<br>75012 PARIS |
| Date first appointed | December 2011 | | |
| Term of office ends | 2014 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 2,030 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| Chief Executive Officer | Caisse régionale de Paris et d'Île-de-France | | |
| Director | - SAS Rue La Boétie<br>- LCL, member of the Risk Management and Accounts Committee | | |
| Deputy Secretary General | - Bureau Fédéral (FNCA) | | |
| Supervisory Board Member | - Crédit Agricole Titres (SNC) | | |
| Director | - SA BFT<br>- SAS CAAGIS<br>- CA Technologies and CA Services<br>- SAS Sacam Participations | | |
| Permanent representative of Crédit Agricole d'Île de France | - SA CTCAM<br>- SNC Espace Diderot | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| | | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Jean-Louis DELORME**
**Main office within the Company: Non-voting member**

| | | | |
|---|---|---|---|
| Born in 1950 | | Business address: | Caisse régionale de Franche-Comté<br>11 avenue Élisée-Cusenier<br>25000 Besançon |
| Date first appointed | May 2010 | | |
| Term of office ends | 2013 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 1,403 | | |

| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| Chairman | - Caisse régionale de Franche-Comté<br>- Federal Negotiation Delegation (FNCA)<br>- HECA Board of Directors | Director | - CAMCA (2011) |
| Director | - Banco Popolare FriulAdria<br>- Agrica – CCPMA Retraite<br>- IFCAM | | |
| Member | - FNCA Board<br>- Corporate Relations Commission (FNCA)<br>- BUP Commission<br>- Fomugei Joint Management Committee | | |
| Board Secretary | - Regional Bank Chairmen's Association (FNCA) | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| Director | - “Notre Maison” (retirement home)<br>- GDFPE | | |
| Member | - Coopérative de Fromagerie Erythrones | | |
| Mayor | - Aromas | | |
| Chairman | - Communauté de Communes de la Petite Montagne | | |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Jean-Paul CHIFFLET**
**Main office within the Company: Chief Executive Officer**
**Chairman of the Management Committee and Executive Committee**

| | | | |
|---|---|---|---|
| Born in 1949 | | Business address: | Crédit Agricole S.A.<br>12 place des États-Unis<br>92120 Montrouge |
| First appointment as Chief Executive Officer | March 2010 | | |
| Number of Crédit Agricole S.A.shares held [(1)] at 31/12/2011 | 7,328 | | |

| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| Chief Executive Officer | - Crédit Agricole S.A. | Chief Executive Officer | - Caisse régionale Centre-Est (2010)<br>- SAS Sacam International (2010) |
| Chairman | - Crédit Agricole CIB<br>- Compensation Committee, Crédit Agricole CIB<br>- LCL<br>- Amundi Group | Chairman | - SAS Sacam Développement |
| | | Director, Vice-Chairman | - Crédit Agricole S.A. (2010) |
| | | Deputy Chairman | - SAS Rue La Boétie (2010) |
| | | Member | - Strategy Committee, Crédit Agricole S.A. (2009) (2009)<br>- Appointments and Governance Committee, Crédit Agricole S.A. (2009) |
| | | Management Committee Member | - SARL Adicam (2010)<br>- GIE GECAM (2010) |
| | | Permanent Representative, SACAM Développement, Director | - LCL (2010) |
| | | Secretary General and Board member | - FNCA (2010) |
| | | Director | - GIE AMT (2010)<br>- SAS Sacam Participations<br>- SCICAM<br>- CAF (Switzerland)<br>- Siparex (2010) |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| Advisory Board | - Livelihoods Fund | | |
| **other offices** | | | |
| Member | - Management Committee, Fédération Bancaire Française<br>- Comité d'Orientation de Paris Europlace | Director | - Lyon Place Financière et Tertiaire |
| | | Deputy Chairman | - Comité des banques de la région Rhône Alpes |
| | | Member | - Economic, social and environmental Board (2010) |
| | | Founding Chairman | - Rhône Alpes de IMS, Entreprendre pour la cité |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Bruno de LAAGE**
**Main office within the Company: Deputy CEO, Retail banking activities, Specialised financial services, Payment systems and services**
**Member of the Management Committee and Executive Committee**

| | | | |
|---|---|---|---|
| Born in 1951 | | Business address: | Crédit Agricole S.A.<br>12 place des États-Unis<br>92120 Montrouge |
| First appointment as Deputy Chief Executive Officer | February 2010 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 1,752 | | |

| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| Chairman | - Crédit Agricole Consumer Finance<br>- Uni-Editions | Chief Executive Officer | - Caisse régionale Anjou and Maine (2010) |
| | | Chairman | - SAS John Deere Crédit (2008)<br>- GIE Atlantica (2009)<br>- SAS BforBank (2010)<br>- Cedicam (Acting Chairman) (2011) |
| Supervisory Board Member | - Crédit du Maroc | Deputy Secretary General | - FNCA (2010) |
| Director – Vice-Chairman | - Banco Espirito Santo<br>- Crédit Agricole Egypt | Director | - Crédit Agricole Titres (SNC) (2008)<br>- Crédit Agricole Capital-Investissement et Finance (CACF) (2008)<br>- Uni-Editions (2007)<br>- GIE Atlantica (2010)<br>- Uni Expansion Ouest (2010)<br>- Crédit Agricole S.A. (2010) |
| Deputy Chairman | - UBAF | Management Committee Member | - Adicam SARL (2007) |
| Director | - LCL<br>- BESPAR<br>- BforBank<br>- Cariparma<br>- Crédit Agricole Creditor Insurance<br>- Emporiki Bank<br>- Fireca<br>- Crédit Agricole Leasing & Factoring | | |
| Non-voting member | - Crédit Agricole Assurances | | |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | Director | - Société Euro Securities Partners (2008) |
| **other offices** | | | |
| Supervisory Board Member | - Deposit guarantee funds | Chairman | - Vegepolys (2011) |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

**Jean-Yves HOCHER**
**Main office within the Company: Deputy Chief Executive Officer – Corporate and Investment Bank and private banking**
**Member of the Management Committee and Executive Committee**

| | | | |
|---|---|---|---|
| Born in 1955 | | Business address: | Crédit Agricole S.A.<br>12 place des États-Unis<br>92120 Montrouge |
| First appointment as Deputy Chief Executive Officer | October 2008 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 2,300 | | |

| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
|---|---|---|---|
| **in Crédit Agricole Group companies** | | | |
| Chief Executive Officer | - Crédit Agricole CIB | Chairman of the Board of Directors | - Crédit Agricole Assurances (2008)<br>- FGA Capital S.p.A. (ex-FGAFS) (2008)<br>- Sofinco (2008) - Finaref (2008) |
| Chairman | - Crédit Agricole Private banking | Deputy Chairman, Director | - Crédit Agricole Consumer Finance (2011) |
| | | Chief Executive Officer | - Predica (2008) |
| | | Vice-Chairman, Director | - Predica (2011)<br>- Pacifica (2008) |
| Director | - Emporiki Bank<br>- Newedge Group<br>- BGPI | Chairman of the Supervisory Board | - Eurofactor (2008)<br>- Unipierre Assurances (2008) |
| | | Supervisory Board Member | - Korian (2008)<br>- Fonds de garantie des dépôts (2011) |
| Director | - CLSA BV<br>- Stichting CLSA Foundation | Director | - ASF (2008)<br>- Attica (2008)<br>- Crédit Agricole Leasing (2008)<br>- CAMCA (2008)<br>- Médicale de France (2008)<br>- CRESERFI, Permanent Representative of Sofinco (2008)<br>- Fireca (2010)<br>- Cedicam (2010)<br>- Crédit Agricole CIB (2010)<br>- Crédit Agricole Creditor Insurance (2011)<br>- Crédit Agricole Leasing & Factoring (2011)<br>- Amundi Group (2011)<br>- Banco Espirito Santo (2011)<br>- BESPAR (2011)<br>- Crédit Agricole Assurances Italia Holding (SpA) (2011)<br>- CACEIS (2011) |
| | | Non-voting member | - Siparex, Permanent Representative of Predica (2008)<br>- Management Committee, Cedicam (2009)<br>- Pacifica (2009)<br>- Crédit Agricole Assurances (2011) |
| **in other listed companies** | | | |
| | | Director | - Gecina, Permanent Representative of Predica (2009) |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| Director | - Agro Paris Tech (EPCSCP) | Member of the Board and Executive Committee Member | - FFSA (2008) |
| Member | - MEDEF General Assembly | Chairman | - Groupement Français des Bancassureurs (2008) |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

| **Michel MATHIEU<br>Main office within the Company: Deputy Chief Executive Officer – Specialised Central functions, Insurance and Asset management<br>Member of the Management Committee and the Executive Committee** | | | |
|---|---|---|---|
| Born in 1958 | | Business address: | Crédit Agricole S.A.<br>12 place des États-Unis<br>92120 Montrouge |
| First appointment as Deputy Chief Executive Officer | February 2010 | | |
| Number of Crédit Agricole S.A.shares held (1) at 31/12/2011 | 220 | | |
| **Offices held at 31/12/2011** | | **Other offices held within the past five years** | |
| **in Crédit Agricole Group companies** | | | |
| Chairman | - Crédit Agricole Private Equity (CAPE)<br>- LESICA | Chief Executive Officer | - Caisse régionale du Languedoc (2010) |
| Director, Vice-Chairman | - Predica | | |
| Director | - Cariparma<br>- LCL<br>- Amundi Group<br>- Banco Espirito Santo<br>- BESPAR<br>- Crédit Agricole Assurances<br>- CACEIS<br>- CACI<br>- Pacifica, representative of Crédit Agricole S.A. | Director | - Crédit Agricole S.A. (2010)<br>- Friulia Spa (2010)<br>- IFCAM (2010)<br>- Deltager (2010)<br>- Crédit Agricole Solidarité et Développement<br>- GIE EXA (permanent representative of Caisse régionale du Languedoc) |
| Member | - Joint "Senior Executives" Commission (FNCA) | Member | - FNCA Board (2010)<br>- Cotec – Strategy Committee on technology (FNCA)<br>- Financial and Banking Policy Commission (FNCA) |
| Supervisory Board Member | - SILCA | Supervisory Board Member | - Crédit Agricole Titres (SNC) (2010)<br>- SOFILARO (2011) |
| **in other listed companies** | | | |
| | | | |
| **in other non-listed companies** | | | |
| | | | |
| **other offices** | | | |
| | | Director | - Centre Monétique Méditerranéen |

*(1) Shares directly held by Corporate Officers (excluding those held through employee share ownership plans/funds).*

The Company's Board of Directors comprises 21 Directors, including one Corporate Officer of SAS Rue la Boétie, which is owned by the Regional Banks and owns 56.25% of Crédit Agricole S.A., and 10 Corporate Officers of the Regional Banks in which Crédit Agricole S.A. is a 25% shareholder. The Regional Bank representatives therefore hold a majority of the seats on the Board. This illustrates the will to give the Regional Banks a broad representation and reflects the Crédit Agricole Group's decentralised structure.

The interests of the Regional Banks and of SAS Rue la Boétie could differ from those of Crédit Agricole S.A. or of other Crédit Agricole S.A. shareholders. This could lead to potential conflicts of interests between the duties to Crédit Agricole S.A. of persons serving as both Director of Crédit Agricole S.A. and Corporate Officer of SAS Rue la Boétie or of a Regional Bank and their duties to SAS Rue la Boétie or to a Regional Bank. For information, it is noted that Crédit Agricole S.A. acts as the central body for the Regional Banks, in accordance with the provisions of Articles L. 511-30 to L. 511-32 and L. 512-47 to L. 512-54 of the French Monetary and Financial Code.

In 2011 the Board of Directors increased the number of independent Directors on the Board with the appointment of a new Director from outside the Group. The Board now has 6 independent Directors. Three of the four Specialised Committees (Audit and Risks, Compensation, Appointments and Governance) are chaired by an independent Director. Consequently, after reviewing the situation with respect to the Directors in the light of the AFEP/MEDEF independence criteria, the Board concluded that the existing operation enabled the Board and its committees to fulfil their duties with the required effectiveness, objectivity and independence, particularly with respect to preventing potential conflicts of interest, and to the equitable consideration of all shareholders' interests.

There exist no **service contracts** between the members of the administrative or management bodies and Crédit Agricole S.A. or any of its subsidiaries that grant benefits to such members.

To the Company's knowledge, there are no **family ties** among the Corporate Officers, Directors, Chief Executive Officer and Deputy Chief Officers of Crédit Agricole S.A.

Crédit Agricole S.A. complies with the **corporate governance regulations** applicable in France, as described in the report of the Chairman of the Board of Directors submitted to the shareholders at the General Meeting of Shareholders of 22 May 2012, which is produced in full in this registration document. The AFEP/MEDEF Code is the Company's reference code for the purposes of preparing the report stipulated in Article L. 225-37 of the French Commercial Code.

To the Company's knowledge, as of this date, no member of an administrative or management body of Crédit Agricole S.A. has been convicted in relation to fraudulent offences during the last five years.

To the Company's knowledge, as of this date, no member of an administrative or management body of Crédit Agricole S.A. has been associated with any bankruptcy, receivership or liquidation during the last five years.

### Details of any official charges and/or sanctions ruled against any member of an administrative or management body

At the beginning of May 2004, the CONSOB initiated proceedings against the Italian bank Banca Intesa, its Directors and Senior executives, and former Directors and Senior executives of Cariplo, Comit and BAV, for a period running from the beginning of 1999 until the end of 2002.

As part of such proceedings, in March 2005, the Chief Executive Officer of Credit Agricole S.A. at that time, Mr Jean Laurent and Mr Ariberto Fassati, member of the Executive Committee, received notification from the Italian Ministry of the Economy and Finance that it was assessing fines of €33,800 for Mr Laurent and €24,800 for Mr Fassati for breach or inadequacy of internal procedures at the above-mentioned Italian banks with respect to information provided to customers and the suitability of products offered to such customers. These decisions were appealed to the Milan Court of Appeals. Ruling on Banca Intesa's appeal, the Milan Court of Appeals upheld these fines. In October 2007, Banca Intesa filed another appeal, with the Supreme Court. This appeal has been rejected.

No member of the administrative or management bodies of Crédit Agricole S.A. has been disqualified by a court from acting as a member of an administrative or management body or from participating in the management or running of Crédit Agricole S.A. within at least the last five years.

# Management bodies

## COMPOSITION OF THE MANAGEMENT COMMITTEE

At 22 February 2012

| | |
|---|---|
| **Jean-Paul CHIFFLET** | Chief Executive Officer |
| **Bruno de LAAGE** | Deputy Chief Executive Officer<br>Responsible for Retail banking, Specialised financial services and payment systems and flows |
| **Jean-Yves HOCHER** | Deputy Chief Executive Officer<br>Responsible for Corporate and investment banking and private banking |
| **Michel MATHIEU** | Deputy Chief Executive Officer<br>Responsible for Group Central functions, insurance and asset management |
| **Joseph d'AUZAY** | Secretary General of Crédit Agricole S.A. |
| **Pierre DEHEUNYNCK** | Head of Group Human Resources |
| **Bernard DELPIT** | Group Chief Financial Officer |
| **Philippe DUMONT** | Chief Executive Officer of Crédit Agricole Consumer Finance |
| **Olivier GAVALDA** | Head of Regional Banks division |
| **Jérôme GRIVET** | Chief Executive Officer of Crédit Agricole Assurances |
| **Yves NANQUETTE** | Chief Executive Officer of LCL |
| **Yves PERRIER** | Head of asset management, securities and investor services |
| **Hubert REYNIER** | Head of Group Risk Management and Permanent Controls |

## COMPOSITION OF THE EXECUTIVE COMMITTEE

At 22 February 2012

| | |
|---|---|
| **Jean-Paul CHIFFLET** | Chief Executive Officer |
| **Bruno de LAAGE** | Deputy Chief Executive Officer<br>Responsible for Retail banking, Specialised financial services and payment systems and flows |
| **Jean-Yves HOCHER** | Deputy Chief Executive Officer<br>Responsible for Corporate and investment banking and private banking |
| **Michel MATHIEU** | Deputy Chief Executive Officer<br>Responsible for Group Central functions, insurance and asset management |
| **Joseph d'AUZAY** | Secretary General of Crédit Agricole S.A. |
| **Jean-Paul BETBÈZE** | Chief Economist |
| **Jérôme BRUNEL** | Head of Public affairs |
| **Pierre CAMBEFORT** | Deputy Chief Executive Officer of Crédit Agricole Corporate and investment bank |
| **Francis CANTERINI** | Deputy Chief Executive Officer of Crédit Agricole Corporate and investment bank |
| **Pierre DEHEUNYNCK** | Head of Group Human Resources |
| **Bernard DELPIT** | Group Chief Financial Officer |
| **Alain DESCHÊNES** | Head of Group IT and Industrial Projects |
| **Philippe DUMONT** | Chief Executive Officer of Crédit Agricole Consumer Finance |
| **Ariberto FASSATI** | Head of Crédit Agricole S.A. Group in Italy |
| **Julien FONTAINE** | Head of Group strategy |
| **Christophe GANCEL** | Head of private banking |
| **Olivier GAVALDA** | Head of Regional Banks division |
| **Jérôme GRIVET** | Chief Executive Officer of Crédit Agricole Assurances |
| **Jean-Christophe KIREN** | Head of payment systems and flows |
| **Yves NANQUETTE** | Chief Executive Officer of LCL |
| **Marc OPPENHEIM** | Head of International retail banking |
| **Yves PERRIER** | Head of asset management, securities and investor services |
| **Hubert REYNIER** | Head of Group Risk Management and Permanent Controls |
| **Alain STRUB** | Chief Executive Officer of Emporiki Bank |

# Operating and financial information

3

# Presentation of Crédit Agricole S.A.'s consolidated financial statements

## PRESENTATION OF CRÉDIT AGRICOLE S.A.'S CONSOLIDATED ACCOUNTS

### Changes to accounting principles and policies

#### Application of IAS/IFRS accounting standards

Note 1 to Crédit Agricole S.A.'s consolidated accounts for the year ended 31 December 2011 ("Crédit Agricole S.A. Accounting principles and methods, assessments and estimates used") sets out the regulatory framework and comparability with the figures for the previous year.

Pursuant to Regulation (EC) No. 606/2002, since 1 January 2005, Crédit Agricole S.A.'s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union at the end of the reporting period.

The IFRS include IAS/IFRS and new interpretations adopted by the International Financial Reporting Interpretations Committee (IFRIC).

The standards and interpretations are the same as those applied and described in Crédit Agricole S.A.'s consolidated accounts for the year ended 31 December 2010.

The standards and interpretations used in the consolidated accounts at 31 December 2010 have been supplemented by the IFRS provisions as adopted by the European Union at 31 December 2011, which became mandatory for the first time for the 2011 reporting period. The application of these new provisions had no material impact on income or shareholder's equity for the period.

Crédit Agricole S.A. did not apply optional standards and interpretations during the year, unless otherwise stated. This applies in particular to the amendment to IFRS 7 on transfers of financial assets. Crédit Agricole S.A. does not expect such applications to have a material impact on income or shareholder's equity.

### Changes in the scope of consolidation

At 31 December 2011, the scope of consolidation encompassed 523 subsidiaries and other long-term equity investments. Notes 12 and 2.1 to the consolidated financial statements, respectively, present the Group's scope of consolidation and changes to the scope during the year.

During 2011, Crédit Agricole S.A. did not make any major acquisitions. Its income and scope of consolidation were nevertheless affected by a number of significant transactions (excluding the adjustment plan announced on 14 December 2011).

**The scope of consolidation was affected in 2011 by transactions initiated in 2010 or earlier:**

- Extension of the Italian branch network

  In accordance with the terms of the agreement with Intesa Sanpaolo, entered into and announced on 18 February 2010, Crédit Agricole S.A. continued to extend its presence in Italy, with the finalisation in the first half of 2011 of the acquisition by Cariparma and FriulAdria de Cassa di Risparmio della Spezia (Carispezia), together with a network of Intesa Sanpaolo branches, bringing Crédit Agricole S.A.'s total Italian network to 902 branches.

  Accordingly, Crédit Agricole S.A., *via* its 75%-owned subsidiary Cariparma, acquired at market conditions, for a total cash consideration of €740 million, 80% of Carispezia, as well as a total of 96 branches from the Intesa Sanpaolo network.

  After recognition at fair value on the acquisition date of the identifiable assets and liabilities of Carispezia and of the 96 branches, goodwill amounting to €512 million was recognised, of which €376 million Group share.

- Disposal of Credit Uruguay Banco

  Continuing its withdrawal from countries that are uncooperative regarding tax matters, Crédit Agricole S.A. signed, on 4 May 2010, an agreement for the disposal of its 100% holding in Credit Uruguay Banco, its retail banking subsidiary in Uruguay, to Banco Bilbao Vizcaya Argentaria Uruguay, for €74 million. This transaction was completed during the first quarter of 2011. The disposal resulted in a net loss after tax and disposal costs of €4 million.

- Disposal of SCB Cameroun

  The disposal of 51% of SCB Cameroun to Attijariwafa Bank was finalised on 8 April 2011. This transaction followed the disposal of 14% of SCB's share capital to the state of Cameroon on 7 April 2011. These transactions completed the implementation of a project initiated more than two years earlier, namely the disposal by Crédit Agricole S.A. of its investments in sub-Saharan banks to the Attijari Group in exchange for an increase in its holdings in Crédit du Maroc and Wafassalaf. They resulted in disposal gains of €13 million in 2011.

**Crédit Agricole S.A.'s scope of consolidation and income were also impacted by the following transactions in 2011:**

- Acquisition of Centea

  On 1 July 2011, Belgian bancassurance group KBC and Crédit Agricole de Belgique (of which Crédit Agricole S.A. and the Regional Banks of the North East and North of France together hold a 50% interest) reached an agreement for the disposal of the Centea savings bank for a total of €525 million. Centea had been consolidated using the equity method since the date of its acquisition. Its contribution to Crédit Agricole S.A.'s net income was €3.6 million in 2011.

- Disposal of Eurofactor UK

  The disposal of Eurofactor UK became effective on 29 July 2011, resulting in a capital gain of €4.8 million. The transaction was consistent with the selective approach announced in the Group's medium-term plan.

- Dilution of Crédit Agricole S.A.'s holding in BES

  Following the offer to exchange subordinated debt and preference shares issued by BES for equity, Crédit Agricole S.A.'s holding in BES was diluted to 20.5%, compared to 23.8% prior to the offer. The dilution had a negative impact on net income Group share of €95 million.

**A number of specific transactions were carried out on Emporiki:**

- Buyout of minority shareholders and delisting of Emporiki shares

  In May 2011, Crédit Agricole S.A. launched a voluntary public offer for the residual 4% of the share capital of its Greek subsidiary, Emporiki Bank of Greece S.A., not yet held by Crédit Agricole S.A. and Sacam International SAS, in order to delist the bank from the Athens Stock Exchange. Following its public offer for Emporiki shares (€1.76 per share) in July 2011 and a subsequent squeeze-out procedure, Crédit Agricole S.A. was raised its stake in its Greek subsidiary to 95%, the remaining 5% being held by Sacam International. Upon completion of the transaction, the bank requested the delisting of Emporiki shares from the Athens Stock Exchange. The delisting was approved by the Board of Directors of the Hellenic Capital Market Commission on 26 October 2011. The buyout of minority shareholders resulted in an impact of -€47 million on equity (Group share).

- To enable its subsidiary Emporiki Bank to comply with its regulatory ratios at the end of the year, Crédit Agricole S.A. made an additional advance of €1.6 billion, thus increasing the amount of its advance to €2 billion, which was converted into a capital increase on 24 January 2012.

**Lastly, other transactions whose impact will only be felt in 2012 are noteworthy:**

- The year 2011 was marked by the signing of a partnership agreement with CITICS to create a global leader in brokerage services with a strong local presence to best serve clients and investors around the world. CITICS would accordingly become a minority shareholder of CLSA and Crédit Agricole Cheuvreux, with stakes of 19.9% in the share capital of both companies. Activation of this agreement is subject to standard regulatory approval. This is expected to occur sometime in 2012.

- On 16 December 2011, Crédit Agricole and Coller Capital announced the signing of an agreement on the disposal by Crédit Agricole S.A. to Coller Capital of 100% of Crédit Agricole Private Equity and of the majority of the funds held by Crédit Agricole Capital Investment Finance.

## ECONOMIC AND FINANCIAL ENVIRONMENT

**In the first half of the year, the global economy endured a series of shocks.** The Arab world witnessed an uprising that began in Tunisia, before spreading across the entire region. In Tunisia, Egypt and Libya, the quest for democracy led to the toppling of authoritarian regimes, while protest movements were repressed elsewhere. The geopolitical turmoil in the Middle East raised fears of widespread disruptions to oil supplies, causing oil prices to spike. In early February, Brent moved above the psychological barrier of $100 per barrel, subsequently settling above that level. In March, a string of disasters hit Japan, with an earthquake of historic magnitude, a devastating tsunami and a major nuclear disaster. These events disrupted component and spare-parts supply chains, hurting some industries, including the automotive sector.

**As a consequence of these negative shocks, the United States economy experienced a slump in the first half (0.4% in the first quarter, followed by 1.3% in the second quarter on an annualised basis), to the point of reviving fears of a return to recession.** These concerns peaked in the summer, following heated debate on the raising of the country's debt ceiling and the decision by S&P to downgrade its sovereign credit rating, depriving it of its AAA. **By contrast, growth was resilient in Europe (3.2% in the first quarter and 0.8% in the second quarter on an annualised basis), although significant contrasts remained between the healthy centre and a periphery in the full throes of adjustment.** Moreover, upstream inflationary pressures prompted the ECB to raise its key interest rate on two occasions, in April and July, bringing it to 1.5%.

**The sovereign debt crisis saga saw many twists and turns.** In May, Portugal was forced to follow Greece and Ireland in seeking European support to cope with the rough handling of the markets, to give it some breathing space. In June, investors began to speculate about an imminent default by Greece, forcing the country to accept greater fiscal discipline in order to secure a new financial support package. On 21 July, in view of visible signs that the crisis was spreading to Italy and Spain, Europe went a step further, acknowledging Greece's solvency problems and calling for private sector involvement (PSI) to reduce the country's stock of debt. It also decided to increase the flexibility of the European Financial Stability Facility, empowering it to act preventively by lending to solvent states with liquidity problems and to banks in need of capital.

The markets were not swayed, and doubts remained about Europe's ability to pull together and to act if the crisis spreads to the eurozone's two heavyweights. Doubts also persisted in respect of the strength of the European financial system, which is highly exposed to sovereign risks. This was compounded by the removal of access to dollar liquidity for European banks, as US money-market funds withdrew over the summer. To stop the domino effect between sovereign and bank risks, the ECB reactivated its debt buyback scheme in August, extending it to Italy and Spain. Short selling of financial stocks was temporarily banned. In September, the ECB, in coordination with several central banks, including the Fed, decided to reintroduce a three-month dollar-denominated facility at a reduced cost. The European Union's October summit also tackled the problem of the size of the bailout mechanism, proposing two leverage-based mechanisms to increase its intervention capacity. In a depressed financial environment, Europe ultimately called on private creditors to accept additional concessions, forgiving roughly 50% of Greece's debt.

After an uneasy calm, fresh panic gripped the markets in early November, following the surprise announcement by the Greek Prime Minister of plans to hold a referendum on the bailout package, and the resurgence of political tension in Italy. **The deepening of the sovereign crisis immediately spread to the banks, as market funding dried up. The banks with the greatest exposure to troubled sovereigns and with the most reliance on market funding were the most affected. On top of this, the combination of large amounts of debt maturing in 2012, the EBA's recommendation that the application of tougher capital adequacy ratios be brought forward to July 2012 and the weakening of the economic environment, synonymous with a slowdown in banking operations and a higher cost of risk, in a context in which it was hard to raise capital, sparked fears that financial institutions could be forced to accept an abrupt adjustment of their balance sheets by carrying out fire sales of assets and tightening their lending conditions.**

The ECB responded by turning the liquidity taps back on, with the announcement on 8 December of two longer-term refinancing operations with a maturity of three years, accompanied by a relaxation of the eligibility criteria for collateral. It also cut interest rates further (after an initial cut in November), bringing them back to their all-time low of 1%. **By doing everything in its power to inundate banks with liquidity at virtually no cost, the ECB was playing its role as lender of last resort to ensure that the indispensable clean-up of bank balance sheets went as smoothly as possible, and that it did not overly dampen growth.** The markets reacted positively to changes of government in Greece and Italy, with the appointment of transitional governments led by technocrats. Lastly, the European Union summit on 9 December made fiscal discipline mandatory in the eurozone by imposing "constitutional" limits on public deficits and strengthening oversight mechanisms and sanctions. Together, these factors helped to ease tensions on the debt markets and to stop spillover throughout the banking sector. However, these measures did not stop growth from flagging, with a decline in economic activity in the eurozone at year-end (-0.3% quarter-on-quarter in the fourth quarter, or -1.2% year-on-year). With annualised growth of 3% in the final quarter, the United States does not appear to have felt any fallout from the worsening of the debt crisis in Europe.

Investors remained cautious throughout the year, as evidenced by the downward trend in risk-free rates, which hit record lows in December (less than 2% for ten-year US and German government bonds). The euro ended the year at approximately 1.30 to the dollar, an overvaluation in view of the eurozone's economic fundamentals. But spreads on yields between currencies and the prospect of further quantitative easing by the Fed undermined the greenback.

## CRÉDIT AGRICOLE S.A. OPERATIONS AND CONSOLIDATED INCOME STATEMENTS

| *(in millions of euros)* | 2011 | 2010 | Change 2011/2010 |
|---|---|---|---|
| **Revenues** | **20,783** | **20,129** | **+3.3%** |
| Operating expenses | (13,612) | (13,187) | +3.2% |
| **Gross operating income** | **7,171** | **6,942** | **+3.3%** |
| Cost of risk | (5,657) | (3,777) | +49.8% |
| **Operating income** | **1,514** | **3,165** | **(52.2%)** |
| Share of net income in equity-accounted entities | 229 | 65 | x 3.5 |
| Net income (loss) on disposal of other assets | 5 | (177) | n.m. |
| Change in value of goodwill | (1,934) | (445) | x 4.3 |
| **income before tax** | **(186)** | **2,608** | **n.m.** |
| Income tax expense | (1,026) | (877) | +16.9% |
| Net income from discontinued or held-for-sale operations | 14 | 21 | (33.8%) |
| **Net income** | **(1,198)** | **1,752** | **n.m.** |
| **NET INCOME GROUP SHARE** | **(1,470)** | **1,263** | **n.m.** |
| *Earnings per share (in euros)* | *(0.60)* | *0.54* | *n.m.* |

In 2011 the Group put in a very solid business performance servicing customers and the economy. However, the environment in which it operated was marked by uncertainty in respect of the solvency of some peripheral European countries, acceleration and tightening of prudential banking regulations, an unprecedented liquidity crisis starting in the summer with the removal of access to US dollar funding, the closure of debt markets and, lastly, the significant deterioration in economic conditions.

Consequently, 2011 was characterised by a marked split between the first and second halves for Crédit Agricole S.A., first in respect of activity levels and growth in operating income, and second due to adverse non-recurring items stemming from measures taken by Crédit Agricole S.A. to deal with the tougher environment.

As such, considering the events that occurred during the summer, in September 2011 Crédit Agricole S.A. announced a €50 billion debt-reduction plan between June 2011 and December 2012. It followed this announcement with an adjustment plan, unveiled in December. Most of the resulting costs were provisioned in the financial statements in the final quarter of 2011. Their impacts affected Crédit Agricole S.A.'s 2011 revenues, its operating expenses and its cost of risk: in terms of net income Group share, they amount to €482 million. In addition, the impairment losses in the final quarter in respect of the adjustment plan amount to €2,532 million (net impact Group share).

At the same time, the situation in Greece deteriorated steadily throughout the year and Emporiki's operating losses swelled to €941 million. In the second quarter, Crédit Agricole S.A. also impaired the residual goodwill (impact of €359 million) and part of the stock of deferred tax assets (impact of €148 million). As a participant in the Greek bailout plan implemented in the second quarter 2011, Crédit Agricole S.A. also took a €1.3 billion charge in the cost of risk in respect of Greece covering the impairment of Greek sovereign debt held by Crédit Agricole S.A.'s insurance companies and its Greek subsidiary, Emporiki. Thus, the Greek crisis had a negative impact of €2,378 million on Crédit Agricole S.A.'s net income Group share in 2011.

Excluding the impact of Greece and the adjustment plan, income for the year 2011 totalled €3,922 million. Despite the tougher economic environment and market conditions, the French retail banking networks confirmed their front-ranking role in financing the French economy, with overall loans outstanding up 4.6% year-on-year. At the same time, they continued to enjoy real commercial success, with customer deposits up 1.6% year-on-year, reaching a total of €701 billion at end-2011, nearly 56% of which were on-balance sheet customer savings. The asset management business segments also maintained satisfactory activity and profitability levels in view of the prevailing environment. The results of Corporate and investment banking and Specialised financial services operations were affected by the adjustment plan.

Overall, after a standardised [1] first half totalling €2,336 million, and a standardised second half totalling €1,586 million, the effects of Greece and the adjustment plan and assimilated effects resulted in Crédit Agricole S.A. recording a net loss Group share of €1,470 million in 2011.

*(1) Excluding the Greek (Emporiki and PSI), adjustment plan and assimilated effects.*

Crédit Agricole S.A.'s **revenues** totalled €20,783 million, up 3.3% year-on-year, an increase of 4.2% at constant exchange rates and scope of consolidation, and before costs relating to the adjustment plan and assimilated effects and the Greek impacts. Operating expenses were kept on a tight rein during the year, with the increase limited to 3.2%, despite the weight of expenses relating to the NICE project and the implementation of the adjustment plan. At constant exchange rates and scope of consolidation, and before costs relating to the adjustment plan, operating expenses were down 0.7% over the year**. Gross operating income** totalled €7,171 million, a year-on-year increase of 3.3%, and an increase of 13.5% at constant exchange rates and scope of consolidation before costs relating to the adjustment plan and assimilated effects and the Greek impact. Crédit Agricole S.A.'s cost-income ratio came to 65.5%, stable compared to the previous year.

2011 was also marked by an increase in the **cost of risk**, attributable both to the Greek bailout plan and the implementation of the adjustment plan. It totalled €5,657 million for Crédit Agricole S.A. in 2011, an increase of nearly 50% (excluding the above factors, it was up 11.3%). Between 2010 and 2011, the cost of risk continued to improve in the retail-banking business segments in France and internationally, excluding Italy and Greece. However, it increased for the other business lines over the same period – in large part due to the factors cited above – for Insurance, Corporate and investment banking, Specialised financial services and Emporiki. Consequently, Crédit Agricole S.A.'s cost of risk represented 110 basis points of average loans outstanding in 2011, of which 26 basis points attributable to the Greek bailout plan, compared to 57 basis points in 2010. The ratio of bad and doubtful loans and receivables to Crédit Agricole S.A.'s gross outstanding loans increased slightly to 4.6% of total outstandings at 31 December 2011 (4.3% at end-2010), while the cover rate increased from 50.3% to 54.0% over the year. Factoring in collective provisions, the coverage ratio stood at 69.4% at end-2011, compared to 65.8% at end-2010. Please refer to the section on "Risk factors" and to Note 4.8 to the consolidated financial statements, which provides an analysis of changes affecting the cost of risk.

**Income from equity-accounted entities** was €229 million, including the negative impact of the impairment of the €981 million equity-accounted value of the equity investments in BES and Bankinter. This impact masks the substantial increase in the equity-accounted contribution of the results of the Regional Banks , which reached a record of €1,008 million (up 5.4% compared to 2010).

**Change in the value of goodwill totalled €1,934 million in 2011**, including the following impairments: residual goodwill impairment on Emporiki of -€359 million, loss of -€1,300 million stemming from the effects of the adjustment plan in Corporate and investment banking and Specialised financial services, and -€275 million in respect of Italy and Ukraine following the revision of the technical impairment parameters.

After **tax** of €1,026 million, which includes the non-deductibility of goodwill impairment and the statutory increase in the French corporate tax rate in 2011, in France Crédit Agricole S.A. recorded a **net loss Group share** of €1,470 million for the year. As a reminder, the 2010 tax expense included the positive impact of the new treatment of the exit tax in insurance, with a positive impact of approximately €440 million.

## Impact of the adjustment plan in 2011

On 28 September 2011, Crédit Agricole announced an adjustment plan to adapt to the new environment. It entails the structural reduction of its consumption of liquidity, the diversification of its refinancing sources, the strengthening of the Group's solvency and to streamlining of its business portfolios. These announcements were clarified and supplemented on 14 December 2011.

Crédit Agricole's adjustment plan has two components:

### 1. A structural reduction in funding requirements

Crédit Agricole announced on 28 September 2011 a structural reduction of €50 billion in its funding requirements between June 2011 and December 2012, broken down as a €45 billion reduction in short-term debt and a €5 billion reduction in average medium- to long-term debt. Within this framework, Crédit Agricole S.A.'s medium- to long-term market issuance programme will total €12 billion in 2012, compared with €22 billion in 2011.

By business line, target reductions have been set at between €15 billion and €18 billion for Corporate and investment banking, between €9 billion and €11 billion for Specialised financial services, and between €21 billion and €23 billion for retail banking.

### 2. A new model for Crédit Agricole S.A.'s Corporate and Investment Bank, focused on distribution and service to key customers

The new model for Crédit Agricole S.A.'s Corporate and Investment Bank is consistent with the objective of reducing its funding needs by between €15 billion to €18 billion, of which €9 billion by end-2011 and 75% in dollars. The new model is based on a strategy aimed at limiting the size of the balance sheet:

- adapting an "originate to distribute" model: origination and structuring of financing, increased use of bonds related solutions, heightened recourse to syndication and securitisation, implementation of upstream partnerships with investors likely to acquire Crédit Agricole CIB originated assets;
- reinforcement of advisory and execution capacity in investment banking and brokerage.

This strategy aims to serve the Group's key customers, and is suited to a new framework of banking disintermediation. Three adjustment levers have been identified: a shift to larger customers, a geographical refocus, with the closure of operations in 21 countries (Crédit Agricole CIB will nevertheless remain present in 32 countries accounting for 84% of global GDP) and a withdrawal from certain businesses (equity derivatives and commodities).

The Corporate and Investment Bank will thus reduce its balance sheet, which will lead to a decrease in its liquidity consumption by about €18 billion by end-2012, primarily in equity derivatives and financing activities, and to a reduction in risk-weighted assets of approximately €30 billion by January 2013, thanks to reductions in operations and disposals of loans and portfolios.

It will also align its cost base with the reduction in its balance sheet, notably by means of targeted workforce adjustments (13% reduction in the headcount) and a plan to cut other expenses (support functions, purchases). The application of the measures contained in the plan will accordingly result in 550 job cuts in France and 1,200 internationally, and will comply with labour laws in force in the various countries concerned.

**In Specialised financial services, the measures adopted under the plan are focused chiefly on reducing assets.**

For Crédit Agricole Consumer Finance (CACF), four levers are used to reduce liquidity consumption by approximately €8 billion, while affirming CACF's position as a leading player in the consumer finance market. The first three levers are aimed at reducing outstandings, in the amount of approximately €8 billion: organic decrease of activity, loan and portfolio disposals. CACF will also diversify its sources of funding to the tune of €4 to €5 billion (an additional measure not falling within the target of €8 billion set under the adjustment plan for CACF). Ultimately, 40% of the annual impact on revenues will be covered by cost savings (targeted workforce adjustments). The application of the measures contained in the plan will result in 300 job cuts in France and a similar number internationally, and will comply with labour law in force in the various countries concerned.

For Crédit Agricole Leasing and Factoring (CAL&F), the measures adopted are aimed at reducing customer assets by approximately €1 billion by end-2012, using two levers: disposals of businesses and lease finance portfolios, reduced production.

**The retail banking measures adopted under the plan are focused on achieving balanced growth in deposits and lending.**

In Retail banking in France, Crédit Agricole has opted for balanced growth: boosting on-balance sheet deposit collection in light of an increasing savings rate among the French population, through the redirection of new savings flows into on-balance sheet products (prioritising customer satisfaction, winning new markets for deposits and delivering in the wealth-management segment), and reasonable growth in lending, in light of lower demand, with pricing based on the cost of liquidity.

Strategies in International retail banking are adapted to local environments. For Emporiki, the goals are to increase deposits and related market shares deposits, and to reduce loans outstanding through the natural amortisation process. For Cariparma, the goal is to increase deposits, with a shift to on-balance sheet products, and to control growth in lending.

**In 2011, the financial and accounting impact of the implementation of the restructuring plan and the additional measures announced on 14 December totalled €3,014 million.**

**First, costs excluding impairments totalled €482 million.** Portfolio disposals were significant in reducing revenues by €258 million in Corporate and investment banking. The effect of provisioning all workforce adjustment measures impacted costs by €57 million for Specialised financial services and €336 million for Corporate and investment banking. The cost of portfolio disposals carried out by Specialised financial services was included in the cost of risk, totalling €99 million.

In total, these measures resulted in an €8 billion reduction in risk-weighted assets(1), of which €7 billion for Corporate and investment banking and €1 billion for Specialised financial services.

| | **Reduction in funding requirements achieved between 30 June 2011 and 31 December 2011 at current prices** *(in billions of euros)* | **Target reduction of funding needs between 30 June 2011 and 31 December 2012** *(in billions of euros)* | **Impact of the plan on net income Group share in 2011 (excluding goodwill impairment)** *(in millions of euros)* |
|---|---|---|---|
| Retail banking | (9) | (23) | - |
| Specialised financial services | (1) | (9) | (103) |
| Corporate and investment banking | (11) | (18) | (379) |
| **TOTAL** | **(21)** | **(50)** | **(482)** |

*(1) At constant exchange rates since 30 June 2011.*

**Impairment losses totalled €2,532 million, of which €1,300 million relating directly to the plan and €1,232 million stemming from the severe deterioration in the environment.** The impact of the adjustment plan on Corporate and investment banking was €1,053 million, €247 million on lease finance and factoring. The severe deterioration in the environment also affected Crédit Agricole S.A.'s net income Group share through the impairment of the equity-accounted value of minority interests in Bankinter (€617 million) and BES (€364 million), as well as the technical impairment of goodwill in some international subsidiaries (€191 million for Cariparma, €60 million for CA Ukraine).

**The financial and accounting impact of the 2012 adjustment plan was set out at the time of the 14 December 2011 announcement.** The impact of portfolio disposals planned in 2012 in terms of revenues and cost of risk on net income Group share is estimated at -€470 million, to which some estimated long-term impact will be added. The impact of these measures on the risk-weighted assets of Corporate and investment banking and Specialised financial services will be approximately -€23 billion (December 2012 vs. June 2011).(1)

Ultimately, the full-year impact on net income Group share is estimated at a negative €250 million, with recurring revenues falling €700-750 million, about 50% of which are offset by cost savings. The total impact on risk-weighted assets will be -€35 billion (adjustment plan and portfolio disposals).(2)

Crédit Agricole has reaffirmed the major strategic choices of the Group Project and its Commitment 2014 plan: with universal retail banking prioritised and accelerated refocusing of Corporate and investment banking and Specialised financial services activities. However, the adjustment plan and the prevailing economic climate have changed the course of the medium-term Commitment 2014 plan and we are unable at this stage to confirm its objectives.

**In terms of solvency, Crédit Agricole will meet 2013 requirements.** Crédit Agricole stresses the fact that regulators assess the solvency ratio at Crédit Agricole Group level. The publication on 8 December 2011 of the results of the stress tests conducted by the EBA confirmed that Crédit Agricole Group will not require additional capital by June 2012.

Furthermore, Crédit Agricole Group will be able to post a Common Equity Tier 1 ratio (CET1) of 10% at end-2013 by using its own resources:

- €60 billion reduction in risk-weighted assets for Crédit Agricole S.A.(3);
- profit retention policy at Crédit Agricole Group;
- Crédit Agricole S.A. will systematically offer its shareholders the option to receive their dividend payment in shares from 2012;
- treatment of insurance activities as a financial conglomerate and optimised composition of the capital of Crédit Agricole Assurances;
- strengthening the capital of the Regional Banks through their dynamic issuance of mutual shares.

Building on the 9.23% calculated in the EBA stress tests carried out in late September 2011, the 10% end-2013 target factors in the following assumptions:

- total Basel 3 impact excluding insurance: -0.8%;
- treatment of insurance as a financial conglomerate: -0.9%;
- retained profits and share issues: +1.6%;
- adjustment plan: +0.6%;
- methodological gains: +0.6%;
- growth in activity: -0.3%.

*(1) Impact of the measures, without factoring in regulatory changes.*

*(2) Including the CRD 3&4 regulatory impact on disposals and excluding regulatory impact on the rest of the scope of consolidation.*

*(3) Change between June 2011 and December 2013 of risk-weighted assets calculated under full Basel 3.*

# OPERATIONS AND RESULTS BY BUSINESS LINE

Crédit Agricole S.A. Group is organised into six business lines:

- French retail banking – Crédit Agricole Regional Banks ;
- French retail banking – LCL;
- International retail banking;
- Specialised financial services;
- Asset management, insurance and private banking;
- Corporate and investment banking;

plus the Corporate centre.

Crédit Agricole S.A. Group's business lines are defined in Note 5 to the consolidated financial statements for the year ended 31 December 2011 – "Operating segment information". The organisation and activities are described in section 1 of Crédit Agricole S.A.'s registration document "Presentation of Crédit Agricole S.A.".

### CONTRIBUTION BY BUSINESS LINE TO CRÉDIT AGRICOLE S.A.'S NET INCOME GROUP SHARE

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| French retail banking | 1,683 | 1,628 |
| International retail banking | (2,601) | (928) |
| Specialised financial services | 91 | 536 |
| Asset management, insurance and private banking | 951 | 1,509 |
| Corporate and investment banking | (147) | 975 |
| Corporate centre | (1,447) | (2,457) |
| **NET INCOME - GROUP SHARE** | **(1,470)** | **1,263** |

### RISK-WEIGHTED ASSETS BY BUSINESS LINE

| *(in billions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| French retail banking | 38.7 | 86.9 |
| *Crédit Agricole Regional Banks (25%)* | -[(1)] | *49.3* |
| *LCL* | *38.7* | *37.6* |
| International retail banking | 59.6 | 59.6 |
| Specialised financial services | 56.7 | 58.2 |
| Asset management, insurance and private banking | 15.3 | 14.8 |
| Corporate and investment banking | 140.1 | 123.9 |
| *Financing activities* [(2)] | *69.5* | *79.2* |
| *Capital markets and investment activities* [(2)] | *41.5* | *35.1* |
| *Discontinuing operations* | *29.1* | *9.6* |
| Corporate centre | 23.3 | 28.3 |
| **TOTAL** | **333.7** | **371.7** |

*(1) Implementation of the "Switch" guarantees on 31 December 2011, transferring the risk-weighted assets in respect of Crédit Agricole S.A.'s holding in the Regional Banks to these banks.*

*(2) In 2010, financing activities and capital markets and investment activities included discontinuing operations.*

At 31 December 2011, Crédit Agricole S.A.'s risk-weighted assets amounted to nearly €334 billion, down 10.2% year-on-year. Most of the reduction was due to the implementation of the "Switch" guarantees, the effect of which was to transfer €52.7 billion of Crédit Agricole S.A.'s risk-weighted assets in respect of its interest in the Regional Banks to the Regional Banks. This drop in risk-weighted assets is partly conceiled by the first application of CRD 3 (Basel 2.5), which generated an increase in market risks totalling €24.8 billion, exclusively at Crédit Agricole CIB. Moreover, the reduction in operations, in particular, from the adjustment plan, resulted in a €10.1 billion reduction in risk-weighted assets.

## 1. French retail banking – Crédit Agricole Regional Banks

In 2011, the Regional Banks sustained the pace of activity, resulting in a contribution of €1,008 million to Crédit Agricole S.A.'s net income Group share, an increase of 5.4% compared to 2010. The Regional Banks' operating income amounted to €5,035 million in 2011, a year-on-year increase of 5.5%.

| *(in millions of euros)* | 2011 | 2010 | Change 2011/2010 |
|---|---|---|---|
| Net income accounted for at equity (approximately 25%) | 854 | 824 | +3.6% |
| Change in share of reserves [1] | 154 | 133 | +15.8% |
| **Share of net income of equity-accounted entities** | **1,008** | **957** | **+5.4%** |
| **NET INCOME GROUP SHARE** | **1,008** | **957** | **+5.4%** |

*(1) Difference between dividends actually paid by the Regional Banks to Crédit Agricole S.A. and dividends calculated on the percentage holding of the Regional Banks in Crédit Agricole S.A.*

These results reflect solid business performance throughout the year within the Regional Bank networks, despite the extremely difficult environment prevailing in all areas of their operations.

In 2011, the Regional Banks enjoyed another year of solid business performance, with an 11.3% increase in the number of net account openings across all markets. In retail banking, they continued to roll out commercial offerings such as the *"Démarche Retraite"* (Retirement Approach) and the *"Compte à composer"* (Mix-and-match account); the number of *"Double Action"* cards increased by 6.5% between end-2010 and end-2011. In multi-channel banking, the Regional Banks continued their policy of innovation, with the launch in May 2011 of "Kwixo", the first banking solution covering payments between individuals, which had nearly 140,000 members and over 600 e-tailers as of end-December in 2011. In savings, nearly 800,000 home purchase savings plans (PEL) were opened in 2011, bringing total home purchase savings to nearly €4.2 million, while the number of Livret A passbook savings accounts topped 6 million as of end-2011, with deposits totalling more than €22 billion. In mortgage lending, the launch of the PTZ+ interest-free loan was a real success, with over 57,000 PTZ+ loans taken out as of end-September. Lastly, between end-2010 and end-2011, the number of insurance policies taken out through the Regional Banks was up 4.5%, with increases of 6.3% in property insurance and 3.3% in personal insurance.

In lending, the Regional Banks again maintained their commitment to their customers and the French economy in 2011, as evidenced by the overall growth of 4.1% in customer loans outstanding to nearly €391 billion as of end-2011. This growth was driven primarily by mortgages, where total outstandings were up 5.7% over the year at more than €214 billion. Growth was recorded in lending to all other parts of the economy, with the exception of consumer finance, where outstandings were down 3.1% year-on-year due to falling demand. As such, corporate and small business outstandings were up 2.5% between end-2010 and end-2011, while loans to local authorities grew by 5.4% and loans to farmers by rose 0.4% over the period.

Deposit gathering was strong in the Regional Banks, particularly in on-balance sheet products. Customer deposits totalled more than €550 billion as of end-2011 (up 1.3% year-on-year), with nearly €316 billion in on-balance sheet deposits, which were up 5.3% over the year. This growth was driven largely by term deposit accounts (savings up 15.2% over the year), and passbook accounts (up 6.8%); demand deposit accounts and home purchase savings plans saw volumes increase by 1.5% and 1.0% respectively in 2011. Off-balance sheet inflows were down 3.6% between December 2010 and December 2011 due to the downturn in the economic and market environments, which affected securities, mutual funds and REITs. Life insurance enjoyed positive trends, with volumes up 1.5% over the year despite a difficult final quarter.

The loan-to-deposit ratio firmed slightly in 2011 (up 0.8%), mainly during the second half of 2011, ending 2011 at 129.0%. The deposit-lending deficit fell by €400 million in the second half of 2011, following the implementation of the plan and thanks to the seasonal increase in demand deposits at year's end.

The revenues of the Regional Banks (restated for intragroup transactions) amounted to €13.4 billion in 2011, up 1.4% over the year. In 2011, the non-payment of interest on the T3CJ deeply subordinated notes had a negative impact of €101 million on revenues. Revenues from customer business were up 1.1% between end-2010 and end-2011, while revenues from customer business excluding home purchase savings plans were up 1.2% over the same period, under the combined effect of higher volumes and firmer margins on loans. Fee and commission income was up 1.3% year-on-year, driven in large part by a 4.4% increase in commissions generated by insurance operations.

Expenses remained under control in 2011 but were affected by investments linked to the NICE project: including these expenses, they were up 4.0% over the year. The cost-income ratio accordingly increased by 1.4 percentage points over the period to 55.0% as of end-2011.

The cost of risk declined sharply in 2011, thanks to a lower level of depreciation charges to collective provisions, while the Regional

Banks maintained a high level of depreciation charges on individual provisions. The cost of risk fell by 26.2% to -€1,008 million in 2011. Total reserves as of end-2011 represented 108.8% of doubtful loans and receivables, compared to 107.5% as of end-2010; they were stable at 2.4% of loans outstanding.

As a result, the Regional Banks' contribution to Crédit Agricole S.A.'s net income Group share reached an all-time high of €1,008 million in 2011, an increase of 5.4% compared to 2010.

## 2. French retail banking – LCL

For LCL, 2011 was characterised by strong momentum in the first half, which subsequently slowed in the third quarter as economic conditions worsened. LCL nevertheless confirmed its ability to maintain good commercial and financial results.

| *(in millions of euros)* | 2011 | 2010 | Change 2011/2010 (1) |
|---|---|---|---|
| **Revenues** | **3,822** | **3,945** | **(1.5%)** |
| Operating expenses | (2,497) | (2,575) | (0.6%) |
| **Gross operating income** | **1,325** | **1,370** | **(3.3%)** |
| Cost of risk | (286) | (359) | (20.2%) |
| **Operating income** | **1,039** | **1,011** | **+2.7%** |
| Equity-accounted entities | - | - | n.m. |
| Net income (loss) on disposal of other assets | 1 | (2) | n.m. |
| Change in value of goodwill | - | - | n.m. |
| **Income before tax** | **1,040** | **1,009** | **+3.1%** |
| Tax | (330) | (303) | +9.0% |
| Net income from discontinued or held-for-sale operations | - | - | n.m. |
| **Net income** | **710** | **706** | **+0.6%** |
| Minority interests | 35 | 35 | +0.5% |
| **NET INCOME GROUP SHARE** | **675** | **671** | **+0.6%** |

*(1) Reclassification in 2010 of commissions on payment instruments from expenses to revenues, in accordance with the method used as of the first quarter of 2011.*

LCL confirmed its role in financing the French economy in 2011, as evidenced by the 6.9% year-on-year increase in its loan book, which totalled €87.8 billion as of end-2011. This growth was attributable chiefly to an increase in residential loans (outstandings up 11.7% year-on-year in 2011), but also to loans to corporates and small businesses, with output up 27.8% over the period.

2011 also saw the continuation of a sustained pace in customer deposits (up 2.6% year-on-year) based on an extended offering. Growth was driven by on-balance sheet customer deposits, which were up 16.7% over the year at more than €76 billion as of end-December. With the exception of home purchase savings plans, where volumes were down 1.9% between end-2010 and end-2011, all classes of on-balance sheet deposits grew significantly over the year. Demand-deposit volumes were up 12.5% over the year, passbook-account volumes up 12.2% and term deposits and popular savings plans up 44.1%. Inflows of off-balance sheet resources were adversely affected by the economic and market environments in 2011. They fell by 8.6% between end-2010 and end-2011, owing to falling deposits in securities as well as mutual funds. Life insurance volumes were stable at €48.6 billion (up 0.2%). LCL also successfully undertook several bond issues starting in the second quarter of 2011, raising a total of €1.7 billion during the year.

Under the combined effect of changes in lending and deposits, LCL's loan-to-deposit ratio improved by 7.5 percentage points over the year, from 122.8% as of end-2010 to 115.3% as of end-2011.

LCL also maintained strong commercial activity throughout the year. In the retail and small business markets, comprehensive home, car and health insurance policies were up 12.6% year-on-year, thanks to the success of the LCL Auto contract; output in the other insurance segments was up 14.3% over the period, with an acceleration in the final quarter. Sales of new cards increased by 9.7% in 2011, focused primarily on high-end cards, where outstandings grow three times faster than in other cards. The number of active customers in this segment also continued to grow in 2011: it was up nearly 2.0% among individual customers and 2.4% in small businesses. The corporate customer base grew by 2.3% over the year.

Ever a pioneer and innovator, LCL was active in 2011, launching *"Centricité clients 2013"* (Customer Centricity 2013), which offers customers a cooling-off period, and the *"Contrat de reconnaissance"* (Gratitude Contract), not to mention "Kwixo" in payments, *"LCL à la carte"* for students and the "Pro" account, with an escalating interest rate for small business customers.

Revenues edged down 1.5% at constant methodology in 2011. The interest margin was penalised in the second half by a sharp increase in the cost of gathering on-balance sheet customer deposits, falling by 1.9% over the year. At the same time, in addition to the reclassification of commissions on payment instruments from expenses to revenues since the final quarter of 2010, fee and commission income declined: it was down 1.1% between end-2010 and end-2011, chiefly because of the decline in asset management activity and the reduction in the interchange fee on 1 October 2011.

Operating expenses remained under control: they were down 0.6% over the year, taking into account the reclassification in 2010 of fees on commissions on payment instruments from expenses to revenues. The cost-income ratio was 65.3% as of end-2011.

The cost of risk fell by 20.2% between 2010 and 2011, despite an increase at year's end. With commitments up sharply over the year, the cost of risk as a proportion of loans outstanding stood at 31 basis points in 2011, compared to 33 basis points in 2010. The rate of doubtful loans and receivables also improved: it was 2.5% as of end-2011, compared to 2.6% as of end-2010. The cover rate was 75.5% including collective provisions, an improvement of 2 percentage points over the period.

Net income Group share totalled €675 million in 2011, up 0.6% compared to 2010.

## 3. International retail banking

2011 was marked by the integration into the Italian network of Carispezia and the 96 branches acquired from Intesa Sanpaolo. However, the severe deterioration of the situation in Greece, and, to a lesser extent, in other countries where the Group has an international retail banking presence, affected the results of this business line. For instance, Emporiki's cost of risk increased, partly due to its participation in the Greek bailout plan. At the same time, there were impairment losses totalling €981 million on the two equity-accounted entities (BES and Bankinter), and €610 million on subsidiaries (net impact, Group share on Emporiki, Cariparma and Crédit Aricole Ukraine).

**Net income Group share** of the business line was a loss of €2,601 million in 2011.

### INTERNATIONAL RETAIL BANKING INCOME STATEMENT AND BUSINESS DATA

| *(in millions of euros)* | 2011 | 2010 | Change 2011/2010 |
|---|---|---|---|
| **Revenues** | **3,068** | **2,975** | **+3.1%** |
| Operating expenses | (2,104) | (1,951) | +7.8% |
| **Gross operating income** | **964** | **1,024** | **(5.8%)** |
| Cost of risk | (1,846) | (1,444) | +27.8% |
| **Operating income** | **(882)** | **(420)** | **x 2.1** |
| Share of net income of equity-accounted entities | (911) | 108 | n.m. |
| Net income (loss) on disposal of other assets | 8 | 8 | (9.4%) |
| Change in value of goodwill | (634) | (445) | +42.1% |
| **Net income (loss) before tax** | **(2,419)** | **(749)** | **x 3.2** |
| Income tax expense | (247) | (183) | +34.4% |
| Net income from discontinued or held-for-sale operations | 14 | 21 | (32.4%) |
| **Net income** | **(2,652)** | **(911)** | **x 2.9** |
| Minority interests | (51) | 17 | n.m. |
| **NET INCOME GROUP SHARE** | **(2,601)** | **(928)** | **X 2.8** |
| ***Business data*** *(in billions of euros)* | | | |
| *Gross loans outstanding* | *65.4* | | |
| *Net loans outstanding* | *59.6* | | |
| *On-balance sheet customer deposits* | *53.9* | | |
| *Off-balance sheet customer deposits* | *47.8* | | |

In the uncertain economic environment prevailing in many countries, revenues grew by 3.1% year-on-year thanks to the consolidation of Carispezia and the new branches acquired from Intesa Sanpaolo in the first half. Excluding these changes in the scope of consolidation, revenues were down 2.6% year on year. Expenses were up 7.8%, including integration expenses of €47 million at Cariparma, relating to the integration of Carispezia and the new branches, and restructuring expenses of €51 million at Emporiki, relating to staff departures. Adjusted for integration and restructuring costs and changes in the scope of consolidation, expenses were down 0.5%. Thus, gross operating income, excluding integration and restructuring expenses and changes in the scope of consolidation, was down 6.4%, a relatively small decline in view of the challenging economic environment – particularly for Emporiki, but also for the subsidiaries in Egypt and Morocco. The cost of risk increased by 27.8% year-on-year, affected by provisioning on the older generation of Emporiki loans and the 70% haircut taken through the Greek bailout plan during the year, representing a cost of risk of €246 million over the year. Excluding Emporiki and changes in the scope of consolidation, the cost of risk would have been down 1.5%.

Equity-accounted entities posted a loss of €911 million, including impairments of €364 million and €617 million in the equity-accounted value of BES and Bankinter respectively to account for the deterioration in the economic environment in the countries of southern Europe. Lastly, the residual goodwill on Emporiki was impaired by €359 million in the second quarter, after an impairment of €418 million in 2010. Moreover, in the fourth quarter, Crédit Agricole S.A. recognised a technical impairment of €191 million (net, Group share) in respect of Cariparma, and a smaller impairment on the subsidiary in Ukraine (€60 million).

In **Italy**, Cariparma consolidated its positions, particularly *via* the integration of new branches, and it remains one of the best performing and most profitable players in the Italian market, despite an environment marked by the economic slowdown.

### INCOME STATEMENT AND BUSINESS DATA – CARIPARMA GROUP

| *(in millions of euros)* | 2011 | 2010 | Change 2011/2010 |
|---|---|---|---|
| **Revenues** | **1,592** | **1,436** | **+10.9%** |
| Operating expenses | (1,006) | (835) | +20.5% |
| **Gross operating income** | **586** | **601** | **(2.5%)** |
| Cost of risk | (278) | (231) | +20.1% |
| **Operating income** | **308** | **370** | **(16.7%)** |
| Share of net income of equity-accounted entities | - | - | n.m. |
| Net income (loss) on disposal of other assets | - | 2 | n.m. |
| Change in value of goodwill | (215) | - | n.m. |
| **Net income (loss) before tax** | **93** | **372** | **(74.9%)** |
| Income tax expense | (59) | (144) | (59.2%) |
| Net income from discontinued or held-for-sale operations | - | - | n.m. |
| **Net income** | **34** | **228** | **(84.9%)** |
| Minority interests | 44 | 64 | (29.6%) |
| **NET INCOME GROUP SHARE** | **(10)** | **164** | **n.m.** |
| ***Business data*** *(in billions of euros)* | | | |
| *Gross loans outstanding* | *33.8* | *29.1* | *+16.1%* |
| *Net loans outstanding* | *32.7* | | |
| *On-balance sheet customer deposits* | *33.8* | *28.5* | *+18.4%* |
| *Off-balance sheet customer deposits* | *46.5* | | |

Over the year, the substantial growth of 18.4% in on-balance sheet customer deposits was driven by the liquidity contributed by Carispezia and the new Italian branches. Cariparma maintained strong momentum in loans, with a year-on-year increase of 16.1% (including the impact from changes in the scope of consolidation). The year-end was nevertheless marked by a slowdown in output, attributable to weaker demand, particularly in corporate loans. These strong commercial performances enabled Cariparma to balance its loan-to-deposit ratio at year's end.

Revenues were up 10.9% year-on-year at €1,592 million in 2011. At a constant scope, revenues from customer businesses were up 4.9% year-on-year, impacted by the higher cost of deposits. Expenses remained under control, edging up by 0.6% year-on-year at a constant scope of consolidation and factoring in the expenses relating to the integration of the new branches and Carispezia. The cost-income ratio came to 58.4% in 2011 on this basis.

The cost of risk on outstanding loans averaged 83 basis points in 2011 (compared to 82 basis points in 2010), affected by the provisioning of a customer transaction and a small number of corporate loans. This compares favourably with other Italian banks.

Cariparma's 2011 contribution was also affected by the technical goodwill impairment of €215 million, of which €24 million attributable to minority interests, with net impact, Group share of €191 million. Tax relief enabled Cariparma to save €89 million in taxes over the year.

In total, Cariparma's contribution to net income Group share, excluding goodwill impairment, was €181 million.

In **Greece**, the priority in 2011 was to use all levers available to limit the impact of the deterioration in the country's economy on the accounts: reining in operations, sharply reducing operating expenses and stepping up debt-recovery efforts.

### INCOME STATEMENT AND BUSINESS DATA – EMPORIKI GROUP

| *(in millions of euros)* | 2011 | 2010 | Change 2011/2010 |
|---|---|---|---|
| **Revenues** | **721** | **760** | **(5.2%)** |
| Operating expenses | (572) | (595) | (3.9%) |
| **Gross operating income** | **149** | **165** | **(9.9%)** |
| Cost of risk | (1,418) | (1,022) | +38.7% |
| **Operating income** | **(1,269)** | **(857)** | **+48.1%** |
| Share of net income of equity-accounted entities | - | - | n.m. |
| Net income (loss) on disposal of other assets | 8 | 6 | +25.0% |
| Change in value of goodwill | (359) | (418) | (14.1%) |
| **Net income (loss) before tax** | **(1,620)** | **(1,269)** | **+27.7%** |
| Income tax expense | (163) | (18) | x 9.2 |
| Net income from discontinued or held-for-sale operations | - | - | n.m. |
| **Net income** | **(1,783)** | **(1,287)** | **+38.6%** |
| Minority interests | (117) | (87) | +35.0% |
| **NET INCOME GROUP SHARE** | **(1,666)** | **(1,200)** | **+38.8%** |
| ***Business data*** *(in billions of euros)* | | | |
| *Gross loans outstanding* | *23.2* | | |
| *Net loans outstanding* | *19.0* | | |
| *On-balance sheet customer deposits* | *11.6* | | |
| *Off-balance sheet customer deposits* | *0.9* | | |

Emporiki continued the refinancing policy initiated early in 2011, aimed at increasing its own sources of funds and reducing its need to call on Crédit Agricole S.A. funding.

Gross loans outstanding fell by around €100 million in the Emporiki Group scope of consolidation. This fall, coupled with ongoing provisioning in 2011, which brought provisions to €4.2 billion on a loan book of €23.2 billion, led to a sharp reduction in net loans outstanding. Moreover, in a context of fierce competition among Greek banks to attract customer deposits, Emporiki managed to increase its deposits, thanks largely to an increase in the interest rate paid on term deposits and the use of alternative gathering sources (EMTNs, CDs). Its market share of deposits firmed to 5.7% as of end-2011 (up 44 basis points over the year), in a market characterised by outflows. The deposit-lending deficit accordingly eased significantly over the year.

Increased recourse to European Central Bank funding, raised to €1.8 billion on 31 December 2011, together with the early redemption of a €1.3 billion medium- to long-term credit facility, linked to the €2 billion capital increase carried out in early 2012, also helped reduce the amount of funding provided by Crédit Agricole S.A. to Emporiki Bank. This stood at €5.5 billion as of 31 December, down from €10.4 billion as of 31 March 2011. Crédit Agricole S.A.'s exposure totals €1.3 billion in capital (compared to €1.0 billion as of 31 March 2011), following the capital increase in early 2012.

Despite this difficult environment, marked in particular by higher funding costs, 2011 revenues amounted to €721 million, a relatively small decline of 5.2% over the year. Operating expenses were down 3.9% year-on-year thanks to substantial restructuring undertaken by the bank, including 610 staff departures. These departures cost €51 million over the year and brought the workforce down to 5,100 (down 11% over one year), of which 4,100 at Emporiki Bank (-12%). Gross operating income was down 9.9% at €149 million. Excluding restructuring costs, the cost-income ratio remained below 75%, at 72.4%, 1.3 percentage points higher than in 2010.

The cost of risk amounted to €1,418 million in 2011, up 38.7%. It was strongly affected by Emporiki's participation in the Greek bailout plan, totalling €246 million, representing 70% of gross exposure to Greek government bonds. Emporiki also continued to build up provisions on the older generation of loans in 2011. The above amount does not include the payment made by Crédit Agricole S.A. to Emporiki in respect of the termination of the guarantee, recognised by the Corporate Centre at €161 million. The cover rate increased to 54% at year's end, including 78% for corporate loans, while the rate of doubtful loans and receivables reached 33.5%.

The tax expense was also affected by an exceptional charge of €148 million relating to the impairment of the stock of deferred tax assets, which totalled €278 million as of 31 December 2010. After factoring in the impairment of residual goodwill in the second quarter totalling €359 million, Emporiki's contribution to net income Group share was a loss of around €1.7 billion in 2011.

**Excluding Italy and Greece**, other Group entities reported balanced loan-to-deposit ratios, with €8.5 billion in on-balance sheet customer deposits and €8.4 billion in gross loans outstanding as of 31 December 2011. Of these entities, Crédit Agricole Bank Polska had the largest proportion of revenues, at 43%, followed by Crédit du Maroc (23%), Crédit Agricole Egypt (19%), Crédit Agricole Ukraine (7%), Crédit Agricole Srbija (4%) and Madagascar (4%).

Their net income Group share totalled €116 million excluding impairment losses, down 13.5% year-on-year. This lower operating performance had mixed effects: a slight decrease in revenues (-3.0%), virtually stable operating expenses and a significant reduction in the cost of risk (-21.4%). This result includes €28 million borne by the Polish subsidiary and €40 million by those in Morocco and Egypt. Moreover, following the deterioration in the economic environment in certain European countries, total impairment losses of €1,041 million were recognised in the fourth-quarter financial statements of equity-accounted entities and Ukraine. Overall, net income Group share of the International retail banking entities, other than in Italy and Greece, was a loss of €925 million.

## 4. Specialised financial services

In 2011, **Specialised financial services** continued to flex its muscle in a constrained environment. Four events nevertheless affected its operations: the mid-year entry into force of the remaining provisions of the consumer finance law, the end of tax rebates on energy savings, the end of the car scrappage scheme and the announcement of a deleveraging and adjustment plan by Crédit Agricole S.A..

The consequences of the adjustment plan were felt at year's end, with liquidity requirements down to €1 billion in the second half of 2011 and direct costs, recognised in net income Group share, of €350 million.

Overall, excluding the adjustment plan, gross operating income remained strong, with growth of 1.3% in 2011, while operating expenses, which were down 2.7%, remained well under control. Net income Group share was €441 million, down 17.8% year-on-year, due mainly to a higher cost of risk in Greece and Italy.

### INCOME STATEMENT – SPECIALISED FINANCIAL SERVICES

| *(in millions of euros)* | 2011 | 2010 | Change 2011/2010 |
|---|---|---|---|
| **Revenues** | **3,926** | **3,945** | **(0.5%)** |
| Operating expenses | (1,744) | (1,734) | +0.6% |
| **Gross operating income** | **2,182** | **2,211** | **(1.3%)** |
| Cost of risk | (1,606) | (1,298) | +23.8% |
| **Operating income** | **576** | **913** | **(36.9%)** |
| Share of net income of equity-accounted entities | 14 | 12 | +16.7% |
| Net income (loss) on disposal of other assets | - | - | n.m. |
| Change in value of goodwill | (247) | - | n.m. |
| **Net income (loss) before tax** | **343** | **925** | **(62.9%)** |
| Income tax expense | (242) | (330) | (26.5%) |
| Net income from discontinued or held-for-sale operations | 5 | - | n.m. |
| **Net income** | **106** | **595** | **(82.3%)** |
| Minority interests | 15 | 59 | (74.7%) |
| **NET INCOME GROUP SHARE** | **91** | **536** | **(83.1%)** |

In the **consumer finance** business segment, 2011 was marked by a slowdown due to the combined effect of the economic downturn and regulatory changes. The reduction in operations implemented by Crédit Agricole S.A. as part of the debt-reduction plan announced on 28 September 2011 had the effect of capping the increase in outstandings at 0.3% year-on-year and reduced liquidity requirements. The segment's liquidity requirements were reduced by €0.6 billion in the second half of 2011, corresponding to the decrease in customer loans on the Crédit Agricole Consumer Finance balance sheet. The diversification of external sources of funding, notably through the raising of new deposits in Germany and *via* securitisation in France, brought in additional liquidity totalling €2 billion over the same period.

The initial effects of the restructuring plan announced by Crédit Agricole S.A. on 14 December 2011 were felt in the fourth-quarter 2011 accounts, and as such affected the full-year financial statements. The plan's impact on net income Group share was -€103 million over the year, with provisioning of restructuring costs of -€57 million in operating expenses, and provisioning relating to the disposal of doubtful loans totalling €99 million in the cost of risk. The tax impact was positive, totalling €53 million.

In this highly constrained environment, the Consumer Finance business segment nevertheless continued to improve its operational efficiency. Excluding costs relating to the adjustment plan, operating expenses were down 2.3% year-on-year, and the cost-income ratio was 39.9%, an improvement of 0.6 percentage points over the year.

Overall, adjusted for costs relating to the adjustment plan, net income Group share for the year remained a strong €452 million, down 1.8% year-on-year despite an improvement in the cover rate of impaired loans on Agos's books.

The **lease finance and factoring** business segments continued to grow, although the pace slowed in the second half of 2011.

In **lease finance**, managed business volumes totalled €19.9 billion as of 31 December 2011, up 5.0% year-on-year. This growth, which slowed in the second half of 2011, in connection with the adjustment plan measures, was accompanied by a shift towards strategic and profitable partnerships in France.

**Factoring** enjoyed controlled growth related to the need to manage the Group's liquidity requirements. Factored receivables totalled €59.9 billion over the year, with a good level of business in France, where volumes were up 9.6% at €39.0 billion over the year. Internationally, factored receivables were up 15.8% year-on-year, excluding the sale of Eurofactor UK in August 2011.

The results of the **lease finance and factoring** business segment were marked over the year by the initial impact of the restructuring plan, with a goodwill impairment charge of €247 million in the lease finance segment and increased focus on the customers of the Group's retail-banking networks in France. Revenues held up well despite the rising cost of liquidity, which rose 0.6% over the year. The cost of risk fell appreciably in France, but was penalised internationally by the impairment of lease finance operations in Greece (€142 million over the year) and Italy (€20 million over the year). These figures do not include provisions recorded under the Corporate centre for €97 million in relation to lease finance in Greece.

## 5. Asset management, insurance and private banking

The **Asset management, insurance and private banking** business line was adversely affected by two main factors in 2011. First, the haircut taken on Greek government securities, averaging 74%, penalised the insurance business segment by €1.1 billion in the cost of risk, or €712 million in net income Group share. Second, the highly unfavourable market environment starting in the second half penalised revenues for the entire business line. As of 31 December 2011, assets under management totalled €1,006 billion (€808.5 billion excluding double counting), down 5.4% year-on-year.

Despite these two factors, the business line generated net income Group share of €951 million over the year. Excluding the impact of the European Greek bailout plan, net income Group share was €1,663 million over the full year in 2011.

**INCOME STATEMENT – ASSET MANAGEMENT, INSURANCE AND PRIVATE BANKING**

| *(in millions of euros)* | 2011 | 2010 | Change 2011/2010 |
|---|---|---|---|
| **Revenues** | **5,243** | **4,984** | **+5.2%** |
| Operating expenses | (2,508) | (2,490) | +0.7% |
| **Gross operating income** | **2,735** | **2,494** | **+9.7%** |
| Cost of risk | (1,075) | (25) | x 44.1 |
| **Operating income** | **1,660** | **2,469** | **(32.8%)** |
| Share of net income of equity-accounted entities | 11 | 3 | x 3.2 |
| Net income (loss) on disposal of other assets | (1) | (8) | n.m. |
| Change in value of goodwill | - | - | n.m. |
| **Net income (loss) before tax** | **1,670** | **2,464** | **(32.2%)** |
| Income tax expense | (620) | (801) | (22.6%) |
| **Net income** | **1,050** | **1,664** | **(36.9%)** |
| Minority interests | 99 | 155 | (36.3%) |
| **NET INCOME GROUP SHARE** | **951** | **1,509** | **(37.0%)** |

In **asset management**, Amundi (including BFT's asset management operations, consolidated since 1 July 2011) recorded a slight increase in its results despite a very unfavourable financial environment. Business volumes thus held up well in 2011, with assets under management totalling €658.6 billion as of 31 December, holding the year-on-year decline to 7%, compared to a fall of nearly 17% for the CAC 40 index over the same period. The decline in assets under management stemmed from unfavourable market and exchange-rate effects totalling €16.7 billion and outflows of €35.0 billion in 2011. The outflow occured during the second half, as the financial crisis worsened (the first half saw net inflows of €1.7 billion). The outflows were focused mainly on France and money-market products originated by the networks, as well as large corporates, owing to a shift to on-balance sheet products. Nevertheless, success in international institutions (€3.1 billion in new inflows), employee share ownership (€3.7 billion in new inflows) and ETFs (€1.7 billion in new inflows, making it the third-largest deposit gatherer in Europe) partially offset the redemptions.

Revenues totalled €1,392 million, down 8.2% year-on-year. They were adversely affected by lower outperformance as a result of market conditions in the second half. Management fees, however, resisted well due to the stability of net management margins. At the same time, operating expenses in 2011 were down 5.8%[1] compared to 2011 on 2010, reflecting the full-year impact of synergies and ongoing productivity gains. The cost-income ratio was 55.9% as of end-2011, the lowest level in Europe. Net income totalled €413 million, an increase of 1.8% on 2010.

Overall, net income Group share totalled €302 million in 2011.

The **investor services** business line continued to enjoy strong business growth, limiting the decline in assets in a difficult market climate. For instance, CACEIS continued to extend its product range (middle-office solutions, etc.) and stepped up its expansion in collateral management. As of end-2011, assets under custody totalled €2,259 billion, down 5.0% compared to 2010. Assets under administration recorded a bigger year-on-year decline (-9.6%). At the same time, cash deposits services increased in 2011.

*(1) Excluding restructuring costs in 2010 (€81 million).*

The good business volumes and diversification of income (cash, settlement of listed derivatives and securities lending/borrowing transactions) enabled the business line to record a 1.8% increase in revenues to €825 million over the year. Expenses were down 0.6% year-on-year, reflecting ongoing improvements in operational efficiency. The cost-income ratio continued its steady improvement: it stood at 69.2% in 2011, an improvement of 1.7 percentage points over the year, making CACEIS one of the best performers in the sector. Overall, gross operating income was up 7.5%, while net income totalled €164 million, a 12.4% increase over the period.

Net income Group share was €138 million in 2011.

In November 2011, **Private Banking** started restructuring its operations by setting up a holding company, Crédit Agricole Private Banking, which now houses the Crédit Agricole Suisse, Crédit Agricole Luxembourg, CFM Monaco, Crédit Agricole DTVM Brazil and CAPB Uruguay private-banking entities. BGPI and Crédit Agricole Spain are scheduled to follow in 2012.

In 2011, the Group function held up well, despite the worsening of the financial crisis in the second half. Assets under management, which ended the year at €126.3 billion, stood up well overall, translating into stability on the French scope of consolidation at €57.2 billion, with volumes of on-balance sheet products up at LCL Banque Privée, and a slight year-on-year decline of 2.6% to €69.1 billion on international operations, due mainly to an adverse market effect that was particularly pronounced in the third quarter.

In terms of results, private banking generated revenues of €676 million, an increase of 4.8% year-on-year (up 2.9% at constant exchange rates and scope of consolidation), thanks to stable margins on deposits and sales of structured products.

Expenses were up 9.3% over the year (up 3.0% at constant exchange rates and scope of consolidation).

Overall, net income Group share was up 5.9% over the year, at €113 million. This performance was driven by the 4.8% year-on-year increase in revenues.

The **Insurance** segment recorded premium income of €25.2 billion in 2011.

Life insurance in France showed resilience in a difficult market. The market share of assets was stable at 15.1%[1] as of end-2011, and net cumulative inflows over one year remained positive at €2.5 billion, although this was down 67% compared to 2010. Premium income was also down 14%[2] over the year.

Property and casualty insurance in France had an excellent year. Premium income totalled €2.3 billion as of 31 December 2011, an increase of 11%[3] year-on-year across all products. The increase was much larger than that of the broader market (+4%[4]). 2011 also saw record new business, with 1.8 million new policies, resulting in a 6% increase in the policy portfolio year-on-year.

The creditor insurance business recorded a slight increase in its premium income. This totalled slightly more than €1 billion, with an increase of 8% in France, chiefly on mortgages. The international subsidiaries were penalised in 2011 by the deterioration in the economic and financial environments in all the countries in which they operate. The Italian operations nevertheless held up well, with premium income down 6% year-on-year in a market down 19%.[5]

Overall, excluding the impairment of Greek government securities, net income Group share for the Insurance business line totalled €1,110 million in 2011.

In 2011, Greek government securities took an average haircut of 74%. The impairment borne by the insurer was recorded in the cost of risk totalling €1,081 million in 2011. The impact of the impairment on Crédit Agricole Assurances' financial statements was partially offset by the realisation of capital gains in revenues, which were up 16.8% year-on-year. However, operating expenses were up 19.8% year-on-year, adversely affected by the widening of the corporate value-added contribution base to €69 million.

In this context, the fundamentals of the insurance business remained robust. Life insurance assets under management were up 1.3% year-on-year at €221.5 billion, including €181 billion for contracts in euros, up 2.4% year-on-year, and €40.5 billion for unit-linked contracts, penalised by the decline in the financial markets. Claims in property and casualty insurance remained under control, with a claim to premium ratio[6] of 68.6% as of end-2011. Moreover, organisation and financial management in the insurance business line is being adjusted in accordance with the new Solvency II standards.

*(1) FFSA data as of December 2011.*

*(2) Including Spirica, which was consolidated in 2011.*

*(3) Adjusted for the regulatory change to the tax on Universal Health Coverage (CMU) in 2011.*

*(4) FFSA data as of December 2011.*

*(5) IAMA data as of November 2011.*

*(6) Net of reinsurance.*

## 6. Corporate and investment banking

The adjustment plan taking into account the new environment and announced by Crédit Agricole Group on 14 December represents a new deal for Crédit Agricole CIB, which, along with all corporate and investment banks in Europe, is facing external constraints relating to liquidity management, and structural constraints stemming from the significant acceleration of the regulatory agenda.

The consequences of the plan significantly affected the bank's performance in 2011, consistent with the announcements made on 14 December 2011. The financial impact on net income Group share for the year amounted to €1.4 billion, including €386 million corresponding to the after tax impact of the provisioning of restructuring costs and measures undertaken to reduce the balance sheet, and €1,053 million corresponding to goodwill impairments (allocated by convention to Capital markets and investment activities).

At the same time, the extreme volatility of the markets resulted in the inclusion in the annual results of a significant amount in respect of financial management (+€462 million, vs. -€32 million in 2010), mainly comprising the effect of marking the value of debt to market (+€671 million in revenues).

Accordingly, net income Group share of Corporate and investment banking was a loss of €147 million.

| *(in millions of euros)* | 2011 | 2011 Cost of the adjustment plan | 2011 Impact of the revaluation of debt and loan hedges | 2011 restated (1) | Of which continuing operations(1) |
|---|---|---|---|---|---|
| **Revenues** | **5,436** | **(269)** | **711** | **4,994** | **5,176** |
| Operating expenses | (3,784) | (336) | - | (3,448) | (3,351) |
| **Gross operating income** | **1,652** | **(605)** | **711** | **1,546** | **1,825** |
| Cost of risk | (504) | - | - | (504) | (329) |
| **Operating income** | **1,148** | **(605)** | **711** | **1,042** | **1,496** |
| Share of net income of equity-accounted entities | 133 | - | - | 133 | 133 |
| Net income (loss) on disposal of other assets | 1 | - | - | 1 | 1 |
| Change in the value of goodwill | (1,053) | (1,053) | - | - | - |
| **Net income (loss) before tax** | **229** | **(1,658)** | **711** | **1,176** | **1,630** |
| Income tax expense (income) | (383) | 219 | (249) | (353) | (503) |
| **Net income** | **(154)** | **(1,439)** | **462** | **823** | **1,127** |
| Minority interests | (7) | - | - | (7) | 2 |
| **NET INCOME GROUP SHARE** | **(147)** | **(1,439)** | **462** | **830** | **1,125** |

*(1) Restated for the revaluation of debt and loan hedges, and excluding the cost of the adjustment plan in 2011.*

**With regard to continuing operations**, excluding the impact of loan hedges and the revaluation of debt, and excluding the cost of the adjustment plan, revenues stood at €5.2 billion in 2011, down 9.8% compared to 2010. The operating expenses of continuing operations were down 1.4% year-on-year.

The cost of risk was up 17.1% over the year, due mainly to specific reserves set aside in the final quarter in Financing activities, after several quarters with a very low cost of risk.

The results of the equity-accounted Banque Saudi Fransi were in line with those of the previous year.

After tax net income Group share for ongoing activities restated for the revaluation of debt and loan hedges and before the adjustment plan, amounted to €1,125 million compared to €1,553 million in 2010.

| *(in millions of euros)* | 2011 Continuing operations | 2011 Continuing operations(1) | 2010 Continuing operations(1) | Change 2011/2010 Continuing operations(1) |
|---|---|---|---|---|
| **Revenues** | **5,750** | **5,176** | **5,738** | **(9.8%)** |
| Operating expenses | (3,676) | (3,351) | (3,400) | (1.4%) |
| **Gross operating income** | **2,074** | **1,825** | **2,338** | **(22.0%)** |
| Cost of risk | (329) | (329) | (281) | +,17.1% |
| **Operating income** | **1,745** | **1,496** | **2,057** | **(27.3%)** |
| Share of net income of equity-accounted entities | 133 | 133 | 139 | (4.3%) |
| Net income (loss) on disposal of other assets | 1 | 1 | (6) | n.m. |
| Change in the value of goodwill | (1,053) | - | - | n.m. |
| **Net income (loss) before tax** | **826** | **1,630** | **2,190** | **(25.6%)** |
| Income tax expense (income) | (585) | (503) | (587) | (14.3%) |
| **Net income** | **241** | **1,127** | **1,603** | **(29.7%)** |
| Minority interests | 2 | 2 | 50 | n.m. |
| **NET INCOME GROUP SHARE** | **239** | **1,125** | **1,553** | **(27.6%)** |

*(1) Restated for the revaluation of debt and loan hedges, and excluding the cost of the adjustment plan in 2011.*

## Financing activities

| *(in millions of euros)* | 2011 | Cost of the adjustment plan | 2011 before cost of the plan | 2010 | Change 2011(1)/2010 |
|---|---|---|---|---|---|
| **Revenues** | **2,425** | **(127)** | **2,552** | **2,703** | **(5.6%)** |
| Operating expenses | (982) | (102) | (880) | (850) | 3.5% |
| **Gross operating income** | **1,443** | **(229)** | **1,672** | **1,853** | **(9.8%)** |
| Cost of risk | (319) | - | (319) | (164) | 94.5% |
| **Operating income** | **1,124** | **(229)** | **1,353** | **1,689** | **(19.9%)** |
| Share of net income of equity-accounted entities | 134 | - | 134 | 138 | (2.9%) |
| Net income (loss) on disposal of other assets | 2 | - | 2 | (6) | n.m. |
| Change in the value of goodwill | - | - | - | - | n.m. |
| **Net income (loss) before tax** | **1,260** | **(229)** | **1,489** | **1,821** | **(18.2%)** |
| Income tax expense (income) | (406) | 83 | (489) | (466) | 4.9% |
| **Net income** | **854** | **(146)** | **1,000** | **1,355** | **(26.2%)** |
| Minority interests | (4) | - | (4) | (41) | n.m. |
| **NET INCOME GROUP SHARE** | **858** | **(146)** | **1,004** | **1,314** | **(23.6%)** |
| **NET INCOME GROUP SHARE, ADJUSTED FOR LOAN HEDGES** | **832** | | **978** | **1,325** | **(26.2%)** |

*(1) Excluding the cost of the adjustment plan in 2011.*

In a difficult market environment, financing activities held up well. At year-end, the different business segments began to feel the financial effects of the higher cost of liquidity and the increased selectivity in new transactions, in accordance with the Bank's restructuring plan.

In Commercial Banking, Crédit Agricole CIB continued to support priority customers in their financing and guarantee requirements, despite liquidity constraints.

Revenues from structured finance activities were up 5.4%, enabling the bank to maintain its dominant positions.

In project finance, Crédit Agricole CIB ranked third lead arranger worldwide and first lead arranger in the EMEA region among international banks (*PFI – 2011*). In rail finance, Crédit Agricole CIB was for the first time named "Rail Finance House of the Year 2011" (*Jane's Transport Finance – November 2011*).

In bank syndication, Crédit Agricole CIB reinforced its leading position in France as a book runner, ranking second in the EMEA region. The bank is also ranked sixth worldwide, excluding the United States (*Thomson Reuters and Dealogic, 31 December 2011*).

After several low quarters, the cost of risk rebounded, especially in the final months of the year.

## Capital markets and investment activities

| *(in millions of euros)* | 2011 | Cost of the adjustment plan | 2011 before cost of the plan | 2010 | Change 2011[1]/2010 |
|---|---|---|---|---|---|
| **Revenues** | **3,325** | **(10)** | **3,335** | **2,986** | **+11.7%** |
| Operating expenses | (2,694) | (223) | (2,471) | (2,549) | (3.1%) |
| **Gross operating income** | **631** | **(233)** | **864** | **437** | **97.7%** |
| Cost of risk | (10) | - | (10) | (119) | (91.6%) |
| **Operating income** | **621** | **(233)** | **854** | **318** | **n.m.** |
| Share of net income of equity-accounted entities | (1) | - | (1) | 1 | n.m. |
| Net income (loss) on disposal of other assets | (1) | - | (1) | - | - |
| Change in the value of goodwill | (1,053) | (1,053) | - | - | - |
| **Net income (loss) before tax** | **(434)** | **(1,286)** | **852** | **319** | **n.m.** |
| Income tax expense (income) | (179) | 84 | (263) | (104) | n.m. |
| **Net income** | **(613)** | **(1,202)** | **589** | **215** | n.m. |
| Minority interests | 6 | - | 6 | 9 | (33.3%) |
| **NET INCOME GROUP SHARE** | **(619)** | **(1,202)** | **583** | **206** | **n.m.** |
| **NET INCOME GROUP SHARE, RESTATED FOR REVALUATION OF DEBT** | **(1,055)** | | **147** | **228** | **(35.5%)** |

*(1) Restated for the cost of the adjustment plan.*

In investment banking, Crédit Agricole CIB held its revenues steady and confirmed its leading position, particularly in the property sector, and was ranked tenth in mergers and acquisitions transactions in France (*Thomson Reuters – 2011*).

The Equity Capital Markets teams supported their clients in their plans for listings in Asia, particularly in Hong Kong. Crédit Agricole CIB was involved in Prada's IPO on the Hong Kong Stock Exchange, which was awarded the "Asian Equity Deal of the Year" and "Global IPO of the Year" prizes (*IFR, December 2011*). The bank was the third-ranking book runner in the Equity Capital Markets in France (*Thomson Reuters, 2011*).

Capital markets activities suffered particularly from a widespread mistrust of the markets and the continuing uncertainties regarding the resolution of the European sovereign debt crisis.

Moreover, like other French banks, Crédit Agricole CIB had to deal with to the increasing scarcity and rising cost of liquidity, particularly in dollars.

In this context, the debt and credit markets activity suffered a limited decline of 4% and continued to increase its market share in Eurobonds. Crédit Agricole CIB was the fifth ranking book runner in the international market for Eurobonds (Thomson Financial, 2011). Crédit Agricole CIB was also acknowledged as the second-best bank in Covered Bonds at Euroweek's "The Cover Awards" ceremony in September 2011.

The brokerage business was penalised by a particularly depressed environment and weak volumes, especially in Europe for Crédit Agricole Cheuvreux.

2011 was marked by the signing of a partnership agreement with CITICS aimed at creating a world leader in brokerage, with strong local presence so as better to serve customers and investors around the world. CITICS would accordingly become a minority shareholder of CLSA and of Crédit Agricole Cheuvreux, with stakes of 19.9% in the share capital of both companies. Activation of this agreement is subject to standard regulatory approvals.

## Discontinuing operations

| *(in millions of euros)* | 2011 | Cost of the adjustment plan | 2011 before cost of the plan | 2010 | Change 2011 restated/2010 |
|---|---|---|---|---|---|
| **Revenues** | **(314)** | **(132)** | **(182)** | **(374)** | **(51.3%)** |
| Operating expenses | (108) | (11) | (97) | (108) | (10.2%) |
| **Gross operating income** | **(422)** | **(143)** | **(279)** | **(482)** | **(42.1%)** |
| Cost of risk | (175) | | (175) | (340) | (48.5%) |
| **Net income (loss) before tax** | **(597)** | **(143)** | **(454)** | **(822)** | **(44.8%)** |
| Income tax expense (income) | 202 | 52 | 150 | 265 | (43.4%) |
| **Net income** | **(395)** | **(91)** | **(304)** | **(557)** | **(45.4%)** |
| Minority interests | (9) | | (9) | (2) | n.m. |
| **NET INCOME GROUP SHARE** | **(386)** | **(91)** | **(295)** | **(545)** | **(45.9%)** |

The negative contribution of discontinuing operations to results decreased by 45.9% year-on-year.

Exotic equity derivatives posted positive results totalling €44 million over the year, an increase compared to the figure of €35 million in 2010.

The performance of the correlation portfolio and the risk-monitoring indicators remained in line with the stabilisation plan implemented at the end of 2009, with a negative impact of €119 million on revenues in 2011, relating primarily to counterparty risk.

Impairment losses related to CDOs, CLOs and ABSs totalled €283 million (in revenues and cost of risk), compared to losses of €608 million in 2010.

These figures include counterparty risk on monoline insurers and on Credit Derivatives Product Company, whose exposures continue to contract.

## 7. Corporate centre

The 2010 and 2011 Corporate centre income statements include exceptional items in significant amounts that make them difficult to compare.

In 2011, revenues in this business line totalled €712 million, a significant 31.1% improvement compared to 2010. Revenues benefited in particular from good performance in financial management (up 11.2% in 2011 compared to 2010), with funding costs under control despite tensions in the refinancing markets during the second half of the year (up 1.5% in 2011 compared to 2010). Revenues also include a reversal of provisions related to the non-payment of interest on deeply subordinated notes (T3CJ), the coupon payment on these notes being subject to the payment of a dividend by Crédit Agricole S.A. Lastly, it includes €48.5 million in dividends from Intesa Sanpaolo, which was deconsolidated in the fourth quarter of 2010.

The cost of risk was up sharply in 2011 compared to 2010; it included a provision of €97 million in respect of lease finance operations in Greece and the termination of the Emporiki guarantee totalling €161 million.

Additionally, the "Switch" guarantees transferring the risk-weighted assets in respect of Crédit Agricole S.A.'s holding in the Regional Banks to the Regional Banks were implemented on 23 December 2011; their impact on net income Group share was virtually nil. Lastly, on 16 December 2011, Crédit Agricole S.A. and Coller Capital announced the signing of an agreement on the disposal of Crédit Agricole Private Equity. This transaction is expected to be finalised during the first quarter of 2012.

Overall, net income Group share for the Corporate centre was a loss of €1,447 million in 2011, a significant improvement compared to 2010. For the record, 2010 was marked by non-recurring items including transactions related to Crédit Agricole S.A.'s interest in Intesa Sanpaolo (negative impact of sale of securities of €171 million on net income on other assets, deconsolidation of the holding in the fourth quarter of 2011 generating a negative impact of €1.24 billion on the income of equity-accounted entities) and the exit tax on life insurance contracts, where the positive impact on tax expense was greater than €400 million.

| *(in millions of euros)* | 2011 | 2010 | Change 2011/2010 |
|---|---|---|---|
| **Revenues** | **(712)** | **(1,035)** | **(31.1%)** |
| Operating expenses | (975) | (930) | +4.9% |
| **Gross operating income** | **(1,687)** | **(1,965)** | **(14.1%)** |
| Cost of risk | (340) | (28) | x 11.6 |
| **Operating income** | **(2,027)** | **(1,993)** | **+1.7%** |
| Share of net income in equity-accounted entities | (26) | (1,154) | (97.7%) |
| Net gains/(losses) on disposal of other assets | (4) | (169) | (97.4%) |
| Change in the value of goodwill | - | - | n.m. |
| **Net income (loss) before tax** | **(2,057)** | **(3,316)** | **(37.9%)** |
| Income tax expense | 796 | 1,045 | (23.8%) |
| Net gains (losses) on discontinued operations | (5) | (1) | x 4.2 |
| **Net income** | **(1,266)** | **(2,272)** | **(44.3%)** |
| Minority interests | 181 | 185 | (1.7%) |
| **NET INCOME GROUP SHARE** | **(1,447)** | **(2,457)** | **(41.1%)** |

# CRÉDIT AGRICOLE S.A. CONSOLIDATED BALANCE SHEET

At end-2011, Crédit Agricole S.A. had consolidated assets of €1,723.6 billion, compared to €1,593.5 billion as of 31 December 2010, an increase of 8.2%. This increase of €130.1 billion reflects the satisfactory growth of the Group's businesses, despite the crisis. In particular, it reflects the significant increase in financial assets and liabilities at fair value through profit or loss, and balanced growth in customer loans and deposits. Among liabilities, the only significant items to decline, compared to 31 December 2010, were debt securities (-12.9%), subordinated debt (-12.2%) and equity (-5.5%), the latter item being affected by gains and losses recognised directly in equity and the net income for the year.

Foreign exchange had a negligible impact on the balance sheet in 2011.

## Assets

The main asset items were financial assets at fair value through profit or loss (28.4%), loans and receivables to customers (23.2%) and to credit institutions (22.0%) and available-for-sale financial assets (13.2%). These items accounted for 86.8% of assets, and recorded the biggest changes in absolute terms over the year (up €110.4 billion in total, including an increase of €76.6 billion for financial assets at fair value through profit or loss and €16.1 billion in loans and receivables to customers).

### Financial assets at fair value through profit or loss

Total financial assets at fair value through profit or loss amounted to €490.3 billion at 31 December 2011, compared to €413.7 billion at 31 December 2010, a year-on-year increase of 18.5%.

The bulk of the portfolio (91.2% or €447.1 billion) consists of securities classified as financial assets measured at fair value through profit or loss as held for trading; these increased by 21.2% over the year or €78.1 billion. They mainly include the positive fair value of derivative financial instruments (€349.5 billion, compared to €237.4 billion at end-2010) and the portfolio of securities held for trading (€75.7 billion, compared to €95.5 billion at end-2010), comprising treasury bills and similar instruments (€31.0 billion), bonds and other fixed-income securities (€28.5 billion) and equities and other variable-income securities (€16.1 billion), as well as securities bought under repurchase agreements (€21.7 billion, compared to €35.6 billion as of 31 December 2010).

The significant increase in the "Derivative instruments" item (47.2% or €112 billion) essentially reflects a positive price effect on interest rate swaps, recorded mainly by Crédit Agricole CIB. This was only partially offset by the negative impact recorded on trading securities (down 20.8% or €19.9 billion) and securities acquired under repurchase agreements (down 39.0% or €13.9 billion).

The remainder of the portfolio (8.8% or €43.2 billion) consists of securities that are classified as financial assets at fair value through profit or loss as a result of an option taken by Crédit Agricole S.A.; the majority of these are assets backing unit-linked contracts in insurance operations, which were down 2.7% compared to 2010, reflecting weaker performances in the financial markets in 2011. This decline is reflected symmetrically in the mathematical reserves in the liabilities on the balance sheet.

## Loans and receivables to customers and to credit institutions

This category records unlisted financial assets in an active market, at fixed- or determinable-income, adjusted for any possible impairment provisions. Total outstandings amounted to €779.2 billion, an increase of 4.3% or €32.1 billion compared to 2010.

**Net loans and receivables to customers** (including lease finance operations) totalled €399.4 billion at 31 December 2011, up 4.2% or €16.1 billion compared to 31 December 2010. This growth, which was weaker than in 2009 (5.8%), reflected a controlled increase in customer loans, in a context of adjustment to both market and regulatory constraints.

Most of the growth in customer receivables appears under "Securities purchased under resale agreements", which increased by 26.5% (or €11.2 billion) and under "Other customer loans", which rose 1.9% (or €5.7 billion). There was increased activity in securities purchased under resale agreements at Crédit Agricole CIB. Lending also remained positive in the French and Italian networks, in spite of the crisis. In contrast, customer loans were down, particularly at Crédit Agricole CIB, in the consumer finance subsidiaries in France and Italy, in accordance with the adjustment plan announced in September 2011 and at Emporiki.

**Loans and receivables to credit institutions** totalled €379.8 billion at 31 December 2011, up 4.4% or €16.0 billion over the year. They included €275.2 billion from internal Crédit Agricole transactions, primarily time deposits and advances from Crédit Agricole S.A. to the Regional Banks. The components of this line item reflect the financial mechanisms that govern the relationships between Crédit Agricole S.A. and the Regional Banks .

Amounts due from credit institutions outside the Group rose by 0.8% over the year to €104.6 billion. This relative stability reflects an increase in loans and receivables of 24.6% or €13.4 billion, offset by a reduction of 25.3% or €12.3 billion in securities bought under repurchase agreements.

Impairments on loans and receivables to customers and credit institutions, excluding principal amounts related to lease finance transactions with customers, increased by 16.1% over the year (€2.2 billion), reflecting an overall strengthening in the cover rate for doubtful loans and receivables, from 65.8% at 31 December 2010 to 69.4% at 31 December 2011. These include €3.5 billion in collective provisions. Excluding collective provisions, the cover rate is 54.0% compared to 50.3% at 31 December 2010.

## Available-for-sale financial assets

Available-for-sale financial assets (net of impairment losses) increased by only €1.6 billion (0.7%) to €227.4 billion between 31 December 2010 and 31 December 2011. Within Crédit Agricole S.A. Group, Prédica was the largest holder of such securities, followed by Crédit Agricole S.A. Available-for-sale financial assets are recognised at fair value and recorded in gains and losses, recognised directly in other comprehensive income. If the securities are sold, these changes are transferred to the income statement. Amortisation of any premiums or discounts on fixed-income securities is recognised in the income statement using the effective interest rate method.

These assets include bonds and other fixed-income securities (€147.6 billion), treasury bills and similar securities (€58.5 billion), shares and other variable-income securities (€15.5 billion) and non-consolidated equity investments (€5.6 billion). The increase of €34.3 billion (30.3%) in the portfolio of bonds and other fixed-income securities in 2011 mainly resulted from a reclassification of treasury bills and similar securities (€13.6 billion), an item which was down €28.5 billion (32.7%) over the period. Since 2010, non-consolidated equity investments (€5.6 billion at end-2011) include the investment in Intesa Sanpaolo S.p.A.

After tax unrealised losses on available-for-sale financial assets totalled €3.8 billion at 31 December 2011 (€0.5 billion in 2010). They were offset by the deferred profit sharing assets of €1.9 billion after tax of the Group's insurance companies. The balance of €1.8 billion was recognised in equity.

At 31 December 2011, permanent impairment provisions were up €5.9 billion at €7.5 billion (€1.7 billion in 2010). This increase was primarily due to the impairment of Greek government securities totalling €5.1 billion under the Greek bailout plan (of which €4.6 billion at Prédica, €248 million at Emporiki, and the balance at international insurance subsidiaries). It was also attributable, to a lesser extent, to depreciation charges on bonds and other fixed-income securities, equities and other variable-income securities, primarily at Prédica, as well as non-consolidated equity investments.

## Held-to-maturity investments

This category encompasses fixed or determinable income securities that Crédit Agricole S.A. Group has the intention and capacity to hold to maturity. They are recognised at amortised cost using the effective interest method, including any premiums or discounts. Net of impairment, their value fell by nearly €6 billion (-28%) to €15.3 billion between 2010 and 2011, due to the reclassification of European sovereign debt from Hold to maturity to Available for sale, and the maturing of government securities.

### Investments in equity-accounted entities

Total investments in equity-accounted entities increased from €18.1 billion in 2010 to €18.3 billion in 2011. This reflects impairments on BES and Bankinter, offset by gains on Banque Saudi Fransi and the Regional Banks.

### Goodwill

At €17.5 billion net, goodwill was down €1.4 billion. This includes the acquisition of Carispezia and 96 branches from Intesa Sanpaolo, which generated goodwill of €512 million. It reflects impairment losses of €1.9 billion resulting from the implementation of the Group's adjustment plan and the tightening of valuation parameters. The main contributors were Crédit Agricole CIB, totalling €1.1 billion and Emporiki, totalling €359 million.

## Liabilities

Liabilities mainly comprise debts due to credit institutions and customers (40.5%), financial liabilities at fair value through profit or loss (25.5%), technical reserves for insurance contracts (13.4%) and debt securities (8.6%). These items accounted for 88.0% of total liabilities including equity.

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss amounted to €439.7 billion. The portfolio consists solely of financial liabilities held for trading. It comprises derivative financial instruments held for trading (€346.0 billion), securities sold under repurchase agreements (€36.0 billion), debt securities (€31.4 billion) and short-sold securities (€26.3 billion).

Total financial liabilities at fair value through profit or loss increased by 28.0% in 2011 (€96.1 billion compared to 2010). The increase resulted primarily from an increase in the fair value of derivative financial instruments held for trading (up €113.6 billion), less the decrease in securities sold under repurchase agreements (-€18.6 billion).

### Amounts due to customers and credit institutions

Amounts due to customers and credit institutions totalled €698.3 billion, an increase of €42.4 billion over the year (up 6.5% compared to 2010).

**Amounts due to credit institutions** totalled €172.7 billion, an increase of €18.1 billion or 11.7%. These included internal transactions within Crédit Agricole totalling €45.0 billion (fund movements resulting from internal financial relationships between the Regional Banks  and Crédit Agricole S.A.).

**Amounts due to customers** totalled €525.6 billion at 31 December 2011. They rose by €24.3 billion over the year (+4.8%), reflecting growth in the deposit gathering activity of the Crédit Agricole S.A. Group entities, both in France and internationally. The geographical breakdown of deposits illustrates the Group's internationalisation, with the share of debts to international customers accounting for 35.6% of the total in 2011, compared to 35.9% in 2010.

In addition, due to the internal financial mechanisms within the Crédit Agricole Group (see the general framework in the consolidated financial statements section of this document), savings deposits in the Regional Banks (passbook accounts, home-purchase savings schemes, savings bonds and term accounts, "PEP" popular savings plans, etc.) are centralised on the Crédit Agricole S.A. balance sheet; as of 31 December 2011, they represented 36.4% of the total, or €191.3 billion, an increase of just over €6 billion compared to 2010.

The increase in amounts due to customers chiefly reflects current accounts in credit, which rose €21.4 billion (21.4%) to €121.6 billion, and securities sold under repurchase agreements, which rose €12.4 billion (20.8%) to €72.0 billion. Special savings accounts grew by 3.5% (€7.4 billion) to €221.6 billion at end-2011, in line with the good deposit-gathering performance in French retail banking (LCL and the Regional Banks ) in these products – particularly the Livret A passbook account. Other amounts due to customers decreased by €15.6 billion (-12.6%) to €108 billion at end-2011.

### Debt securities

Debt securities (excluding securities at fair value through profit or loss – see Note 6.2.) decreased by €22.0 billion or -12.9% during the year to €148.3 billion at 31 December 2011, as Crédit Agricole S.A. reduced the amount of funds raised in the market through issues of negotiable debt securities by €44.4 billion (-42.5%), while bond issues increased by €22.5 billion (40.5%).

### Insurance companies' technical reserves

Insurance companies' technical reserves were stable at €230.9 billion. Insurance liabilities remain partially valued under French GAAP, as required by the applicable IAS and IFRS regulations as of the reporting date.

### Subordinated debt

Subordinated debt declined by €4,7 billion (-12.2%) to €33.8 billion in 2011, reflecting mainly a €3.9 billion reduction in perpetual subordinated debt. This was due in large part to the early redemption of 74.5% on the current account advance granted by SAS La Boétie and the redemption of T3CJ notes, for €2,792 million and €1,369 million respectively. Following these transactions, shareholder advances amounted to €958 million (compared to €3,750 million at end-2010) and outstanding T3CJ notes totalled €470 million (compared to €1.839 million as of end-2010). These securities are included in the calculation of regulatory capital.

### Capital

Equity amounted to €49.3 billion at 31 December 2011, down €2.9 billion compared to 31 December 2010.

Equity, Group share (including net income for the year) amounted to €42.8 billion at end-2011, compared to €45.7 billion at end-2010, also down €2.9 billion over the period. The change stemmed primarily from the following factors:

- two capital increases totalling €911 million (including a premium of €622 million), the first resulting from shareholders exercising their option to receive the 2010 dividend (€1.1 billion) in shares, and the second being a capital increase reserved for employees of Crédit Agricole Group;
- changes in gains and losses recognised directly in equity, in particular on available-for-sale assets and hedging derivatives, which totalled €1.5 billion in 2011;
- net loss for 2011, totalling -€1.5 billion.

### Capital management and regulatory ratios

The amendment to IAS 1 adopted by the European Union on 11 January 2006 requires disclosure of quantitative and qualitative information on the capital of the issuer and on its management: capital management objectives, policy and procedures. This information is provided in Note 3.6 to the financial statements and in "Basel 2 Pillar 3 disclosures", set out below.

## RELATED PARTIES

The main transactions entered into with related parties, equity-accounted and proportionally consolidated entities and Senior management as of 31 December 2011 are described in the consolidated financial statements, in the "General framework – Related parties" section.

## INTERNAL CONTROL

As required by the French Financial Security Act of 1 August 2003, the Chairman of the Board of Directors must report on the preparation and organisation of the Board's work and on the internal control procedures implemented throughout the Company, on a consolidated basis in a report accompanying the management report.

This report, which is published in the manner set forth by the Autorité des Marchés Financiers (AMF) and is incorporated into this document (section 2, Chairman's report), contains two parts:

- part I deals with the work of the Board of Directors of Crédit Agricole S.A.;
- part II of the report contains information on the organisational principles underpinning the internal control systems and to the risk management and monitoring procedures in effect within Crédit Agricole Group. It contains descriptions of the risk management and permanent controls, non-compliance risk prevention and control and periodical control systems.

# RECENT TRENDS AND OUTLOOK

## 2012 outlook

**Growth will remain a dominant theme in 2012. The eurozone will not escape recession (-0.3% in 2012), with two consecutive quarters of negative growth at the turn of the year.** The length and scope of the decline in activity are expected to be limited, bearing little comparison with 2009, followed by a gradual upturn in the second half of the year. Confidence surveys are showing early signs of improvement, except in countries undergoing adjustment measures, where the only prospect is for economic activity to stabilise at very low levels. The lull in the sovereign debt crisis, albeit tenuous, is helping to stabilise market expectations.

**Europe is growing stronger step-by-step, with a strategy to end the crisis that combines austerity to reduce deficits and debt, financial support to make these adjustments more bearable and structural reforms to revive growth potential.** The adjustment process will be a long one. The markets will have trouble accepting such time horizon, which will lead renewed tensions during the year. This strategy is not risk-free, especially if the stringent adjustment plans imposed in return for aid prove counterproductive, causing economies to weaken further amidst a continuing ballooning of debt.

In this respect, Greece remains an area of concern: the reduction in the country's debt and the injection of financial aid have removed the threat of default in the short term, but the combined asphyxiation of growth and public finances continues to weaken the balance sheets of the Government and banks alike. Portugal is also sinking into an austerity trap, but stands to benefit from additional financial support from the European Union in 2012, allowing it to continue to adjust without suffering excessively expensive funding conditions. Italy or Spain, in view of their size, represent a much bigger systemic threat. 2012 promises to be a pivotal year for both countries, with their economies sliding back into recession (growth expected to fall by 1.4% and 1.7% respectively in 2012), but structural reforms laying the groundwork for more robust growth in the medium term. Growth is also expected to slow sharply in France (0.2% in 2012), although the government is expected to meet its deficit targets. Germany is the only country likely to escape recession, although the marked slowdown in economic activity (0.6% in 2012, compared to +3% in 2011) will prevent it from driving growth across the eurozone as a whole.

**Faced with a deteriorating environment and signs of controlled inflation, the ECB could further ease its monetary policy, with two further rate cuts anticipated by September.** It is expected to show flexibility in respect of its sovereign debt buyback scheme in the secondary market in the event of renewed bouts of financial turbulence.

**In the United States, confidence surveys and economic indicators suggest that growth will firm in 2012 (to an annualised rate of 2.0%).** This cyclical upturn is unlikely to make the Fed review its decision to push back the prospect of an initial interest rate increase to late 2014. Later in the year, it could even decide to implement another round of quantitative-easing measures, focused on the redemption of residential mortgage-backed securities (RMBS), with a view to putting a lid on interest rates and supporting the sluggish recovery currently underway. **The Fed's highly accomodating policies should help curb the dollar's rise, with a mid-year target of 1.28 to the euro. The return, even timid, of risk appetite should support the trend towards firmer yields on the bonds of the best sovereigns (2.5% for the German Bund in June) and the gradual easing of risk premiums for those with the most fragile finances.**

## For Crédit Agricole S.A.

In a difficult environment, in 2012, Crédit Agricole S.A. intends to pursue the implementation of its €50 billion deleveraging plan between June 2011 and December 2012, and the adjustment plan announced in December 2011. The latter aims to streamline Crédit Agricole S.A.'s business portfolios, especially in Corporate and investment banking, refocused on distribution and the service of key customers; this will involve geographical refocusing and an exit from some activities (equity derivatives and commodities trading). Corporate and investment banking will reduce its balance sheet, adjust its cost base and adapt its model so as to generate revenues in a constrained environment, notably by increasing the share of fee and commission income in the revenue mix. Similarly, disposals of loan portfolios are planned in the consumer finance, lease finance and factoring businesses.

## Recent events

The following events were announced after the 31 December 2011 reporting date:

### Redemption offers for outstanding hybrid securities

On 6 February 2012, Crédit Agricole S.A. announced the results of two simultaneous tender offers that had been launched on 26 January 2012 for eight series of its outstanding subordinated notes. A total of €2.1 billion were redeemed as a result of these offers. The transaction settlement date was 8 February 2012.

### Eurogroup announces second support plan to Greece

Following Eurogroup's announcement, on 21 February 2012, that agreement had been reached on the second support plan to Greece, private sector bondholders noted the terms and scope of the voluntary exchange offer issued by the Greek Finance Ministry on 24 February 2012. On this basis, Crédit Agricole S.A. decided to voluntarily contribute the full amount of its exposure to Greek sovereign debt (Greek Government Bonds) to the exchange, within the framework of the plan. This exposure is the subject of an average provision of 74% in Crédit Agricole S.A.'s consolidated financial statements as of 31 December 2011, based on its valuation model. This is in line with the exchange value, which may be estimated at around 74%, given the terms of the exchange and retaining a discount rate of 12%. In addition, financing granted to certain public companies has been included by the Greek government in the scope of the plan made public on 24 February 2012, following the closure of the annual financial statements. Emporiki Bank's exposure to the three companies concerned (Hellenic Railways Org – OSE, Hellenic Defense Systems – EAS and Athens Urban Transport Org – OASA) amounts to €415 million at 31 December 2011.

In this context, Crédit Agricole S.A. has already tendered for exchange its exposure, amounting to €240 million, to OSE and OASA, and reserves the right to tender its exposure to EAS at the end of the exchange period, which ends on 23 March 2012. The impact of the inclusion of these exposures in the context of the PSI, for which provisions had not been set aside at 31 December 2011, will in each case be recognised as cost of risk in the first quarter of 2012. Lastly, following these events, Emporiki Bank's residual deferred tax assets (€130 million) will be fully written down.

# Information on parent company financial statements (Crédit Agricole S.A.)

## ANALYSIS OF CRÉDIT AGRICOLE S.A.'S (PARENT COMPANY) RESULTS

At 31 December 2011 Crédit Agricole S.A.'s revenues were €1,185 million for the year, up **€257** million from the €928 million recorded in 2010.

This change was attributable to:

- a reduction in interest margin, which was lower by **€231** million for the period. A rise in interbank rates automatically created an increase in interest income and expense;
- **a €171** million decrease in net income in our trading book. This change breaks down as follows: reduced profits in the securities portfolio of €13 million in the wake of a lower bond market; a similar trend was observed in transaction derivatives, with a €346 million decline due to changes in the yield curve. By contrast, on the currency markets we experienced a €189 million increase in net income from currency and related trading, due primarily to our exposure to the Polish zloty, arising from hedging currency risk with derivatives on our investment in Crédit Agricole Bank Polska (ex Lukas Bank) and EFL;
- a **€55** million decrease in net commission and fee expense, due mainly to deposit products and the €41 million "check image" fine paid in 2010;
- the balance on investment portfolio and related transactions showed a loss for the period ending 31 December 2011 of €415 million, or a negative change of **€277** million. This change was attributable to:
  - a decline in capital gains and losses of €132 million, including €62 million on sovereign debt, €51 million on bonds and other fixed income securities, and €25 million on variable income bonds and other securities (largely from the sale of our own shares). Lastly, a €7 million gain was recognised on the sale of Bouygues stock, mainly in the framework of their public buyback offer,
  - a €145 million increase in the impairment of our investment portfolios, including €85 million on treasury bills and €18 million on equities held for investment;
- we should add that there was a significant increase in revenue from variable income securities (**€882** million in 2011). This item primarily includes the dividends and related income we receive from subsidiaries and associated companies. At 31 December 2011 the gain of €3,669 million consisted largely of the reception of the following dividends or interim payments: Crédit Agricole CIB: €930 million Crédit Agricole Assurances: €904 million, LCL: €481 million, Crédit Agricole Consumer Finance: €382 million, Regional Bank CCAs/CCIs: €282 million, Amundi: €134 million, Cariparma: €103 million.

  The €882 million change recognised in the period is largely attributable to:
  - the non-distribution by Crédit Agricole CIB in 2010 of a dividend that at 31 December 2011 amounted to €930 million,
  - a reduction in the dividends received from IUB Holding and Amundi of €81 million and €71 million, respectively,
  - a €47 million increase in the dividend paid by LCL.

At 31 December 2011 Crédit Agricole S.A. recognised €721 million in operating expenses, down **€13** million versus 2010. Payroll expenses (including provisions) showed a decline of €72 million. At the same time, outsources services and other administrative expenses showed an increase of €47 million, owing to new IS projects (such as Arpège and Nice) as well as new leases in effect at the Evergreen and Greenfield sites. The creation of a new banking tax levied on business activities in England added to the "Taxes and Duties" line, which went up by €12 million in 2011.

Because by these changes, gross operating profit came to €451 million in 2011, an increase of **€268 million** over 2010 (€183 million).

A net charge of €295 million for the cost of risk was recorded in 2011 compared with a net charge of €17 million in 2010, an increase of **€278** million year-on-year.

This change is attributable mainly to the payment of a €161 million balancing-adjustment to Emporiki following the cancellation of a guarantee and to a provision for execution risks linked to financing commitments through a guarantee given by Crédit Agricole S.A. to Crédit Agricole Leasing & Factoring for €97 million.

The €4,979 million charge to "Net gains (losses) on fixed assets" increased by **€3,147** million compared with 2010 (€1,832 million). This €4,979 million charge consists of:

- a net impairment charge of €4,796 million, primarily attributable to a net charge on Emporiki Bank of €2,072 million (including provision for consolidatable advances), a net charge on Crédit Agricole CIB of €740 million, on Cariparma of €659 million, on Bankinter and Intesa €570 million and €531 million, respectively, and on BES €187 million;
- capital losses of €172 million due mainly to losses on Resona of €138 million and on Intesa of €51 million; the liquidation of Crédit Agricole do Brasil, generating a loss of €34 million (provisioned for) and a capital gain of €48 million from the dismantling of BFT (Banque Financement et Trésorerie) on 1 July 2011 and the take-over of the business assets by Crédit Agricole CIB.

Tax gains, resulting largely from the tax consolidation mechanism in France, with Crédit Agricole S.A. at the head of the tax relief Group, came to €1,201 million in 2011 compared with €1,136 million in 2010, representing an increase of **€65** million year-on-year. At 31 December 2011, 1,309 entities had signed tax consolidation agreements with Crédit Agricole S.A. compared to 1,323 at 31 December 2010.

The fund for banking liquidity and solvency risk was increased by €28 million during 2011 and regulated provisions rose by €6 million, or an increase of €12 million over 2010 (€22 million).

In total, Crédit Agricole S.A.'s net income for the 2011 financial year was a negative **€3,656** million, down €3,104 from 2010, which showed a loss of **€552** million.

## FIVE YEAR FINANCIAL SUMMARY

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| **Equity at year end** *(in euros)* | **5,009,270,616** | **6,679,027,488** | **6,958,739,811** | **7,204,980,873** | **7,494,061,611** |
| Number of shares outstanding | 1,669,756,872 | 2,226,342,496 | 2,319,579,937 | 2,401,660,291 | 2,498,020,537 |
| **Operation and period net income** *(in millions of euros)* | | | | | |
| Gross revenues | 27,674 | 33,916 | 20,008 | 16,436 | 17,854 |
| Earnings before taxes, profit-sharing, depreciation, amortization and provision expense | 4,333 | 1,296 | 1,227 | 312 | 1,171 |
| Employee profit-sharing | 1 | | 1 | 1 | 1 |
| Tax on earnings | (602) | (373) | (544) | (1,136) | (1,201) |
| Earnings after taxes, profit-sharing, depreciation, amortization and provision expense | 4,896 | 249 | 1,066 | (552) | (3,656) |
| Distributable earnings at the date of the General Meeting of Shareholders | 2,004 | 1,002 | 1,044 | 1,081 | |
| **Earnings per share** *(in euros)* | | | | | |
| Earnings after taxes & profit-sharing but before depreciation, amortization and provision expense | 2,955 | 0,750 | 0,760 | 0,600 | 0,949 (1) |
| Earnings after taxes, profit-sharing, depreciation, amortization and provision expense | 2,932 | 0,110 | 0,460 | (0,230) | (1,464) (1) |
| Dividend per share | 1,20 | 0,45 | 0,45 | 0,45 | |
| **Employees** | | | | | |
| Average headcount (2) | 3,076 | 3,235 | 3,259 | 3,316 | 3,295 |
| Total payroll for the period *(in millions of euros)* | 201 | 232 | 227 | 243 | 239 |
| Cost of benefits paid during the period (costs and social welfare) *(in millions of euros)* | 123 | 143 | 141 | 162 | 117 |

*(1) Calculated based on the number of shares issued as of the General Meeting of Shareholders on 22 May 2012, or 2,498,020,537 shares.*

*(2) Refers to headquarters employees.*

## RECENT CHANGES IN SHARE CAPITAL

The table below shows changes in Crédit Agricole S.A.'s share capital over the last five years:

| Date and type of transaction | Amount of share capital *(in euros)* | Number of shares |
|---|---|---|
| **Share Capital at 31 December 2006** | **4,491,966,903** | **1,497,322,301** |
| **6 February 2007**<br>Capital increase by share issue for cash<br>*(Board Meeting of 21 November 2006)* | +449,196,690 | +149,732,230 |
| **5 December 2007**<br>Capital increase reserved for employees<br>*(General Meeting of Shareholders of 23 May 2007)* | +68,107,023 | +22,702,341 |
| **Share Capital at 31 December 2007** | **5,009,270,616** | **1,669,756,872** |
| **7 July 2008**<br>Capital increase by share issue for cash<br>*Shareholders' General Meeting of 21 May 2008* | +1,669,756,872 | +556,585,624 |
| **Share Capital at 31 December 2008** | **6,679,027,488** | **2,226,342,496** |
| **22 June 2009**<br>Payment of scrip dividends<br>*Shareholders' General Meeting of 19 May 2009* | +279,712,323 | +93,237,441 |
| **Share Capital at 31 December 2009** | **6,958,739,811** | **2,319,579,937** |
| **21 June 2010**<br>Payment of scrip dividends<br>*Shareholders' General Meeting of 19 May 2010* | +199,239,846 | +66,413,282 |
| **29 July 2010**<br>Capital increase reserved for employees<br>*Shareholders' General Meeting of 19 May 2009* | +47,001,216 | +15,667,072 |
| **Share Capital at 31 December 2010** | **7,204,980,873** | **2,401,660,291** |
| **20 June 2011**<br>Payment of scrip dividends<br>*Shareholders' General Meeting of 18 May 2011* | +288,935,580 | +96,311,860 |
| **5 October 2011**<br>Capital increase reserved for employees<br>*Shareholders' General Meeting of 18 May 2011* | +145,158 | +48,386 |
| **SHARE CAPITAL AT 31 DECEMBER 2011** | **7,494,061,611** | **2,498,020,537** |

The General Meeting of Shareholders of 18 May 2011 decided on the payment of a dividend of €0.45 per share due on the year 2010, to be paid in cash or in new shares. This latter option was adopted by nearly 85% of the shareholders of Crédit Agricole S.A. It resulted in the creation of 96,311,860 new shares (or 4.01% of shareholders' equity), issued at a price of €9.49.

Crédit Agricole S.A. subsequently launched a share issue reserved to employees, open from 21 June to 12 September 2011, at a price of €8.24 per new share. On completion of this transaction, 48,386 shares were created.

Since 5 October 2011, the share capital of Crédit Agricole S.A. has amounted to €7,494,061,611 divided into 2,498,020,537 shares with a par value of €3 each.

## CHANGE IN SHARE OWNERSHIP OVER THE PAST THREE YEARS

The table below shows changes in the ownership of Crédit Agricole S.A. over the past three years:

| Shareholders | At 31/12/2011 | | | At 31/12/2010 | At 31/12/2009 |
|---|---|---|---|---|---|
| | Number of shares | % of voting rights | % of share capital | % of share capital | % of share capital |
| SAS Rue La Boétie [(1)] | 1,405,263,364 | 56.41% | 56.25% | 55.86% | 55.17% |
| Treasury shares [(2)] | 6,969,381 | - | 0.28% | 0.39% | 0.44% |
| Employees (ESOP) | 119,290,876 | 4.79% | 4.78% | 4.59% | 4.56% |
| Institutional investors | 696,717,823 | 27.97% | 27.89% | 31.90% | 32.10% |
| Retail investors | 269,779,093 | 10.83% | 10.80% | 8.25% | 7.73% |
| **TOTAL** | **2,498,020,537** | **100%** | **100%** | **100%** | **100%** |

*(1) SAS Rue La Boétie is wholly-owned by the Crédit Agricole Regional Banks.*

*(2) The treasury shares are directly held as part of the share buyback programme, which is recognised on Crédit Agricole S.A.'s balance sheet, designed to cover stock options and as part of a share liquidity agreement.*

### The ownership structure changed slightly in 2011

The Regional Banks consolidate their investment in Crédit Agricole S.A. through the SAS Rue La Boétie. Acting together and for the long term, they own the majority of the share capital: 55.2% at end-2009, 55.9% at end-2010 and 56.2% at 31 December 2011.

From 2010 to 2011 the relative shares of ownership by institutions and individual investors moved in opposite directions. Institutional investors reduced their holdings by 4 points over the year (27.9% at 31 December 2011 versus 31.9% at 31 December 2010) while individuals increased their ownership to 10.8% from 8.2% over the same period.

Employee ownership through employee share ownership plans continued to increase slightly in 2011, going from 110.3 million shares at end-2010 to 119.3 million shares at end-2011.

## AUTHORISATIONS TO EFFECT CAPITAL INCREASES

**Table summarising authorisations** in force granted by the General Meeting of Shareholders to the Board of Directors to effect **capital increases** and use made of such authorisations during the year (information required by Order no. 2004-604 of 24 June 2004 reforming the system applicable to negotiable securities):

| General Meetings Resolutions | Purpose of grant of authority to the Board of Directors | Maximum amounts authorised | Total Ceilings, duration | Use during 2011 |
|---|---|---|---|---|
| General Meeting of Shareholders of 19 May 2010 34th Resolution | Share capital increase by issuance of ordinary shares reserved to employees of Crédit Agricole Group who subscribe to a company savings plan | Nominal amount of the capital increase:<br>● €200 million | Autonomous and distinct from other ceilings on capital increases<br>Valid for a term of 26 months | Issue of 48,386 new shares with a par value of €3 each<br>Completed on 5 October 2011 |
| General Meeting of Shareholders of 18 May 2011 18th Resolution | Share capital increase by issuance of ordinary shares and/or any other negotiable securities giving access to the ordinary shares, with pre-emptive subscription rights | Nominal amount of the capital increase:<br>● €3.6 billion<br>● €7.2 billion for debt securities | The nominal amount of capital increases as defined by the 19th, 20th and 22nd resolutions will count towards the ceiling of this resolution<br>Valid for a term of 26 months | None |
| General Meeting of Shareholders of 18 May 2011 19th Resolution | Share capital increase by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive subscription rights [in situations other than public offerings] | Nominal amount of the capital increase:<br>● €1 billion<br>● €5 billion for debt securities | Up to the €3.6 billion ceiling on capital increases set by the 18th resolution<br>Valid for a term of 26 months | None |
| Annual Shareholders' Meeting of 18 May 2011 20th Resolution | Capital increase by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive subscription rights [in the case of a public offering] | Nominal amount of the capital increase:<br>● €1 billion<br>● €5 billion for debt securities | Up to the €3.6 billion ceiling on capital increases set by the 18th resolution<br>Valid for a term of 26 months | None |
| General Meeting of Shareholders of 18 May 2011 21st Resolution | Increase the amount of the initial issue, in the event of an issue of ordinary shares and/or any securities granting rights to ordinary shares, with or without pre-emptive subscription rights, approved pursuant to the 18th, 19th, 20th, 22nd, 23rd, 27th and 28th resolutions | | Within the limits set by the 18th, 19th, 20th, 22nd, 23rd, 27th and 28th resolutions<br>Valid for a term of 26 months | None |
| General Meeting of Shareholders of 18 May 2011 22nd Resolution | Issue equity securities or other securities giving access to ordinary shares in consideration for contributions in kind consisting of equity securities or other securities giving access to the share capital, other than through a public exchange offer | Up to the legal ceiling of 10% of the share capital | Up to the €1 billion ceiling set by the 19th and 20th resolutions<br>Valid for a term of 26 months | None |
| General Meeting of Shareholders of 18 May 2011 23rd Resolution | Determine the issue price of ordinary shares and/or any other securities giving access to the ordinary shares, in the event that pre-emptive subscription rights are waived (at a level at least equal to the weighted average over the three trading days prior to the date it is set, with the possibility of a maximum discount of 10%) | Up to a maximum of 5% of share capital in each 12-month period | Up to the €1 billion ceiling set by the 19th and 20th resolutions<br>Valid for a term of 26 months | None |
| General Meeting of Shareholders of 18 May 2011 24th Resolution | Ceiling on authorisations to issue securities with or without pre-emptive subscription rights as a result of the adoption of the 18th to 22nd resolutions | Nominal amount of the capital increase as defined by the 18th to 22nd resolutions:<br>● €3.6 billion | | None |

| General Meetings Resolutions | Purpose of grant of authority to the Board of Directors | Maximum amounts authorised | Total Ceilings, duration | Use during 2011 |
|---|---|---|---|---|
| General Meeting of Shareholders of 18 May 2011 25th Resolution | Increase share capital by issuing securities giving access to debt securities | Nominal amount of €5 billion | Independent of the amount of debt securities provided for in the 18th to 22nd resolutions Valid for a term of 26 months | None |
| General Meeting of Shareholders of 18 May 2011 26th Resolution | Increase share capital by incorporating reserves, profits, share premiums or other items, either by increasing the nominal amount of ordinary shares outstanding or the free allocation of new ordinary shares, or by a combination of both | Maximum nominal amount: €1 billion | Autonomous and distinct from other ceilings Valid for a term of 26 months | None |
| General Meeting of Shareholders of 18 May 2011 27th Resolution | Share capital increase by issuance of ordinary shares reserved to employees of Crédit Agricole Group who subscribe to a company savings plan | Nominal amount of the capital increase: • €200 million | Autonomous and distinct from other ceilings on capital increases Valid for a term of 26 months | None |
| General Meeting of Shareholders of 18 May 2011 28th Resolution | Increase share capital by issuing ordinary shares reserved for the Crédit Agricole International Employees | Nominal amount of the capital increase: • €50 million | Autonomous and distinct from other ceilings on capital increases Valid for a term of 18 months | None |

## PURCHASE BY THE COMPANY OF ITS OWN SHARES

**In line with the 20th resolution adopted at the Combined Ordinary and Extraordinary General Meeting of 18 May 2011, the shareholders of Crédit Agricole S.A. authorised the Board of Directors to trade in Crédit Agricole S.A. ordinary shares, in accordance with the General Regulations of the *Autorité des marchés financiers* and with the Articles L. 225-209 *et seq*. of the French Commercial Code.**

### Twentieth resolution (Authorisation to be granted to the Board of Directors to buy back the Company's ordinary shares).

1. The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, having reviewed the Board of Directors' report, authorises the Board of Directors, which may further delegate such authority as provided by law, to buy back the Company's ordinary shares in accordance with the provisions of the General Regulations of the *Autorité des marchés financiers* (AMF) and of Articles L. 225-209 *et seq.* of the French Commercial Code;

2. This authorisation, which supersedes the unused portion of the authorisation granted by the sixteenth resolution adopted at the Ordinary General Meeting of Shareholders of 18 May 2011, is granted to the Board of Directors until renewed at a future Ordinary General Meeting of Shareholders and, in all circumstances, for a maximum period of eighteen (18) months from the date of this General Meeting of Shareholders;

3. The purchases of the Company's ordinary shares carried out by the Board of Directors pursuant to this authorisation may not, under any circumstances, result in the Company holding more than ten per cent (10%) of the ordinary shares representing its share capital;

4. Trading in the Company's shares under the ordinary share buyback programme established by the Company may be effected in one or more transactions and by any means authorised by the applicable regulations, including on-market or off-market, over the counter notably by block purchases or sales, or *via* derivative instruments traded on regulated exchanges or over the counter (such as put and call options or any combination thereof), or warrants or, more generally, securities giving rights to ordinary shares of the Company, under the conditions permitted by the relevant market authorities and at such times as the Board of Directors or the person acting pursuant to powers delegated by the Board of Directors shall determine. It should be noted that the entire ordinary share buyback programme may be carried out through block purchases of ordinary shares;

5. The number of ordinary shares purchased may not exceed ten per cent (10%) of the total number of ordinary shares as of the date on which the said purchases are carried out. However, the number of ordinary shares purchased by the Company to be held and delivered at a later date either as payment or in exchange for other securities in a merger, spin-off or asset transfer may not exceed five per cent (5 %) of the Company's ordinary shares;

   The Board of Directors shall ensure that these buybacks are carried out in accordance with regulatory requirements as laid down by regulation and by the French Prudential Supervisory Authority (ACP);

6. Such shares may not be purchased at a price greater than €10. However, in the event of capital transactions and, more particularly, capital increases with pre-emptive rights or capital increases carried out by capitalisation of reserves, profits or share premiums followed by the creation and award of bonus ordinary shares, or a split or reverse split of ordinary shares, the Board of Directors may adjust the aforesaid maximum purchase price in order to factor in the effect of such transactions on the value of the ordinary share;

   In any event, the Company is only authorised to use a maximum of €1.25 billion to buy back ordinary shares under this resolution;

7. This authorisation is intended to allow the Company to buy back ordinary shares for any purpose that has been authorised or may be authorised under applicable laws and regulations. In particular, the Company may use this authorisation:

   a. to grant stock options to some or all of the Company's employees and/or to some or all of its eligible Executive or non-Executive Corporate Officers of the Company or the companies or groupings affiliated with it, now or in the future, as defined by Article L. 225-180 of the French Commercial Code;

   b. to allot ordinary shares to eligible Executive or non-Executive Corporate Officers, employees and former employees of the Company or of the Group, or to certain categories thereof, as part of an employee profit-sharing or share ownership plan, as provided by law;

   c. to allot bonus shares under a bonus share plan as provided by Articles L. 225-197-1 *et seq.* of the French Commercial Code to some or all categories of eligible employees and Executive or non-Executive Corporate Officers of the Company and/or of companies and economic interest groupings affiliated therewith as per the terms of Article L. 225-197-2 of the French Commercial Code, and, more generally, to allot ordinary shares in the Company to such employees and Executive or non-Executive Corporate Officers, notably under variable compensation plans for employees who are financial market professionals and whose activities have a material impact on the Company's risk exposure, in which case such allotments are contingent upon such employees meeting performance targets;

   d. to hold the shares purchased with a view subsequently to exchanging them or using them to pay for a potential acquisition, in compliance with the market practice accepted by the *Autorité des marchés financiers* (AMF);

   e. to ensure coverage of securities giving access to the Company's ordinary shares;

   f. to ensure that liquidity is provided for the shares on the equity market by an investment services provider under a share liquidity agreement that complies with the AMAFI (the French Association of "Financial Market Professionals") Code of Conduct, in compliance with the market practice accepted by the *Autorité des marchés financiers* (AMF), it being specified that, for purposes of calculating the 10% limit set forth in paragraph 5 above, the number of ordinary shares purchased in this respect shall be the number of ordinary shares purchased less the number of ordinary shares sold during the term of this authorisation;

   g. to cancel all or part of the ordinary shares purchased, providing that the Board of Directors holds a valid authorisation from the General Meeting of Shareholders, duly convened to conduct extraordinary business, to reduce the share capital by cancelling the ordinary shares purchased under the terms of an ordinary share buyback programme.

   While the share buyback programme is in effect, the Board of Directors may effect transactions at any time, except during a public purchase or exchange offer for the Company, under the authorisation hereby granted.

   The Company may also use this resolution and carry out its buyback programme in accordance with the law and regulations, including in particular the provisions of Articles 231-1 *et seq.* of the General Regulations of the *Autorité des marchés financiers* (AMF), during a cash tender or exchange offer initiated by the Company.

The General Meeting of Shareholders fully empowers the Board of Directors, with the right to further delegate such powers as permitted by law, for the purpose of implementing this authorisation and determining the relevant terms and conditions, pursuant to the law and the terms of this resolution, including placing stock orders, signing all documents, entering into all agreements, filing all reports and carrying out all formalities, including with the French Prudential Supervisory Authority (ACP) and the *Autorité des marchés financiers* (AMF), and, more generally, to do all that is necessary.

## Information on the use of the share buyback programme given to the General Meeting of Shareholders according to Article L. 225-211 of the French Commercial Code

The Board of Directors informs the General Meeting of Shareholders of the following activities undertaken in accordance with the share buyback programme for the period from 1 January to 31 December 2011.

Transactions were carried out as part of the programme in order to:

- cover commitments made to employees, in the framework of stock option plans;
- to ensure market-making by an investment services provider under a market-making agreement that complies with the AMAFI (the French Association of Financial Marlkets Professionals) Code of Conduct.

| | |
|---|---|
| Number of shares registered in the Company's name at 31 December 2010 | 9,324,639 |
| *To cover commitments to employees* | *5,584,638* |
| *To provide volume to the market in the context of the share liquidity agreement* | *3,740,001* |
| Number of shares bought in 2011 | 25,590,630 |
| *To cover commitments to employees* | *789,888* |
| *To provide volume to the market in the context of the share liquidity agreement* | *24,800,742* |
| Volume of shares used to achieve the purpose set (1) | |
| *Coverage of commitments to employees* | *6,275,033* |
| *Share liquidity agreement (Procurements + Disposals)* | *47,261,485* |
| Number of shares reallocated for other purposes | 0 |
| Average purchase price of shares bought in 2011 | €9.17 |
| Value of shares bought in 2011 at purchase price | €234,707,746 |
| Trading costs | €511,976 |
| Number of shares sold in 2011 | 27,945,888 |
| *To cover commitments to employees* | *5,485,145* |
| *To provide volume to the market in the context of the share liquidity agreement* | *22,460,743* |
| Average price of shares sold in 2011 | €9.66 |
| Number of shares registered in the Company's name at 31 December 2011 | 6,969,381 |
| *To cover commitments to employees* | *889,381* |
| *To provide volume to the market in the context of the share liquidity agreement* | *6,080,000* |
| Gross carrying amount per share (2) | |
| *Shares bought to cover commitments to employees (historical cost)* | *€12.86* |
| *Shares bought as part of the share liquidity agreement (traded price at 31 December 2011)* | *€4.36* |
| Total gross carrying amount of shares | €37,946,557 |
| Par value | €3 |
| Percentage of the share capital held by the Company at 31 December 2011 | 0.28% |

*(1) Shares bought to cover commitments to employees are (a) shares sold or transferred to beneficiaries after they exercise options on Crédit Agricole S.A. shares, or sold on the stock market for the surplus coverage recorded at the closing date of the plans and (b) shares acquired and delivered or sold under deferred compensation plans as performance shares. Shares in relation to the share liquidity agreement are shares bought and sold per the contract during the period in question.*

*(2) Shares bought to cover commitments to employees are recognised as investment securities and valued at their purchase price, less any impairment; shares bought in relation to the share liquidity agreement are recognised as trading securities and valued at market value at each reporting date.*

## INFORMATION ON ACCOUNTS PAYABLE

Under Article L. 441-6-1 of the French Commercial Code, companies whose separate financial statements are certified by a Statutory Auditor are required to disclose in their management report the net amounts due to suppliers by due date, in accordance with the terms and conditions set out in Article D. 441-4 of Decree No. 2008-1492.

### AGING OF ACCOUNTS PAYABLE

**At 31 December 2011**

| *(in millions of euros)* | Due | Not yet due | | | Total at 31 December 2011 |
|---|---|---|---|---|---|
| | | < 30 days | > 30 days < 45 days | > 45 days | |
| Accounts payable | 27 (1) | 5 | 5 | 1 | 38 |

(1) *Including €26 million paid by 31 January 2012.*

**At 31 December 2010**

| *(in millions of euros)* | Due | Not yet due | | | Total at 31 December 2010 |
|---|---|---|---|---|---|
| | | < 30 days | > 30 days < 45 days | > 45 days | |
| Accounts payable | 11 (2) | 3 | 2 | - | 16 |

(2) *Including €9 million paid by 31 January 2011.*

## INFORMATION ON CORPORATE OFFICERS

**Information on the remuneration, appointments and duties of the Corporate Officers**, as required by Articles L. 225-102-1 and L. 225-184 of the French Commercial Code, by the French Financial Security Act of 1 August 2003, and by Order No. 2004-604 of 24 June 2004 appears in the chapter entitled “Corporate governance” in the sections “Remuneration of Corporate Officers and Offices Held by Corporate Officers” of the present registration document.

They meet the AFEP-MEDEF recommendations of October 2008 and the AMF recommendation of 22 December 2008 on executive compensation.

**A summary of trading in the Company’s shares by executives of Crédit Agricole S.A. in 2011**, as required by Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-26 of the General Regulations of the *Autorité des marchés financiers* (AMF), is provided in the chapter entitled “Corporate governance” in the section “Compensation of Corporate Officers” of the present registration document.

# Risk factors and Pillar 3

4

# Risk factors

This part of the management report sets out the type of risks to which the Group is exposed, their extent and the systems used to manage them.

The information presented in accordance with IFRS 7, relating to disclosures on financial instruments, covers the following types of risks[(1)]:

- credit risk (including country risk): risk of losses arising from a default by a counterparty leading to that counterparty's inability to meet its commitments to the Group;
- market risks: risks of losses arising from changes in market parameters (interest rates, exchange rates, prices, credit spreads);
- particular risks attributable to the financial crisis;
- structural asset/liability management risks: risks of losses arising from changes in interest rates (global interest-rate risk) and exchange rates (foreign exchange risk) and the risk of not having the necessary resources to meet commitments (liquidity risk), including risks in the insurance sector.

In order to cover all risks inherent in the banking business, additional information is provided concerning:

- operational risks: risk of losses resulting primarily from the unsuitability or failure of processes, systems or people in charge of transaction processing;
- legal risks: risks arising from the Group's exposure to civil or criminal proceedings;
- non-compliance risk: risk relating to failure to comply with laws and regulations governing the Group's banking and financial activities.

## Organisation of risk management

Risk management, which is inherent in banking activities, lies at the heart of the Group's internal control system. All staff involved, from the initiation of transactions to their final maturity, play a part in this system.

Measuring and supervising risk is the responsibility of the dedicated Risk Management and Permanent Controls function (DRG – Group Risk Management department), which is independent from Group functions and reports directly to the Executive Management.

Although risk management is primarily the responsibility of the business lines which oversee growth in their own operations, DRG's task is to ensure that the risks to which the Group is exposed are consistent with the risk strategies defined by the business lines (in terms of global and individual limits and selection criteria) and compatible with the Group's growth and profitability targets.

DRG performs consolidated Group-wide monitoring of risks using a network of risk management and permanent control officers who report hierarchically to the head of Risk Management and Permanent Controls and functionally to the executive body of their entity or business line.

To ensure a consistent view of risks within the Group, DRG has the following duties:

- it defines and/or validates methods and procedures for analysing, measuring and monitoring credit, market and operational risks;
- it takes part in the critical analysis of the business lines' commercial development strategies, focusing on the risk impact of these strategies;
- it provides independent opinions to Executive Management on risk exposure arising from business lines' positions (credit transactions, setting of market risk limits) or anticipated by their risk strategy;
- it lists and analyses Group entities' risks, on which data are collected in risk information systems.

The Financial Management unit of the Group Finance department (FIG) manages structural asset/liability risk (interest-rate, exchange-rate and liquidity) along with the refinancing policy and supervision of capital requirements.

Supervision of these risks by Executive Management is carried out through ALM (Asset Liability Management) Committee Meetings, in which DRG takes part.

## Governance

DRG organises a periodic review of the main credit-risk and market-risk issues through quarterly Risk Committee Meetings, which address the following issues: policies on risk-taking, portfolio analysis and analysis of cost of risk, market limits and concentration limits. These Risk Committees cover all of Crédit Agricole Group's risks (including those of the Regional Banks ) and are chaired by the Chief Executive Officer of Crédit Agricole S.A.

*(1) These disclosures are an integral part of the consolidated financial statements for the year ending at 31 December 2011 and as such are covered by the Statutory Auditors' report.*

DRG regularly informs Crédit Agricole S.A.'s Audit Committee about risk exposures, the methods used to measure them and its recommendations for managing them in accordance with the policies defined by the Board of Directors.

# CREDIT RISK

A credit risk is realised when a counterparty is unable to honour its obligations and when the carrying amount of these obligations in the bank's books is positive. The counterparty may be a bank, an industrial or commercial company, a government and its various controlled entities, an investment fund, or an individual person.

The exposure may be a loan, debt security, deed of property, performance exchange contract, performance bond or unutilised confirmed commitment. The risk also includes the settlement risk inherent in any transaction entailing an exchange of cash or physical goods outside a secure settlement system.

When the risk is recognised, an impairment policy is implemented, on a individual or portfolio basis.

## I. Objectives and policy

The risks taken by Crédit Agricole S.A. and its subsidiaries must comply with the risk strategies approved by the Group's Risk Management Committee, which is a sub-committee of Crédit Agricole S.A.'s Executive Committee and is chaired by its Chief Executive Officer. Risk strategies are adjusted to each business line and its development plan. They set out global limits, intervention criteria (types of eligible counterparties, nature and maturity of eligible products, collateral required) and arrangements for delegating decision-making authority. These risk strategies are adjusted as required for each business line, entity, business sector or country. Business lines are responsible for complying with these risk strategies, and compliance is controlled by the risk management and permanent control officers.

Crédit Agricole S.A. and its subsidiaries seek to diversify their risks in order to limit their counterparty risk exposures, particularly in the event of a crisis affecting a particular industry or country. To achieve this, Crédit Agricole S.A. and its subsidiaries regularly monitor their total exposures by counterparty, by trading portfolio, by business sector and by country (taking into account internal calculation methods, depending on the type of exposure).

Crédit Agricole CIB, the Group's Corporate and investment banking arm, also carries out active portfolio management in order to reduce the main concentration risks borne by Crédit Agricole S.A. Group. The Group uses market instruments such as credit derivatives or securitisation mechanisms which reduce and diversify counterparty risk that enable it to optimise its use of capital. Similarly, potential risk concentration is mitigated by syndication of loans with outside banks and use of risk hedging instruments (credit insurance, derivatives, sharing risk with Oseo Garantie).

## II. Credit risk management

### 1. Risk-taking general principles

All credit transactions require in-depth analysis of the customer's ability to repay the debt and the most efficient way of structuring the transaction, particularly in terms of security and maturity. This analysis must comply with the risk strategy of the business line concerned and with all limits in force, both individual and aggregate. The final lending decision is based on an internal rating and is taken by the commitment units or by the Credit Committees, on the basis of an independent opinion given by a representative of the Risk Management and Permanent Control Group function as part of the authorisation system in place. The Group Risk Management Committee and its Chairman constitute the Group's ultimate decision-making authority.

Each lending decision requires an analysis of the risk taken in relation to the expected return. In Corporate and investment banking, an *ex ante* calculation of the transaction's expected return is carried out (on the basis of RAROC – *risk-adjusted return on capital*).

In addition, the principle of an individual risk limit applies to all types of counterparty, whether companies, banks, financial institutions, public sector or semi-public sector entities.

### 2. Risk measurement methods and systems

#### 2.1 INTERNAL RATING SYSTEMS AND CREDIT RISK CONSOLIDATION SYSTEMS

The internal rating systems cover all of the methods, procedures and controls used for assessment of credit risk, rating of borrowers and estimation of losses given default by the borrower. Governance of the internal rating system relies on the Standards and Methodologies Committee (CNM), chaired by the Group's head of Risk Management and Permanent Controls, whose task is to validate and spread standards and methodologies relating to measuring and controlling risks within Crédit Agricole Group.

For retail customers, each entity has the responsibility of defining, implementing and substantiating its rating system, in accordance with the Group standards established by Crédit Agricole S.A. Consequently, LCL and the consumer finance subsidiaries (Crédit Agricole Consumer Finance) have their own credit rating systems. The Regional Banks have common risk assessment models which are managed at the Crédit Agricole S.A. level. Back-testing procedures of the parameters used in calculating the regulatory capital requirements have been defined and are operational in all entities.

For the large institutional customer category, a single fifteen-grade rating scale has been established on the basis of a segmentation of risk so as to provide a uniform view of default risk "over a full business cycle". The scale comprises thirteen ratings (A+ to E-) for counterparties that are not in default (including two ratings for counterparties that have been placed on credit watch) and two ratings (F and Z) for counterparties that are in default.

#### COMPARISON BETWEEN THE INTERNAL GROUP RATINGS AND THE RATING AGENCIES

| *Crédit Agricole Group rating* | A+ | A | B+ | B | C+ | C | C- | D+ | D | D- | E+ | E | E- |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicative Moody's rating equivalent | Aaa | Aa1/Aa2 | Aa3/A1 | A2/A3 | Baa1 | Baa2 | Baa3 | Ba1 | Ba2 | Ba3 | B1/B2 | B3 | Caa/Ca/C |
| Indicative Standard & Poor's rating equivalent | AAA | AA+/AA | AA-/A+ | A/A- | BBB+ | BBB | BBB- | BB+ | BB | BB- | B+/B | B- | CCC/CC/C |

Within Crédit Agricole Group, the large institutional customer category comprises primarily sovereigns and central banks, corporates, specialised financings as well as banks, insurance companies and other financial companies. An internal rating method tailored to each specific risk profile, based on financial and qualitative criteria, is applied to each type of large customer. For corporate clients, Crédit Agricole Group entities have common internal rating methodologies. A rating is assigned when a relationship with the counterparty is first initiated, and that rating is updated upon each request for a credit limit and upon any event that could affect risk quality. The rating assignment must be approved by a unit independent of the front office. The rating is reviewed at least annually. To ensure that each counterparty carries one and only one rating within Crédit Agricole Group, a single entity in the Group is responsible for rating it.

The rating oversight process implemented by Crédit Agricole S.A., its subsidiaries and the Regional Banks aims to ensure:

- uniformity in the handling of default events on a consolidated basis;
- proper utilisation of the internal rating methodologies;
- reliability of the data supporting the internal rating;
- back-testing of the internal rating methodologies, which is performed annually. All oversight results are presented to the Standards and Methodology Committee as well as the Group Risk Management Committee.

Furthermore, Crédit Agricole S.A., its subsidiaries and the Regional Banks continue to focus on improving the risk-tracking system for:

- risk management of single clients and groups which is designed to ensure accurate identification of counterparties on which there is a risk within the entities and to improve cross-functional risk information management on single clients and groups, which is crucial to ensuring rating uniqueness and consistent allocation of exposures to Basel portfolios;
- the closing process, which aims to guarantee the quality of the process of production of the solvency ratio.

The French Prudential Supervisory Authority (ACP) has authorised Crédit Agricole Group to use internal rating systems to calculate regulatory capital requirements for credit risk of its retail and corporate loan portfolios on the greater part of its scope.

Having internal rating systems deployed throughout the Group enables it to implement counterparty risk management based on Basel 2-type indicators. Notably, in the corporate and investment banking businesses, expected loss, economic capital and risk-adjusted return measurements are used in the processes for making loan approval decisions, defining risk strategies and setting risk limits.

### 2.2 CREDIT RISK MEASUREMENT

The measurement of credit risk exposures includes both drawn facilities and confirmed unutilised facilities.

To measure counterparty risk on capital markets transactions, Crédit Agricole S.A. and its subsidiaries use an internal method for estimating the current and potential risk of derivative instruments such as swaps and structured products.

The risk basis is the sum of the positive market value of the instrument and an add-on coefficient applied to the nominal amount. This add-on coefficient represents the potential credit risk arising from the change in market value of derivative instruments during their residual lifespan. It is calculated using the type and residual lifespan of the instrument, based on a statistical observation of movements in its underlying instruments. When the netting and collateralisation agreements with the counterparty allow, counterparty risk is measured for the portfolio net of eligible collateral. The corporate and investment banking business uses this method for the internal management of counterparty risk, and it differs:

- from the regulatory approach used to meet the measurement requirements of European and international solvency ratios or for reporting major risks;

- from the accounting policies and principles used to prepare the consolidated financial statements.

In order to reduce its exposure to counterparty risks, the investment bank enters into netting and collateralisation agreements with its counterparties (see section 4 below: "Credit risk mitigation mechanism").

## 3. Supervision system of commitments

Rules for dividing and limiting risk exposures, along with specific processes relating to commitments, are used to prevent any excessive concentration of the portfolio.

### 3.1 PROCESS FOR MONITORING CONCENTRATIONS BY COUNTERPARTY OR GROUP OF RELATED COUNTERPARTIES

The consolidated commitments of all Crédit Agricole Group's entities are monitored by counterparty and by group-related counterparties. A group of related counterparties is a set of French or foreign legal entities that are connected, regardless of their status and economic activity, in such a way that the total exposure to this group can be measured on the basis of exposure to one or more of these entities. Commitments to a counterparty or group of related counterparties include all loans granted by the Group as well as corporate finance transactions, bond portfolios, financing commitments and counterparty risks relating to capital market transactions. Exposure limits for counterparties and groups of related counterparties are recorded in the internal information systems of each subsidiary or business line. When several subsidiaries have a counterparty in common, a Group-level aggregate limit is set on the basis of commitment authorisation limits that depend on the internal rating.

Each operating entity reports the amount of its commitments by risk category on a monthly or quarterly basis to the Group Risk Management and Permanent Controls department. Exposures to major non-bank counterparties, *i.e.* those on which the aggregate commitments of Crédit Agricole Group exceed €300 million after netting, are reported separately to the Group Risk Management Committee.

At year-end 2011, lending commitments of Crédit Agricole S.A. and its subsidiaries to their ten largest non-sovereign, non-bank customers amounted to less than 6% of the total non-bank portfolio (compared with just under 7% at 31 December 2010), showing good diversification of the portfolio on an individual basis.

Moreover, for the Regional Banks and LCL, major counterparty risks on the food-processing sector are monitored also *via* the Foncaris subsidiary. At 31 December 2011, Foncaris guaranteed 50% of the €8.7 billion outstanding portfolio due to major counterparties for these entities (€10.7 billion at 31 December 2010).

### 3.2 PORTFOLIO REVIEW AND SECTOR MONITORING PROCESS

Periodic portfolio reviews conducted by entity or business line serve to identify counterparties whose credit quality is deteriorating, update counterparty ratings, monitor risk strategies and check on changes in concentration ratios, for instance, per business sector. Moreover, the Corporate and investment banking business has a portfolio modelling tool that it uses to test how well portfolios hold up under stress scenarios.

### 3.3 PROCESS FOR MONITORING COUNTERPARTIES IN DEFAULT AND ON CREDIT WATCH

Counterparties in default and on credit watch are monitored closely by the business lines, in collaboration with risk management and permanent control officers. They are also the object of formal monitoring by the entities' Sensitive exposure committees and of quarterly monitoring by the Group Risk Management Committee and the Audit Committee on a consolidated basis.

### 3.4 CONSOLIDATED RISK MONITORING PROCESS

Every quarter, the Group Risk Management Committee examines the risk report produced by the Group Risk Management and Permanent Controls department. This document gives the Committee a detailed review of the Group's risk situation on a consolidated basis across all business lines. In addition, detailed periodic reviews of banking risks, country risks and the main non-banking risks are conducted during Group Risk Management Committee Meetings.

The unfavourable economic environment led Crédit Agricole S.A. to maintain a Risk Monitoring Committee chaired by Executive Management. This Committee meets weekly and reviews all risk alerts collected centrally by the Group Risk Management and Permanent Controls department in accordance with the internal alert procedures.

### 3.5 COUNTRY RISK MONITORING AND MANAGEMENT SYSTEM

Country risk is the risk that economic, financial, political or social conditions in a foreign country will affect the financial interests of the Group. This risk does not differ in nature from "elementary" risks (credit, market and operational risks), but is an aggregate of risks resulting from vulnerability to a specific political, macroeconomic and financial environment.

The system for assessing and monitoring country risk within Crédit Agricole S.A. Group is based on the Group's own rating methodology. Internal country ratings are based on criteria relating to the structural solidity of the economy, ability to pay, governance and political stability. Annually reviewed limits and risk strategies are applied to each country whose rating is lower than the threshold specified in the procedures.

The introduction of regular reporting and reviews enables detailed country risk monitoring, on an overall portfolio basis, as a result of greater use of quantitative tools.

This approach is supplemented by scenario analyses aimed at testing the impact of adverse macroeconomic and financial assumptions. These tests enable the Group to develop an integrated view of the risks to which it may be exposed in situations of extreme tension.

The Group manages and controls its country risks according to the following principles:

- activities exposed to country risk are defined and identified through the development and monitoring of analytical country risk management tools;
- acceptable country risk exposure limits are determined through annual reviews of country strategies, depending on the vulnerability of the portfolio to country risk. The degree of vulnerability is determined by the type and structure of transactions, the quality of counterparties and the term of commitments. These exposure limits may be reviewed more frequently if developments in a particular country make it necessary. These strategies and limits are validated by Crédit Agricole CIB's Strategy and Portfolio Committee (CSP) or Country Risk Committee (CRP) and by Crédit Agricole S.A.'s Group Risk Management Committee (CRG);
- the Corporate and investment banking business maintains a system for regular assessment of country risk and for updating the country risk rating quarterly for each country in which the Group does business. This rating is produced using an internal country rating model based on various criteria (structural solidity, governance, political stability, ability and willingness to pay). Specific events may cause ratings to be adjusted before the next quarterly review;
- Crédit Agricole CIB's Country and Portfolio Risk department validates transactions whose size, maturity and degree of country risk could affect the quality of the portfolio.

Country risk exposure is monitored and controlled in both quantitative (amount and term of exposure) and qualitative (portfolio vulnerability) terms through regular specific reporting on all exposures to risky countries.

Euro zone countries with an internal rating that qualifies them for country risk monitoring undergo a separate ad hoc monitoring procedure.

### 3.6 STRESS SCENARIO IMPACTS

Credit stress scenarios are applied periodically in conjunction with the business lines, based on internal requirements or at the request of the French Prudential Supervisory Authority (ACP), to assess the risk of loss and consequent changes in capital requirements in the event of a sharp deterioration in the economic and financial environment. The results of these stress tests are examined by the Group Risk Management Committee or the Executive Committee, in particular as part of the annual budgetary process.

## 4. Credit risk mitigation mechanisms

### 4.1 COLLATERAL AND GUARANTEES RECEIVED

Guarantees or collateral are intended to provide partial or full protection against credit risk.

The principles governing the eligibility, utilisation and management of collateral and guarantees received as security are defined by Crédit Agricole Group's Standards and Methodology Committee (CNM), in accordance with the CRD system implemented as part of the Basel 2 solvency ratio reform. This common framework ensures a consistent approach across the Group's various entities. It documents aspects that include the conditions for prudential recognition, valuation and revaluation methods of all the various credit risk mitigation techniques that are used: collateral (notably for financing of assets: property, aircraft, ships, etc.), security in the form of guarantees, public export credit insurance, private credit insurance, financial guarantee insurance, credit derivatives, and cash collateral. The entities are in charge of implementing this framework at the operational level (management, monitoring of valuations, implementation).

Details of guarantee commitments received are presented in Note 3.1 and in Note 8 to the consolidated financial statements.

Regarding financial assets obtained by enforcement of guarantees or credit enhancement measures, the Group's policy on assets that have come into its possession by these means is to sell them as soon as possible.

### 4.2 USE OF NETTING CONTRACTS

If a master contract has been agreed with a counterparty, Crédit Agricole S.A. and its subsidiaries net their exposures to that counterparty. Crédit Agricole S.A. and its subsidiaries also use collateralisation techniques (deposits of cash or securities) to reduce their risk positions.

### 4.3 USE OF CREDIT DERIVATIVES

In managing its banking book, the Group's Corporate and investment bank uses credit derivatives and a range of risk-transfer instruments including namely securitisation. The aim is to reduce concentration of corporate credit exposure, diversify the portfolio and reduce loss levels.

The risks arising from such transactions are monitored using indicators such as VaR (Value at Risk) on all cash transactions to buy or sell protection for the bank's own account.

The notional amount of protection bought by Crédit Agricole CIB in the form of unitary credit derivatives outstanding at 31 December 2011 was €11.4 billion (€13.1 billion at 31 December 2010). The outstanding notional amount of protection sold by Crédit Agricole CIB was 965 million (€907 million at 31 December 2010).

## III. Exposure

### 1. Maximum exposure

The maximum exposure to credit risk of Crédit Agricole S.A. and its subsidiaries corresponds to the net carrying amount of financial assets (loans and receivables, debt instruments and derivative instruments) before the effect of non-recognised netting agreements and collateral.

#### MAXIMUM EXPOSURE TO CREDIT AND COUNTERPARTY RISK OF CRÉDIT AGRICOLE S.A. GROUP

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts) | 432,721 | 345,703 |
| Hedging derivative instruments | 33,560 | 23,524 |
| Available-for-sale assets (excluding equity securities) | 206,353 | 200,424 |
| Loans and receivables to credit institutions (excluding internal transactions) | 104,610 | 103,746 |
| Loans and receivables to customers | 399,381 | 383,246 |
| Held-to-maturity financial assets | 15,343 | 21,301 |
| **Exposure to on-balance sheet commitments (net of impairments)** | **1,191,968** | **1,077,944** |
| Financing commitments given (excluding internal operations) | 160,160 | 175,209 |
| Financial guarantee commitments given (excluding internal operations) | 98,898 | 102,908 |
| Provisions – financing commitments | (219) | (264) |
| **Exposure to off-balance sheet commitments (net of provisions)** | **258,839** | **277,853** |
| **TOTAL NET EXPOSURE** | **1,450,807** | **1,355,797** |

At 31 December 2011, the maximum exposure to credit and counterparty risk of Crédit Agricole S.A. and its subsidiaries amounted to €1,450.8 billion (€1,355.8 billion at 31 December 2010), up by 7% in 2011.

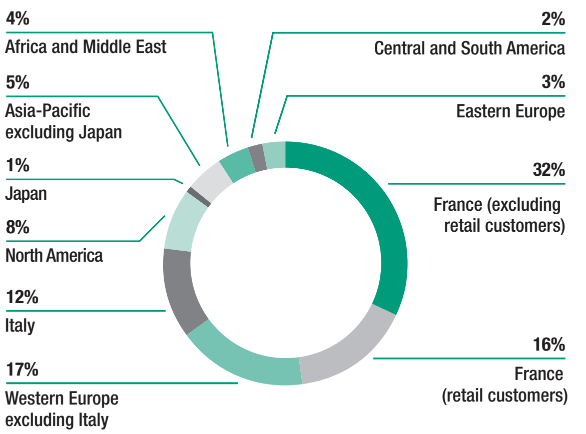
## 2. Concentration

An analysis of credit risk on commercial lending commitments excluding Crédit Agricole S.A. Group internal transactions and collateral given as part of repurchase agreements (loans and receivables to credit institutions, loans and receivables to customers, financing commitments given and guarantee commitments given for €709 billion) is presented below. The scope of the analysis specifically excludes derivative instruments, which are primarily monitored in VaR (see section on Market risk), and financial assets held by insurance companies (€160 billion – see section on Risks in the insurance sector).

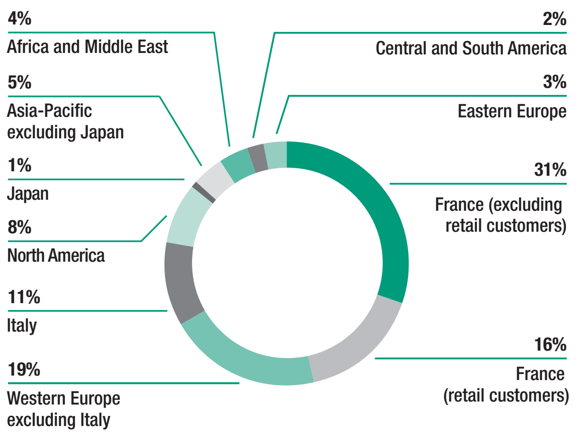
### 2.1 PORTFOLIO DIVERSIFICATION BY GEOGRAPHIC AREA

On the commercial lending portfolio (including banking counterparties outside the Group), the breakdown by geographic area covers a total portfolio of €685.1 billion at 31 December 2011, compared with €682.5 billion at 31 December 2010. The breakdown reflects the country in which the commercial lending risk is based.

**BREAKDOWN BY GEOGRAPHIC AREA OF COMMERCIAL LENDING OF THE CRÉDIT AGRICOLE S.A. GROUP AT 31 DECEMBER 2011**




**BREAKDOWN BY GEOGRAPHIC AREA OF COMMERCIAL LENDING OF THE CRÉDIT AGRICOLE S.A. GROUP AT 31 DECEMBER 2010**



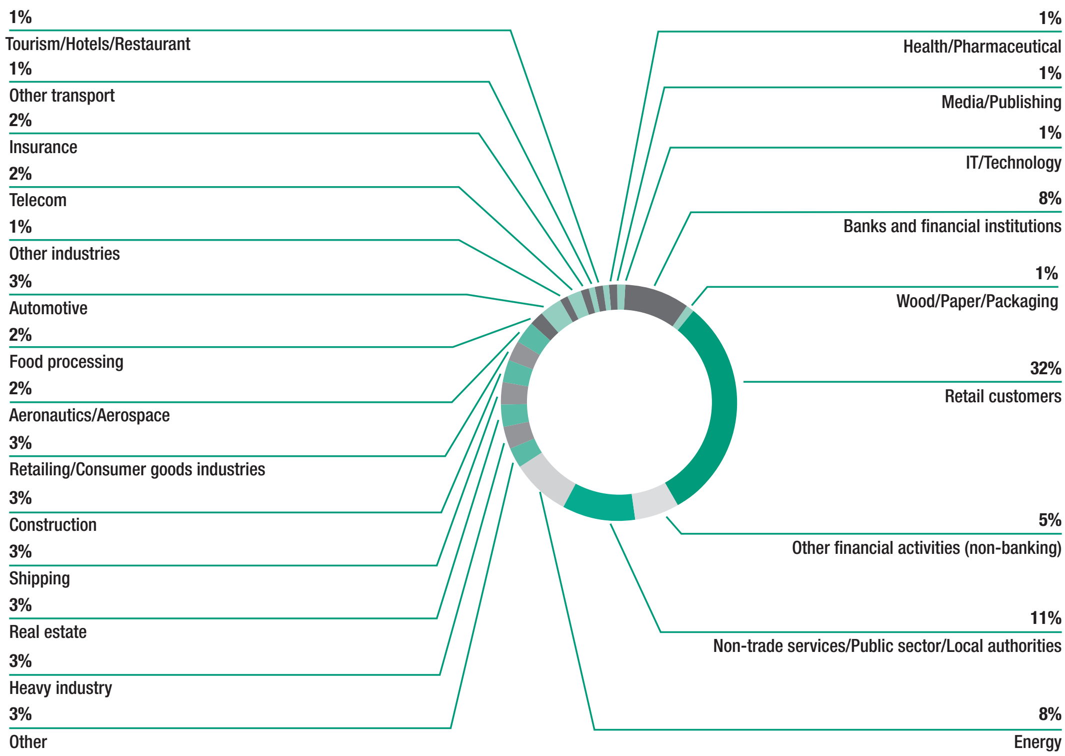

Commercial commitments based in France are up slightly in 2011 at 48% of total commitments, compared with 47% in 2010. Italy, the Group's second largest market, underwent a similar increase, with 12% of commitments in 2011 compared with 11% a year earlier. In contrast, Western Europe excluding Italy experienced a further slight decrease over the year (down 2%).

Note 3.1 to the financial statements presents the breakdown of loans and receivables and commitments to customers and credit institutions by geographic area on the basis of accounting data.

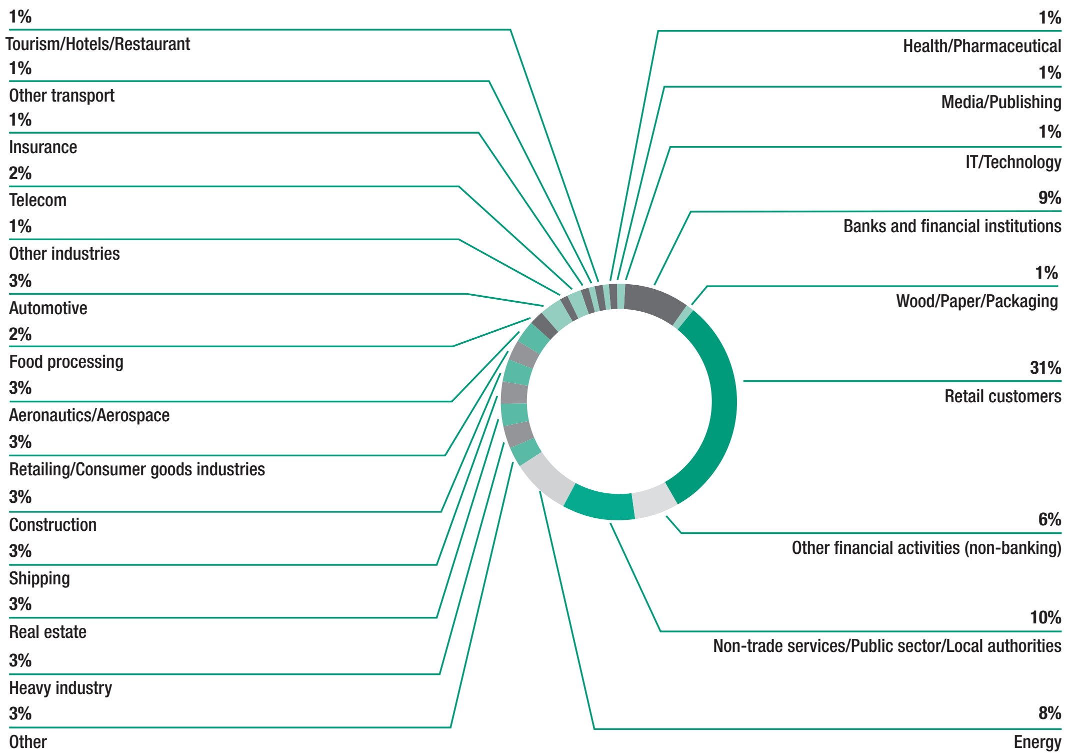
### 2.2 PORTFOLIO DIVERSIFICATION BY BUSINESS SECTOR

On the commercial lending portfolio (including banking counterparties outside the Group), the breakdown by business sector covers a total portfolio of €639.4 billion at 31 December 2011, compared with €641.7 billion at 31 December 2010. The breakdown reflects the business sector in which the commercial lending risk is based.

**BREAKDOWN BY BUSINESS SECTOR OF COMMERCIAL LENDING OF THE CRÉDIT AGRICOLE S.A. GROUP AT 31 DECEMBER 2011**




**BREAKDOWN BY BUSINESS SECTOR OF COMMERCIAL LENDING OF THE CRÉDIT AGRICOLE S.A. GROUP AT 31 DECEMBER 2010**



Well diversified, the commercial lending portfolio breakdown by business sector remains relatively stable for 2011. No sector varies by more than 1% annually.

### 2.3 BREAKDOWN OF LOANS AND RECEIVABLES BY TYPE OF CUSTOMER

Concentrations by customer type of loans and receivables and commitments given to credit institutions and customers are presented in Note 3.1 to the consolidated financial statements.

The gross amount of loans and receivables outstanding, including accrued interest (€521 billion at 31 December 2011), increased by 4% in 2011 (from €500 billion at 31 December 2010). It is split mainly between large corporates and retail customers (respectively, 32.2% and 31.8%, compared with 36.0% and 30.2% at 31 December 2010). The proportion of institutions other than banks and credit institutions increased moderately to 30.2% of these outstandings at 31 December 2011, compared with 28.1% at 31 December 2010.

### 2.4 EXPOSURE TO COUNTRY RISK

2011 was marked from the first half of the year by three key events which had a negative impact on worldwide growth and the effects of which appear likely to continue in 2012: a serious socio-political crisis in North Africa and the Middle East, the nuclear disaster in Japan and the increasing tensions over sovereign debt in a number of European nations. These events were combined with a heightened awareness on the financial markets of the scale of public deficits and sovereign debt of several developed economies, which rendered their funding more difficult. Whereas 2010 raised hopes of a more lasting recovery, 2011 ended without producing any visibility or immediate solutions to the European debt crisis.

In this uncertain context, emerging countries showed more resilience and managed to maintain an overall growth rate of more than 6%. Although this was down on 2010 (7.3%), it stands in stark contrast to the weak growth in developed countries (below 2%).

Crédit Agricole S.A. Group's commercial lending (on and off balance sheet) to customers at risk in emerging counties comes mainly *via* Crédit Agricole CIB, *via* UBAF (47% owned by Crédit Agricole CIB) and *via* International retail banking. These exposures include guarantees received coming in deduction (export credit insurance, cash deposits, securities pledged, etc.).

At 31 December 2011, commercial lending (including to banking counterparties) amounted to €50.7 billion (compared with €57.7 billion at 31 December 2010).

Concentration of exposures to emerging countries was stable in 2010: the top 20 countries accounted for 84.5% of the portfolio at year-end 2010, compared with 82.0% at year-end 2010.

Three geographic areas are predominant: the Middle East and North Africa, Eastern Europe and Asia, followed by Latin America and Sub-Saharan Africa.

#### The Middle East and North Africa

The Middle East and North Africa constitute the leading area of exposure, with outstandings of €18.1 billion (35.7% at 31 December 2011 compared with 34.2% at 31 December 2010, constant in absolute terms). The exposures are concentrated in Morocco, the United Arab Emirates, Saudi Arabia and Egypt.

#### Eastern Europe

Exposure in this region accounted for 25.7% of the Group's emerging-country risks, totalling €13 billion. It remains concentrated in five countries (Poland, Russia, the Ukraine, Serbia and Hungary). At 31 December 2010, this region accounted for 25.2% of emerging-country risks, totalling €14.5 billion.

#### Asia

Asia represents the third-largest exposure among emerging countries, with 22.8% of outstandings at year-end 2011 (23.9% at year-end 2010), or €11.6 billion (€13.8 billion at 31 December 2010). Activity remained concentrated in the main countries of the region (China, Hong Kong and India), which demonstrated greater resilience in the face of the worldwide crisis.

#### Latin America

At year-end 2011 this region represented 10.4% of the exposure on emerging countries, with outstandings of €5.3 billion concentrated in four countries: Mexico, Brazil, Chile and Peru (compared with 10.3% at year end-2010 for €5.9 billion).

#### Sub-Saharan Africa

This region represented exposure of €2.7 billion (5.4% of country risks) at year-end 2011, including 37.6% on South Africa (compared with €3.6 billion at year-end 2010, including 40.4% on South Africa). This region's decline in absolute terms is due to the ongoing closure of the Crédit Agricole CIB entity in South Africa.

## 3. Credit quality

### 3.1 ANALYSIS OF LOANS AND RECEIVABLES BY CATEGORY

The breakdown of loans and receivables to credit institutions and customers is presented as follows:

| **Loans and receivables** *(in millions of euros)* | **31/12/2011** | **31/12/2010** |
|---|---|---|
| Neither past due nor impaired | 489,090 | 469,696 |
| Past due but not impaired | 7,146 | 8,110 |
| Impaired | 24,759 | 21,769 |
| **TOTAL** | **520,995** | **499,575** |

The portfolio of loans and receivables at 31 December 2011 consisted for 94.0% in amounts that were neither past due nor impaired (94.0% at 31 December 2010).

Under IFRS 7, a financial asset is past due when a counterparty has failed to make a payment when contractually due. The Group considers that there is no identified credit risk on loans and receivables that are less than 90 days past due, accounting for 89% of past due but not impaired loans.

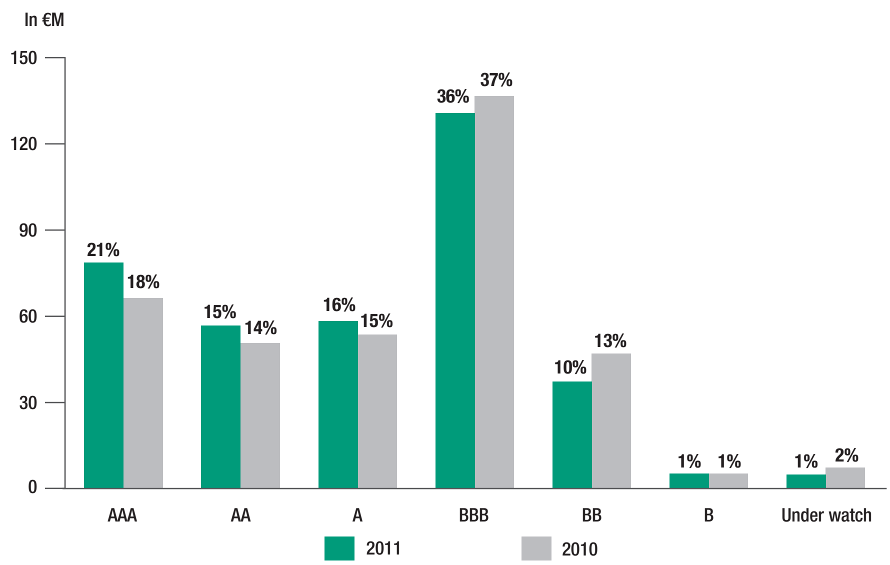
Details of financial assets that were past due or impaired are presented in Note 3.1 to the consolidated financial statements.

### 3.2 ANALYSIS OF OUTSTANDINGS BY INTERNAL RATING

The internal rating policy used by Crédit Agricole Group aims to cover the entire customer portfolio, *i.e.*, retail customers, corporate customers, banks and financial institutions, government agencies and local authorities.

On the performing commercial lending portfolio excluding retail customers (€500.8 billion at 31 December 2011, compared with €477.8 billion at 31 December 2010), rated borrowers accounted for more than 74% of the total (compared with 71% at year-end 2010) (€373.2 billion at 31 December 2011, compared with €365.7 billion at 31 December 2010). The breakdown of this portfolio is presented according to the Standard & Poor's equivalents of the Group's internal ratings.

**CHANGE IN THE NON-BANK, NON-RETAIL CUSTOMERS COMMERCIAL LENDING PERFORMING PORTFOLIO OF CRÉDIT AGRICOLE S.A. GROUP BY INDICATIVE S&P EQUIVALENT OF INTERNAL RATING**




This breakdown reflects a credit portfolio of good quality, and which showed an overall improvement in its risk profile during 2011. At 31 December 2011, 88% of exposures related to borrowers with investment-grade ratings (84% at 31 December 2010), and 1% related to borrowers under watch (a decrease of 1 point compared with 31 December 2010).

### 3.3 IMPAIRMENT AND RISK COVERAGE

#### 3.3.1 Impairment and risk coverage policy

The policy for hedging loan loss risks is based on two kinds of impairment allowances:

- impairment allowances on an individual basis intended to cover probable losses on impaired receivables;
- collective impairment allowances under IAS 39, recognised when objective indications of impairment are identified on one or more homogeneous subgroups within the credit risk portfolio. These impairment allowances are intended to cover deterioration in the risk profile of exposures to certain countries, business sectors or counterparties, not because they are in default but because their rating has been lowered. Impairment losses on a portfolio basis are also made in retail banking.

#### 3.3.2 Impaired financial assets

The breakdown of impaired loans and receivables due from credit institutions and customers by customer type and geographic area is presented in Note 3.1 to the financial statements.

At 31 December 2011, total impaired loans and receivables had increased to €24.8 billion (compared with €21.8 billion at 31 December 2010), following the integration of accrued interest and the worsening of the economic situation in Greece. These consist of non-performing loans and commitments on which the Group sees potential non-recovery. Impaired assets accounted for 4.8% of the Group's gross recorded outstandings at 31 December

2011 (4.4% at 31 December 2010). They were covered by €13.5 billion of individual impairment allowances (€10.7 billion at 31 December 2010), including lease finance transactions but not including collective impairment allowances.

Performing loans and receivables that were renegotiated amounted to €3 billion at 31 December 2011 (€2.2 billion at 31 December 2010).

### 4. Cost of risk

The overall cost of risk of Crédit Agricole S.A. and its subsidiaries amounted to €5.7 billion at 31 December 2011, compared with €3.8 billion in 2010 (up 50%). This increase is explained by the worsening of the economic situation in Greece and the need to write down, in the banking and insurance subsidiaries, Greek sovereign bonds by between 70% and 75% depending on maturity. The level of cost of risk for the French retail banking and Corporate and investment banking business lines fell over the year (down 20% and 19% respectively), whilst the level recorded by International retail banking was stable overall, with the exception of Emporiki Bank and its subsidiaries. In contrast, the specialised finance business line (Consumer Finance, Leasing and Factoring) recorded a sharp increase in its cost of risk, due mainly to the need to strengthen the coverage of risks in Greece in Italy.

Details of the movements that affected the cost of risk are presented in Note 4.8 to the consolidated financial statements. This is broken down by business line in note 5.1 to the consolidated financial statements.

### 5. Counterparty risk on derivative instruments

The counterparty risk on derivative instruments is established according to market value and potential credit risk calculated and weighted in accordance with prudential standards. At 31 December 2011, the exposures of Crédit Agricole S.A. Group to counterparty risk on derivative instruments are presented in Note 3.1 to the consolidated financial statements.

## MARKET RISKS

Market risk is the risk of a negative impact on the income statement or balance sheet of adverse fluctuations in the value of financial instruments following changes in market parameters, particularly:

- interest rates: interest rate risk is the risk of a change in the fair value of a financial instrument or the future cash flows from a financial instrument due to a change in interest rates;
- exchange rates: foreign exchange risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates;
- prices: price risk is the risk of a change in the price or volatility of equities and commodities, baskets of equities or stock market indices. The instruments most exposed to this risk are equity securities, equity derivative instruments and commodity derivative instruments;
- credit spreads: credit risk is the risk of a change in the fair value of a financial instrument resulting from movement in the credit spreads for indices or issuers. For more complex credit products, there is also the risk of a change in fair value arising from a change in correlation between issuer defaults.

## I. Objectives and policy

Crédit Agricole S.A. Group has a specific market risk management system with its own organisation independent of operational hierarchies, monitoring and consolidation procedures, risk identification and measurement methods.

The system covers all market risks arising from capital market activities, mainly arbitrage and directional positions taken by the trading desks. The investment portfolios of the Finance departments are monitored separately.

## II. Risk management

### 1. Local and central organisation

Crédit Agricole S.A. Group has two distinct but complementary levels of market risk management:

- at the central level, the Group Risk Management and Permanent Controls department coordinates all Group-wide market risk supervision and control issues. It standardises data and data processing to ensure consistency of both consolidated risk measurement and controls. It keeps the executive (Crédit Agricole S.A. Executive Management) and administrative (Board of Directors, Audit Committee) bodies informed of the status of market risks;
- at the local level, for each Crédit Agricole S.A. Group entity, a Risk Management and Permanent Controls officer monitors and controls market risks arising from the activities of the entity's business lines. Within the Crédit Agricole CIB subsidiary, the Risk Management and Permanent Controls department relies on decentralised teams of risk controllers, generally based abroad. These control functions are performed by three teams:

a) Risk Management whose role is to ensure monitoring and control of market risks for all product lines worldwide: limit proposals which are approved by the Market Risk Committee and monitored for their compliance, analysis of limit excesses as well as significant variations in results brought to the attention of the Market Risk Committee,

b) quantitative analysis: validation of risk valuation and measurement models, identification and quantification of modelling risks, recommendations for making provisions against uncertainties associated with the model,

c) activity monitoring: control and validation of market parameters used for the production of results and risk indicators, production of management results and risk indicators for all activities covered by market risk limits, reconciliation of management and accounting data.

Operating agreements between the central and local levels determine the level of information, format and frequency of the reports that entities must transmit to Crédit Agricole S.A. (Group Risk Management and Permanent Controls department).

### 2. Decision-making and Risk Monitoring Committees

Three governance bodies are involved in the management of market risk at Crédit Agricole S.A. Group level:

- the Group Risk Management Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., approves the aggregate limits on each entity's market risks when it presents its risk strategy and makes the main decisions in the matter of risk containment. The Committee examines the market situation and risks incurred on a quarterly basis, in particular through the utilisation of limits and any significant breaches of limits and incidents;
- the Risk Monitoring Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., reviews the main indicators of market risk on a weekly basis;
- the Standards and Methodology Committee meets periodically and is chaired by the Head of Group Risk Management and Permanent Controls. Its responsibilities include approving and disseminating standards and methods concerning the supervision and permanent control of market risks.

In addition, each entity has its own Risk Committee. The most important of these is Crédit Agricole CIB's Market Risk Management Committee (CRM), which meets twice a month and is chaired by the Executive Management member in charge of risks. It is made up of Crédit Agricole CIB's Head of market risk management and the risk managers responsible for specific activities. This Committee reviews Crédit Agricole CIB's positions and the results of its capital market activities and verifies compliance with the limits assigned to each activity. It is empowered to make decisions on requests for temporary increases in limits.

## III. Market risk measurement and management methodology

### 1. Indicators

The market risk measurement and supervision system is based on a combination of several indicators, most of which are subject to global or specific limits. It draws principally on Value at Risk, stress scenarios and complementary indicators (risk factor sensitivity, combined qualitative and quantitative indicators). Moreover, following regulatory changes relating to the measurement of capital requirements for market risk, Crédit Agricole CIB has put into place indicators relating to the CRD 3 Directive (stressed VaR, Incremental Risk Charge, Comprehensive Risk Measure).

The measurement system for the indicators relies on a process of evaluating positions for each entity that is subject to market risk. The permanent control process includes procedures for validating models and also procedures for structuring the back-testing of models.

#### 1.1 VAR (VALUE AT RISK)

The central element of the market risk measurement system is Value at Risk (VaR). VaR can be defined as the maximum theoretical loss on a portfolio in the event of adverse movements in market parameters over a given timeframe and for a given level of confidence. Crédit Agricole S.A. Group uses a confidence level of 99%, a timeframe of one day, and one year of historical data. In this way, market risk incurred by the Group in its trading activities can be monitored on a daily basis by quantifying the estimated maximum level of loss in 99 out of 100 cases, after inclusion of a number of risk factors (interest rate, currency, asset prices, etc.). The inter-correlation of such factors affects the maximum loss amount.

The netting figure is defined as the difference between total VaR and the sum of VaRs by risk factor. It represents the effects of netting among positions held simultaneously on different risk factors. A procedure known as back-testing (comparing each day's result against VaR estimated the day before) is used to confirm the relevance of the methodology.

The main method used to measure VaR is the historical VaR method. The Monte Carlo method is used only for a marginal portion of Crédit Agricole CIB's commodity-related activities.

The internal VaR model of Crédit Agricole CIB, which is the main contributor to the VaR of Crédit Agricole S.A. Group, has been approved by the regulatory authorities.

The process of measuring a historical VaR for risk positions on a given date D is based on the following principles:

- compilation of an historical database of risk factors on positions held by Crédit Agricole S.A. Group entities (interest rates, share prices, exchange rates, commodity prices, volatilities, credit spreads, correlation, etc.);
- determination of 261 scenarios corresponding to one-day changes in risk factors, observed over a rolling one-year period;
- adjustment of parameters corresponding to date D according to the 261 scenarios;
- remeasurement of the day's positions based on the 261 scenarios.

The 99% VaR figure based on the 261 scenarios is equal to the average of the second and third worst risks observed.

The VaR calculation methodology undergoes constant improvement and adjustment to take into account, among other things, the changing sensitivity of positions to risk factors and the relevance of the methods to new market conditions. For example, efforts are made to incorporate new risk factors and to achieve finer granularity on existing risk factors.

### Limitations of the historical VaR calculation

The main methodological limitations of the VaR model are the following:

- the use of daily shocks assumes that all positions can be liquidated or covered in one day, which is not always the case for certain products and in certain crisis situations;
- the use of a 99% confidence interval leaves out losses that could occur outside that interval: VaR is consequently an indicator of risk under normal market conditions and does not take into account movements of exceptional magnitude;
- VaR does not provide any information on amounts of exceptional losses (outside the 99% confidence interval).

### Back-testing

A back-testing process is applied to check the relevance of the VaR model for each of the Crédit Agricole S.A. Group's entities which have capital market activities. This process verifies *a posteriori* whether the number of exceptions (days when actual losses exceeded estimated VaR) was within the 99% confidence interval (a daily loss should exceed the calculated VaR only two or three times a year). For Crédit Agricole CIB, for which the measurement of capital requirements for market risk partly depends on the number of exceptions observed over a rolling one-year period, only one exception was seen at the level of regulatory VaR for 2011.

## 1.2 STRESS SCENARIOS

Stress scenarios complement the VaR measure which does not capture the impact of extreme market conditions. Stress scenarios are calculated following Group principles to simulate extreme market conditions and are the result of different complementary approaches:

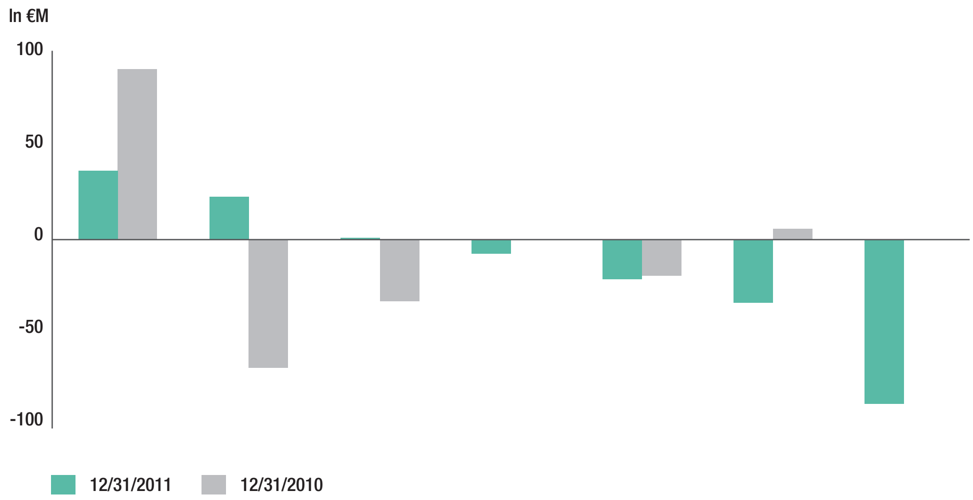
- historical scenarios, which consist in replicating the impact on the current portfolio of major crises observed in the past. The past crises used in historical stress scenarios are the 1987 stock market crash; the 1994 bond market crisis; the 1998 credit market crisis coupled with falling equity markets, sharply rising interest rates and declining emerging-country currencies; and the 2008 liquidity and credit crisis;
- hypothetical scenarios anticipating plausible shocks, which are developed in conjunction with economists. The hypothetical scenarios used are: economic recovery (with rising equity and commodity markets, flattening yield curves, appreciation of the USD and narrowing credit spreads); liquidity crunch (with flattening yield curves, widening credit spreads and falling equity markets); and international tensions (with flattening yield curves, falling equity markets and rising volatility, fall in the USD, widening credit spreads and increasing volatility on the commodity markets).

The "2008 crisis" historical scenario and the hypothetical scenario based on international tensions were applied in 2011.

The stress scenarios are calculated weekly.

At year-end 2011, the risk levels of Crédit Agricole S.A. Group (excluding the Crédit Agricole CIB business in run-off, which is monitored separately) as measured under historical and hypothetical stress scenarios were as follows:

**ESTIMATED LOSSES ASSOCIATED WITH STRESS SCENARIOS**




In addition other types of stress tests are performed:

- at the level of the entities, adverse stress tests enabling evaluation of the impact of major and unfavourable market movements for all business lines including businesses in run-off;
- at the level of Crédit Agricole CIB, extreme stress tests, calculated since the beginning of 2010, enabling measurement of the impact of even more severe market shocks without looking for the impacts of netting between different business lines.

### 1.3 COMPLEMENTARY INDICATORS

Other complementary indicators are also produced and can, as part of the risk containment system, be subject to limits. These include indicators of sensitivity to various risk factors, loss alerts, stop-loss indicators, nominal amounts, outstandings, remaining terms, etc. These indicators provide fine-grained measurements of exposure to different market risk factors and serve to fill out the summary picture of risks supplied by VaR and global stress scenarios.

### 1.4 INDICATORS RELATING TO THE CRD 3 DIRECTIVE

#### Stressed VaR

"Stressed" VaR was implemented in June 2010. It is consistent with a one-day historical VaR with a confidence interval of 99%. Its unique feature lies in the history of shocks, which is identified as the most damaging one-year period since mid-2007. At year-end 2011, it includes, notably, the end of 2008 (bankruptcy of Lehman Brothers).

#### Incremental Risk Charge

In place since the fourth quarter of 2011, the Incremental Risk Charge is a calculation of the specific interest rate risk on simple credit derivatives. It relates to an additional default and rating migration risk.

#### Comprehensive Risk Measure

Also in place since the fourth quarter of 2011, Comprehensive Risk Measure (CRM) is a calculation of the specific interest rate risk on credit derivatives in the correlation portfolio (managed in run-off mode), mainly synthetic CDOs and their hedging CDSs. It is used to measure the default and migration risks (same methodology as the IRC), plus the implementation of CDS spreads and base correlations.

## 4. Use of credit derivatives

As part of its capital markets activities, Crédit Agricole CIB deals in credit products (trading, structuring and sales) that entails the use of credit derivatives. The products currently traded are simple credit default swaps (CDSs) in which credit spreads are the main risk factor. The business in complex and structured products is managed in run-off.

All of these positions are measured at fair value, with deductions for model and parameter uncertainties.

These activities are managed through a system of market-risk indicators and limits designed to cover all risk factors. These indicators are:

- VaR (historical, 99%, daily, including credit spread risk and correlation risk);
- credit sensitivity;
- sensitivity to correlation;
- sensitivity to interest rates.

Independent teams are responsible for valuing positions, calculating risk indicators, setting limits and validating models.

## IV. Exposure on capital markets (Value at Risk)

The VaR of Crédit Agricole S.A. Group is calculated by incorporating the impacts of diversification between the different entities of the Group.

Crédit Agricole CIB's capital market activities are taken to be those within the scope of the regulatory VaR measure (including the ongoing and discontinuing operations).

The change in VaR on the capital markets activities of Crédit Agricole S.A. Group between 31 December 2010 and 31 December 2011, broken down by major risk factor, is shown in the table below:

### BREAKDOWN OF VAR (99%, ONE DAY)

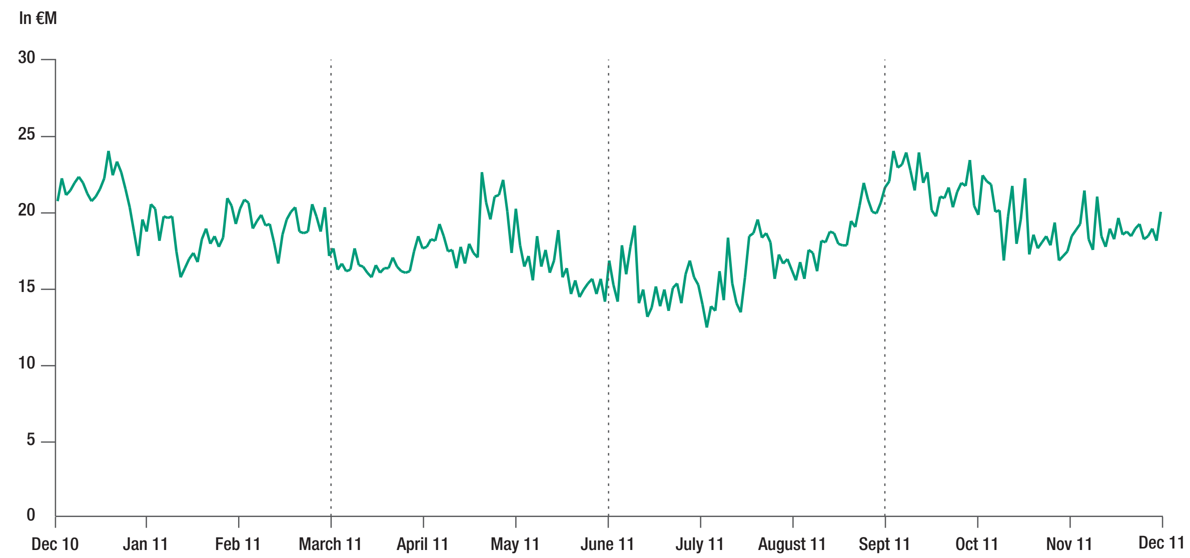
| *(in millions of euros)* | 31/12/2011 | Minimum | Maximum | Average | 31/12/2010 |
|---|---|---|---|---|---|
| Fixed income | 8 | 5 | 17 | 10 | 10 |
| Credit | 13 | 6 | 18 | 11 | 13 |
| Foreign Exchange | 4 | 2 | 8 | 4 | 4 |
| Equities | 3 | 2 | 10 | 3 | 3 |
| Raw materials | 5 | 2 | 5 | 3 | 2 |
| Netting | (13) | | | (13) | (11) |
| **VAR OF CRÉDIT AGRICOLE S.A. GROUP** | **20** | **12** | **24** | **18** | **21** |
| For reference: Total VaR of all entities | 21 | 15 | 36 | 22 | 25 |

The Group's VaR amounts to €20 million at 31 December 2011. The netting offset (-€13 million) is defined as the difference between total VaR and the sum of the VaRs by risk factor. For reference, without accounting for the diversification effect between different entities, the total VaR would be €21 million (of which €20 million for Crédit Agricole CIB).

- The fixed-income VaR, calculated for the aggregate cash and interest-rate derivatives activities was reduced to €8 million at 31 December 2011 (compared with €10 million at 31 December 2010). This VaR has, notably, been sensitive to shocks observed for European sovereign debt issuers.
- The credit VaR, calculated for credit market activities, remained stable at 31 December 2011 at €13 million. During the last quarter of 2011, the sharp rise in credit spreads increased the VaR up to a maximum of €18 million over the period. It relates mainly to the correlation portfolio of Crédit Agricole CIB, managed in run-off mode. It is the principal component of the Group's VaR at 31 December 2011.
- At 31 December 2011, the contributions of the equity, foreign exchange and commodities VaR were more marginal, totalling €3 million, €4 million and €5 million respectively.

The graph below shows the change in VaR during 2011, reflecting the maintaining of a conservative strategy in a period of significant market uncertainty:

### CRÉDIT AGRICOLE S.A. GROUP VAR BETWEEN 01/01/2011 AND 31/12/2011



## V. Equity risk

Equity risk arises in the trading and arbitrage of equity securities as well as on shares held in the investment portfolio and on treasury shares.

### 1. Equity risk from trading and arbitrage activities

Equity risk from trading and arbitrage activities arises from positions taken on shares and stock market indices *via* cash or derivatives markets (positions in exotic equity derivatives are being managed in run-off mode, and no new transactions of this kind are being made). The main risk factors are prices of shares and of stock indices, volatilities of those prices and smile parameters of those volatilities [(1)].

Measurement and containment of equity risk is addressed in the description of the processes indicated in section III above.

This risk is monitored by means of VaR. Equity VaRs during 2011 are shown in the table in section IV above. Equity VaR was €3 million at 31 December 2011 (unchanged from year-end 2010).

### 2. Equity risk from other activities

A number of Crédit Agricole S.A. Group entities hold portfolios of available-for-sale financial assets that are invested partly in equities and structured products whose market value depends on prices of underlying equities and equity indices. At 31 December 2011, total outstandings exposed to equity risk *via* these portfolios primarily comprise available-for-sale financial assets for €21 billion (including insurance company portfolios for €17 billion) and financial assets at fair value through profit or loss held by insurance companies for €6.9 billion.

Note 6.4 to the financial statements gives figures in particular on outstandings of equities, and unrealised gains and losses on "available-for-sale financial assets". Information on market risk (including equity risk) on the portfolios held by the insurance companies is presented below in the section on "insurance sector risks".

### 3. Treasury shares

In accordance with Articles L. 225-209 et seq. of the French Commercial Code and European Commission Regulation 2273/2003 of 22 December 2003, the Combined Ordinary and Extraordinary General Meeting of Shareholders may authorise the Board of Directors of Crédit Agricole S.A. to trade in treasury shares. Crédit Agricole S.A. uses such an authorisation mainly to cover its commitments to employees under stock options or to stimulate the market by a share liquidity agreement.

Details of 2011 transactions in treasury shares under the share buy-back programme are provided in chapter 3 of this registration document, in the section "Purchase by the Company of its own shares".

At 31 December 2011, holdings of treasury shares amounted to 0.28% of share capital, compared with 0.39% at 31 December 2010 (see Note 8 of the separate financial statements and Note 6.18 of the consolidated financial statements).

Details of the 2011 treasury share buy-back programme are provided in section 7 of this registration document, "Information on the share capital".

*(1) The smile is the parameter that reflects the change in implied volatility on an option as a function of the exercise price.*

# SENSITIVE EXPOSURES BASED ON THE FINANCIAL STABILITY BOARD RECOMMENDATIONS

In line with the recommendations of the Financial Stability Board, the following statements present the exposure of Crédit Agricole S.A. Group to risks stemming from the financial crisis. These risks mainly relate to the Corporate and investment banking activities.

## I. Summary schedule of exposures

| | Assets under loans and receivables | | | | | Assets at fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Gross exposure | Discount | Collective provision | Net exposure | Accounting category | Gross exposure | Discount | Net exposure | Accounting category |
| RMBS | 799 | (165) | (82) | 552 | | 311 | (197) | 114 | |
| CMBS | 178 | (7) | (11) | 160 | (1) | 12 | (3) | 9 | |
| Unhedged super senior CDOs | 3,396 | (1,352) | (754) | 1,290 | | 5,682 | (4,707) | 975 | |
| Unhedged mezzanine CDOs | | | | | | 1,063 | (1,063) | 0 | |
| Unhedged CLOs | 2,321 | (51) | (9) | 2,261 | (2) | 828 | (40) | 788 | (3) |
| Protection acquired from monolines | | | | | | 312 | (193) | 119 | |
| Protection acquired from CDPC | | | | | | 1,145 | (160) | 985 | (4) |

*(1) Loans and receivables to credit institutions and to customers – Securities not listed on an active market (see Note 6.5 to the consolidated financial statements).*

*(2) Loans and receivables to customers – Securities not listed on an active market (see Note 6.5 to the consolidated financial statements).*

*(3) Financial assets at fair value through profit or loss – Bonds and other fixed-income securities and derivatives (see Note 6.2 to the consolidated financial statements).*

*(4) Financial assets at fair value through profit or loss – Derivatives (see Note 6.2 to the consolidated financial statement).*

## II. Mortgage Asset Backed Securities (ABS)

| *(in millions of euros)* RMBS | United States 31/12/2011 | United States 31/12/2010 | United Kingdom 31/12/2011 | United Kingdom 31/12/2010 | Spain 31/12/2011 | Spain 31/12/2010 |
|---|---|---|---|---|---|---|
| **Recognised under loans and receivables** | | | | | | |
| Gross exposure | 430 | 1,009 | 197 | 301 | 172 | 198 |
| Discount(1) | (132) | (344) | (68) | (60) | (47) | (26) |
| **Net exposure** *(in millions of euros)* | **298** | **665** | **129** | **241** | **125** | **172** |
| **Recognised under assets measured at fair value** | | | | | | |
| Gross exposure | 214 | 389 | 66 | 80 | 31 | 35 |
| Discount | (185) | (344) | (7) | (5) | (5) | (3) |
| **Net exposure** *(in millions of euros)* | **29** | **45** | **59** | **75** | **26** | **32** |
| % underlying subprime on net exposure | 98% | 95% | | | | |
| ***Breakdown of gross exposure, by rating*** | | | | | | |
| AAA | 5% | 5% | 7% | 48% | 34% | 65% |
| AA | 2% | 4% | 34% | 35% | 19% | 9% |
| A | 7% | 1% | 41% | 6% | 19% | 26% |
| BBB | 3% | 3% | | 1% | | |
| BB | 1% | 4% | 18% | 10% | 3% | |
| B | 4% | 4% | | | 25% | |
| CCC | 21% | 23% | | | | |
| CC | 9% | 14% | | | | |
| C | 28% | 36% | | | | |
| Not rated | 20% | 6% | | | | |

| *(in millions of euros)* CMBS | United States 31/12/2011 | United States 31/12/2010 | United Kingdom 31/12/2011 | United Kingdom 31/12/2010 | Others 31/12/2011 | Others 31/12/2010 |
|---|---|---|---|---|---|---|
| **Recognised under loans and receivables** | | | | | | |
| Net exposure(1) | | | 63 | 73 | 97 | 122 |
| **Recognised under assets measured at fair value** | | | | | | |
| Net exposure | | | 5 | 12 | 4 | 5 |

*(1) Of which €93 million of collective reserves at 31 December 2011 compared with €31 million at 31 December 2010.*

Purchases of protection on RMBSs and CMBSs measured at fair value were as follows:

- 31 December 2011: nominal = €320 million; fair value = €87 million;
- 31 December 2010: nominal = €589 million; fair value = €175 million.

Mortgage ABSs are measured at fair value based on information provided by outside sources.

## III. Measurement methodology for super senior CDO tranches with US residential mortgage underlyings

### 1. Super senior CDOs measured at fair value

Super senior CDOs are measured by applying a credit scenario to the underlyings (mainly residential mortgages) of the ABSs making up each CDO.

The final loss percentages on loans at the end of their term are determined on the basis:

- of the quality and origination date of each residential loan; and,
- the historical behaviour of similar portfolios (prepayments, scheduled payment experience, observed losses).

As from late March, loss rates are expressed as a percentage of the loans' current nominal amounts due (before that date, the rates were estimated as a percentage of the loans' original nominal amounts). In particular, this approach enables the assessment of loss assumptions on the basis of the risks present on the Bank's statement of financial position.

| | Loss rates on subprime produced in | | |
|---|---|---|---|
| **Closing date** | **2005** | **2006** | **2007** |
| 31/12/2010 | 32% | 42% | 50% |
| **31/12/2011** | **50%** | **60%** | **60%** |

Information on the sensitivity to the parameters used in the models is given in Note 10.2 to the consolidated financial statements at 31 December 2011.

### 2. Super senior CDOs at amortised cost

Impairment is recognised on these CDOs when credit risk is manifest.

## IV. Unhedged super senior CDOs with US residential mortgage underlyings

At 31 December 2011, Crédit Agricole CIB's net exposure to unhedged super senior CDOs was €2.3 billion (after taking into account a collective provision of €754 million).

### 1. Breakdown of supersenior CDOs

| *(in millions of euros)* | Assets at fair value | Asset under loans and receivables |
|---|---|---|
| **Nominal** | **5,682** | **3,396** |
| Discount | 4,707 | 1,352 |
| Collective provision | | 754 |
| **Net value** | **975** | **1,290** |
| *Net value (at 31 December 2010)* | *1,246* | *1,396* |
| **Discount rate(1)** | **83%** | **71%** |
| **Underlying** | | |
| % of underlying subprime assets produced before 2006 | 50% | 34% |
| % of underlying subprime assets produced in 2006 and 2007 | 16% | 15% |
| % of underlying Alt-A assets | 8% | 16% |
| % of underlying Jumbo assets | 7% | 3% |

*(1) After inclusion of fully written down tranches.*

## 2. Other exposures at 31 December 2011

| *(in millions of euros)* | Nominal | Discount | Collective provisions | Net |
|---|---|---|---|---|
| Unhedged CLOs measured at fair value | 828 | (40) | | **788** |
| Unhedged CLOs recognised in loans and receivables | 2,321 | (51) | (9) | **2,261** |
| Unhedged mezzanine CDOs | 1,063 | (1,063) | | **0** |

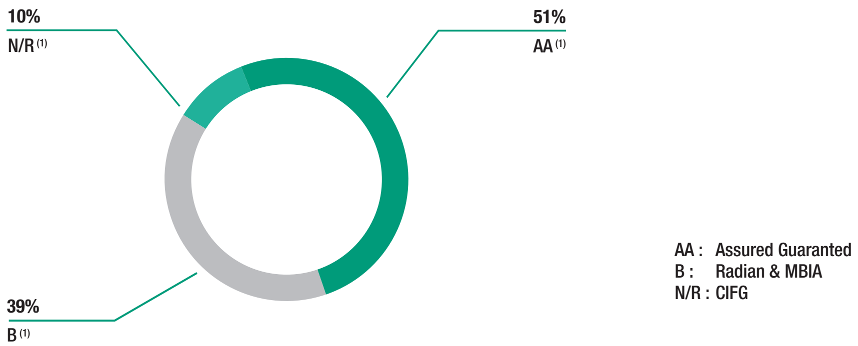
# V. Protection

## 1. Protection purchased from monolines at 31 December 2011

### 1.1. EXPOSURES TO MONOLINE COUNTERPARTY RISKS

| | Monolines covering | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | US residential CDOs | Corporate CDOs | CLOs | Other underlyings | Total protections acquired from monolines |
| Gross notional amount of purchased protection | 113 | 5,489 | 288 | 358 | 6,248 |
| Gross notional amount of hedged items | 113 | 5,489 | 288 | 358 | 6,248 |
| Fair value of hedged items | 69 | 5,398 | 236 | 233 | 5,936 |
| **Fair value of protection before value adjustments and hedges** | **44** | **91** | **52** | **125** | **312** |
| Value adjustments recognised on protection | (8) | (50) | (47) | (88) | (193) |
| **Residual exposure to counterparty risk on monolines** | **36** | **41** | **5** | **37** | **119** |

### 1.2. BREAKDOWN OF NET EXPOSURE TO MONOLINES




*(1) Lowest rating issued by Standard & Poor's or Moody's at 31 December 2011.*

## 2. Protection purchased from CDPC (Credit Derivative Product Company)

At 31 December 2011 the net exposure to CDPC was €985 million (compared with €672 million at 31 December 2010), mainly on corporate CDOs, after taking into account a discount of €160 million (compared with €108 million at 31 December 2010).

# ASSET/LIABILITY MANAGEMENT

## I. Asset/liability management – Structural financial risks

Crédit Agricole S.A.'s Financial Management department defines the principles of financial management and ensures their consistent application within Crédit Agricole S.A. Group. It has responsibility for organising financial flows, defining and implementing refinancing rules, performing asset/liability management and managing prudential ratios.

Optimising financial flows within Crédit Agricole S.A. Group is an ongoing objective. Pooling of surplus resources and making it systematically possible to hedge the associated risks contribute to this objective.

Thus the principles of the Group's ALM approach ensure that any surpluses and shortfalls in terms of customer resources in particular at the Regional Banks and LCL are centralised in the books of Crédit Agricole S.A. This resource pooling helps in refinancing other Group entities as needed (including Crédit Agricole Leasing & Factoring and Crédit Agricole Consumer Finance).

This system for centralising the management of liquidity at Crédit Agricole S.A. serves to control and optimise cash management, especially since it is accompanied by partial interest-rate matching.

Consequently, the Group has a high level of financial cohesion, with limited diffusion of financial risks, particularly liquidity risk. However, the Group's various entities are responsible for managing the risk that remains at their level, within the limits assigned to them.

Limits are defined by order of the Chief Executive Officer of Crédit Agricole S.A. in the framework of the Group Risk Management Committee, approved by the Board of Directors of Crédit Agricole S.A., and apply throughout Crédit Agricole S.A. Group:

- subsidiaries that carry asset/liability risks comply with limits set by Crédit Agricole S.A.'s Group Risk Management Committee;
- methods of measuring, analysing and managing assets and liabilities of the Group are defined by Crédit Agricole S.A. Regarding retail banking balance sheets in particular, a consistent system of conventions and run-off planning has been adopted for the Regional Banks , LCL and the foreign subsidiaries;
- Crédit Agricole S.A. consolidates the subsidiaries' measurements of their asset-liability risks. Results of these measures are monitored by Crédit Agricole S.A.'s Treasury and ALM Committee;
- Crédit Agricole S.A.'s Financial Management department and Risk Management and Permanent Controls department take part in meetings of the ALM committees of the main subsidiaries.

## II. Global interest-rate risk

### 1. Objectives and policy

Global interest-rate risk management aims to protect the net asset value of Group entities and optimise their interest margins.

Net asset value and interest margins vary according to the sensitivity of net present values and cash flows on financial instruments, held on or off the balance sheet, to changes in interest rates. This sensitivity arises when the interest-rate reset dates on assets and liabilities do not coincide.

Much of the Group's exposure relates to retail banking. Significant maturity transformation is characteristic of retail banks' balance sheets. As liabilities, they have numerous items of non definite maturity (capital, demand deposits, savings deposits, etc.), whereas their assets consist mainly of term products such as loans.

These include:

- in France, the Regional Banks (for which the Group's financial centralisation rules provide structural backing from Crédit Agricole S.A. to cover a substantial portion of the risk) and LCL (for which the financial management arrangement transfers some risks to be managed by Crédit Agricole S.A.);
- internationally, Emporiki and Cariparma in particular.

Given the nature of their business, other subsidiaries such as Crédit Agricole CIB, Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring, Crédit Agricole Bank Polska and EFL also bear a global interest-rate risk.

When new acquisitions are made, Crédit Agricole S.A. organises the incoming entity's adoption of the global interest-rate risk management standards and methods in force and prepares a calibration report on the limits for the entity. This report is then presented to the Group Risk Management Committee for a decision.

### 2. Risk management

Each entity, in accordance with the Group's limits and standards, manages its exposures under the supervision of its ALM Committee.

The Group's exposure to global interest-rate risk is presented regularly to Crédit Agricole S.A.'s Treasury and ALM Committee.

This Committee is chaired by the Chief Executive Officer of Crédit Agricole S.A. and includes several members of the Executive

Committee along with representatives of the Risk Management and Permanent Controls department:

- examines the individual positions of Crédit Agricole S.A. and its subsidiaries along with consolidated positions at each quarterly closing;
- examines compliance with limits applicable to Crédit Agricole S.A. Group and to entities authorised to bear global interest-rate risk;
- validates the guidelines for global interest-rate risk of Crédit Agricole S.A. managed by the Financial Management department.

This department and the Risk Management and Permanent Controls department are represented on the subsidiaries' ALM committees. They ensure harmonisation of methods and practices across the Group and monitor compliance with the limits assigned to each of the subsidiaries' entities.

Each Regional Bank's situation as regards global interest-rate risk is reviewed quarterly by the Regional Banks ' Risk Management Committee.

## 3. Methodology

Crédit Agricole S.A. Group uses the (fixed-rate) gap method to measure its global interest-rate risk.

This entails calculating the maturity schedules of assets, liabilities, off-balance-sheet items and hedging derivatives that have fixed-rates or are sensitive to inflation (particularly those on retail banking balance sheets). These maturity schedules are then aggregated for each period (on monthly and annual basis) on the basis of average outstandings over the relevant period. The maturity schedules take into account risk until the interest rate is reset (the fixed-rate period), for adjustable-rate instruments, or until the contract term, for fixed-rate instruments with a redemption date, while modelling customer behaviour as necessary (early withdrawals or redemptions, etc.).

Calculating the gaps requires modelling the run-off as a function of interest rates on certain balance sheet items in order to be sure that risks are managed using a prudent risk-return trade-off. This is the case in particular for items of non definite maturity, such as capital, demand deposits, savings deposits, etc. The modelling methods have been validated by the Crédit Agricole S.A. Standards and Methodology Committee and the resulting models are validated by the entity's ALM Committee and by Crédit Agricole S.A.

Run-off conventions are determined mainly using a methodology that observes past behaviour of the balance sheet item in question. The models are regularly back-tested.

The reference gap is the gap observed at the end of the reporting period. This is the "static" gap. Forecasts of loan production can then be employed to generate a projected gap.

The gaps are consolidated quarterly at Group level. When their management requires it, some entities, particularly the major ones, measure their gaps more frequently.

The rules that apply in France to the Livret A interest rate, which is a benchmark for part of the deposits collected by the Group's retail banking business (regulated products and others), index a portion of the interest to inflation over a rolling 12-month period. As a result, the Group hedges the risk associated with these balance sheet items using instruments (carried on or off the balance sheet) for which the underlying is an inflation rate.

Option risks are included in the gaps using a delta-equivalent measure of the residual position. A significant portion of these risks is hedged using other option-based products, however.

These various measurements have been complemented by the implementation, for the Group's main entities, of the basis risk measurement, which relates to adjustable- and variable-rate transactions for which the rate-setting conditions are not consistent for both assets and liabilities.

The Group is primarily exposed to changes in interest rates in the euro zone (real rates, reflecting inflation, and nominal rates). The Group also manages interest-rate positions related to other currency zones, mainly the US dollar, the Polish zloty, the Swiss Franc and the pound sterling.

The limits set at Group and entity levels put bounds on the size of gaps and thus on the resulting global interest-rate risk. The rules for setting limits are intended mainly to enable the Group to comply with the second pillar of the Basel 2 regulations regarding global interest-rate risk but also to limit the impact of changes in interest rates on net income. As well as being validated by the Group's Risks Committee, these limits must be approved by each entity's decision-making body.

Each entity (including Crédit Agricole S.A.) hedges the interest-rate risks entailed by this method of financial organisation at its own level, by means of financial instruments (on- and-off-balance sheet, firm or optional). For example, fair value hedging is put in place as a result of monitoring fixed-rate gaps.

## 4. Exposure

The Group's interest-rate gaps are broken down by type of risk (nominal rate/real rate) in the various currencies. They measure the surplus or deficit on sources of fixed-rate funds. By convention, a positive (negative) figure represents a downside (upside) risk on interest rates in the year considered. The figure indicates the economic sensitivity to a change in interest rates.

The results of these measures for Crédit Agricole S.A. Group in the aggregate at 31 December 2011 are as follows:

**GAPS IN EUROS (AT 31 DECEMBER 2011)**

| *(in billions of euros)* | 2012 | 2013-2017 | 2018-2022 | > 2022 |
|---|---|---|---|---|
| Gaps in euros | 2.2 | 3.8 | (0.3) | (0.5) |

In terms of net banking income sensitivity during the first year (2012), Crédit Agricole S.A. Group is exposed to a fall in interest rates (Eonia) in the euro zone and would lose €22.4 million in the event of a sustained fall of 100 basis points, giving a net banking income sensitivity of 0.11% (reference net banking income: €20.78 billion).

At 31 December 2010, in terms of net banking income sensitivity in the first year (2011), Crédit Agricole S.A. Group was exposed to a rise in the euro zone interest rates (Eonia) and would have lost €95 million in the event of a sustained rise of 100 basis points, giving a net banking income sensitivity of 0.47% (reference net banking income of €20.13 billion).

Based on these sensitivity figures, the net present value of losses incurred over the next 30 years in the event of a 200-basis-point downward shift in the euro zone yield curve is less than 1% of Crédit Agricole S.A. Group's regulatory capital (Tier 1 + Tier 2) after deduction of equity investments.

**OTHER CURRENCY GAPS (AT 31 DECEMBER 2011)**

| *(in billions of euros)* | 2012 | 2013-2017 | 2018-2022 | > 2022 |
|---|---|---|---|---|
| Other currency gaps[(1)] | 5.3 | 0.9 | 0.5 | 0.1 |

*(1) Sum of all gaps in all currencies in absolute values countervalued in billions of euros.*

The aggregate sensitivity of the 2012 net banking income to a change (primarily to a rise) in interest rates across all other currencies amounts to 0.26% of the reference (2011) net banking income of Crédit Agricole S.A. Group. The main foreign currencies to which Crédit Agricole S.A. Group has exposure are the US dollar, the Polish zloty, the Swiss franc and the sterling pound.

At 31 December 2010, the aggregate sensitivity of the 2011 net banking income to a change (primarily to a rise) in interest rates across all other currencies amounted to 0.09% of the reference (2010) net banking income of Crédit Agricole S.A. Group. The main foreign currencies to which Crédit Agricole S.A. Group had exposure were the US dollar, the Polish zloty, the Swiss franc and the Japanese yen.

## III. Foreign exchange risk

Foreign exchange risk is treated differently depending on whether the currency position is structural or operational.

### 1. Structural foreign exchange risk

The Group's structural foreign exchange risk arises from long-term investments by the Group in assets denominated in foreign currencies (equity of the foreign operating entities, whether resulting from acquisitions, transfers of funds from the head office, or capitalisation of local earnings), with the Group's reference currency being the euro.

At 31 December 2011, the Group's main structural foreign currency positions, on a gross basis before hedging, are in US dollars (and currencies pegged to it, such as the Saudi riyal and the Hong Kong dollar), sterling pounds, Swiss francs and Polish zlotys.

Foreign exchange risks are borne mainly by Crédit Agricole S.A. and its subsidiaries. The Regional Banks retain only a residual risk. Positions are determined on the basis of financial statements.

In most cases, the Group's policy is to borrow in the currency in which the investment is made in order to immunise that asset against foreign exchange risk.

The Group's policy for managing structural foreign exchange positions has two overall objectives:

- first, to immunise the Group's solvency ratio against currency fluctuations. Unhedged structural foreign exchange positions are sized to match the portion of foreign exchange risk-weighted assets that is not covered by other types of capital in the same currency;
- second, to hedge the risk of asset impairment due to changes in exchange rates.

Five times a year, the Group's foreign exchange positions are presented to the Treasury and ALM Committee, which is chaired by the Chief Executive Officer. General decisions on how to manage positions are taken during these meetings. In this case, the Group documents net investment hedges in foreign currencies.

## 2. Operational foreign exchange risk

Operational foreign exchange risk arises mainly from revenues and expenses of all kinds that are denominated in currencies other than the euro, including specific and collective foreign-currency provisions, net income generated by foreign subsidiaries and branches, dividends, and the like.

Crédit Agricole S.A. manages the positions affected by foreign currency revenues and expenses that appear on its books, as does each entity within the Group that bears significant risk. The Foreign Subsidiaries' Treasury departments manage their operational foreign exchange risk in their local currency.

The Group's general policy is to limit its operational currency positions and not to hedge revenues that have not yet materialised, unless there is a strong probability that losses will materialise and unless the impairment risk is high.

In accordance with the foreign exchange risk monitoring and management procedures, operational currency exposure positions are updated monthly, or daily for foreign exchange trading operations.

The balance sheet contributions of the various currencies and bonds and subordinated debt in currency of issue are indicated in Note 3.2 to the consolidated financial statements.

# IV. Liquidity and financing risk

Like all credit institutions, the Group is exposed to a risk of not having sufficient funds to honour its commitments. This risk may materialise, for example, in the event of massive withdrawals of customer deposits, a crisis of confidence or a general shortage of liquidity in the market (limited access to inter-bank and money markets).

## 1. Objectives and policy

The Group's primary objective in managing liquidity is to ensure that it has sufficient resources to meet its requirements in the event of a severe, prolonged liquidity crisis.

The Group relies on a system for assessing and monitoring liquidity risk based on maintaining liquidity reserves, organising its refinancing seeking to curb short-term refinancing, achieve an appropriate long-term refinancing timeframe and diversify sources of refinancing, and ensuring a balanced development between loans and deposits.

The system is underpinned by a series of limits, indicators and procedures.

It is applied consistently across Crédit Agricole Group, thereby allowing liquidity risk to be assessed and managed on a consolidated basis.

This system was approved by the Board of Directors of Crédit Agricole S.A. in late February 2010. It aims to organise the funding of Crédit Agricole Group by bringing its structure (volume, components, maturities) into line with the liquidity risk tolerance thresholds the Group sets for itself. These tolerance thresholds are expressed by the Group's duration of resistance to different stresses. There are three aggregate limits on the liquidity risk relating to short-term debt and one aggregate limit on long- and medium-term debt.

This internal approach complies with the liquidity ratio set out in the ministerial order of 5 May 2009 on identifying, measuring, monitoring and managing liquidity risks. This order applies to all of the Group's credit institutions.

## 2. Risk management

Crédit Agricole S.A. is responsible for rolling out and consolidating the risk management system across the entire Crédit Agricole Group.

Within Crédit Agricole S.A., this responsibility falls to both the Financial Management department which manages refinancing at an operational level, monitors reserves and coordinates Treasury departments; and the Risk Management department, which validates the risk management system and ensures that limits and other rules are respected.

The management of short-term refinancing involves:

- setting spreads on short-term funds raised under the various programmes (mainly negotiable CDs);
- centralising assets eligible for refinancing by the central banks of Group entities and specifying the terms and conditions of use in the framework of tenders;
- monitoring and forecasting cash positions.

The management of long-term refinancing involves:

- surveying needs for long-term funds and tradeoffs that might be made;
- planning refinancing programmes to meet these needs;
- executing and monitoring these programmes over the course of the year;
- reallocating the funds raised to Group entities;
- setting prices for liquidity in intragroup flows.

The body in charge of these tasks at an operational level is the Group's Treasury and Liquidity Committee, which reviews all matters relating to liquidity issues ranging from intraday to medium/long-term. This Committee also acts as the liaison between the Treasury departments of Crédit Agricole S.A. and Crédit Agricole CIB (the Group's two most active Treasury departments), and proposes policy directions for the Group's Asset-Liability Management and capital liquidity Committee.

The Asset-Liability Management and Capital Liquidity Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A. (who is also informed of the Group's liquidity positions), is responsible for all key decisions concerning the management of funding programmes, the launch of new programmes, the validation of funding budgets, and management of the balance between loans and deposits.

The Group Risk Management Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., is responsible for approving aggregate liquidity limits.

If funding markets tighten, a committee is set up by the Executive Management, the Group Risk Management and Permanent Controls department and the Group Finance department in order to keep a close watch on the Group's liquidity situation. This Committee was activated in June consequent to the sovereign debt crisis entering into a new phase.

## 3. Funding conditions in 2011

As in 2010, but with greater intensity, the difficulties encountered by some euro zone countries in refinancing their debt gave rise to tension on the funding markets, particularly from end-May 2011 onward. Over this period, Crédit Agricole Group, like all French financial institutions, suffered a decline in some short-term investor categories, such as American Money Market Mutual Funds, and a sharp increase in spreads on its long-term issues.

At first, Crédit Agricole Group absorbed the fall in resources available on the monetary markets by drawing on its cash surpluses and mobilising part of its securities and liquidity reserves. Taking due note of the lasting shortage of short-term liquidity, Crédit Agricole S.A. then decided to implement a €50 billion debt-reduction plan between June 2011 and December 2012, focusing mainly on short-term debt. Presented in late September and supplemented by the adjustment plan published in mid-December, this plan sets forth a reduction in the business lines' structural funding requirements. Its implementation over the last few months of 2011 was accompanied by the replenishment of liquidity reserves, thanks to the large base of high-quality securitisable and available assets within the Group.

The decisions made by the ECB at the end of the year (unlimited three-year offer) led to a clear improvement in the markets situation. Crédit Agricole Group is nonetheless keeping a close track of this and is pressing ahead with the adaptive measures decided upon in September.

In 2011, Crédit Agricole S.A. realised 120% of its 2011 medium- and long-term market issue programme, set at €22.2 billion for the year. Issues therefore exceeded the initial programme of €4.4 billion.

Issues of debt and refinancing operations guaranteed by collateralised receivables represented €16.6 billion and had an average maturity of 7.7 years. These included:

- Crédit Agricole Home Loan SFH (*e.g.* Crédit Agricole Covered Bonds): €12.1 billion;
- CRH *(Caisse de refinancement de l'habitat):* €3.6 billion;
- Supranational organisations (CDC, EIB, CEDB): €0.9 billion.

It also issued senior unsecured debt (Euro Medium Term Note [EMTN], USMTN, currency placements and private placements in euros) for a total of €10 billion and an average maturity of 4.1 years.

On 12 April 2011, Crédit Agricole Covered Bonds obtained the new legal status of *"Société de Financement de l'Habitat"* (SFH) and now operates under the new name "Crédit Agricole Home Loan SFH" (CAHL SFH). This status, which is very similar to that of *"Société de Crédit Foncier"* (SCF, a building society), grants holders of bonds issued by the SFH a special legal status which allows them, in the event of the liquidation of the issuer, to be reimbursed prior to any other creditor (including the government). All prior debt benefits from this new status. In addition, the Company launched its first USMTN (144-A) issue, in accordance with its policy of diversifying across the various debt markets.

At the same time, the Group is developing access to additional funding, *via* its retail networks and specialised subsidiaries. The issue of Crédit Agricole S.A. bonds in the networks of the Regional Banks amounted to €4.3 billion in 2011 with an average maturity of nine years. The issues carried out by LCL and Cariparma in their networks amounted to approximately €5 billion in 2011. Crédit Agricole CIB issued €10.5 billion, mainly in structured private placements with its international customers. Finally, under the adjustment plan, Crédit Agricole Consumer Finance raised €2.2 billion in 2011, mainly *via* securitisations.

Moreover, a detailed analysis, by residual maturity, of loans and receivables to credit institutions and customers, amounts due to credit institutions and customers, debt securities and subordinated debt is presented in Note 3.3 to the consolidated financial statements.

## 4. Methodology

Crédit Agricole Group's liquidity risk management and control system is built around indicators divided into four separate groups:

- short-term indicators derived largely from simulations of crisis scenarios. The purpose of these is to schedule maturities and volumes of short-term refinancings as a function of liquidity reserves, cash flow from commercial business and repayment of long-term borrowings;

- long-term indicators used to assess the risk of a rise in Crédit Agricole issue spreads and to schedule maturities of long-term debt so as to anticipate Group funding requirements;
- diversification indicators which are used to limit concentration in sources of funding;
- cost indicators used to measure the short-term and long-term trends in the Group's issue spreads and evaluate the impact of a higher or lower liquidity cost.

The definition of these indicators and the way in which they are to be managed are set out in a series of standards which were reviewed and validated by various Group bodies during the year.

At an operational level, the liquidity risk management and oversight system is based on an internal tool rolled out in the entities (Regional Banks and subsidiaries) that measures and analyses the indicators defined in the standards and therefore enables the Group to monitor entities' liquidity positions and compliance with limits.

Crédit Agricole Group continues to:

- monitor the work of regulators relating to the management of the liquidity risk, particularly by taking part, through French and European professional associations, in consultations carried out by European bodies in this field. The Group has noted the announcements of the Basel group on the revision of the regulatory definition of liquidity reserves;
- analyse and perform regular simulations of two future Basel liquidity ratios, the Liquidity Coverage Ratio (LCR) governing one-month liquidity and the Net Stable Funding Ratio (NSFR).

### 5. Exposure

Credit institutions in France are subject to the "standard" liquidity ratio set out in the ministerial order of 5 May 2009 and introduced in June 2010. This liquidity ratio is the ratio of cash and other short-term assets to short-term liabilities. It is calculated monthly, on a company basis, with the minimum figure being 100%.

At 31 December 2011, the liquidity ratio of Crédit Agricole S.A. was 122%, compared with 120% at 31 December 2010.

## V. Hedging policy

Within Crédit Agricole S.A. Group, derivative instruments are used for three main purposes:

- to meet demand from Group customers;
- to manage the Group's financial risks;
- to take positions for the Group's own account as part of specific trading activities.

Derivatives not held for hedging purposes (as defined by IAS 39) are recognised in the trading portfolio. Accordingly, these derivatives are monitored for market risk as well as counterparty risk, where applicable. Certain derivative instruments may be held for the economic hedging of financial risks, but without meeting the IAS 39 criteria (prohibition on equity hedging, etc.). For this reason, they are likewise recognised in the trading portfolio.

In all cases, the intent of the hedge is documented at the outset and verified quarterly by appropriate tests (forward-looking and backward-looking).

Each Group entity manages its financial risks within limits set by the Group Risk Management Committee chaired by the Chief Executive Officer of Crédit Agricole S.A.

The tables in Note 3.4 to the consolidated financial statements give the market values and notional amounts of hedging derivative instruments.

### 1. Fair value hedges and cash flow hedges

Global interest-rate risk management aims to reconcile two approaches:

- protection of the Group's net asset value, which requires matching balance sheet and off-balance sheet items that are sensitive to interest rate variations (*i.e.* fixed-rate items, for the sake of simplicity) against instruments that are also fixed-rate, so as to neutralise the variations in fair value that occur when interest rates change. If the matching is done by means of derivative instruments (mainly fixed-rate swaps, inflation swaps and market caps), the derivatives are classified as **fair value hedges** if the instruments (micro FVHs) or groups of instruments (macro FVHs) identified as the hedged items (fixed-rate assets and inflation: loans and receivables due to customers; fixed-rate liabilities and inflation: demand deposits and savings deposits) are eligible under IAS 39. As mentioned above, these derivatives are recognised in the trading portfolio by default, even though they represent economic hedging of risk;

  To check hedging suitability, hedging instruments and hedged items are grouped by maturity using contract characteristics or, for certain balance sheet line items (particularly deposits), using assumptions based on the financial characteristics of the products and historical behaviour. The comparison between the two maturity schedules (hedges and hedged items) means that hedging can be documented in a forward-looking manner for each maturity;

- protection of the interest margin, which requires neutralising variations in future cash flows associated with instruments or related balance sheet items that are affected by interest rate resets on the instruments, either because they are indexed to interest rate indices that fluctuate or because they will be refinanced at market rates by some point in the future. If this neutralisation is effected using derivative instruments (mainly interest rate swaps), the derivative instruments are classified as **cash flow hedge (CFH) instruments**. This neutralisation can also be carried out for balance sheet items or instruments that are identified individually (micro CFHs) or portfolios of line items or instruments (macro CFHs).

The table below shows the amount of cash flows covered by cash flow hedges, broken down by projected maturity date, for the main relevant subsidiaries:

| Remaining time to maturity *(in millions of euros)* | At 31 December 2011 | | | |
|---|---|---|---|---|
| | Less than one year | one to five years | More than five years | Total |
| Hedged cash flows | 87 | 413 | 1,772 | 2,272 |

## 2. Net investment hedge in foreign currencies

A third category of hedging is protection of the Group's net asset value against fluctuations in exchange rates and resulting changes in the value of assets or liabilities held in currencies other than the Group's reference currency, which is the euro. The instruments used to manage this risk are classified in the **net investment hedge** category.

# RISKS IN THE INSURANCE SECTOR

Crédit Agricole S.A. Group carries out its insurance activities through the sub-group Crédit Agricole Assurances. This sub-group markets savings, death and disability, property & casualty and creditor insurance. The Group's life insurance entities mainly sell savings and retirement plans, death benefits and disability insurance. Non-life entities offer a wide range of products, mainly property and casualty, personal injury, unemployment and health insurance.

Four types of risks are monitored and managed by Crédit Agricole Assurances Group entities:

- market risks, mainly ALM related: interest rate, equity, foreign exchange, liquidity or redemption risks. These risks are measured based on the guarantees given to the customer (guaranteed minimum return, floor rate, etc.);
- counterparty risks on portfolio assets (issuer credit quality) and on reinsurers;
- technical risks associated with the insurance business, which vary depending on levels of claims and premiums. These mainly depend on pricing, marketing and medical screening. Part of these risks can be reinsured by paying a premium to reinsurance companies;
- operational risks, particularly in process execution. These risks may be specific to insurance but are monitored and managed in accordance with Crédit Agricole S.A. Group standards and procedures.

Insurance risks are monitored under the current regulatory framework for solvency requirements, known as "Solvency 1", which applies at entity level as well as at consolidated level. Crédit Agricole Assurances Group is in compliance with all applicable solvency requirements. The adjusted solvency ratio calculated on the basis of the consolidated financial statements is reported annually to the French Prudential Supervisory Authority (ACP).

At the same time, Crédit Agricole Assurances Group is preparing itself for "Solvency 2". It has planned and launched projects, at subsidiary and Group level, to implement the new rules and monitor their smooth progress towards full compliance with the directive. All Crédit Agricole Assurances Group's entities took part in the European QIS5 (quantitative impact study no. 5) carried out on the 31 December 2009 financial statements under the aegis of the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS). The QISs consist in assessing the solvency margins required by Crédit Agricole Assurances Group based on its consolidated financial statements after taking into account the diversification effect between Group entities.

The simulations applied to the financial statements at 31 December 2010 showed that capital qualifying under the transitional rules covers the capital requirements defined by Solvency 2. Moreover, an additional stress test exercise conducted by the EIOPA confirmed the sufficient level of capital in the various scenarios.

# I. Risk monitoring and management

## 1. Risk strategy

Crédit Agricole Assurances Group's risks are managed as part of Crédit Agricole S.A. Group's insurance business Risk strategy. Each entity in France and abroad draws up a risk strategy, based on a schematic mapping of its major risk exposures (market, technical, counterparty and operational risks specific to their business) and their valuation.

These risk strategies, coordinated at the level of Crédit Agricole Assurances, are the formal expression of the different policies entities use to manage their risks (financial, subscription, pricing, provisioning, reinsurance, claims management policies, etc.). They notably fix global limits in between which these risk exposures are kept (through asset allocation, counterparty limits, hedging rules, for instance) and prescribe management and supervision procedures. These are reported to Crédit Agricole S.A.'s Group Risk Management department (DRG) in a process coordinated with the heads of Risk Management and Permanent Controls (RCPR) at each entity. They are submitted for validation to the Group Risk Management Committee chaired by Crédit Agricole S.A.'s CEO.

## 2. Operational risk management

Risk management policies defined by each company are reviewed at least once a year and approved by their Board of Directors.

Operational management of the risks specific to each entity's business is based around regular committees (financial or investment committees, ALM committees in life insurance, technical committees, reinsurance committees in property & casualty, etc.). These committees are responsible for monitoring the risk situation, based on the reporting system of the particular business line (investment, actuarial items, ALM reports, etc.), and presenting analyses to support the risk management process. If necessary, they can draw up proposals for action, which are then submitted to the Board of Directors.

Crédit Agricole Assurances S.A. has also drawn up a set of standards for foreign subsidiaries to be applied in each subsidiary. These define limits on the scope of decentralised decisions and lay down rules for the decision process.

## 3. Risk monitoring

Risk monitoring procedures within the entities implement the directives of Crédit Agricole S.A. Group as they apply to the insurance business. They are examined during meetings of the Internal Control or Risk Management and Permanent Control Committees, in light of the permanent and periodic control reports. The same committees also examine the risk scoreboards which report relevant indicators for each risk type and monitor compliance with limits. The head of Risk Management and Permanent Controls can submit to the committees operational limits and alert thresholds in addition to the global limits set by the Risk strategy. Any alteration to these global limits must be resubmitted for approval to the Crédit Agricole S.A. Group Risk Management and Permanent Controls department.

Whenever execution of financial management is entrusted to investment service providers, delegation agreements are signed setting out in detail the risk management and control procedures as well as the monitoring methods (limit monitoring, monitoring of risk strategy targets, etc.).

Crédit Agricole Assurances S.A. has set up a group-wide Risk Management and Permanent Control Committee to make high-level policy for risk management and permanent controls in the insurance business and to monitor risks at consolidated level. Crédit Agricole Assurances thus produces a Group Risk scorecard on a quarterly basis, which is updated with entities' management indicators and provides an overall, consolidated view of the Group's risks.

In addition, as part of its consolidated supervision process, Crédit Agricole S.A. Group carries out quarterly risk reviews of the entities belonging to Crédit Agricole Assurances Group based on reports from the RCPRs to the Crédit Agricole S.A. Risk department (DRG). Committees organised by DRG meet several times a year with each subsidiary. They are attended by the local CEO, local RCPRs and Crédit Agricole Assurances S.A. RCPRs, to examine risk management and control processes as well as any current risk issues affecting the entity. The RCPRs alert DRG of any breaches to global limits. An action plan is then drawn up to rectify the breach.

## 4. Risk measurement tool for the savings and retirement business

In the savings and retirement business, risk measurement relies on modelling to assess the Company's risks by simulating its asset-liability matching on the basis of economic methods. This modelling is used to make MCEV (Market Consistent Embedded Value) and capital requirement calculations under Solvency 2. The modelling tool, which has been used in France since 2005, has now also been deployed in the main entities outside France active in savings and in the death and disability business (Portugal, Italy, Greece and Japan).

The tool replicates the insurer's policy choices in different market environments (asset allocation, contract revaluation, fees charged, etc.) and the behaviour of policyholders (mortality tables, simulation of structural and cyclical redemption patterns, etc.). It also takes into account the regulatory constraints (minimum policyholder profit participation, technical provisions, asset class limits, etc.). Simulations carried out using this tool shed light of the major decisions made by each company, whether commercial (products, rates paid), financial (asset allocation, hedging, etc.) or underwriting (reinsurance) and inform debates on governance issues.

## II. Market risk

In each Crédit Agricole Assurances Group entity, transactions on financial markets are governed by policies appropriate to the entity's asset portfolio and matching of their liabilities (ALM). These take into account regulatory limits, internal limits (those approved under the Risk strategy or operational limits set by the entity), financial diagnosis based on the market outlook in a range of probable economic scenarios, and stress scenarios.

Crédit Agricole Assurances Group is continuously aware of the need to manage financial risks. Its strategy of diversifying allocations across all asset classes (fixed income, equities, alternative investment, real estate) allows it to control the total volatility of the value of its investment portfolio. Depending on portfolio size, profit targets and risk profiles, some types of investment may be forbidden or only authorised under certain conditions, *e.g. via* collective investment vehicles.

Crédit Agricole Assurances Group's savings, pension and death and disability businesses are particularly affected by market risks owing to the very large volume of financial assets held to cover policyholder liabilities. Market risks are tested under stress scenarios to see how changes in the main risk factors would impact profitability (policyholder participation company profit or loss) and solvency: fall in equities, rise in rates, looking at their consequences for new inflows, redemptions (based on laws used in the internal modelling tool).

### 1. Interest-rate risk

Interest-rate risk is the risk of a change in the value of the fixed-income portfolio due to interest rates level. Investments at floating-rates expose the Group to fluctuations in future cash flows, whereas investments at fixed rates expose it to variations in the fair value of portfolio instruments.

A fall in rates may reduce the profitability of portfolios and ultimately create problems in meeting guaranteed minimum returns. A rate rise could make Crédit Agricole Assurances Group's savings policies less competitive and create a risk of mass redemptions (potentially leading to forced sales of part of the fixed-income portfolio in unfavourable market conditions and at a loss).

The bond portfolio (excluding units and securities issued by Crédit Agricole S.A.) amounts to €162 billion at 31 December 2011, compared with €156 billion at 31 December 2010.

To address this risk, Crédit Agricole Assurances Group has drawn up the following hedging and management rules:

- risk of decline in interest rates, owing to the presence of liabilities that feature a minimum guaranteed return superior to zero. This risk is managed by setting a minimum allocation to bonds, and a minimum share in fixed-rate bonds and hedging instruments (swaps, swaptions, floors).

  In France, regulation calls for recognition of a "provision for financial hazard" if the return on assets becomes insufficient to meet the insurer's liabilities to policyholders on guaranteed returns. No such provision was recognised by Crédit Agricole Assurances Group at 31 December 2010 or at 31 December 2011;
- risk of rate rises, to protect the entity against the risks of policyholders redeeming their policies in the event of a sharp and lasting rise in long-term yields making savings policies uncompetitive compared with other savings vehicles. This risk is managed by caps against a rise in rates which at end-2011 covered more than a third of assets managed under the fixed-income portfolio and by keeping more than 20% of the portfolio invested in assets that can be quickly mobilised (liquid assets with low capital risk).

The sensitivity to rate risk of Crédit Agricole Assurances Group's fixed-income portfolio excluding assets of unit-linked contracts, assuming a 100 basis point rise or fall in interest rates, is as follows (net of the impact on deferred policyholder surplus and tax):

| *(in millions of euros)* | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| | Impact on net income | Impact on equity | Impact on net income | Impact on equity |
| 100 bp rise in risk-free rates | (21) | (578) | (5) | (752) |
| 100 bp fall in risk-free rates | 16 | 576 | 5 | 704 |

Impacts on securities held as available-for-sale financial assets are recognised in equity. Impacts on securities held for trading are recognised in profit or loss.

The Group's technical liabilities are largely insensitive to rate risks for the following reasons:

- savings reserves (90% of technical reserves excluding unit-linked policies): these are based on the pricing rate which is unchanging over time for any particular policy. As a result, a change in interest rates will have no impact on the value of these commitments;
- property and casualty reserves: these technical reserves are not discounted to present value and changes in interest rate therefore have no impact on the value of these commitments;
- mathematical reserves for benefits (personal injury, disability): the discount rate used in calculating these reserves is based on the interest rate in force at the calculation date. Therefore, the size of these commitments varies with interest rates. However, given the small amount of these technical commitments, they represent no significant risk for Crédit Agricole Assurances Group.

Borrowings arranged by Crédit Agricole Assurances Group pay fixed rates. Interest is therefore insensitive to rate changes.

## 2. Equity risk

Equity-market risk is the risk of a decline in the value of investments in equities consequent to a decline in stock market indices.

Investments in equities (including mutual funds and excluding assets of unit-linked contracts) totalled €23.9 billion at 31 December 2011, compared with €27.6 billion at 31 December 2010, the result of a deliberate policy of reducing exposure to this asset class.

Falls in equity asset values can have multiple consequences: a negative impact on income if values are significantly impaired with implications for future profitability, guaranteed minimum return reserves and withdrawals.

Asset allocation studies performed on a regular basis have led the Group to cap the proportion of diversification assets based on the implied volatility of the equity markets. The optimal long-term allocation is estimated accordingly. Crédit Agricole Assurances Group has also defined rules for hedging and managing risks relative to the valuation of diversification assets and can use options to partially hedge the risk of a fall in equity markets.

Crédit Agricole Assurances Group's sensitivity to equity risk, assuming a 10% rise or decline in equity markets, is as follows (impacts are shown net of deferred policyholder surplus and tax):

| | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| *(in millions of euros)* | Impact on net income | Impact on equity | Impact on net income | Impact on equity |
| 10% rise in equity markets | 60 | 109 | 56 | 127 |
| 10% decline in equity markets | (70) | (108) | (60) | (127) |

These sensitivity measurements include the impact of changes in the benchmark equity index on assets measured at fair value, reserves for guaranteed minimum return and reserves for the right to withdraw from unit-linked policies as well as any additional impairment provisions required by a decline in equity markets.

Changes to the fair value of available-for-sale financial assets are recognised in reserves for unrealised gains or losses, all other items are recognised in profit or loss.

## 3. Foreign exchange risk

Foreign exchange risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates.

Diversification of investments to international financial markets (equities, fixed income) automatically creates exposure to foreign exchange risk. For dollar, yen and sterling pounds assets held through dedicated mutual funds, a minimum cover rate is set for each currency. Fixed-income mutual funds are systematically hedged against foreign exchange risk.

At year end-2011, residual foreign exchange exposure was low.

## 4. Liquidity risk

Liquidity risk is the risk of not being able to cover liabilities when due, as a result of a mismatch between the cash requirement and the Crédit Agricole Assurances Group's available cash. It is a concern mainly for entities conducting savings and death and disability insurance business.

Liquidity risk can result from:

- illiquid investments. To deal with this risk, Crédit Agricole Assurances Group's entities pay specific attention to liquidity when selecting their investments. Most are securities listed on liquid regulated markets. The valuation of other asset classes – private equity, over-the-counter derivatives, etc. – is monitored by the investment managers to whom responsibility has been delegated;

- a mismatch between the maturity schedules of investments (assets) and insurance contracts (liabilities). Crédit Agricole Assurances Group's entities have established a prudential framework for managing liquidity as part of their ALM policy.

Furthermore, life entities have defined a "reactivity" ratio intended to reflect the Company's ability to come up with short-term liquidity without risking loss of value. This indicator is calculated as the ratio of assets maturing in less than two years to the total portfolio. Liquid assets maturing in less than two years include cash, money-market mutual funds, fixed-income mutual funds whose sensitivity is controlled, floating-rate and inflation-indexed bonds, as well as hedges on two- to five-year CMS indices and fixed-rate bonds with a remaining maturity of less than two years. Also, a payability test analyses the ability of each subsidiary to meet massive outflows (tripling of historical redemptions).

In the non-life business, internal simulations are also carried out to quantify any liquidity risk following shocks to liabilities (increase in claims) and/or assets (deterioration of financial markets).

## III. Credit or counterparty risk

A second dimension of the policy for containing financial risks is containment of counterparty risk, that is, the risk of payment default by one or more issuers of instruments held in the investment portfolio. Counterparty risk on reinsurers is treated in section IV below on reinsurance.

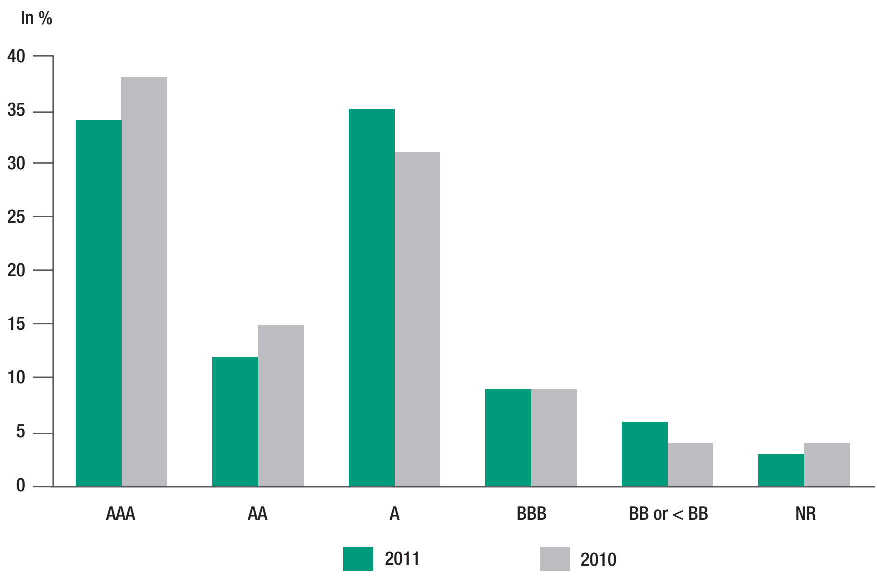
As with market risks, each Crédit Agricole Assurances Group's entity has a policy on controlling credit or counterparty risks tailored to its own portfolio profile, covering both overall risk to the fixed-income portfolio and individual risks.

Accordingly, counterparty risk is contained in the first instance by aggregate limits based on issuer credit ratings.

Crédit Agricole Assurances S.A.'s rules do not allow direct holdings of securities rated lower than BBB, save in the exceptional case of a downgrade that occurred after the acquisition, and provided the repayment capacity of the issuer involved remains intact. Indirect investments *via* a specialist fund in high-yield securities, when permitted by investment rules, is subject to strict weighting constraints.

At 31 December 2011, non-investment grade bonds held either directly or indirectly, including Greek government securities, made up 6% of Crédit Agricole Assurances Group total portfolio, compared with 3% at end-2010; this increase is due to the financial backdrop and the downgrading of credit ratings for certain shares held by the Group.

In addition to the concentration ratios imposed by local regulations, entities have also defined risk limits for each name linked to its credit quality. These may be calibrated against either the entity's own equity or the total assets in the portfolio. At 31 December 2011, the bond portfolio (excluding unit-linked policies and securities issued by Crédit Agricole S.A.) by credit rating breaks down as follows:



Additional diversification rules may be imposed (on sectors, bank deposits, etc.).

In 2011, special attention was paid to managing exposure to euro zone sovereigns. The positions on weakened sovereigns were driven downward throughout the year, according to market conditions. Greek government's debt holdings underwent successive write-downs as from in June, taking into account the consequences of the European support plan to Greece.

A highly selective approach, and even abstention, was also applied when granting corporate or financial credits in these countries.

The residual exposure to the sovereign debt of weakened euro zone countries is set out in Note 6.7 to the consolidated financial statements.

## IV. Technical risks

Underwriting risk takes different forms depending on the nature of the insurance, life or non-life.

Risks related to reinsurance are treated separately in section IV-3 below.

### 1. Technical risks from personal insurance

In the life business, underwriting risk results from the pricing of risks associated with the length of a human life and the hazards of life at the time the policy is written. It can also arise from mortality shocks (such as a pandemic).

The main businesses concerned are savings and death and disability insurance and creditor insurance as regards the death benefit feature of the policies.

Underwriting risk arises from the assumptions underlying the pricing of the benefits and the financial options that the policyholder can exercise.

These mainly consist of:

- four elementary biometric risks:
  - mortality risk (benefit paid in the event of death),
  - longevity risk (benefit paid in the event of survival, as on a life annuity or whole life policy, etc.),
  - morbidity risk (benefit paid in the event of disability and need for long-term care),
  - disability risk (benefit paid in the event of inability to work);
- the behavioural risk associated with early redemption (or prorogation, arbitration, termination, etc.) of insurance policies in comparison with the expected level;
- the risk that expense charges will be insufficient to cover operating expenses and commission paid to distributors.

Underwriting risk is measured on the basis of observed gaps in these factors between the pricing elements used when the policy was written and the actual annual results on the policy portfolio:

- for the biometric risks, statistical tables are established either from national or international statistics or from insurance portfolio statistics (experience tables);
- for redemption risk, probability criteria are constructed on the basis of observation on the portfolio (for structural redemptions) and primarily on expert opinion (for cyclical redemptions not amenable to statistical observation);
- for loading risk, the relevant gap is the difference between expenses actually charged and expenses borne by the insurer.

To limit behavioural risk, the policy compensation strategy, which is partly discretionary, takes into account market conditions on a forward-looking basis. The participation payout strategy relies on tests of sensitivity to market conditions or loss experience. Regularly conducted stress tests are used to evaluate different remuneration rate policies over the course of the next five years based on analyses of the impacts on earnings, reserves and solvency.

Similarly, modelling of policyholder behaviour and *ex post* analysis of their actual behaviour were used to adjust the duration of assets to the duration of liabilities at regular intervals, so as to limit the risk of an unexpected deviation in redemptions.

Given the weight and the general physiognomy of the portfolios (mass risk, average capital), only catastrophe risk is liable to have any real impact on results in individual or group death and disability insurance. The French life insurance subsidiary's (Predica) portfolio benefits from BCAC cover (Bureau Commun des Assurances Collectives), both on Group death benefits (insured loans) and individual death and disability benefits (open group), as well as, in part, supplementary cover of disability risk.

As regards unit-linked contracts, variations in the value of the underlying assets are borne by the policyholders, provided there is no floor guarantee benefit payable under the policy. In the event that the insured dies, this guarantee entitles the beneficiaries to receive at least the amount invested by the insured, regardless of the value of the unit-linked account at the date of death. The insurer is thus exposed to a composite risk determined by (i) the probability of death of the insured and (ii) the financial risk on the value of the unit-linked account. A technical provision is recognised for the floor guarantee. It is measured using an economic model incorporating the two components.

The performance of unit-linked funds is monitored on a regular basis, *via* comparison with the competition for funds available on the open market, and in terms of how to apply formula-based funds.

As regards reinsurance, Crédit Agricole S.A. Group entities in the savings and death and disability business in France and internationally make little use of reinsurance.

As it is:

- the bulk of their business is in individual savings products;
- the death and disability risk policies that they distribute are made up of a very large number of small risks, with the exception of the long-term care policies;
- strong financials and prudent management enable them to exceed the minimum required solvency ratio by a comfortable margin.

## 2. Technical risks from property & casualty and creditor insurance

This mainly concerns the property & casualty business and non-life benefits included in creditor insurance policies.

The main risks from property & casualty and creditor insurance are as follows:

- poor selection of risks and under-priced premiums;
- claims management;
- concentration and catastrophe risks.

The technical risk is managed by means of five policies:

- underwriting policy, which is specific to each market or type of policy and which sets the rules that partners must apply in distributing policies;
- pricing policy, which is governed by the entity's development strategy, and for which pricing rules and procedures are formalised as part of the strategy;
- commercial policy, which is part of the risk strategy for managing the entity's financial equilibrium and long-term solvency;
- partner compensation policy, which is governed by management agreements;
- claims management policy, which depends on manuals of procedures and controls to be applied by those in charge of managing claims;
- reinsurance policy.

The technical result on non-life business is measured mainly using the claims ratio, which is the ratio of claims paid to premiums earned on the business.

Claims ratios are calculated every month by product line. They are analysed by actuaries in terms of their variation from one quarter to the next and their closeness to the initial targets. They are presented to the relevant Management Committees.

Tracking claims ratios serves to identify products that are structurally unprofitable and therefore require solutions to improve underwriting results (new rate schedule, redefinition of the target customer or the underwriting rules, restriction of policy benefits, etc.), and to identify where efforts must be made on pricing, for example, when a product's sales volume is not satisfactory.

Monitoring of underwriting risk is supplemented by the analysis of portfolios from the standpoint of production over time (policyholder profile, etc.), breakdown of claims (frequency, average cost, etc.) and the evolution in claims by year of occurrence.

Concentration risk in non-life insurance relates to a concentration of risks resulting in an aggregation of liabilities arising from a single claim.

Two types of concentration risks should be distinguished:

- underwriting concentration risk in which policies are written by one or more Group entities on the same risk;
- claim concentration risks, where policies are written by one or more Group entities on risks that are different, but liable to be triggered by a single covered event or the same primary cause.

This type of risk is hedged, first, by a policy of diversifying the risks written in a single region and, second, by reinsurance to limit the financial impact of major events (storms, natural disasters, civil liability claims, serial risks, unemployment, etc.). The reinsurance policy thus seeks to achieve a high level of protection against systemic and/or exceptional events, thereby reducing the volatility of net income and protecting capital (through a general hedge of retentions and any overruns in individual reinsurance agreements covering each type of risk).

## 3. Reinsurance risk

Reinsurance risks are of three types:

- inappropriate reinsurance (insufficient cover or, on the other hand, payment of too high a premium which erodes technical margins and competitiveness);
- risk of a reinsurer defaulting and not being able to pay all their share of the claims;
- no or virtually no reinsurance on a given activity or guarantee given.

Risk containment measures have been implemented along four lines:

- monitoring the adequacy of reinsurance cover relative to the commitments to insureds;
- monitoring the reinsurers' credit rating;
- monitoring the dispersion of risk across reinsurers;

- monitoring results on each reinsurance agreement.

Reinsurance policy seeks to optimise protection through a good cover/price ratio.

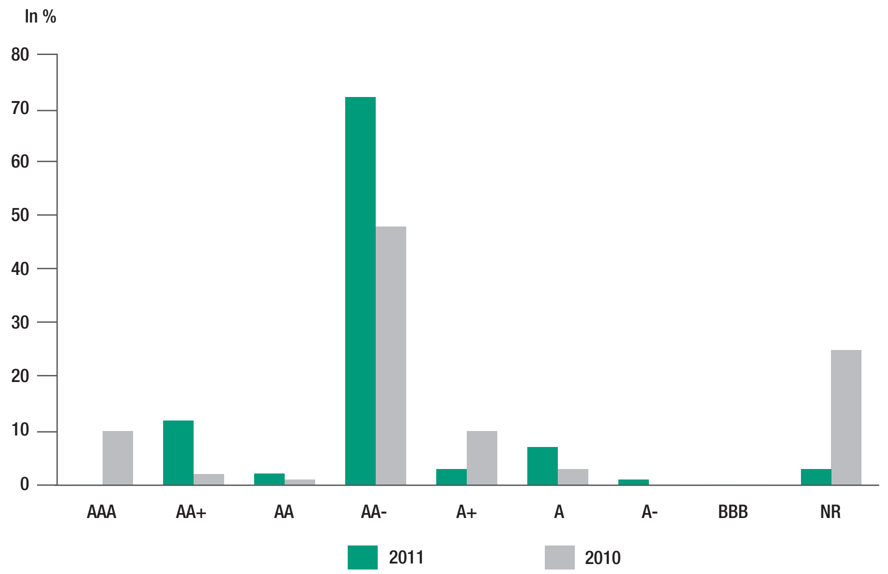
The terms and conditions of reinsurance (premium rates, nature of cover, types of limits, etc.) are for the most part reset annually when reinsurance agreements are renewed.

The reinsurance plan is reviewed annually by the Board of Directors at subsidiary level.

Since the entity will be left to pick up the liabilities of any reinsurer who defaults, financial robustness is a prime criterion in selecting reinsurers. Similarly, limits on the share of risks taken on by each reinsurer both globally and under each agreement, where possible, tends to reduce the impact of a default.

Net outstandings ceded to reinsurers (ceded reserves and current accounts with reinsurers net of cash deposits received) totalled €0.4 billion at 31 December 2011 and €0.5 billion at end-2010.

Their breakdown by rating is as follows:




## V. Operational risk and non-compliance risk

Monitoring of operational risk and non-compliance risk is based on the rules established for Crédit Agricole S.A. Group and presents no characteristic specific to the insurance business (see following section on operational risks).

# OPERATIONAL RISKS

Operational risk is the risk of loss resulting from shortcomings or failure in internal procedures, human error, information systems or external events. It includes legal risk but not strategic or reputational risk.

## I. Objectives and policy

The operational risk system, adjusted to each Group entity, comprises the following components common to the entire Group:

- **governance of the Operational Risk Management function**: supervision of the system by Executive Management (*via* the Operational Risk Committee or the operational risk unit of the Group Risk Management Committee and the Internal Control Committee), oversight and co-ordination of the system by Risk Management and Permanent Control officers (Crédit Agricole S.A. and entities), entities' responsibilities in controlling their risks through the network of Operational Risk Managers;
- **identification and qualitative assessment of risks** through risk mapping, and the use of indicators to monitor the most sensitive processes;
- **collection of operational loss data and an early-warning system** to report significant incidents, which are consolidated in a database used to measure and monitor the cost of risk;
- **annual calculation** (except for significant events: major loss, change in organisation, etc.) **and allocation of regulatory capital** for operational risks at both consolidated and entity levels;
- periodic production of an **operational risk scorecard** at entity level, plus a Group summary.

## II. Risk management: organisation and supervision system

The organisation of operational risk management forms part of the overall Risk Management and Permanent Controls Group function: Operational risk officers, most of whom now cover permanent risk monitoring, report to the heads of Risk Management and Permanent Controls in the various entities.

Crédit Agricole S.A. Group uses an operational risk scorecard covering its major business lines. This scorecard shows the main sources of risk affecting the business lines, along with exposure profiles differentiated by subsidiary and business line: recurring risk, mainly arising from external fraud involving payment systems in retail banking or stock market errors in asset management, and investor services, higher risk in corporate and investment banking (counterparty litigation and capital markets) and factoring (external fraud).

The scorecard also reflects the effect of action plans designed to reduce the impact of exceptional risks (*i.e.* by strengthening information systems and controls when encountering high unit losses primarily affecting asset management and factoring operations) as well as to reduce the frequency of recurring risks (electronic banking fraud and heightened monitoring of external fraud in the consumer finance businesses).

Initiatives taken to counter internal fraud in 2007, particularly for capital market activities and in Crédit Agricole CIB, have been extended through implementation of a system to bring the risk thereof under further control. Measures include reviewing authorisation procedures, strengthening early-warning systems and creating an anti-fraud unit in the Compliance function. Following the publication in 2011 of the recommendations of the Committee of European Banking Supervisor (CEBS) on the management of operational risks in capital market activities, an action plan was drawn up to cover the Group. A questionnaire was sent to Crédit Agricole CIB, Caceis and subsidiaries which have a trading book with the goal of drawing up an action plan. The other entities will be targeted with an awareness-raising campaign in 2012.

With respect to the **identification and qualitative assessment of risks** component, as every year, the risk mapping campaign (supplemented since 2012 with legal risks) was held. The results of these risk mapping efforts will be analysed by each entity in the course of the first quarter and will be presented to the operational Risk Management Committee.

To improve operational risk tools even further and promote overall consistency in the Risk Management and Permanent Controls function, the operational risk computer system now supplies information on a quarterly basis to the Group's accounting consolidation tool, *"Arpège"*. The COREP OR reports are now validated by the entities.

The RCP platform, which now contains the three essential elements of the existing tools (collection of loss data, risk mapping and permanent controls), makes it possible to share the same framework and thus confirm the choices of methodology in the link between risk mapping and risk management (permanent controls, action plans, etc.).

Lastly, concerning the **calculation and allocation of regulatory capital** component, the application chain was secured and automated. The upgrade plan for the operational risk computer system continued in 2011, with the rewriting and business line approval of the new capital calculation engine. Production of this engine was launched in August 2011 and it was used for the 2011 regulatory calculation.

A biannual committee for back-testing the Advanced Measurement Approach (AMA) model was created for the purpose of analysing the model's sensitivity to changes in the risk profile of the entities. The committee has identified areas where improvements are possible, especially in modelling the historical loss experience. Working groups have been engaged to increase the business lines' awareness of the collection rules, thus helping to ensure better knowledge of the systems deployed locally. A new action plan, incorporating the ongoing work to optimise the model, should be drawn up in 2012.

## III. Methodology

The main entities of Crédit Agricole Group use the Advanced Measurement Approach: Crédit Agricole CIB, Amundi Group, LCL, Crédit Agricole Consumer Finance, Agos and all Regional Banks. The use of the AMA for these entities has been validated by the French Prudential Supervisory Authority (ACP) in 2007 and reconfirmed (following the change in legal status) for Amundi, Crédit Agricole Consumer Finance and Agos in 2010. This scope accounts for 70% of total capital requirements for operational risk.

Work on integrating Cariparma and FriulAdria using AMA continued. The Italian regulator will begin an on-site assignment in February 2012.

For the entities that use the standardised approach (TSA), the weighting coefficients used in calculating the capital requirement are those recommended by the Basel Committee.

### AMA regulatory capital requirements calculation

The AMA method for calculating capital requirements for operational risk has the following objectives:

- increase control over the cost of operational risk, and prevent exceptional risks across the Group's various entities;
- determine the level of capital needed for the measured risks, which may be lower than that calculated using the standardised approach;
- promote improvements in permanent controls through the monitoring of action plans.

The systems implemented within the Group aim for compliance with all qualitative criteria (making risk measurement an integral part of day-to-day management, independence of the Risk function, periodic disclosure of operational risk exposures etc.) and Basel 2 quantitative criteria (99.9% confidence interval over a one-year period; incorporation of internal data, external data and analyses of scenarios and factors reflecting the operating environment; incorporation of risk factors that influence the statistical distribution, etc.).

The AMA model for calculating capital requirements is based on an actuarial model called the Loss Distribution Approach, which is unique to the Group. The largest entities handle their own capital allocation based on centrally defined principles.

Internal factors (change in the entity's risk profile) are considered according to:

- organisational changes within the entity;
- changes in risk mapping;
- an analysis of the history of internal losses and the quality of the risk management system, in particular *via* the Permanent Controls function.

Concerning external factors, strategic monitoring of incidents observed in the other institutions is conducted through the analysis of the ORX consortium database, which catalogues losses at approximately 50 banks throughout the world including Crédit Agricole S.A. Depending on the results of this analysis, the stress tests developed in the various Group entities are reviewed.

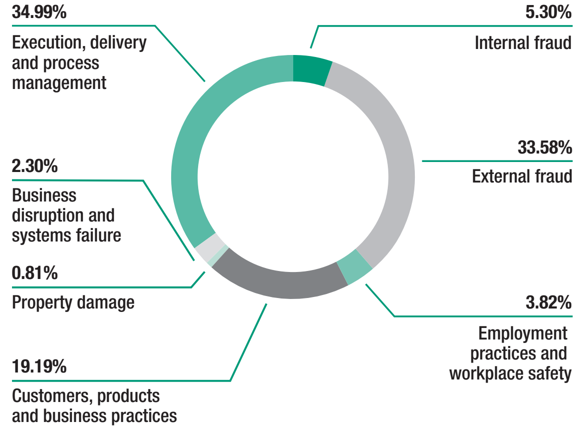
The model was designed and developed according to the following principles:

- it must form an integral part of the risk policy;
- it must be pragmatic, *i.e.* the methodology must be applicable to real operating conditions;
- it must have educational value, in order to be endorsed by senior management and business lines;
- it must be robust, *i.e.* it must be able to provide estimates that are realistic and stable from one year to the next.

The model has been regularly validated by Crédit Agricole Group's Standards and Methodology Committee, chaired by the head of Group Risk Management and Permanent Controls. The entire Operational Risks methodology was presented to the Standards and Methodology Committee on 13 December 2011.

## IV. Exposure

**BREAKDOWN (BY VALUE) OF OPERATIONAL LOSSES BY BASEL RISK CATEGORY (2009 - 2011)**




Generally, the exposure profile in terms of operational risks reflects the principal activities at Crédit Agricole S.A. Group:

- still-substantial exposure to the Execution risk category, due to processing errors inherent in all activities;
- marked exposure to external fraud, relating to the credit boundary operational risk which reflects the importance of the retail banking activity;
- finally, moderate exposure to commercial disputes.

## V. Insurance and coverage of operational risks

Crédit Agricole S.A. Group has obtained insurance coverage for its operational risks to protect its assets and profits. For high-intensity risks, Crédit Agricole S.A. has taken out Group policies from major insurance companies. These policies harmonise the transfer of personal and property risks and to set up specific professional civil liability and fraud insurance programmes for each business line. Furthermore, business-line subsidiaries are responsible for managing lower intensity risks themselves.

In France, insurance of operating assets (property and IT equipment) includes third-party liability coverage for buildings with the highest exposure to this risk. This insurance is supplemented by special coverage for civil operating liability.

Insurance policies for operating loss, fraud and securities risks, Group professional civil liability, and civil liability for Executive Officers were renewed in 2011.

Basel 2 eligible policies contribute to reducing the amount of capital that must be held against operational risks (within the 20% authorised limit).

High-frequency and low-intensity risks that cannot be insured on satisfactory financial terms are retained in the form of deductibles or are pooled within Crédit Agricole S.A. Group by its captive reinsurance subsidiary (Crédit Agricole Réassurance CARE), whose aggregate exposure does not exceed 6% of the above risks.

# ▶ LEGAL RISKS

The main legal and tax proceedings outstanding at Crédit Agricole S.A. and its fully consolidated subsidiaries are described in the 2010 management report. The cases presented below are those that have evolved since 18 March 2011, the date on which registration document no. D. 11-0146 was filed with the AMF.

Any legal risks outstanding as of 31 December 2011 that could have a negative impact on the Group's net assets have been covered by adequate provisions based on the information available to senior management.

To date, to the best of Crédit Agricole S.A.'s knowledge, there is no other governmental, judiciary or arbitration proceeding (or any proceeding known by the Company, in abeyance or that threatens it) that could have or has had, in the previous 12 months, any substantial effect on the financial situation or the profitability of the Company and/or the Group.

## Litigation and exceptional events

### IFI Dapta Mallinjoud Group

The *Commissaire à l'exécution du plan* (insolvency professional) acting for the companies of the IFI Dapta Mallinjoud group initiated joint proceedings against CDR and Crédit Lyonnais on 30 May 2005 before the Commercial Court of Thiers. The suit alleges that CDR and Crédit Lyonnais committed violations in arranging and financing the IFI group's acquisition of the Pinault Group's furniture business (ex-CIA). The Riom Court of Appeal, in its order dated 12 July 2006, referred the matter to the Paris Commercial Court.

In its ruling of 24 September 2007, the Paris Commercial Court:

- ordered CDR to pay €2.9 million for unjustified interest charges;
- ordered Crédit Lyonnais to pay €5 million for improper financial support;
- ordered Crédit Lyonnais and CDR to pay €50,000 under Article 700 of the French Code of Civil Procedure.

The Court did not make the judgement immediately enforceable.

The *Commissaire à l'exécution du plan* appealed against this decision and the Paris Court of Appeal issued an order on 10 December 2010, in the terms of which it:

- rejects the request for overall indemnification for the alleged damage to the 13 companies of the Group;
- asks the *Commissaire à l'exécution du plan* to indicate, company by company, the amount of the alleged damage; and
- orders an in-depth expert appraisal of the financial situation of each of the companies in the Group at the time of the events.

The appraisal is in progress.

## Strauss/Wolf/Faudem

US citizens and members of their families who were victims of terrorist attacks attributed to Hamas and committed in Israel between 2001 and 2004 have brought proceedings against National Westminster Bank and Crédit Lyonnais before a New York court.

They claim that these banks were complicit with the terrorists, since they each kept an account opened (in 1990 in the case of Crédit Lyonnais) by a charity providing aid to Palestinians. The plaintiffs allege that the account was used to transfer funds to Palestinian entities accused of financing Hamas. The plaintiffs, who have not put a figure on the damages they have suffered, are claiming compensation for "injury, anguish and emotional pain".

As the matter and the proceedings currently stand, the plaintiffs have not provided proof that the charity was actually linked to terrorists, nor that Crédit Lyonnais was aware that its client could have been involved (if it were to be proven) in financing terrorism. The Court has required the plaintiffs to provide such proof if they are to stand a chance of winning the case.

LCL vigorously denies the plaintiffs' allegations.

The discovery phase is now complete and a motion for summary judgment has been filed by LCL and the plaintiffs.

## Obligations concerning public retirement plans in Greece (Emporiki Bank)

Emporiki Bank is involved in a dispute with its bank employees union regarding the ETAT-ETEAM supplementary retirement plan for employees that was put in place by Law No. 3455/2006 replacing the TEAPETE supplementary retirement plan of Emporiki Bank. In this case, in 2008 the Athens Court of First Instance ruled that Law no. 3455/2006 was unconstitutional and that the termination of contracts between Emporiki Bank, the union and TEAPETE was improper.

Emporiki Bank appealed that decision. During the proceeding, the Greek government intervened in support of Emporiki Bank. However, the Court of Appeal rejected Emporiki Bank's appeal (decision No. 4007/2009, published on 30 December 2009) and upheld the original ruling. In December 2009, Emporiki Bank filed another appeal, this time with Greece's Supreme Court (*Areios Pagos*). Once again, the Greek government is supporting Emporiki Bank in this appeal.

On 25 June 2010, the Greek State Council rejected the demands of bank employees and unions opposing the presidential decree 209/2006 applying law 3371/2005, and admitted that the inclusion of bank employees in the ETAT retirement plan was consistent with the Greek constitution.

The Greek Supreme Court is expected to deliver a ruling at the end of March 2012. At present, no impact of this legal challenge on the financial situation of Emporiki Bank can be assessed.

## CIE case (Cheque Image Exchange)

In March 2008, LCL and Crédit Agricole S.A. and ten other banks were served notice of grievances on behalf of the *Conseil de la concurrence i.e.* the Competition Council (now the *Autorité de la concurrence*).

They are accused of colluding to implement and apply interchange fees for cashing cheques, since the passage of the Cheque Image Exchange system, *i.e.* between 2002 and 2007. In the opinion of the *Autorité de la concurrence*, these fees constitute anti-competitive price agreements in the meaning of Articles 81 §1 of the treaty establishing the European Community and Article L. 420-1 of the French Commercial Code, and allegedly caused damage to the economy.

In their defence, the banks categorically refuted the anti-competitiveness of the fees and contested the legality of the proceedings.

In a decision published on 20 September 2010, the *Autorité de la concurrence* stated that the Cheque Image Exchange fee (CEIC) was anti-competitive by its very aim and that it artificially increased the costs borne by remitting banks, which resulted in an unfavourable impact on the prices of banking services. Concerning one of the fees for related services, the fee for cancellation of wrongly cleared transactions (AOCT), the *Autorité de la Concurrence* called on the banks to revise their amount within six months of the notification of the decision.

The accused banks were sanctioned for an overall amount of €384.92 million.

LCL and Crédit Agricole were respectively sentenced to pay €20.7 million and €82.1 million for the CEIC and €0.2 million and €0.8 million for the AOCT.

All of the banks appealed the decision to the Paris Court of Appeal. By a decree of 23 February 2012, the Court overruled the decision, stating that the *Autorité de la concurrence* had not proven the existence of competition restrictions establishing the agreement as having an anti-competitive purpose.

### New York Attorney General (NYAG)

In May 2010, the New York branch of Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB") received a subpoena from the New York Attorney General's office requesting information relating to Crédit Agricole CIB dealings with credit rating agencies.

### Office of Foreign Assets Control (OFAC)

United States laws and regulations require adherence to economic sanctions put in place by the Office of Foreign Assets Control (OFAC) on certain foreign countries, individuals and entities. The office of the District Attorney of New York County and other American governmental authorities would like to know how certain financial institutions made payments denominated in US dollars involving countries, individuals or entities that had been sanctioned.

Crédit Agricole S.A. and Crédit Agricole CIB are currently conducting an internal review of payments denominated in US dollars involving countries, individuals or entities that could have been subject to such sanctions and are cooperating with the American authorities as part of such requests.

It is currently not possible to know the outcome of these internal reviews and requests, nor the date when they will be concluded.

## Binding agreements

Crédit Agricole S.A. does not depend on any industrial, commercial or financial patent, license or contract.

## NON-COMPLIANCE RISK

Non-compliance risk refers to a potential lack of adherence to rules governing financial and banking activities. These rules may be laws, regulations, professional or ethical standards, instructions, professional codes of conduct, or efforts to combat money-laundering, corruption or the financing of terrorism.

A dedicated monitoring system ensures that these risks are controlled and that their impact in terms of financial losses, or legal, administrative or disciplinary sanctions, is minimised. The common objective is to preserve the Group's reputation.

The organisation and main actions relating to compliance are detailed in the key economic performance indicators section of the part of the registration document dealing with employee, social and environmental information related to Crédit Agricole S.A. Group.

The prevention, monitoring and control of compliance and reputational risks are detailed in the report of the Chairman of the Board of Directors to the General Meeting of Shareholders on the preparation and organisation of the Board's work and on the internal control procedures implemented within the Company, as required by the French Financial Security Act of 1 August 2003.

# Basel 2 Pillar 3 disclosures

The decree of 20 February 2007 transposing Basel 2 regulations into French law requires relevant financial institutions (mainly credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management systems. Crédit Agricole S.A. Group's risk management system and exposure levels are presented in this section and in the section entitled "Risk Factors". Crédit Agricole S.A. Group has chosen to disclose its Pillar 3 information in a separate section from its Risk Factors with the aim of clearly presenting the new Basel 2 requirements. This section provides information on capital requirements, constituents of capital and exposures to credit risk, market risk and operational risk.

Crédit Agricole Corporate and Investment Bank also discloses detailed information on Pillar 3 requirements on a sub-consolidated basis in its registration document.

## REGULATORY BACKGROUND

### I. Scope of application of the capital requirements for the purposes of regulatory supervision

Credit institutions and investment firms are subject to solvency and large exposure ratios on an individual and, where applicable, sub-consolidated basis, although they may be exempt under the provisions of Article 4 of Regulation No. 2000-03 of 6 September 2000.

The French Prudential Supervisory Authority (ACP) has agreed that some of Crédit Agricole Group's subsidiaries may benefit from exemption on an individual or, where applicable, sub-consolidated basis.

As such, Crédit Agricole S.A. has been exempted by the French Prudential Supervisory Authority on an individual basis, in accordance with the provisions of Article 4.2 of the aforesaid Regulation 2000-03. In 2009, an additional subsidiary was exempted: Crédit Agricole Covered Bonds.

### II. Reform of regulatory ratios

The decree of 20 February 2007 , amended on 23 November 2011, transposing the European Capital Requirements Directive (CRD 3) into French law sets out the "capital requirements applicable to credit institutions and investment firms". In accordance with these provisions, Crédit Agricole S.A. Group has incorporated the impacts of the implementation of this new directive into the management of its capital and of its risks.

The CRD ratio is mandatory as of 1 January 2008. However, banks continue to calculate the old CAD ratio, as the Regulatory Authority has set a floor for capital resources at 80% of the CRD requirements until 31 December 2011.

The solvency ratio, calculated in accordance with the European Capital Requirements Directive, is based on the assessment of weighted assets of credit risk, of market risk and of operational risk. The resulting capital requirements for each type of risk are set out below in the section entitled "Capital requirements by type of risk".

In accordance with the decree of 20 February 2007, exposure to credit risk is measured using two methods:

- the standardised approach, which is based on external credit ratings and fixed weightings for each Basel exposure class;
- the Internal Ratings Based approach (IRB), which is based on the bank's own internal rating system.

There are two subsets of the IRB approach:

  - the "Foundation Internal Ratings-Based" approach under which the institutions may use exclusively their own default probability estimates,
  - the "Advanced Internal Ratings-Based" approach under which institutions use all their internal estimates of the risk components: default probabilities, loss given default, exposure on default, maturity;

In late 2007, the French Prudential Supervisory Authority (ACP) authorised Crédit Agricole S.A. Group to use its internal rating systems to calculate regulatory capital requirements for credit risk on retail and corporate exposures throughout almost all of its consolidation scope.

In the Pillar 3 tables, LCL's portfolios have been included in the IRB scope, even where ratings have been obtained using LCL's ratings methodology. The reason for this presentation choice is to provide precise information on the risk structure of LCL's portfolios. It should be noted, however, that these portfolios are risk-weighted using the standardised method. An adjustment is then made to risk-weighted assets to incorporate the difference between the two approaches and this adjustment is reported under the Pillar 3 standardised heading.

In addition, the French Prudential Supervisory Authority (ACP) authorised, as of 1 January 2008, Crédit Agricole S.A.'s main entities to use the Advanced Measurement Approach (AMA) to calculate their capital requirements for operational risk. The Group's other entities use the standardised approach, in accordance with regulations.

The main Group entities still using the standardised method (mainly Cariparma, Emporiki outside France and Crédit Agricole Leasing & Factoring and Crédit Agricole Consumer Finance in France) are continuing their respective projects for gradual transition to the advanced measurement approach (IRB, AMA). The roll out schedule fixed in conjunction with the French Prudential Supervisory Authority (ACP) in May 2007 is updated annually based on the progress of each entity.

## RISK MANAGEMENT

The policies and procedures for managing each category of risk are described under "Risk factors".

## REGULATORY RATIOS

### I. Regulatory scope

**Difference between the accounting and regulatory scopes of consolidation:**

Insurance companies consolidated in the financial statements are not included in the regulatory scopes of consolidation. These insurance companies do not present a lack of capital.

Information on these entities and their consolidation method for accounting purposes is provided in Note 12 to the consolidated financial statements, "Scope of consolidation at 31 December 2011".

### II. Regulatory ratios at 31 December 2011

The table below shows the European CRD solvency ratio and details Crédit Agricole S.A. Group's weighted risks and the regulatory capital requirements calculated in accordance with the applicable regulations.

The total solvency ratio is calculated as the ratio between total regulatory capital and the sum of:

- credit risk-weighted assets;
- regulatory capital requirements for market and operational risk multiplied by 12.5.

| *(in billions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **TIER 1 CAPITAL (A)** | **40.4** | **43.0** |
| Equity capital and reserves, Group share | 43.2 | 44.4 |
| Tier 1 capital as agreed by the French Prudential Supervisory Authority (ACP) | 1.0 | 3.7 |
| Minority interests excluding hybrid instruments | 3.5 | 4.6 |
| Hybrid instruments included in Tier 1 capital as agreed by the French Prudential Supervisory Authority (ACP) | 11.8 | 11.6 |
| Deduction from Tier 1 capital including intangible assets | (19.1) | (21.3) |
| **TIER 2 CAPITAL (B)** | **21.9** | **23.6** |
| **TIER 3 CAPITAL** | **0.0** | **0.0** |
| **DEDUCTIONS FROM TIER 1 AND 2 CAPITAL** | **6.3** | **7.3** |
| Deductions from Tier 1 capital (C) | 3.1 | 3.5 |
| Deductions from Tier 2 capital (D) | 3.2 | 3.8 |
| *including stakes in credit and banking institutions amounting to more than 10% of their capital or which provide significant influence over these institutions (at 100%)* | *3.7* | *3.7* |
| *including securitisation exposures weighted at 1,250%* | *2.0* | *2.6* |
| *including, for institutions using IRB approaches, the negative difference between the sum of value adjustments and collective impairment losses on the relevant exposures and the expected losses* | *0.1* | *0.6* |
| **DEDUCTIONS OF INSURANCE COMPANIES' EQUITY** | **11.3** | **11.9** |
| **Total net available capital** | **44.8** | **47.4** |
| *o/w* | | |
| *Tier 1 (A – C)* | *37.4* | *39.5* |
| *Tier 2 (B – D)* | *18.7* | *19.8* |
| *Tier 3* | *0.0* | *0.0* |
| **TOTAL RISK-WEIGHTED ASSETS** | **333.7** | **371.7** |
| Credit Risks | 277.8 | 337.9 |
| Market Risk | 32.8 | 9.9 |
| Operational Risks | 23.1 | 23.9 |
| **Tier 1 solvency ratio** | **11.2%** | **10.6%** |
| **Total solvency ratio** | **13.4%** | **12.8%** |

At 31 December 2011, Crédit Agricole S.A. Group's total CRD solvency ratio was 13.4%, including Basel 2 (Tier 1) capital of 11.2%, reflecting the Group's financial strength. As Basel 2 risk-weighted assets are higher than Basel 1 risk-weighted assets (after applying the floor, which was lowered to 80% on 1 January 2009), Basel 2 risk-weighted assets are used as the denominator, as in 31 December 2010.

At 31 December 2010, the Group's total ratio was 12.8% and the Tier 1 ratio was 10.6%.

Changes in 2011 in the various components of this ratio are analysed below:

- Basel 2 risk-weighted assets totalled €333.7 billion at 31 December 2011, down 10.2% from the €371.7 billion of unfloored risk-weighted assets at end-2010:
  - at €277.8 billion, credit risks are down 17.8%, mainly due to the accounting of "Switch" guarantees cancelling the risk-weighted assets associated with the equity-accounted value of the Regional Banks. This guarantee mechanism cancels €52.7 billion of risk-weighted assets. The drop in credit risks is also due to negative volume effects (Crédit Agricole CIB, Emporiki) and methodological improvements, slightly offset by a positive change in exchange rates,

- market risks increased by €22.9 billion due to the application of CRD 3 on 31 December 2011, resulting in a €24.8 billion increase,
- operational risks fell 3.3%,

- Tier 1 capital totalled €37.4 billion at 31 December 2011. This was affected by:
  - net income Group share was a loss of €1.5 billion, in particular due to impairments during the fourth quarter of 2011 for a total of €2.5 billion, for a number of Group subsidiaries and equity-accounted investments on the one hand and the haircut taken on Greek government securities on the other, amounting to €945 million (74% average discount rate depending on whether these mature before or after 1 January 2021),
  - Impairment for the fourth quarter totalled €2.5 billion, and had almost no effect on Core Tier One, since this was offset by reduced deductions for intangible assets,
  - the payment of a scrip dividend for financial year 2011 amounted to €0.92 billion, with an acceptance rate of 85%,
  - implementation of the "Switch" operation at the end of 2011, which allowed the reimbursement of 74.5% of the shareholder advance agreed by the Regional Banks and 74.5% of the hybrid capital securities (T3CJ) subscribed for by them, *i.e.* a total of €4.2 billion,

  The aim is to reduce the regulatory requirements on Crédit Agricole S.A. for the 25% minority interests that Crédit Agricole S.A. holds in the Regional Banks.

  These interests are made up of cooperative investment certificates (CCI) and/or corporate associate certificates (CCA) and are equity-accounted in Crédit Agricole S.A. Group's consolidated financial statements.

  Since 31 December 2010, these CCI/CCA interests are not deducted from Crédit Agricole S.A.'s regulatory Tier I capital but are reintegrated into the solvency ratio denominator as risk-weighted assets.

  The "Switch" operation aims to transfer the regulatory capital requirement associated with CCI/CCA interests from Crédit Agricole S.A. Group to the Regional Banks *via* guarantees.

The operation is neutral at Crédit Agricole Group level,

  - deductions of investments and securitisation exposures amounting to €2.8 billion in 2011 versus €3.5 billion in 2010, a drop due to provisioning at the end of the year for various equity-accounted investments,
  - the acquisition in the first half of the year of 80% of Cassa di Risparmio della Spezia by Crédit Agricole S.A.'s subsidiary, Cariparma, from Intesa Sanpaolo S.p.A which operates a network of 76 branches in Italy, and of 96 branches transferred by Intesa Sanpaolo. With these transactions, Crédit Agricole Group has a network of 902 retail branches in Italy,
  - delisting of Emporiki in the third quarter of 2011;

- the supplementary capital net of deductions (Tier 2) decreased by €1.1 billion. Second-level subordinated debt fell by €1.4 billion as a result of amortisations and buybacks. Senior subordinated debt declined by €0.2 billion;
- Tier 3 capital was reduced to zero since 31 December 2010, after the repayment of the €500 million debt on 31 March 2010;
- the deduction of the equity-accounted value of the insurance companies was €11.3 billion at year-end. In accordance with regulations in force, this deduction was made from total shareholder capital.

# CAPITAL, CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY

## I. Composition of capital

Regulatory capital is calculated in accordance with Regulation no. 90-02 of 23 February 1990, amended by the decree of 23 November 2011, published by the *Comité de la réglementation bancaire et financière* related to capital. It is divided into three categories: Tier 1, or core capital, Tier 2 and Tier 3 capital, from which various types of deductions are made.

Capital is allocated according to the following criteria: decreasing degree of robustness and stability, duration, degree of subordination.

### 1. Tier 1 capital or core capital

This includes:

#### A. PERMANENT EQUITY (CAPITAL, RESERVES, MINORITY INTERESTS) AFTER DEDUCTIONS

- Issued capital;
- reserves, including revaluation adjustments and other comprehensive income;

  Unrealised gains or losses on available-for-sale financial assets are recognised for accounting purposes in other comprehensive income and are restated as follows:

  - for equity instruments, net unrealised gains are deducted from Tier 1 capital on a currency by currency basis, net of the amount of tax already deducted for accounting purposes. 45% of the gains before tax are then added back to Tier 2 capital on a currency by currency basis. Net unrealised losses are not restated,
  - other comprehensive income from cash flow hedges are neutralised,
  - other comprehensive income from other financial instruments, including debt instruments or loans and receivables are also neutralised,
  - impairment losses on available-for-sale assets recognised through profit or loss are not restated;
- share and merger premiums;
- retained earnings;
- net earnings for the current financial year, *i.e.* net income Group share, less a provision for dividends (unless a distribution is not planned);
- funds deemed by the French Prudential Supervisory Authority (ACP) to fulfil the conditions for inclusion in Tier 1 capital, and which are not hybrid instruments such as those referred to below. At 31 December 2011, Crédit Agricole S.A. had a €1 billion shareholders' advance from the Regional Banks that was classified in this category and partially redeemed;
- minority interests: the share of minority interest in stakes held by Crédit Agricole S.A. as well as the T3CJ (*see Note 6.10 to the consolidated financial statements*) which have received approval from the ACP to not be included in the category of hybrid instruments below;
- the following items are deducted:
  - treasury shares held, valued at their net carrying amount,
  - intangible assets including start-up costs and goodwill.

#### B. HYBRID INSTRUMENTS (INCLUDING PREFERRED SHARES)

These include non-innovative capital instruments and innovative capital instruments, the latter with a strong repayment incentive notably *via* a step-up mechanism. Hybrid instruments consist of the deeply subordinated notes issued under the terms of Article L. 228-97 of the French Commercial Code, as amended by the French Financial Security Act of 1 August 2003, and preferred securities issued under UK and US laws, which come from the consolidation of *ad hoc* vehicles for the indirect issue of hybrid instruments.

Note 6.18 to the consolidated financial statements Equity presents, in particular, the capital composition and details of the preference shares.

Under the terms of CRD 2, applicable at end-2010, a grandfather clause (Article 5.II of Regulation No. 90-02 as amended by the decree of 29 December 2010) has been provided for non-innovative and innovative hybrid instruments already issued, which do not comply with the eligibility criteria specified by Article 2.b of Regulation no. 90-02 (amended), in particular concerning the loss absorption conditions. This clause applies to all the hybrid instruments in stock as at 31 December 2011 and provides for limits as of 2020 to the total exposures in the form of hybrid instruments.

These hybrid instruments will be included in Tier 1 capital subject to prior approval by the General Secretariat of the French Prudential Supervisory Authority (SGACP).

Hybrid instruments are subject to certain limits relative to Tier 1 capital (before the deductions set out in item 3 below):

- "innovative" hybrid instruments, as defined above, are limited to 15% of Tier 1 capital subject to prior approval from the SGACP providing that they meet the criteria for eligibility as Tier 1 capital;
- total hybrid instruments – both innovative and non-innovative – may not exceed 35% of Tier 1 capital;
- hybrid instruments (including the aforementioned preferred shares), and the aforementioned minority interests, taken collectively, may not exceed 50% of Tier 1 capital.

### Deeply subordinated notes

Details of the deeply subordinated notes as at 31 December 2011 were as follows:

| Issuer | Date of issue | Amount on issue *(in millions)* | Currency | Call dates | Compensation | Innovative (I) Non-innovative (NI) | Regulatory amounts at 31/12/2011 *(in millions of euros)*(1) |
|---|---|---|---|---|---|---|---|
| Crédit Agricole S.A. | February 2005 | 600 | EUR | Feb. 2015 then annually | 6% then starting 04/02/2006, 10y CMS +0.025%, cap at 7.75% | NI | 600 |
| Crédit Agricole S.A. | November 2005 | 600 | EUR | Nov. 2015 then quarterly | 4.13% then starting 09/11/2015, E3M +1.65% | I | 584 |
| Crédit Agricole S.A. | February 2006 | 500 | GBP | Feb. 2016 then quarterly | 5.136% then starting 24/02/2016, Libor3M GBP +1.575% | I | 598 |
| Crédit Agricole S.A. | August 2006 | 400 | CAD | Aug. 2016 then quarterly | 5.5% then starting 11/08/2016, CDOR 3M Cad +1.75% | I | 127 |
| Crédit Agricole S.A. | May 2007 | 1,500 | USD | May 2017 then every 10 years | 6.637% then starting 31/05/2017, Libor 3M USD +1.2325% | NI | 1,155 |
| Crédit Agricole S.A. | October 2007 | 500 | USD | Oct. 2012 then half yearly | 7.375% | NI | 385 |
| Crédit Agricole S.A. | December 2007 | 250 | NZD | Dec. 2017 then quarterly | 10.035% (rate revision in 2012) then starting 19/12/2017, NZD 3M +1.90% | NI | 148 |
| Crédit Agricole S.A. | December 2007 | 650 | EUR | Dec. 2012 then quarterly | 7.625% then starting 27/12/2012, E3M +3.10% | NI | 650 |
| Crédit Agricole S.A. | January 2008 | 400 | GBP | Jan. 2020 then quarterly | 7.589% then starting 30/01/2020, Libor 3M GBP +3.55% | I | 478 |
| Crédit Agricole S.A. | March 2008 | 850 | EUR | March 2018 then quarterly | 8.2% then starting 31/03/2018, E3M +4.80% | I | 848 |
| Crédit Agricole S.A. | September 2008 | 500 | EUR | Sep. 2018 then quarterly | 10.653% then starting 30/09/2018, E3M +6.80% | I | 499 |
| Crédit Agricole S.A. | June 2009 | 1,350 | USD | Dec. 2014 then half yearly | 9.75% | NI | 1,039 |
| Crédit Agricole S.A. | October 2009 | 1,000 | USD | Oct. 2019 then quarterly | 8.375% then starting 13/10/2019, Libor 3M USD +6.982% | I | 769 |
| Crédit Agricole S.A. | October 2009 | 550 | EUR | Oct. 2019 then quarterly | 7.875% then starting 26/10/2019, E3M +6.424% | I | 546 |
| Crédit Agricole S.A. | October 2009 | 300 | GBP | Oct. 2019 then quarterly | 8.125% then starting 26/10/2019, Libor 3M GBP 6.146% | I | 357 |
| CACEIS | November 2007 | 40 | EUR | Nov. 2017 then quarterly | 6.315% then starting 28/11/2017, E3M +2.80% | I | 40 |
| Newedge | December 2008 | 103 | USD | Dec. 2013 then quarterly | 8.60% then starting 23/12/2013, Libor 3M +6.5% | NI | 79 |
| Cariparma | June 2011 | 30 | EUR | June 2016 then quarterly | E3M +7.29% | NI | 30 |
| **TOTAL** | | | | | | | **8,932** |

*(1) Amounts used for the COREP declaration.*

## 2. Tier 2 capital or supplementary capital

This includes in particular:

- funds from subordinated debt instruments that meet the conditions set out in Article 4c of Regulation 90-02 on capital (perpetual subordinated notes);
- funds from subordinated debt instruments that meet the conditions set out in Article 4d of Regulation 90-02 on capital (redeemable subordinated notes);
- 45% of net unrealised gains on equity instruments transferred on a currency by currency basis before tax into Tier 2 capital;
- the positive difference between expected losses calculated using the internal rating-based approach and the sum of value adjustments and collective impairments on the relevant exposures.

### Perpetual subordinated notes

Details of the perpetual subordinated notes as at 31 December 2011 were as follows:

| Issuer | Date of issue | Amount on issue *(in millions)* | Currency | Call dates | Compensation | Regulatory amounts at 31/12/2011 *(in millions of euros)*(1) |
|---|---|---|---|---|---|---|
| Crédit Agricole S.A. | June 2003 | 1,050 | GBP | June 2018 then every 5 years | 5% then starting 20/06/2018, 5 Y UKT +0.97%+1% | 596 |
| Crédit Agricole S.A. | December 2001 | 937 | EUR | Dec. 2011 then quarterly | 5.641% then starting 20/12/2011, E3M +0.75% | 937 |
| Crédit Agricole S.A. | March 2003 | 636 | EUR | March 2015 then every 12 years | 5.2% then starting 07/03/2015, 12-year govt. lending rate +1.50% (revised every 12 years) | 590 |
| Crédit Agricole S.A. | June 2003 | 497 | EUR | July 2016 then every 13 years | 4.7% then starting 03/07/2016 until 03/07/2029, 13-year govt. lending rate +1% then starting 03/07/2029, 13-year govt. lending rate +1.25% (revised every 13 years) | 450 |
| Crédit Agricole S.A. | December 2003 | 505 | EUR | Dec. 2015 then every 12 years | 5% then starting 24/12/2015, 12-year govt. lending rate +0.75% (revised every 12 years) | 426 |
| Crédit Agricole S.A. | June 2006 | 500 | EUR | June 2011 then quarterly | 4.61% then starting 30/06/2011 until 30/06/2016, E3M +1.29%, then starting 30/06/2016, E3M +2.04% | 500 |
| LCL | November 1985 | 229 | EUR | - | Average of average monthly rates of return for payment of govt.-guaranteed and similar loans (INSEE publication) – 0.15% | 132 |
| LCL | January 1987 | 229 | EUR | Jan 1994 then annually | Average of average monthly rates of return for payment of govt.-guaranteed and similar loans (INSEE publication) – 0.30% | 143 |
| **TOTAL** | | | | | | **3,774** |

*(1) Amounts used for the COREP declaration.*

In addition, subordinated debts at 31 December 2011 also include (*see Note 6.10 to the consolidated financial statements on "Debt Securities in issue and subordinated debt"):*

- mutual security deposits;
- participating securities and loans;
- redeemable subordinated notes (TSR).

### 3. Deductions from capital

Deductions are described in Articles 6,6 bis and 6 quater of regulation 90-02 on share capital. They include equity interests representing more than 10% of the equity capital of a credit institution or investment firm, as well as subordinated debt holdings and any other equity-based instruments. 50% of the amounts concerned is deducted from Tier 1 capital and 50% from Tier 2 capital.

Since 31 December 2010, the equity-accounted interests held by Crédit Agricole S.A. in the capital of the Regional Banks are no longer included in deductions under the terms of Article 65 of the "New methods of calculating solvency ratios 2011" which stipulated that Article 6 III of Regulation No. 90-02 applies to intra-group investments by cooperative and mutual banks held in the form of cooperative investment certificates (CCI) and cooperative associate certificates (CCA). Consequently, Crédit Agricole S.A. no longer deducts 50% of the amount of its interests in the Regional Banks and their financial subsidiaries from Tier 1 capital and 50% from Tier 2 capital, but adds them to the total risk-weighted assets after applying weightings.

At the end of 2011, Crédit Agricole S.A. set up the "Switch" operation, reducing the regulatory requirements on Crédit Agricole S.A. for the 25% minority interests held in the Regional Banks.

In return, Crédit Agricole S.A. repaid 74% of the shareholder advance agreed by the Regional Banks and 74% of the hybrid capital securities "T3CJ", *i.e.* a total of €4.2 billion.

On the other hand, in accordance with Article 6 bis of the aforementioned Regulation No 90-02, the deductions include securitisation exposures weighted at 1,250% held by institutions subject to that Regulation when these exposures are not included in the calculation of weighted exposure amounts.

Finally, these deductions also include the deduction for expected losses on the share portfolio, and, where relevant, the negative difference for institutions using internal ratings-based approaches between the collective impairments and the expected losses.

Tier 1 consists of Tier 1 capital after the relevant deductions. Symmetrically, Tier 2 consists of supplementary capital after the related relevant deductions.

On the other hand, as authorised by the aforementioned Article 6, Crédit Agricole S.A.'s interests in insurance companies and its holdings of their subordinated debt and other equity items are deducted from total capital (except for transactions completed after 31 December 2006). In exchange, Crédit Agricole S.A. is subject to an additional capital requirement based on the appendix to Regulation 2000-03, which describes the supervision of financial conglomerates.

### 4. Tier 3 capital

This includes subordinated debt with an initial term equal to or more than two years, within the regulatory limits imposed. However, the Group no longer holds any Tier 3 capital.

## II. Capital requirements by type of risk

The capital requirements set out below by risk type, by approach and by exposure class (for credit risk) correspond to 8% of the risk-weighted exposures set out in the table of prudential ratios, which represents the regulatory minimum. Weighted exposures are calculated by applying a weighting ratio to each exposure at risk.

The capital requirements for credit risk, market risk and operational risk were €26.7 billion at 31 December 2011, down 10.1% on December 2010.

### 1. Capital requirement for credit risk in the Standardised approach

*(The definition of the exposure classes is given in the section entitled "Exposure to credit and counterparty risk")*

| | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| *(in billions of euros)* | Risk-weighted assets | Capital requirements | Risk-weighted assets | Capital requirements |
| Central governments and central banks | 2.0 | 0.2 | 2.8 | 0.2 |
| Institutions | 10.1 | 0.8 | 10.6 | 0.8 |
| Corporates | 67.7 | 5.5 | 67.1 | 5.4 |
| Retail customers | 40.5 | 3.2 | 42.5 | 3.4 |
| Equities | 2.2 | 0.2 | 2.2 | 0.2 |
| Securitisation | 0.2 | 0.0 | 0.2 | - |
| Other non-credit obligation assets | 16.8 | 1.3 | 14.5 | 1.2 |
| **TOTAL CAPITAL REQUIREMENTS FOR STANDARDISED CREDIT RISK APPROACH** | **139.5** | **11.2** | **139.9** | **11.2** |

The capital requirement for credit risk in the standardised approach is stable compared to 2010. It amounts to €11.2 billion, representing 42% of total capital requirements at 31 December 2011.

As in 2010, the Corporate and Retail loan books account for the majority (more than 75%) of the total capital requirement under the standard approach and are concentrated mainly in the entities that are part of the sequential transition project to the IRB approach and are to be processed using the IRB method according to the Group's rollout schedule.

## 2. Capital requirement for credit risk under the internal ratings-based (IRB) approach

*(The definition of the exposure classes is given in the section entitled "Exposure to credit and counterparty risk")*

| *(in billions of euros)* | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| | Risk-weighted assets | Capital requirements | Risk-weighted assets | Capital requirements |
| Central governments and central banks | 1.4 | 0.1 | 1.1 | 0.1 |
| Institutions | 11.5 | 0.9 | 12.8 | 1.0 |
| Corporates | 79.2 | 6.3 | 86.3 | 6.9 |
| Retail customers | 26.1 | 2.1 | 24.5 | 2.1 |
| *Small businesses* | *4.7* | *0.4* | *4.4* | *0.4* |
| *Revolving retail* | *3.5* | *0.3* | *3.4* | *0.3* |
| *Residential mortgages* | *6.1* | *0.5* | *5.8* | *0.5* |
| *Other retail* | *11.8* | *0.9* | *10.9* | *0.9* |
| Equities | 11.9 | 1.0 | 64.3 | 5.1 |
| ● Simple risk-weighting approach | 11.9 | 1.0 | 64.3 | 5.1 |
| *Private equity exposures in sufficiently diversified portfolios (190% weighting)* | *2.3* | *0.2* | *3.1* | *0.2* |
| *Listed equity exposures (290% weighting)* | *5.7* | *0.5* | *10.3* | *0.8* |
| *Other equity exposures (370% weighting)* | *3.9* | *0.3* | *50.9* | *4.1* |
| ● Internal models method | - | - | - | - |
| Securitisation | 8.2 | 0.7 | 8.9 | 0.7 |
| Other non-credit obligation assets | | | - | - |
| **TOTAL CAPITAL REQUIREMENTS FOR INTERNAL RATINGS-BASED CREDIT RISK APPROACH** | **138.3** | **11.1** | **197.9** | **15.9** |

The capital requirements for credit risk under the IRB approach amounted to €11.1 billion, representing 42% of total capital requirements at 31 December 2011, significantly down on the previous year (-30%); this is mainly due to the drop recorded on the share portfolio.

As in previous years, the breakdown by Basel portfolio shows the high percentage of Corporate exposures, which increased again in 2011: the Corporate portfolio represents more than 55% of the total. The marked drop in the share portfolio in 2011 is due to the implementation of the "Switch" guarantee mechanism on 23 December 2011, transferring to the Regional Banks the risk-weighted assets in respect of Crédit Agricole S.A.'s investment in the Regional Banks.

The capital requirements for retail customers stem mainly from LCL and from the Consumer finance subsidiaries such as Crédit Agricole Consumer Finance.

### 3. Capital requirements for market risk

| *(in billions of euros)* | 31/12/2011 Risk-weighted assets | 31/12/2011 Capital requirements | 31/12/2010 Risk-weighted assets | 31/12/2010 Capital requirements |
|---|---|---|---|---|
| **Market risk under standardised approach** | **7.1** | **0.6** | **5.9** | **0.5** |
| *Interest rate risk* | *5.3* | *0.5* | *3.1* | *0.3* |
| *Equity position risk* | *0.1* | *0.0* | *0.1* | *-* |
| *Foreign exchange risk* | *1.6* | *0.1* | *2.5* | *0.2* |
| *Commodities risk* | *0.1* | *0.0* | *0.2* | *-* |
| **Market risk under internal models approach** | **25.7** | **2.0** | **4.0** | **0.3** |
| *Of which additional capital requirements arising from exceeding the large exposures limits* | | | - | - |
| **TOTAL REQUIREMENTS FOR MARKET RISK** | **32.8** | **2.6** | **9.9** | **0.8** |

The capital requirement for market risk amounted to €2.6 billion, representing close to 10% of total capital requirements at 31 December 2011 (compared to less than 3% at 31 December 2010).

The sharp rise in 2011 is due to the implementation of new regulatory rules applicable from 31 December 2011 (CRD 3) amending the rules for calculating the capital requirement for market risks (IRC, CRM, stressed VaR).

### Capital requirement for payment and settlement risk

This requirement was not material: it amounted to €0.3 million for the Group as a whole at 31 December 2011 compared with €1.1 million at 31 December 2010.

### 4. Capital requirements for operational risk

| *(in billions of euros)* | 31/12/2011 Risk-weighted assets | 31/12/2011 Capital requirements | 31/12/2010 Risk-weighted assets | 31/12/2010 Capital requirements |
|---|---|---|---|---|
| Operational risk under the standardised approach | 9.3 | 0.7 | 9.9 | 0.8 |
| Operational risk under the advanced measurement approach | 13.8 | 1.1 | 14.0 | 1.1 |
| **TOTAL CAPITAL REQUIREMENTS FOR OPERATIONAL RISK** | **23.1** | **1.8** | **23.9** | **1.9** |

The capital requirement for operational risk amounted to €1.8 billion, (down 5% on 2010), representing 6.7% of the Group's total capital requirements at 31 December 2011.

The calculation under the advanced measurement approach accounted for 61% of total capital requirements for operational risk.

The main contributing entities are: Crédit Agricole CIB, LCL and Amundi under the Advanced approach and Emporiki, Cariparma and Crédit Agricole Consumer Finance under the standardised approach.

## III. Assessment of internal capital adequacy

The Group has implemented an internal capital adequacy assessment system covering Crédit Agricole Group, Crédit Agricole S.A. Group and the Group's main French and foreign entities. This approach is designed to meet the requirements of Pillar 2 of the Basel 2 reform, and more particularly the Internal Capital Adequacy Assessment Process (ICAAP), implemented under the responsibility of banks.

Its main purpose is to ensure that the Group's economic capital and that of its main subsidiaries is adequate for the risks incurred, while ensuring quality control of risks and checks.

The risks quantified for the purposes of internal capital are:

- risks covered by Pillar 1 of the Basel 2 reform (credit and counterparty risk, market risk and operational risk);
- risks covered by Pillar 2 of the Basel 2 reform (interest-rate risk in the banking portfolio and credit concentration risk);
- Insurance risks.

Liquidity risk is not included in the assessment as the Group takes a qualitative approach to liquidity risk through its management and supervision systems, as well as to its liquidity continuity plan.

In addition to these risks, the internal capital approach requires banks to ensure that their capital requirements calculated under Pillar 1 adequately cover all residual risk related to risk mitigation techniques and securitisation transactions. Failing that, for internal capital purposes, a risk adjustment to Pillar 1 requirements must be made by any entities exposed to these risks.

The quantitative approach used to calculate internal capital is incremental compared with Pillar 1 requirements. This approach consists in:

- adjusting capital requirements calculated under Pillar 1 so that internal capital adequately reflects, from an economic standpoint, all the material risks in each business activity;
- supplementing Pillar 1 requirements to take account of Pillar 2;
- taking into account, on a prudent basis, of the impacts of diversification resulting from the broad spread of business activities within the same group, including between the bank and insurance.

Internal capital for credit risk exposures excluding retail banking is based on an internal economic capital model with a degree of confidence of 99.97%, enabling in particular a better comprehension of the concentrations in credit portfolios.

For market risk which is monitored through VaR, the internal capital takes into account regulatory developments (stressed VaR, IRC and Comprehensive Risk), by using a model quantifying the impact of a rating migration or a default in the following 12 months. As is the case for credit risk, the degree of confidence used to calculate internal capital is 99.97%.

For interest-rate risk in the banking portfolio, Crédit Agricole S.A. Group applies the interest rate shocks set out in Pillar 2 of the Basel 2 reform to calculate its internal capital, *i.e.* an immediate 200-basis-point parallel shift in the yield curve. Internal capital includes the risk-offsetting impact of the interest margin on customer deposits.

Insurance risks are taken into account in the Group's internal capital based on the measures taken under the current and future regimes applicable to insurance companies (Solvency 1, Solvency 2).

Crédit Agricole S.A. Group entities are responsible for calculating their internal capital in accordance with the standards and methods defined by the Group. More specifically, they must ensure that their ICAAP is appropriately organised and managed. Internal capital determined by the entities is reported to the central body.

# CREDIT RISK

## I. Exposure to credit risk

Definitions:

- **Probability of default (PD):** the probability that a counterparty will default within a period of one year;
- **Exposure at default (EAD):** exposure amount in the event of default. The concept of exposure encompasses balance sheet assets plus a proportion of off-balance sheet commitments;
- **Loss given default (LGD):** ratio between the loss incurred upon counterparty default and the amount of the exposure at the time of default;
- **Gross exposure**: amount of the exposure (balance sheet + off-balance sheet), after the impacts of netting and before the application of any credit risk mitigation techniques (guarantees and collateral) and the credit conversion factor (CCF);
- **Credit conversion factor (CCF)**: ratio between the unused portion of a commitment that will be drawn and at risk at the time of default and the unused portion of the commitment calculated on the basis of the authorised limit or, where applicable, the unauthorised limit if higher;
- **Expected losses (EL)**: the amount of the average loss the bank expects to have to recognise in its loan portfolio within one year;
- **Risk-weighted assets (RWA)**: weighted exposures are calculated by applying a weighting ratio to each exposure. The ratio is a function of the characteristics of the exposure and the calculation method used (IRB or standardised);
- **Value adjustments**: impairment losses on a specific asset due to credit risk, recognised either through a partial write-down or a deduction from the carrying amount of the asset;
- **External credit ratings**: credit ratings provided by an external credit rating agency recognised by the French Prudential Supervisory Authority (ACP).

Moreover, credit exposures are classified by counterparty type and financial product type, based on the seven exposure classes shown in the table below and set out in Article 40-1 of the decree of 20 February 2007 on capital requirements applicable to credit institutions and investment firms:

- in addition to exposures to central governments or central banks, the Central government or central banks class includes exposures to certain regional and local authorities and public sector agencies that are treated as central government agencies, as well as multilateral development banks and international organisations;
- the Institutions class comprises exposure to credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not classified under central governments;
- the Corporates class is divided into large corporates and small and medium-sized businesses, which are subject to different regulatory treatments;
- the Retail customer class is broken down into residential mortgages, revolving credits, other retail loans and small businesses loans;
- the Equity class comprises exposures that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance;
- the Securitisation class includes exposures to securitisation operations or structures, including those resulting from interest rate or exchange rate derivatives, independently of the institution's role (whether it is the originator, sponsor or investor);
- the Other non-credit obligation assets class mainly includes fixed assets and accruals, prepayments and sundry assets.

## 1. Breakdown of exposures

### 1.1 EXPOSURES BY TYPE OF RISK

The table below shows Crédit Agricole S.A. Group's exposure to credit and counterparty risk by exposure class for the standardised and internal ratings based approaches. This exposure is the amount of gross exposure after the impact of netting and before the application of any credit risk mitigation techniques (guarantees and collateral).

**EXPOSURE TO CREDIT RISK BY APPROACH AND CLASS OF EXPOSURE: GROSS EXPOSURE**

| | 31/12/2011 | | | | | | | 31/12/2010 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Standardised | | IRB | | Total | | | Total | | |
| *(in billions of euros)* | Credit risk | O/w counterparty risk | Credit risk | O/w counterparty risk | Credit risk | O/w counterparty risk | Average exposure | Credit risk | O/w counterparty risk | Average exposure |
| Central governments and central banks | 56.4 | 7.6 | 100.1 | 4.4 | 156.5 | 12.0 | 160.1 | 163.6 | 49.3 | 142.4 |
| Institutions | 340.5 | 16.1 | 126.3 | 37.9 | 466.8 | 54.0 | 466.1 | 465.3 | 61.1 | 439.7 |
| Corporates | 99.5 | 8.3 | 261.2 | 34.5 | 360.7 | 42.8 | 360.7 | 360.7 | 36.3 | 347.8 |
| Retail customers | 80.3 | 0.0 | 119.1 | 0.0 | 199.4 | 0.0 | 199.3 | 199.2 | | 194.0 |
| Equities | 3.2 | | 19.0 | | 22.2 | | 22.6 | 23.0 | | 17.1 |
| Securitisations (securitisation position) | 0.8 | | 66.5 | | 67.3 | | 67.2 | 67.1 | | 64.6 |
| Other non-credit obligation assets | 24.9 | | | | 24.9 | | 31.7 | 38.4 | | 35.4 |
| **TOTAL** | **605.6** | **32.0** | **692.2** | **76.8** | **1,297.8** | **108.8** | **1,307.6** | **1,317.3** | **146.7** | **1,241.0** |

### EXPOSURES AT DEFAULT BY APPROACH AND EXPOSURE CLASS: EAD

| | 31/12/2011 | | | | | | | 31/12/2010 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Standardised | | IRB | | Total | | | Total | | |
| *(in billions of euros)* | Credit risk | o/w counterparty risk | Credit risk | o/w counterparty risk | Credit risk | o/w counterparty risk | Average exposure | Credit risk | o/w counterparty risk | Average exposure |
| Central governments and central banks | 53.0 | 7.6 | 99.1 | 4.4 | 152.1 | 12.0 | 155.6 | 159.0 | 49.3 | 138.1 |
| Institutions | 283.7 | 16.1 | 123.7 | 38.1 | 407.4 | 54.1 | 406.0 | 404.5 | 61.2 | 395.3 |
| Corporates | 83.8 | 8.3 | 219.3 | 32.1 | 303.1 | 40.4 | 302.6 | 301.9 | 36.3 | 292.6 |
| Retail customers | 60.3 | 0.0 | 114.1 | 0.0 | 174.4 | | 172.9 | 171.4 | | 168.0 |
| Equities | 1.7 | | 4.2 | | 5.9 | | 13.3 | 20.7 | | 13.9 |
| Securitisation | 0.8 | | 65.7 | | 66.5 | | 63.2 | 59.9 | | 56.0 |
| Other non-credit obligation assets | 23.9 | | | | 23.9 | | 30.6 | 37.3 | | 34.0 |
| **TOTAL** | **507.2** | **32.0** | **626.1** | **74.6** | **1,133.3** | **106.6** | **1,144.0** | **1,154.7** | **146.8** | **1,097.9** |

### EXPOSURE TO CREDIT RISK BY APPROACH AND CLASS EXPOSURE: RWAS

| | 31/12/2011 | | | | | | | 31/12/2010 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Standardised | | IRB | | Total | | | Total | | |
| *(in billions of euros)* | Credit risk | o/w counterparty risk | Credit risk | o/w counterparty risk | Credit risk | o/w counterparty risk | Average exposure | Credit risk | o/w counterparty risk | Average exposure |
| Central governments and central banks | 2.0 | 0.0 | 1.4 | 0.1 | 3.4 | 0.1 | 3.7 | 3.9 | - | 3.8 |
| Institutions | 10.1 | 1.7 | 11.5 | 4.7 | 21.6 | 6.4 | 22.5 | 23.4 | 6.5 | 23.4 |
| Corporates | 67.6 | 2.2 | 79.2 | 13.3 | 146.8 | 15.5 | 150.2 | 153.5 | 14.4 | 154.1 |
| Retail customers | 40.5 | 0.0 | 26.0 | 0.0 | 66.5 | 0.0 | 66.8 | 67.0 | | 65.7 |
| Equities | 2.2 | | 11.9 | | 14.1 | | 40.3 | 66.5 | | 42.0 |
| Securitisation | 0.2 | | 8.2 | | 8.4 | | 8.8 | 9.1 | | 9.1 |
| Other non-credit obligation assets | 10.5 | | | | 10.5 | | 9.4 | 8.3 | | 8.7 |
| **TOTAL** | **133.1** | **3.9** | **138.2** | **18.1** | **271.3** | **22.0** | **301.5** | **331.7** | **20.9** | **306.8** |

The average amount by exposure class at 31 December 2011 is the arithmetic average between exposures at 31 December 2011 and exposures at 31 December 2010.

As with previous years, the loan book shows the structural weighting of Institutions which includes €275 billion of exposures related to Crédit Agricole Group internal transactions at 31 December 2011 (€259 billion at 31 December 2010). These internal operations are balance-sheet operations. Excluding these internal balance-sheet operations, gross exposure for the loan book totalled €1,023 billion at end-December 2011, a 3.3% decrease year-on-year.

Gross exposure stagnated in 2011, or even decreased for the main types of portfolios; this was more significant for the central governments and banks (-4.3%) and equities (-3.5%). The loan book's EAD decreased by 1.9% over the year. With regard to the equitiy portfolio, the sharp fall in EAD (-71.5%) is due to the change in the treatment of Crédit Agricole S.A.'s investments in the Regional Banks ("Switch" guarantee project).

Counterparty risk exposure also recorded a significant drop (-25.8%) over the year to €109 billion of gross exposure compared with €147 billion at end-2010.

### Counterparty risk on market transactions

Crédit Agricole S.A. and its subsidiaries calculate counterparty risk for all their exposures, whether in the banking portfolio or the trading book. For items in the trading book, counterparty risk is calculated in accordance with the provisions relating to the regulatory supervision of market risk.

The regulatory treatment of counterparty risk on future derivative financial instruments in the banking portfolio is defined in the French transposition (decree of 20 February 2007) of the European directive. Crédit Agricole S.A. Group uses the market price method to measure its exposure to counterparty risk on future derivative financial instruments in the banking portfolio.

The exposure at default on counterparty risk amounted to €106.6 billion at 31 December 2011 (€67.9 billion in the form of derivative instruments and €38.7 billion in the form of security financing operations).

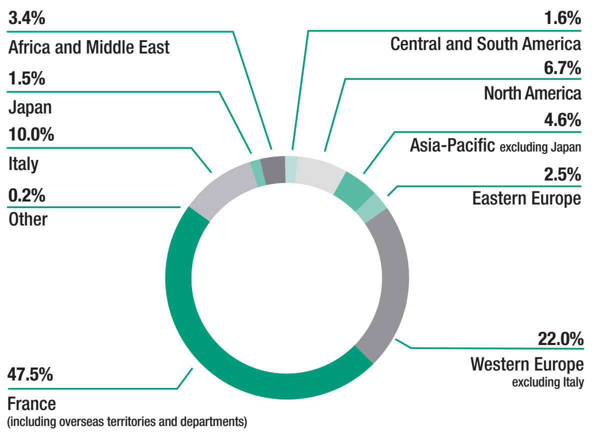
Information on exposure to forwards/futures is also provided in Note 3.1 “Credit risk” to the consolidated financial statements.

## 1.2 EXPOSURE BY GEOGRAPHIC AREA

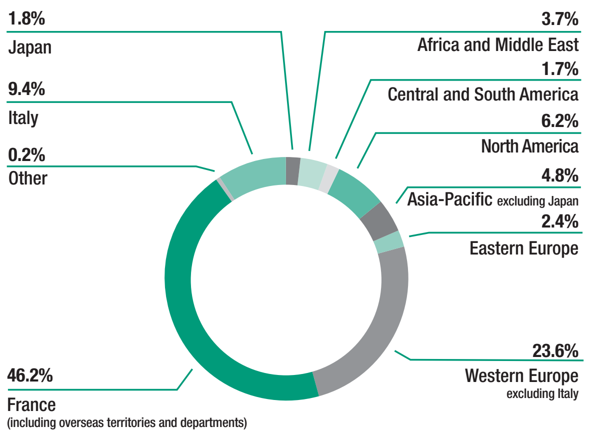
The breakdown by geographical area includes all Crédit Agricole S.A. Group’s exposures except for securitisations assets and other non-credit obligation assets.

At 31 December 2011, total exposure for the scope defined above was €896.1 billion (excluding Crédit Agricole Group internal transactions), compared with €920.5 billion at 31 December 2010. The amount allocated by geographical area was €884.4 billion, compared with €910.4 billion at 31 December 2010.

**BREAKDOWN OF CRÉDIT AGRICOLE S.A. GROUP SCOPE AT 31 DECEMBER 2011**




**BREAKDOWN OF CREDIT AGRICOLE S.A. GROUP SCOPE AT 31 DECEMBER 2010**



| *In %* Geographic area of exposure | Central governments and central banks | | Institutions | | Corporates | | Retail customers | | Equities | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| Africa and the Middle East | 1.4% | 1.9% | 2.9% | 3.0% | 5.6% | 6.1% | 1.4% | 1.4% | 0.2% | 1.1% |
| Central and South America | 1.1% | 1.2% | 0.5% | 0.4% | 3.1% | 3.3% | 0.2% | 0.3% | 0.0% | 0.0% |
| North America | 11.3% | 7.3% | 5.6% | 5.7% | 8.8% | 9.4% | 0.0% | 0.0% | 2.4% | 1.8% |
| Asia-Pacific excluding Japan | 1.7% | 2.2% | 5.5% | 4.6% | 7.6% | 8.5% | 0.5% | 0.3% | 4.9% | 0.1% |
| Other | 1.0% | 0.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Eastern Europe | 0.8% | 0.8% | 1.1% | 0.9% | 3.8% | 3.6% | 2.7% | 3.0% | 0.0% | 0.0% |
| Western Europe excluding Italy | 11.1% | 15.1% | 33.0% | 34.5% | 26.4% | 26.6% | 14.0% | 16.6% | 6.2% | 5.2% |
| France (incl. Overseas departments and territories) | 64.7% | 59.8% | 46.4% | 47.1% | 35.3% | 34.1% | 56.7% | 54.2% | 81.9% | 88.1% |
| Italy | 4.9% | 6.1% | 2.2% | 2.1% | 7.8% | 6.9% | 24.5% | 24.2% | 4.0% | 3.3% |
| Japan | 2.0% | 4.7% | 2.8% | 1.7% | 1.6% | 1.5% | 0.0% | 0.0% | 0.4% | 0.4% |
| | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |

*Prudential scope defined above, excluding securitisations and other non-credit obligation assets.*

With no major changes compared to 2010, the loan book is mainly concentrated in France (47.5%) and Western Europe in general (79.5%), a direct consequence of the predominance of European operations in Crédit Agricole S.A.'s activities. This concentration increased slightly in 2011 in France (+1.3%) and Italy (+0.6%) to the detriment of the weighting of Western Europe excluding Italy, which decreased by 1.6%.

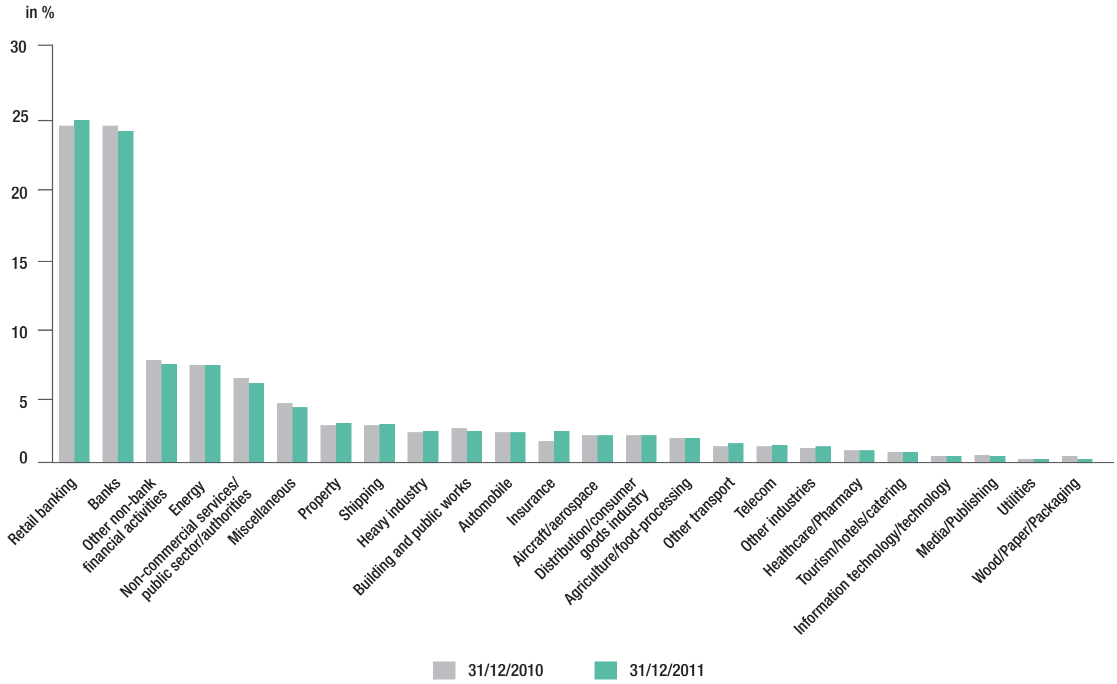
Total exposure to France includes 26.7% exposure to Retail (+0.4% year-on-year) and 30.5% exposure to Corporates (+0.9%) year-on-year. In Italy – Crédit Agricole Group's second largest market – the Retail customer loan book accounted for 54.9% of total exposure compared with 54.3% at end-December 2010. Western Europe excluding France and Italy is mainly exposed to Corporates (49.1% at 31 December 2011, compared to 45.3% at 31 December 2010). This has increased compared to Institutions, which has seen a decrease in this zone (27.6% at 31 December 2011 versus 29.0% at 31 December 2010).

## 1.3 EXPOSURES BY BUSINESS SECTOR

The breakdown by business sector covers Crédit Agricole S.A. Group's exposures to central governments and central banks, institutions, corporates and retail customers. The retail customer portfolio is also broken down by Basel sub-portfolio (residential mortgages, revolving retail, other small business loans, farmers and other retail).

At 31 December 2011, total exposure for the scope defined above was €877.0 billion (excluding Crédit Agricole Group internal transactions), compared with €897.5 billion at 31 December 2010. The amount allocated by business sector was €812.2 billion at 31 December 2011, compared with €822.2 billion at 31 December 2010.

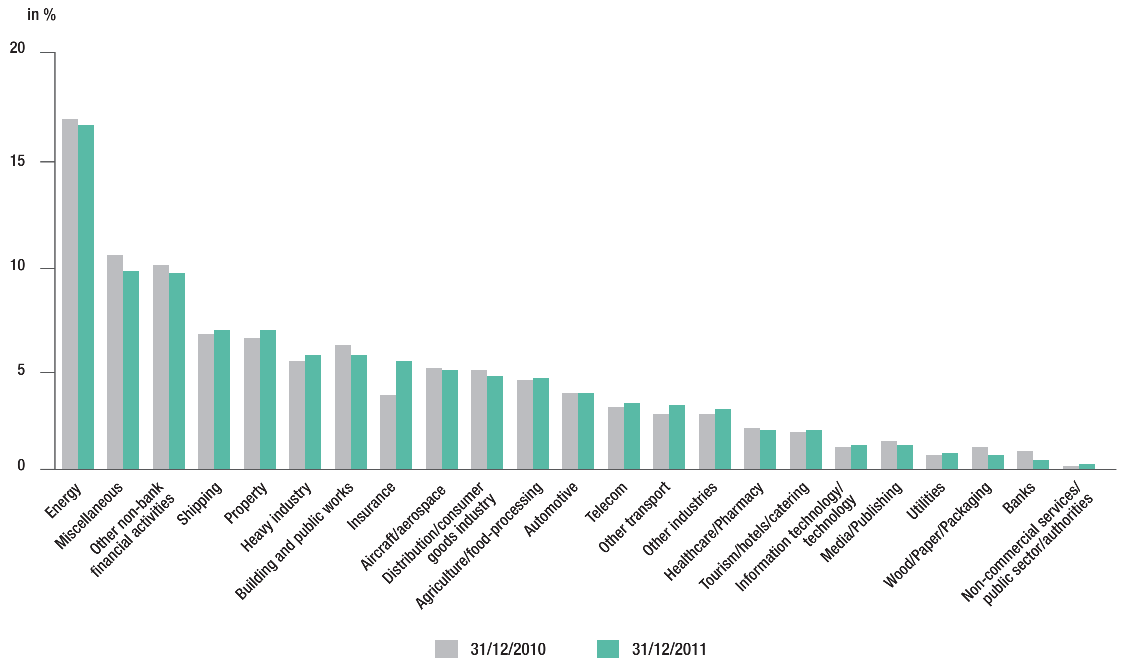
### BREAKDOWN OF CRÉDIT AGRICOLE S.A. GROUP PORTFOLIO




*Prudential scope defined above, including central governments and central banks, institutions, corporates and retail customers.*

The breakdown of the loan book by business sector changed little in 2011 and shows a good level of risk diversification. Excluding retail customers and the financial and public sectors, the Corporate loan book shows a satisfactory level of risk diversification.

### BREAKDOWN OF CORPORATE PORTFOLIO




The increased concentration in the insurance sector is mainly due to a limited number of significant transactions carried out with counterparties in this sector in 2011.

**Breakdown of exposures - Retail customer portfolio**

The chart below shows a breakdown of Crédit Agricole S.A.'s retail customer portfolio exposures by Basel sub-portfolio (outstandings of €199.4 billion at 31 December 2011 compared with €199.2 billion at 31 December 2010).

**BREAKDOWN OF RETAIL PORTFOLIO**


The breakdown of the Retail customer portfolio by Basel sub-portfolio shows a good balance between the various types of lending products. The rise in the share of mortgage loans in 2011 reflects the dynamism of production in recent years, to the detriment of the "other exposures" class comprising essentially redeemable consumer credits.

### 1.4 EXPOSURES BY RESIDUAL MATURITY

The breakdown of exposures by residual maturity and by financial instrument is disclosed on an accounting basis in Note 3.3 to the consolidated financial statements on "Liquidity and financing risk".

## 2. Quality of exposures

### 2.1 QUALITY OF EXPOSURES IN STANDARDISED APPROACH

**Credit risk exposure in standardised approach**

For central governments and central banks and institutions in the standardised approach, Crédit Agricole S.A. Group has chosen to use Moody's ratings for the sovereign risk and the correspondence grid with the French Prudential Supervisory Authority's (ACP) credit quality assessment scale.

The Group does not use external credit rating agencies for Corporate exposures. Consequently, in accordance with the applicable regulation, Corporate exposures are assigned a 100% weighting or a 150% weighting when exposure to the country in which the company is based has a 150% weighting, with the exception of the LCL scope, for which calculation of additional capital requirements under the standardised approach factors in the ratings provided by the Bank of France.

**Breakdown of exposures and exposures at default by credit quality level**

### CENTRAL GOVERNMENTS AND CENTRAL BANKS

| *(in billions of euros)* | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| **Credit quality level** | **Exposure amount** | **Exposure at risk** | **Exposure amount** | **Exposure at risk** |
| 1 | 46.7 | 43.6 | 67.2 | 63.8 |
| 2 | 6.8 | 6.8 | 0.4 | 0.4 |
| 3 | 0.4 | 0.4 | 0.6 | 0.5 |
| 4 | 0.4 | 0.4 | 3.4 | 3.2 |
| 5 | 1.3 | 1.3 | 0.5 | 0.5 |
| 6 | 0.8 | 0.5 | - | - |
| **TOTAL** | **56.4** | **53.0** | **72.1** | **68.4** |

Exposure to central governments and central banks under the standardised approach recorded a significant drop in 2011 (-21.8%). Although more than 80% is concentrated in the top credit quality level, reflecting the extent of operations in countries with a very good sovereign risk rating, the exposures rated 5 and 6 increased in 2011, reflecting the sovereign debt crisis during the summer of 2011.

### INSTITUTIONS

| *(in billions of euros)* | 31/12/2011 | | 31/12/2009 | |
|---|---|---|---|---|
| **Credit quality level** | **Exposure amount** | **Exposure at risk** | **Exposure amount** | **Exposure at risk** |
| 1 | 336.2 | 279.7 | 338.4 | 280.8 |
| 2 | 2.2 | 2.2 | - | - |
| 3 | 0.0 | 0.0 | - | - |
| 4 | 0.4 | 0.4 | 2.5 | 2.1 |
| 5 | 0.9 | 0.8 | 0.2 | 0.1 |
| 6 | 0.7 | 0.5 | - | - |
| **TOTAL** | **340.4** | **283.6** | **341.1** | **283.0** |

Exposure to Institutions under the standardised approach remained, as in 2010, almost entirely concentrated on the top credit quality level, reflecting the extent of business with very high quality institutions: the percentage of institutions ranked level 2 and above was less than 1.5%.

## 2.2 QUALITY OF EXPOSURES UNDER THE INTERNAL RATINGS-BASED APPROACH (IRB)

**Presentation of the internal ratings system and procedure:**

*The internal ratings systems and procedures are described in the section entitled "Risk Factors - Credit Risk – Risk Measurement methods and systems".*

### EXPOSURE TO CREDIT RISK BY CLASS OF EXPOSURE AND INTERNAL RATINGS AT 31 DECEMBER 2011

| *(in millions of euros)* | Internal rating of counterparty | Gross exposure | EAD | EAD Balance sheet | EAD Off-balance sheet | RWA | Average LGD *(in %)* | Average RW *(in %)* | Expected Losses (EL) |
|---|---|---|---|---|---|---|---|---|---|
| **Central governments and central banks** | 1 | 95,294.4 | 96,070.4 | 91,321.5 | 4,748.8 | 183.2 | 24.1 | 0.2 | 0.1 |
| | 2 | 366.1 | 382.0 | 339.9 | 42.1 | 9.1 | 6.3 | 2.4 | 0.0 |
| | 3 | 3,581.7 | 2,330.3 | 1,695.9 | 634.4 | 678.9 | 26.1 | 29.1 | 1.7 |
| | 4 | 658.4 | 291.0 | 232.3 | 58.7 | 283.4 | 41.9 | 97.4 | 1.6 |
| | 5 | 72.6 | 12.0 | 2.4 | 9.6 | 30.8 | 62.4 | 257.4 | 0.4 |
| | 6 | 134.1 | 37.2 | 18.1 | 19.1 | 217.3 | 94.2 | 583.7 | 7.0 |
| **Subtotal** | | **100,107.3** | **99,122.9** | **93,610.1** | **5,512.7** | **1,402.7** | **24.2** | **1.4** | **10.8** |
| **Institutions** | 1 | 85,944.5 | 87,548.9 | 67,187.2 | 20,361.9 | 2,362.1 | 10.2 | 2.7 | 1.7 |
| | 2 | 18,192.9 | 17,356.0 | 7,354.8 | 10,001.1 | 1,778.2 | 25.0 | 10.2 | 2.2 |
| | 3 | 19,010.5 | 16,453.9 | 7,866.0 | 8,587.8 | 5,640.5 | 31.9 | 34.3 | 14.4 |
| | 4 | 1,997.2 | 1,621.7 | 643.8 | 978.0 | 1,027.8 | 33.5 | 63.4 | 5.3 |
| | 5 | 107.3 | 46.0 | 7.3 | 38.6 | 78.8 | 49.9 | 171.5 | 1.1 |
| | 6 | 505.9 | 148.7 | 33.1 | 115.5 | 632.2 | 74.7 | 425.2 | 19.8 |
| **Subtotal** | | **125,758.3** | **123,175.2** | **83,092.2** | **40,082.9** | **11,519.6** | **15.6** | **9.4** | **44.5** |
| **Corporates** | 1 | 45,721.7 | 55,235.4 | 26,925.8 | 28,309.6 | 3,043.8 | 27.7 | 5.5 | 1.8 |
| | 2 | 52,330.2 | 40,310.4 | 13,464.1 | 26,846.3 | 7,676.4 | 39.7 | 19.0 | 7.6 |
| | 3 | 116,125.1 | 88,894.7 | 53,777.6 | 35,117.2 | 39,002.4 | 35.0 | 43.9 | 97.7 |
| | 4 | 36,708.6 | 26,355.4 | 17,342.9 | 9,012.4 | 21,627.5 | 36.6 | 82.1 | 111.5 |
| | 5 | 3,159.7 | 2,397.0 | 1,576.7 | 820.3 | 2,886.5 | 34.0 | 120.4 | 40.4 |
| | 6 | 3,932.7 | 3,099.7 | 2,368.3 | 731.4 | 4,836.9 | 34.7 | 156.0 | 154.2 |
| **Subtotal** | | **257,978.0** | **216,292.6** | **115,455.4** | **100,837.2** | **79,073.5** | **34.2** | **36.6** | **413.2** |
| **Retail customers** | 1 | 522.2 | 522.1 | 521.1 | 1.0 | 7.7 | 13.2 | 1.5 | 0.0 |
| | 2 | 4,515.3 | 3,303.9 | 2,518.5 | 785.4 | 58.3 | 18.9 | 1.8 | 0.5 |
| | 3 | 46,373.3 | 43,464.9 | 39,841.3 | 3,623.6 | 2,850.6 | 15.6 | 6.6 | 16.9 |
| | 4 | 19,895.2 | 19,236.5 | 17,925.5 | 1,311.0 | 4,157.7 | 20.6 | 21.6 | 35.7 |
| | 5 | 27,438.2 | 27,205.9 | 25,258.2 | 1,947.7 | 10,256.4 | 25.8 | 37.7 | 204.0 |
| | 6 | 15,109.5 | 15,138.4 | 14,342.7 | 795.7 | 8,653.9 | 25.6 | 57.2 | 513.3 |
| **Subtotal** | | **113,853.7** | **108,871.7** | **100,407.3** | **8,464.4** | **25,984.6** | **20.5** | **23.9** | **770.4** |
| **TOTAL** | | **597,697.3** | **547,462.4** | **392,565.0** | **154,897.2** | **117,980.4** | **25.5** | **21.6** | **1,238.9** |

### EXPOSURE TO CREDIT RISK BY CLASS OF EXPOSURE AND BY INTERNAL RATING AT 31 DECEMBER 2010

| *(in millions of euros)* | Internal rating of counterparty | Gross exposure | EAD | EAD Balance sheet | EAD Off-balance sheet | RWA | Average LGD *(in %)* | Average RW *(in %)* | Expected Losses (EL) |
|---|---|---|---|---|---|---|---|---|---|
| Central governments and central banks | 1 | 87,645.1 | 88,442.5 | 83,594.1 | 4,848.4 | 352.1 | 23.9 | 0.4 | 0.3 |
| | 2 | 380.9 | 421.1 | 339.5 | 81.7 | 13.7 | 6.5 | 3.2 | - |
| | 3 | 2,607.6 | 1,404.8 | 1,001.1 | 403.7 | 251.9 | 17.6 | 17.9 | 0.7 |
| | 4 | 587.4 | 199.2 | 158.3 | 40.9 | 212.9 | 40.8 | 106.9 | 1.0 |
| | 5 | 128.7 | 59.0 | 54.8 | 4.2 | 117.4 | 61.0 | 198.8 | 1.8 |
| | 6 | 148.9 | 38.8 | 27.1 | 11.7 | 198.1 | 85.5 | 510.6 | 6.5 |
| **Subtotal** | | **91,498.6** | **90,565.4** | **85,174.9** | **5,390.6** | **1,146.1** | **23.9** | **1.3** | **10.3** |
| Institutions | 1 | 84,239.7 | 85,469.8 | 61,747.8 | 23,722.0 | 2,736.8 | 10.7 | 3.2 | 2.6 |
| | 2 | 16,690.7 | 16,021.8 | 7,159.9 | 8,861.9 | 1,931.6 | 26.2 | 12.1 | 2.3 |
| | 3 | 20,513.2 | 18,102.1 | 9,072.9 | 9,029.1 | 6,614.5 | 33.2 | 36.5 | 17.1 |
| | 4 | 1,463.0 | 1,136.8 | 624.9 | 511.9 | 970.7 | 50.2 | 85.4 | 5.4 |
| | 5 | 49.1 | 17.9 | 8.6 | 9.2 | 47.7 | 83.8 | 266.8 | 0.7 |
| | 6 | 688.9 | 154.3 | 101.2 | 53.1 | 478.5 | 56.7 | 310.2 | 15.2 |
| **Subtotal** | | **123,644.6** | **120,902.7** | **78,715.3** | **42,187.2** | **12,779.8** | **16.5** | **10.6** | **43.3** |
| Corporates | 1 | 37,494.3 | 48,877.8 | 21,466.8 | 27,410.9 | 4,062.3 | 24.1 | 8.3 | 3.6 |
| | 2 | 46,144.3 | 35,072.3 | 13,881.6 | 21,190.7 | 6,358.6 | 38.8 | 18.1 | 7.9 |
| | 3 | 116,986.5 | 90,958.5 | 51,104.1 | 39,854.4 | 37,377.7 | 36.6 | 41.1 | 93.2 |
| | 4 | 43,782.7 | 31,936.5 | 20,760.5 | 11,176.0 | 26,101.0 | 36.8 | 81.7 | 134.7 |
| | 5 | 5,133.7 | 3,466.5 | 2,194.4 | 1,272.1 | 4,372.5 | 37.1 | 126.1 | 63.4 |
| | 6 | 6,104.3 | 5,034.1 | 3,618.6 | 1,415.5 | 7,871.3 | 32.2 | 156.4 | 199.8 |
| **Subtotal** | | **255,645.8** | **215,345,7** | **113,026.0** | **102,319.6** | **86,143.4** | **34.1** | **40.0** | **502.6** |
| Retail customers | 1 | 531.4 | 526.3 | 510.4 | 15.9 | 3.6 | 6.4 | 0.7 | - |
| | 2 | 2,914.1 | 2,913.4 | 2,699.5 | 213.9 | 23.2 | 7.1 | 0.8 | 0.1 |
| | 3 | 46,141.1 | 42,286.1 | 37,352.8 | 4,933.3 | 2,818.2 | 16.3 | 6.7 | 16.8 |
| | 4 | 18,615.5 | 17,939.2 | 16,259.2 | 1,679.9 | 3,873.7 | 20.6 | 21.6 | 34.8 |
| | 5 | 25,215.3 | 24,741.8 | 22,396.5 | 2,345.3 | 9,041.5 | 25.0 | 36.5 | 176.1 |
| | 6 | 15,877.3 | 15,787.2 | 14,898.7 | 888.6 | 8,687.5 | 24.6 | 55.0 | 517.6 |
| **Subtotal** | | **109,294.7** | **104,194.0** | **94,117.0** | **10,076.9** | **24,447.7** | **20.1** | **23.5** | **745.4** |
| **TOTAL** | | **580,083.9** | **531,007.8** | **371,033.2** | **159,974.3** | **124,517.0** | **25.6** | **23.4** | **1,301.6** |

The breakdown of the large corporates portfolios (exposure class: central governments and central banks, institutions and corporates) by internal rating reflects good overall quality: over 90% of exposures rank Investment grade (internal rating of 1 to 3).

### EXPOSURE TO RETAIL CREDIT RISK BY EXPOSURE CLASS AND BY INTERNAL RATING AT 31 DECEMBER 2011

| *(in millions of euros)* | Internal rating of counterparty | Gross exposure | EAD | EAD Balance sheet | EAD Off-balance sheet | RWA | Average LGD *(in %)* | Average RW *(in %)* | Expected Losses (EL) |
|---|---|---|---|---|---|---|---|---|---|
| Residential mortgages | 1 | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| | 2 | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| | 3 | 28,524.6 | 28,524.6 | 27,122.8 | 1,402.0 | 1,195.1 | 10.2 | 4.2 | 5.9 |
| | 4 | 9,568.2 | 9,568.2 | 9,063.4 | 504.8 | 1,196.3 | 10.1 | 12.5 | 8.8 |
| | 5 | 7,750.3 | 7,750.3 | 7,152.4 | 597.8 | 1,796.1 | 10.3 | 23.2 | 18.7 |
| | 6 | 4,612.1 | 4,612.1 | 4,400.2 | 211.8 | 1,894.4 | 10.2 | 41.1 | 40.4 |
| **Subtotal** | | **50,455.2** | **50,455.2** | **47,738.8** | **2,716.4** | **6,081.9** | **10.2** | **12.1** | **73.8** |
| Revolving credit | 1 | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| | 2 | 1,949.3 | 749.8 | 0.1 | 749.8 | 20.5 | 54.9 | 2.7 | 0.3 |
| | 3 | 5,096.8 | 2,203.5 | 470.4 | 1,733.0 | 176.6 | 61.1 | 8.0 | 3.3 |
| | 4 | 1,827.8 | 1,167.4 | 620.3 | 547.1 | 244.5 | 54.5 | 20.9 | 6.0 |
| | 5 | 2,981.0 | 2,693.1 | 1,864.6 | 828.5 | 1,231.1 | 52.5 | 45.7 | 40.6 |
| | 6 | 1,787.6 | 1,811.2 | 1,409.6 | 401.6 | 1,811.5 | 52.2 | 100.0 | 124.3 |
| **Subtotal** | | **13,642.5** | **8,625.0** | **4,365.0** | **4,260.0** | **3,484.2** | **55.1** | **40.4** | **174.5** |
| Other retail loans | 1 | 521.6 | 521.4 | 521.0 | 0.4 | 7.6 | 13.1 | 1.5 | 0.0 |
| | 2 | 2,566.0 | 2,554.1 | 2,518.4 | 35.7 | 37.8 | 8.4 | 1.5 | 0.1 |
| | 3 | 11,081.5 | 11,068.2 | 10,683.9 | 384.2 | 1090.9 | 18.3 | 9.9 | 6.4 |
| | 4 | 4,896.7 | 4,903.3 | 4,747.8 | 155.5 | 1,510.1 | 29.2 | 30.8 | 13.8 |
| | 5 | 12,635.1 | 12,696.9 | 12,402.4 | 294.6 | 5,552.1 | 30.3 | 43.7 | 116.5 |
| | 6 | 6,403.9 | 6,410.4 | 6,326.3 | 84.0 | 3,521.2 | 29.2 | 54.9 | 271.7 |
| **Subtotal** | | **38,104.8** | **38,154.3** | **37,199.8** | **954.4** | **11,719.7** | **24.8** | **30.7** | **408.5** |
| Small businesses | 1 | 0.7 | 0.7 | 0.1 | 0.6 | 0.1 | 88.6 | 9.3 | 0.0 |
| | 2 | - | - | - | - | - | - | - | - |
| | 3 | 1,670.2 | 1,668.5 | 1,564.3 | 104.3 | 388.1 | 29.6 | 23.3 | 1.3 |
| | 4 | 3,602.5 | 3,597.7 | 3,494.0 | 103.6 | 1,206.8 | 25.9 | 33.5 | 7.1 |
| | 5 | 4,071.9 | 4,065.7 | 3,838.8 | 226.9 | 1,677.2 | 23.7 | 41.3 | 28.2 |
| | 6 | 2,305.9 | 2,304.7 | 2,206.5 | 98.2 | 1,426.7 | 25.7 | 61.9 | 77.0 |
| **Subtotal** | | **11,651.2** | **11,637.3** | **11,103.7** | **533.6** | **4,698.9** | **25.6** | **40.4** | **113.6** |
| **TOTAL** | | **113,853.7** | **108,871.8** | **100,407.3** | **8,464.4** | **25,984.7** | **20.5** | **23.9** | **770.4** |

**EXPOSURE TO RETAIL CREDIT RISK BY EXPOSURE CLASS AND BY INTERNAL RATING AT 31 DECEMBER 2010**

| *(in millions of euros)* | Internal rating of counterparty | Gross exposure | EAD | EAD Balance sheet | EAD Off-balance sheet | RWA | Average LGD *(in %)* | Average RW *(in %)* | Expected Losses (EL) |
|---|---|---|---|---|---|---|---|---|---|
| Residential mortgages | 1 | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| | 2 | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| | 3 | 26,323.4 | 26,323.4 | 24,498.7 | 1,824.7 | 1,085.1 | 10.0 | 4.1 | 5.4 |
| | 4 | 8,608.8 | 8,608.8 | 7,790.1 | 818.6 | 1,093.7 | 10.0 | 12.7 | 8.2 |
| | 5 | 7,561.2 | 7,561.2 | 6,312.4 | 1,248.8 | 1,804.7 | 10.1 | 23.9 | 19.6 |
| | 6 | 4,360.1 | 4,360.1 | 4,021.1 | 338.9 | 1,768.0 | 10.0 | 40.6 | 38.1 |
| **Subtotal** | | **46,853.5** | **46,853.5** | **42,622.3** | **4,231.0** | **5,751.5** | **10.0** | **12.3** | **71.3** |
| Revolving credit | 1 | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| | 2 | 207.3 | 208.0 | 0.1 | 207.9 | 3.8 | 47.7 | 1.8 | 0.1 |
| | 3 | 6,939.3 | 3,088.3 | 491.7 | 2,596.6 | 197.7 | 57.3 | 6.4 | 3.6 |
| | 4 | 1,875.2 | 1,203.3 | 670.2 | 533.0 | 237.3 | 51.5 | 19.7 | 5.8 |
| | 5 | 3,129.6 | 2,658.6 | 1,955.3 | 703.3 | 1,190.9 | 51.3 | 44.8 | 39.4 |
| | 6 | 1,888.3 | 1,800.5 | 1,497.1 | 303.4 | 1,770.9 | 50.0 | 98.4 | 125.9 |
| **Subtotal** | | **14,039.7** | **8,958.7** | **4,614.4** | **4,344.2** | **3,400.6** | **53.0** | **38.0** | **174.8** |
| Other retail loans | 1 | 531.0 | 525.9 | 510.4 | 15.5 | 3.6 | 6.3 | 0.7 | - |
| | 2 | 2,706.8 | 2,705.4 | 2,699.4 | 5.9 | 19.4 | 4.0 | 0.7 | 0.1 |
| | 3 | 11,047.4 | 11,043.7 | 10,594.3 | 449.4 | 1,087.0 | 18.0 | 9.8 | 6.3 |
| | 4 | 4,942.0 | 4,944.9 | 4,758.7 | 186.3 | 1,553.7 | 29.7 | 31.4 | 14.4 |
| | 5 | 11,622.6 | 11,624.7 | 11,420.1 | 204.6 | 4,812.2 | 28.9 | 41.4 | 98.0 |
| | 6 | 6,502.5 | 6,503.3 | 6,414.3 | 89.0 | 3,405.3 | 27.9 | 52.4 | 259.8 |
| **Subtotal** | | **37,352.3** | **37,347.9** | **36,397.2** | **950.7** | **10,881.2** | **23.5** | **29.1** | **378.6** |
| Small businesses | 1 | 0.4 | 0.4 | - | 0.4 | - | 87.9 | 9.2 | - |
| | 2 | - | - | - | - | - | - | - | - |
| | 3 | 1,831.1 | 1,830.7 | 1,768.1 | 62.6 | 448.4 | 28.3 | 24.5 | 1.4 |
| | 4 | 3,189.5 | 3,182.2 | 3,040.2 | 142.0 | 988.9 | 23.4 | 31.1 | 6.5 |
| | 5 | 2,901.9 | 2,897.2 | 2,708.7 | 188.5 | 1,233.7 | 24.3 | 42.6 | 19.1 |
| | 6 | 3,126.5 | 3,123.4 | 2,966.1 | 157.3 | 1,743.3 | 23.3 | 55.8 | 93.8 |
| **Subtotal** | | **11,049.4** | **11,033.9** | **10,483.1** | **550.8** | **4,414.3** | **24.4** | **40.0** | **120.8** |
| **TOTAL** | | **109,294.9** | **104,194.0** | **94,117.0** | **10,076.7** | **24,447.6** | **20.1** | **23.5** | **745.5** |

The breakdown of the retail customer portfolio exposures by credit quality level remained stable in 2011 with significant discrepancies in terms of customer categories: 57% of the gross exposures for “mortgage loans” are in grades 1 to 3. This figure is only 14% for small and medium-sized companies in the Group’s IRB – retail portfolio.

As in previous years, there were significant disparities in the Retail portfolio processed using the IRB method in terms of contribution to total expected losses; this was due in particular to significant adjustments in the LGD level by portfolio: exposures to residential mortgages accounted for more than 44% of total retail customer exposure but less than 10% of expected losses (EL).

## 3. Impaired exposures and value adjustments

### IMPAIRED EXPOSURES AND VALUE ADJUSTMENTS AT 31 DECEMBER 2011

| | 31/12/2011 | | | | | |
|---|---|---|---|---|---|---|
| | | Impaired exposures | | | | |
| *(in billions of euros)* | Gross exposure | Standardised approach(1) | IRB approach | Total | Individual value adjustments | Collective value adjustments |
| Central governments and central banks | 156.6 | 0.1 | 0.0 | 0.1 | 0.0 | |
| Institutions | 466.8 | 0.0 | 0.6 | 0.6 | 0.6 | |
| Corporates | 360.6 | 4.9 | 3.2 | 8.1 | 4.2 | |
| Retail customers | 199.4 | 10.7 | 5.2 | 15.9 | 9.2 | |
| *Small businesses* | *25.8* | *1.9* | *0.7* | *2.5* | *1.5* | |
| *Revolving credit* | *36.9* | *2.3* | *0.6* | *3.0* | *2.0* | |
| *Residential mortgages* | *70.2* | *2.5* | *0.5* | *3.0* | *0.8* | |
| *Other exposures* | *66.5* | *4.0* | *3.4* | *7.4* | *4.9* | |
| **TOTAL** | **1,183.4** | **15.7** | **9.0** | **24.7** | **14.0** | **2.0** |

*(1) More than 90 days past due.*

### IMPAIRED EXPOSURES AND VALUE ADJUSTMENTS AT 31 DECEMBER 2010

| | 31/12/2010 | | | | | |
|---|---|---|---|---|---|---|
| | | Impaired exposures | | | | |
| *(in billions of euros)* | Gross exposure | Standardised approach(1) | IRB approach | Total | Individual value adjustments | Collective value adjustments |
| Central governments and central banks | 163.6 | - | - | - | - | |
| Institutions | 465.3 | - | 0.6 | 0.6 | 0.6 | |
| Corporates | 360.7 | 3.3 | 3.7 | 7.0 | 3.4 | |
| Retail customers | 199.2 | 9.8 | 5.1 | 14.9 | 7.3 | |
| *Small businesses* | *28.1* | *2.0* | *0.7* | *2.7* | *1.6* | |
| *Revolving credit* | *36.9* | *1.4* | *0.6* | *2.0* | *1.2* | |
| *Residential mortgages* | *64.8* | *2.6* | *0.5* | *3.1* | *0.7* | |
| *Other exposures* | *69.4* | *3.8* | *3.3* | *7.1* | *3.8* | |
| **TOTAL** | **1,188.8** | **13.1** | **9.4** | **22.5** | **11.3** | **2.0** |

*(1) More than 90 days past due.*

Impaired exposure amounted to €24.7 billion at 31 December 2011, a rise of 9.8% over December 2010 and significantly higher than the change in gross exposure, which remained more or less stable over the period (-0.5%). The trend observed in 2010 has been reversed in terms of the impaired exposures on the Retail customer portfolio, which experienced slower growth (+7.2%) than the Corporates portfolio (+14.7%).

In parallel, individual value adjustments rose 23%, in contrast with collective value adjustments, which fell slightly by 2% over the period.

#### IMPAIRED EXPOSURES AND VALUE ADJUSTMENTS BY GEOGRAPHIC AREA

| 31/12/2011 *(in billions of euros)* | Standardised approach | Internal ratings approach |
|---|---|---|
| | Past due | Exposure at default |
| Africa and the Middle East | 0.3 | 0.7 |
| Central and South America | 0.0 | 0.3 |
| North America | 0.0 | 0.4 |
| Asia-Pacific excluding Japan | 0.0 | 0.1 |
| Eastern Europe | 0.8 | 0.2 |
| Western Europe excluding Italy | 8.5 | 0.9 |
| France (incl. Overseas departments and territories) | 2.0 | 4.1 |
| Italy | 4.1 | 2.1 |
| Japan | 0.0 | 0.0 |
| **TOTAL AMOUNT** | **15.7** | **8.8** |

| 31/12/2010 *(in billions of euros)* | Impaired exposures | |
|---|---|---|
| | Standardised approach | Internal ratings approach |
| | Past due[(1)] | Exposure at default |
| Western Europe excluding Italy | 6.6 | 0.8 |
| France (incl. overseas departments and territories) | 2.1 | 4.0 |
| Italy | 3.3 | 2.1 |
| Central and South America | - | 0.4 |
| Africa and the Middle East | 0.3 | 0.9 |
| Eastern Europe | 0.8 | 0.2 |
| North America | - | 0.4 |
| Asia-Pacific excluding Japan | - | 0.2 |
| Japan | - | 0.1 |
| **TOTAL AMOUNT** | **13.1** | **9.1** |

(1) *More than 90 days past due.*

Total exposure in default (using the standardised and IRB approaches) is mainly concentrated in Western Europe excluding Italy, France and Italy. These regions account for 38%, 25%, and 25% respectively of the total amount of this type of exposure. The overall increase compared with end-2010 is 10.4%, with a more significant rise in the “Western Europe excluding Italy” zone (+27%), reflecting the deterioration of the economic situation in Greece.

## 4. Comparison between estimated and actual losses:

The ratio of Expected Losses (EL) to Exposure at Default (EAD) was 1.60% at 31 December 2011, a significant increase on the 1.47% ratio registered at 31 December 2010. This ratio is calculated for the central government and central banks, institutions, corporates, retail customer and equity portfolios. The increase in this ratio is due to the deterioration of the rating structure on certain portfolios in 2011, as well as the update of Basel data to include the historical data corresponding to the 2008-2009 crisis.

The increase corresponds mainly to the Retail customer portfolio, which rose from 3.03% at 31 December 2010 to 3.62% at 31 December 2011. At the same time, the ratio for Corporate customers, which had doubled between 2009 and 2010, remained stable in 2011 (0.98% at 31 December 2011 versus 1.04% at 31 December 2010).

The Pillar 3 working group of the European Banking Federation (EBF) suggests comparing the EL/EAD ratio with the amount of provisions as a percentage of gross exposure *(see “Final Version of the EBF Paper on Alignment of Pillar 3 Disclosures”).* The latter ratio was 1.62% at 31 December 2011, compared to 1.38% in 2010.

## II. Credit risk mitigation techniques

Definitions:

- **Collateral:** a security interest giving the bank the right to liquidate, keep or obtain title to certain amounts or assets in the event of default or other specific credit events affecting the counterparty, thereby reducing the credit risk on an exposure;
- **Personal guarantee:** undertaking by a third party to pay the sum due in the event of the counterparty's default or other specific credit events, therefore reducing the credit risks on an exposure.

### 1. Collateral management system

*The main categories of collateral taken by the bank are described in the section entitled "Risk Factors – Credit Risk – Collateral and guarantees Received".*

When a credit is granted, collateral is analysed to assess the value of the asset, its volatility and the correlation between the value of the collateral and the quality of the counterparty financed. Regardless of collateral quality, the first criterion in the lending decision is always the borrower's ability to repay sums due from cash flow generated by its operating activities, except for some trading financing.

For financial collateral, a minimum cover rate is usually included in the loan contract, with readjustment clauses. Financial collateral is revalued according to the frequency of margin calls and at least quarterly.

The minimum cover rate (or the haircut applied to the value of the collateral under Basel 2) is determined by measuring the pseudo-maximum deviation of the value of the securities on the revaluation date. This measurement is calculated on a 99% confidence interval over a time horizon covering the period between each revaluation, the period between the default date and the date on which asset liquidation starts, and the duration of the liquidation period. This haircut also applies for currency mismatch risk when the securities and the collateralised exposure are denominated in different currencies. Additional haircuts are applied when the size of the securities position implies a block sale or when the borrower and the issuer of the collateral securities belong to the same risk group.

The initial value of real estate assets granted as collateral is based on acquisition or construction cost. It may subsequently be revalued using a statistical approach based on market indices or on the basis of an expert appraisal and at least annually.

For retail banking (LCL, Cariparma, Emporiki), revaluation is automatic based on changes in the property market indices. Conversely, for project-type property financing, assets are mainly revalued on the basis of an expert appraisal combining various approaches (asset value, rental value, etc.) and including external benchmarks.

For minimum cover rates (or the haircut applied to the collateral value under Basel 2), Crédit Agricole CIB projects the value of the real estate asset between the revaluation date and the date on which the collateral is realised by modelling the asset value, and includes the repossession costs over that period. Assumptions regarding liquidation periods depend on the type of financing (project, property investment companies, property developers, etc.).

Other types of asset may also be pledged as non recourse financial assets. This is notably the case for certain activities such as aircraft, shipping or commodities financing. These businesses are conducted by the middle offices, which have specific expertise in valuing the assets financed.

### 2. Protection providers

Two major types of guarantee are used (other than intra-Group guarantees): export credit insurance taken out by the bank and unconditional payment guarantees.

The main guarantee providers (excluding credit derivatives – see section below) are export credit agencies, most of which enjoy a good quality sovereign rating. The three major ones are Coface (France), Sace S.p.A. (Italy), Euler Hermès (Germany) and Korea Export Insur (Korea).

Guarantees are also given by mutual guarantee companies such as Credit Logement or Interfimo, which cover low value loans but overall represent a significant amount of risk transference.

### 3. Use of credit derivatives for hedging purposes

*The use of credit derivatives for hedging purposes is described in the section entitled "Risk Factors - Credit Risk - Credit Risk Mitigation Mechanisms - Use of Credit Derivatives".*

## III. Securitisations

Securitisations are treated differently from traditional lending operations under the prudential requirements set out by the European directive as transposed by the decree of 20 February 2007. Two methods are used to measure exposure to securitisation risk: the standardised approach and the internal ratings-based approach. The weightings used in the standardised approach and the internal-based approach methods are not the same as those used for traditional lending operations and require specific treatment.

Definitions:

- **securitisation:** an operation or structure under which the credit risk associated with an exposure or pool of exposures is sub-divided into tranches with the following features:
  - cash flows from the underlying exposure or pool of exposures are used to make payments,
  - subordination of the tranches determines how losses are allocated during the period of the operation or structure;
- **traditional securitisation:** implies the economic transfer of the securitised exposures to a special purpose vehicle that issues notes. The operation or structure implies the transfer of ownership in the securitised exposures by the originating bank or *via* a sub-participation. The notes issued do not represent payment obligations for the originating bank;
- **synthetic securitisation**: the credit risk is transferred through the use of credit derivatives or guarantees and the pool of exposures is kept on the balance sheet of the originating bank;
- **tranche**: a contractually established portion of the credit risk associated with an exposure or pool of exposures. Each tranche has a specific credit risk depending on its subordination rank, independently of the credit protection obtained directly from third parties;
- **securitisation exposure**: an exposure to a securitisation operation or structure. This includes exposures to securitisations resulting from interest rate or exchange rate derivatives;
- **liquidity facility**: a securitisation exposure arising from a financing contract designed to ensure timely payments to investors;
- **asset-backed commercial paper programme (ABCP):** securitisation programme that mainly issues notes in the form of commercial paper with an initial maturity of less than or equal to one year.

The criteria for recognising these operations in the consolidated financial statements are described in Note 1.4 to the consolidated financial statements "Consolidation politics and principles". Under these criteria, a securitisation operation is not considered as forming part of an off-balance sheet structure and is therefore added back into the consolidated financial statements when Crédit Agricole S.A. Group exercises control in substance over the entity, even if there is no equity relationship.

Additional information concerning conduits sponsored by Crédit Agricole CIB for third parties are presented in the Risk Factors section, relating to the specific risks engendered by the financial crisis.

## 1. Purpose and strategy

### 1.1 SECURITISATION TRANSACTIONS ON OWN ACCOUNT

Crédit Agricole CIB has two types of exposure to own account securitisation:

- Crédit Agricole CIB uses securitisation techniques to manage its corporate financing portfolio. These securitisations are protection purchased to supplement a range of risk–transfer instruments (see "*Credit risk – Use of credit derivatives" in the Risk management section*).

The aim is to reduce concentration of corporate credit exposures and to reduce loss levels. This business is managed by the Credit Portfolio Management (CPM) team. The internal ratings based approach is used to calculate the risk-weighted exposures on proprietary securitisation positions. In this business, the bank does not purchase or hold protection on all tranches. Hence, the bank's exposure corresponds either to the share of the securitisations held for own account or to the sale of protection on the tranches for which the bank does not wish to hold protection;

- the second mainly comprises equity investments, which:
  - are either discontinuing operations, or
  - exposures for which the risk is considered to be low and that Crédit Agricole CIB is willing to carry for the long term. These were segregated into a dedicated regulatory banking book in 2009.

### 1.2 SECURITISATION TRANSACTIONS ON BEHALF OF CUSTOMERS

Crédit Agricole S.A. Group has carried out a number of securitisation operations on behalf of its customers:

- it sponsors multi-seller conduits (ABCP) and special purpose vehicles which issue long-term notes by providing liquidity facilities and letters of credit;
- it participates directly in the financing by holding ABCP and ABS notes.

The underlyings financed are diversified in terms of both asset classes and countries of origin. The largest asset class is trade receivables, followed by automobile loans. The countries of origin of the assets are mainly France, the United States and Italy.

### 1.3 SUMMARY OF THE BUSINESS IN 2011

In 2011, the securitisation activity of Crédit Agricole S.A. Group *via* its subsidiary Crédit Agricole CIB was characterised by:

- support of the development of the public ABS market in the United States and its reopening in Europe. Crédit Agricole CIB structured and organised the investment (arranger and bookrunner) of a significant number of primary ABS issues on behalf of its major "Financial institutions" customers, in particular in the car industry and consumer financing;

- On the ABCP conduits market, Crédit Agricole CIB maintained its position among the leaders of this segment, both in Europe and on the American market, *via* the renewal and implementation of new securitisation operations for commercial or financial loans on behalf of its mainly Corporate customers, while ensuring a good profile for the risks borne by the Bank. The strategy of Crédit Agricole CIB, focused on the financing of these customers, was assessed by investors and resulted in more competitive financing conditions in spite of the less favourable market conditions since August 2011.

**EXPOSURE AT DEFAULT TO SECURITISATION OPERATION RISKS BY ROLE:**

| | Securitised EAD at 31 December 2011 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Traditional | | | Synthetic | | | |
| *(in millions of euros)* | Investor | Originator | Sponsor | Investor | Originator | Sponsor | TOTAL |
| Residential real estate loans | 507 | - | 272 | 435 | - | - | 1,214 |
| Commercial real estate loans | 121 | 63 | 308 | 93 | - | - | 585 |
| Credit card loans | 1 | - | - | - | - | - | 1 |
| Leasing | - | - | 1,580 | - | - | - | 1,580 |
| Loans to corporates and SMEs | 685 | 1,728 | - | 29,933 | 3,060 | - | 35,406 |
| Personal loans | 30 | 37 | 1,499 | - | - | - | 1,566 |
| Trade receivables | - | 4,943 | 4,942 | - | - | - | 9,885 |
| Secondary securitisation | 260 | 673 | - | 72 | 102 | - | 1,107 |
| Other assets | 1,770 | 447 | 4,364 | 27 | - | - | 6,608 |
| **TOTAL** | **3,374** | **7,891** | **12,965** | **30,560** | **3,162** | **-** | **57,952** |

## 2. Internal ratings-based approach

Most of Crédit Agricole S.A. Group's securitisation exposures are measured using the IRB-securitisation approach, *i.e.*:

- Ratings-Based Approach (RBA) for exposures with a public external rating (directly or inferred). The external agencies used are Standard & Poors, Moody's, Fitch Ratings and Dominion Bond Rating Services (DBRS);
- Internal Assessment Approach (IAA);
- Supervisory Formula Approach (SFA): for exposures with no public external rating.

**EXPOSURE AT DEFAULT TO SECURITISATION OPERATION RISKS BY RISK WEIGHTING APPROACH:**

| | Securitised EAD at 31 December 2011 | | | |
|---|---|---|---|---|
| *(in millions of euros)* | SFA | IAA | RBA | TOTAL |
| Residential real estate loans | - | - | 1,214 | 1,214 |
| Commercial real estate loans | - | - | 585 | 585 |
| Credit card loans | - | - | 1 | 1 |
| Leasing | - | 1,558 | 22 | 1,580 |
| Loans to corporates and SMEs | 32,301 | - | 3,107 | 35,408 |
| Personal loans | - | 650 | 916 | 1,566 |
| Trade receivables | 104 | 9,781 | - | 9,885 |
| Secondary securitisation | - | - | 1,107 | 1,107 |
| Other assets | 1,772 | 2,429 | 2,406 | 6,607 |
| **TOTAL** | **34,177** | **14,418** | **9,358** | **57,953** |

**EXPOSURE AT DEFAULT TO SECURITISATION OPERATION RISKS BY WEIGHTING:**

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **EXPOSURE AT DEFAULT** | **57,953** | **56,716** |
| **External ratings based approach** | **9,358** | **12,434** |
| Weighting 6-10% | 6,393 | 8,723 |
| Weighting 12-35% | 1,163 | 1,724 |
| Weighting 40-75% | 547 | 360 |
| Weighting 100-650% | 1,183 | 1,580 |
| Weighting = 1,250% | 73 | 46 |
| **Internal Assessment Approach** | **14,418** | **12,815** |
| Average weighting (%) | 11.03 | 9.53 |
| **Supervisory Formula Approach** | **34,177** | **31,467** |
| Average weighting (%) | 8.85 | 9.48 |
| **Risk-weighted exposure** | **8,207** | **8,885** |
| **Capital requirements** | **657** | **711** |

### Exposure deductible from capital

At 31 December 2011, the total exposure held deductible from Basel 2 capital amounted to €2,018 million.

## 2. Securitisation operations under the standardised approach

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **TOTAL SECURITISATION EXPOSURES** | **764.3** | **651.7** |
| Traditional securitisations | 764.3 | 651.7 |
| Synthetic securitisations | - | - |

The gross amount of securitisation exposures under the standardised method is marginal compared with exposures in the internal ratings based approach (see section on "Internal Ratings Based Approach").

**AGGREGATE SECURITISATION EXPOSURES HELD OR ACQUIRED (EXPOSURES AT RISK)**

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **AGGREGATE OF SECURITISATION EXPOSURES HELD OR ACQUIRED** | **763.7** | **649.1** |
| **With external credit rating** | **761.8** | **647.0** |
| Weighting = 20% | 728.6 | 635.1 |
| Weighting = 40% | - | - |
| Weighting = 50% | 21.6 | 3.7 |
| Weighting = 100% | 5.0 | 4.7 |
| Weighting = 225% | - | - |
| Weighting = 350% | 6.6 | 2.1 |
| Weighting = 650% | - | - |
| Weighting = 1,250% | 2.0 | 3.5 |
| **Transparency approach** | **-** | **-** |

Most of these exposures correspond to the securitisation portion of mutual funds held in the banking portfolio and treated by transparency.

## IV. Equity exposures in the banking portfolio

Crédit Agricole S.A. Group's equity exposures, excluding the trading book, consist of securities "that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance". These mainly include:

- listed and non-listed equities and shares in investment funds;
- options implicit in convertible, redeemable or exchangeable bonds;
- stock options;
- deeply subordinated notes.

Non–consolidated equity interests are acquired for management purposes (financial assets at fair value through profit or loss or designated as at fair value through profit or loss or held for trading, available-for-sale financial assets, held-to-maturity investments, loans and receivables) as described in Note 1.3 to the financial statements entitled "Accounting policies and principles – Financial Instruments".

The accounting policies and valuation methods used are described in Note 1.3 to the financial statements "Accounting policies and principles".

### GROSS EXPOSURE AND EXPOSURE AT DEFAULT BY EXPOSURE CLASS

| *(in billions of euros)* | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| | Gross exposure | Exposure at default | Gross exposure | Exposure at default |
| **Equity exposures under the internal ratings-based approach** | **19.0** | **4.3** | **19.3** | **19.0** |
| Private equity exposures in sufficiently diversified portfolios | 1.2 | 1.2 | 1.6 | 1.6 |
| Listed equity exposures | 3.2 | 2.0 | 3.6 | 3.6 |
| Other equity exposures | 14.6 | 1.1 | 14.1 | 13.8 |
| **Equity exposures under the standardised approach** | **3.3** | **1.7** | **3.7** | **1.7** |
| **TOTAL EQUITY EXPOSURE** | **22.3** | **6.0** | **23.0** | **20.7** |

Equity exposures under the standardised approach mainly include guarantees granted by Ségespar Finance, a subsidiary of Amundi, on behalf of certain mutual funds managed by Amundi. Given the regulatory credit conversion factor (CCF) for this exposure, the total exposure at default is much lower than the gross exposure.

Equity exposures under the internal ratings based approach mainly comprise the portfolios of Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Investissement et Finance.

The carrying amount of equity exposures under the internal rating approach was €19 billion at 31 December 2011, compared with €19.3 billion at 31 December 2010. The sharp fall in EAD is due to the change in the treatment of Crédit Agricole S.A.'s investments in the Regional Banks.

No unrealised losses are included in the Tier I capital at 31 December 2011 (compared to €363 million at 31 December 2010).

The cumulative amount of gains or losses on disposals and liquidations in the period under review is disclosed in Note 4 to the financial statements, "Notes to the income statement".

# MARKET RISK

## I. Internal model market risk measurement and management methodology

Market risk measurement and management internal methods are described in the section entitled "Risk Factors - Market Risk – Market Risk Measurement and Management Methodology".

## II. Rules and procedures for valuing the trading book

The rules for valuing the various items in the trading book are described in Note 1.3 to the financial statements, "Accounting policies and principles".

Measurement models are reviewed periodically as described in the section entitled "Risk Factors - Market Risk – Market Risk Measurement and Management Methodology".

## III. Interest rate risk from transactions other than those included in the trading book – Global interest-rate risk

The nature of interest rate risk, the main underlying assumptions retained and the frequency of interest rate risk measurements are described in the section entitled "Risk Factors - Asset/Liability Management – Global Interest-rate Risk".

# OPERATIONAL RISK

## I. Advanced measurement approach

The scope of application of the advanced measurement and standardised approaches and a description of the Advanced Measurement Approach methodology are provided in the section entitled "Risk Factors - Operational Risk – Methodology".

## II. Insurance techniques for reducing operational risk

The insurance techniques used to reduce operational risk are described in the section entitled "Risk Factors - Insurance and coverage of operational risks".

# Consolidated financial statements

5

## for the year ended 31 December 2011, approved by Crédit Agricole S.A. Board of Directors on 22 February 2012 and submitted to shareholders for approval at the General Meeting of Shareholders of 22 May 2012

The consolidated financial statements consist of the general framework, the consolidated financial statements and the notes to the consolidated financial statements.

# General framework

## LEGAL PRESENTATION OF THE ENTITY

Since the Extraordinary General Meeting of Shareholders of 29 November 2001, the Company's name is: **Crédit Agricole S.A.**

Registered office: 91-93 boulevard Pasteur 75015 Paris

Registration number: 784 608 416, Paris Trade and Companies Registry

NAF code: 6419Z

Crédit Agricole S.A. is a French Public Limited Company ("société anonyme") with a Board of Directors governed by ordinary company law and more specifically by Book II of the French Commercial Code.

Crédit Agricole S.A. is also subject to the provisions of the French Monetary and Financial Code and more specifically Articles L. 512-47 et seq. thereof.

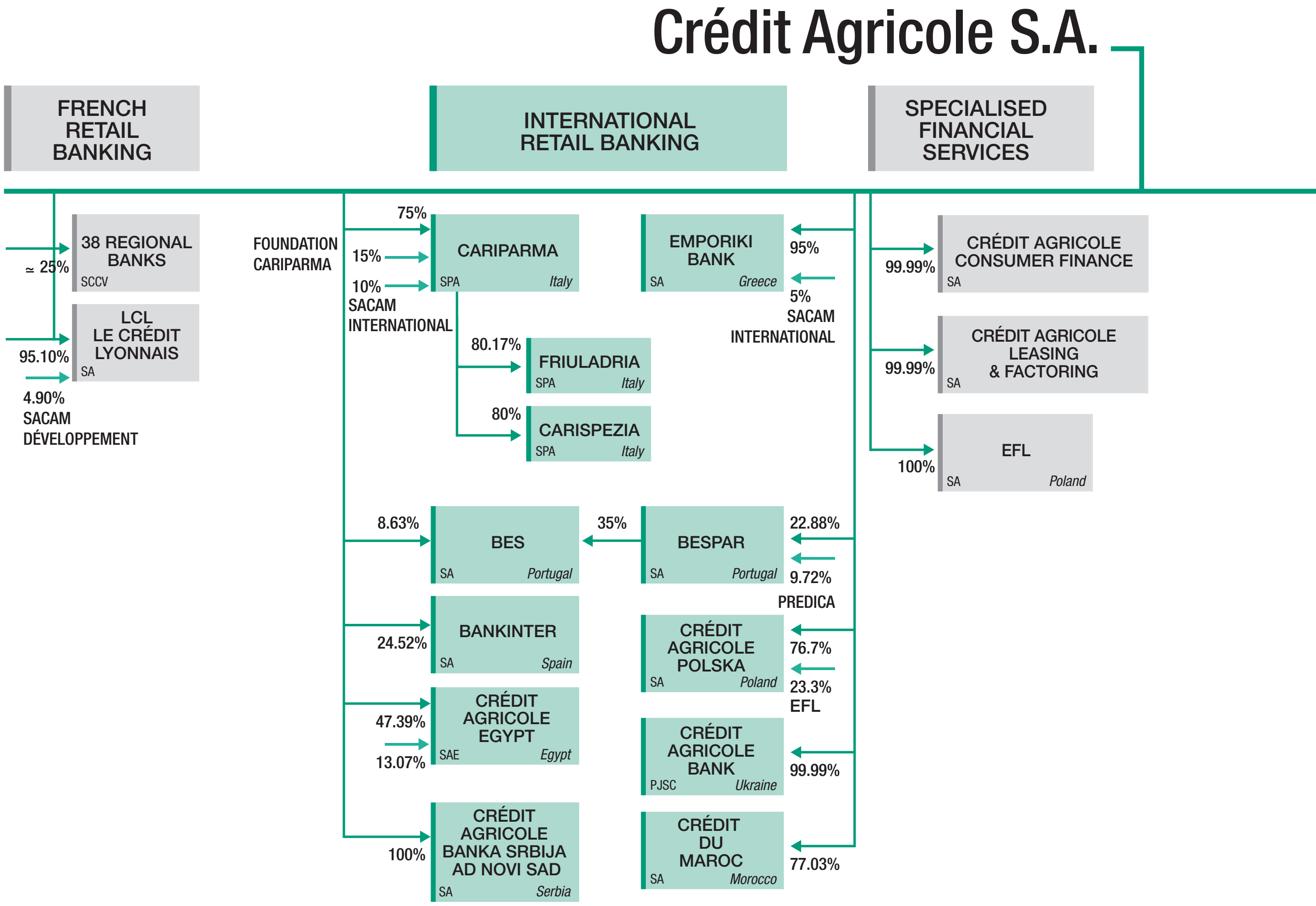
Crédit Agricole S.A. was licensed as an authorised lending institution in the mutual and co-operative banks category on 17 November 1984. As such, it is subject to oversight by the banking supervisory authorities, and more particularly by the French Prudential Supervisory Authority (ACP).

Crédit Agricole S.A. shares are admitted for trading on Euronext Paris. Crédit Agricole S.A. is subject to the prevailing stock market regulations particularly with respect to public disclosure obligations.

## A bank with mutual roots

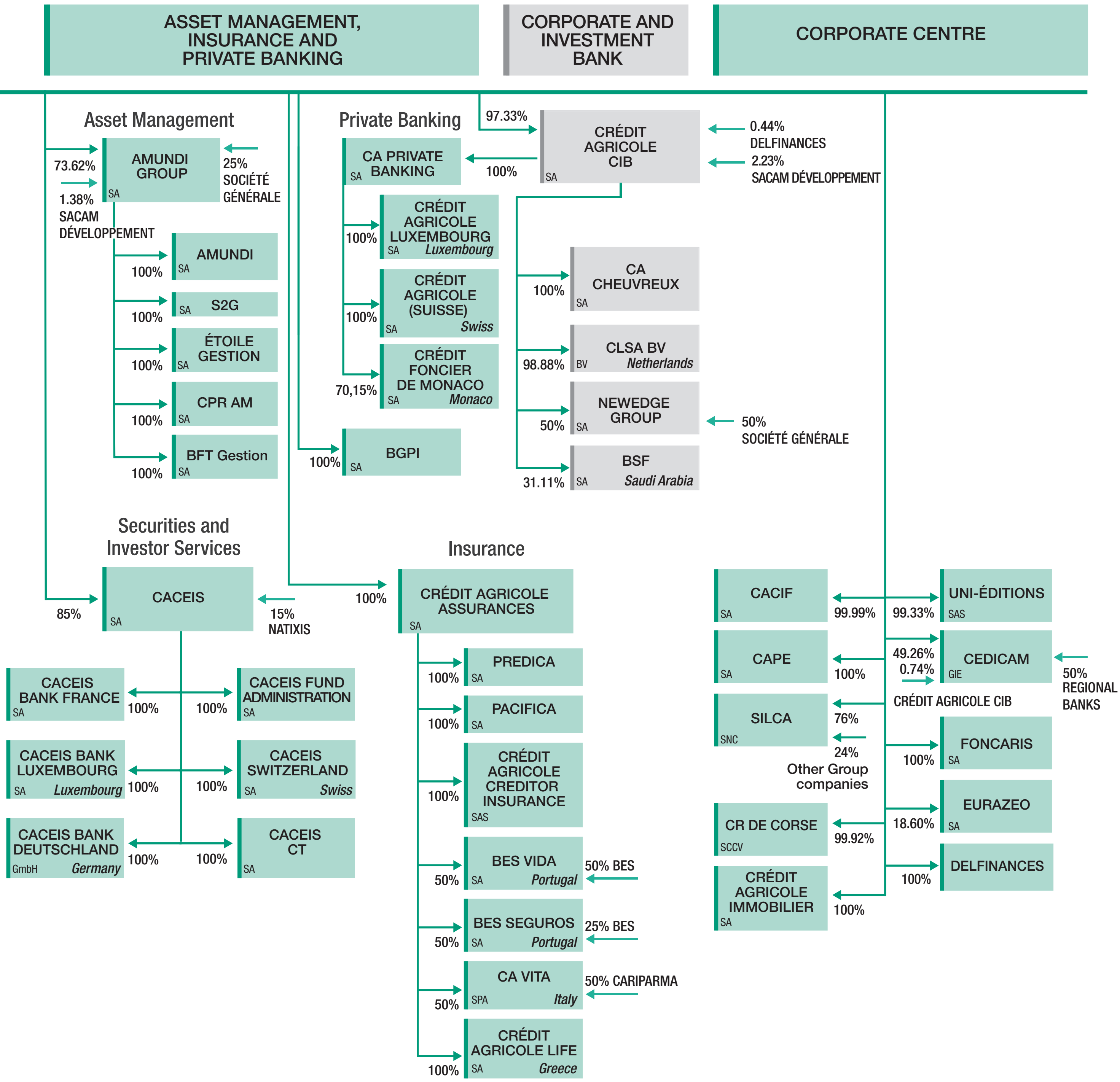
Crédit Agricole has a unified yet decentralised organisation. Its financial, commercial and legal cohesion go hand-in-hand with decentralised responsibility. The Local Banks (Caisses Locales) form the bedrock of the Group's mutual organisation. Their share capital is held by almost 6.5 million mutual shareholders electing 32,200 Directors. They play a key part in maintaining a strong local presence and close relationships with clients. The Local Banks hold the bulk of the capital of the Regional Banks, which are co-operative entities with variable capital and fully-fledged regional banks. SAS Rue la Boétie, which is owned by the Regional Banks, holds the majority of Crédit Agricole S.A.'s share capital. The *Fédération Nationale du Crédit Agricole* (FNCA) acts as a consultative and representative body, and as a forum for the Regional Banks.

In accordance with the provisions of the French Monetary and Financial Code (Articles L. 511-31 and L. 511-32), as the central body of Crédit Agricole Group, Crédit Agricole S.A. is responsible for exercising administrative, technical and financial control over the institutions affiliated to it in order to maintain a cohesive network (as defined in Article R. 512-18 of the French Monetary and Financial Code) and to ensure their proper functioning and their compliance with all regulations and legislation governing them. As such, Crédit Agricole S.A. may take all necessary measures, notably to guarantee the liquidity and solvency of both the network as a whole and each of its affiliated institutions.




(1) *Direct % interest of Crédit Agricole S.A. and of its subsidiaries.*

# at 31/12/2011 (% interest)[1]



# CRÉDIT AGRICOLE INTERNAL RELATIONS

## Internal financing mechanisms

Crédit Agricole has instituted a number of internal financing mechanisms specific to the Group.

### Regional Banks' current accounts

Each Regional Bank holds a current account with Crédit Agricole S.A., which records the financial movements resulting from internal financial transactions within the Group. This account, which may be in credit or debit, is presented in the balance sheet under "Crédit Agricole internal transactions - Current Accounts" and integrated on a specific line item, either "Loans and receivables to credit institutions" or "Due to credit institutions".

### Special savings accounts

Funds held in special savings accounts (popular savings plans and accounts, sustainable development passbook accounts *(Livret de développement durable),* home purchase savings plans and accounts, youth passbook accounts and Livret A passbook savings accounts) are collected by the Regional Banks on behalf of Crédit Agricole S.A. These funds are required to be transferred to the latter. Crédit Agricole S.A. recognises them in its balance sheet as "Due to customers".

### Term deposits and advances

The Regional Banks also collect savings funds (passbook accounts, bonds, certain term accounts and related accounts, etc.) on behalf of Crédit Agricole S.A. These funds are transferred to Crédit Agricole S.A. and are recognised as such on its balance sheet.

Special savings accounts and term deposits and advances are used by Crédit Agricole S.A. to make "advances" (loans) to the Regional Banks to fund their medium- and long-term loans.

A series of four internal financial reforms has been implemented. These reforms have resulted in the transfer back to the Regional Banks, in the form of "advances" (loans), of a specific percentage of the funds collected by them (first 15%, 25%, then 33% and, lastly, with effect since 31 December 2001, 50%), *via* "mirror advances" with maturities and interest rates precisely matching those of the savings funds received, and which they are free to use at their discretion.

Since 1 January 2004, the financial margins generated from centralised management of funds collected (and not transferred back *via* mirror advances) are shared by the Regional Banks and Crédit Agricole S.A. and are determined by using replacement models and applying market rates.

Furthermore, 50% of new loans written since 1 January 2004 and falling within the field of application of financial relations between Crédit Agricole S.A. and the Regional Banks may be refinanced in the form of advances negotiated at market rates with Crédit Agricole S.A.

Hence, there are currently two types of advances: advances governed by financial rules before 1 January 2004 and those governed by the new rules.

Crédit Agricole S.A. may also make additional financing available to the Regional Banks at market rates.

### Transfer of Regional Banks' liquidity surpluses

The Regional Banks may use their monetary deposits (demand deposits, non-centralised term deposits and negotiable certificates of deposit) to finance lending to their customers. Surpluses must be transferred to Crédit Agricole S.A., where they are booked as current or term accounts, under "Crédit Agricole internal transactions".

### Investment of Regional Banks' surplus capital with Crédit Agricole S.A.

Regional Banks' available surplus capital may be invested with Crédit Agricole S.A. in the form of three- to ten-year instruments, with the same characteristics of interbank money market transactions in all respects.

### Foreign currency transactions

Crédit Agricole S.A. represents the Regional Banks with respect to the Bank of France and centralises their foreign currency transactions.

### Medium and long-term notes issued by Crédit Agricole S.A.

These are placed mainly on the market or by the Regional Banks with their customers. They are booked by Crédit Agricole S.A. under liabilities either as "Debt securities" or as "Subordinated debt", depending on the type of security issued.

### Hedging of liquidity and solvency risks

In 2001, ahead of Crédit Agricole S.A.'s initial public offering, CNCA (which subsequently became Crédit Agricole S.A.) entered into an agreement with the Regional Banks governing internal relations within Crédit Agricole Group. The agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any affiliate experiencing difficulties. The main provisions of this agreement are set out in Chapter III of the Registration document filed by Crédit Agricole S.A. with the *Commission des Opérations de Bourse* on 22 October 2001 under number R.01-453. The fund originally had €609.8 million in assets. At 31 December 2011 the fund's assets stood at €904 million, including a €28 million provision for the year and are recognised in the Group's consolidated reserves.

Furthermore, since CNCA's reorganisation as a mutual company in 1988, the Regional Banks have committed to making up any shortfall suffered by creditors should Crédit Agricole S.A. become insolvent or experience similar financial difficulties. The Regional Banks' commitment under this guarantee is equal to the sum of their share capital and reserves.

### "Switch" guarantee

The "Switch" guarantee mechanism was introduced on 23 December 2011 to regulate the financial relationship between Crédit Agricole S.A., as the central body, and the mutual network of Crédit Agricole Regional Banks.

It allows Crédit Agricole S.A. to transfer the regulatory requirements in respect of its investments in the Regional Banks, which are recorded as equity-accounted investments in Crédit Agricole S.A.'s consolidated financial statements. This requirement is transferred to the Regional Banks through a mechanism in which they provide guarantees to Crédit Agricole S.A. in respect of a contractual floor value of the equity-accounted value (EAV) of the CCI/CCAs issued by the Regional Banks. This value is fixed at the start of the transaction.

Settlement of the guarantee is ensured through a cash deposit paid by the Regional Banks to Crédit Agricole S.A.

The contract essentially can be seen as an additional right attaching to the 25% of CCI/CCAs held by Crédit Agricole S.A. in the Regional Banks and is therefore associated with the significant influence that Crédit Agricole S.A. exercises over the Regional banks.

The effect is to protect Crédit Agricole S.A. against a decline in the combined equity-accounted value of the Regional Banks. As soon as a decline in EAV is identified, the guarantee mechanism kicks in and the loss to Crédit Agricole S.A. is offset by drawing on the deposit. If the combined equity-accounted value of the Regional Banks should subsequently recover, Crédit Agricole S.A., returns the amounts received under the terms of the contract.

The guarantee is in place for 15 years, tacitly renewable. It can be cancelled early under certain conditions with the prior agreement of the French Prudential Supervisory Authority (ACP).

The deposit is paid at a fixed rate based on long-term liquidity conditions. The guarantee itself is subject to a flat-rate fee covering both the updated risk and the cost of the Regional Banks' capital commitment.

The arrangement is reported in the consolidated financial statements on the basis of the substance of the transaction: the amounts paid as security and their return in the event of a recovery in value is treated as a profit-pooling arrangement the effects of which are recognised in the consolidated reserves of the Regional Banks and in share of net income of equity-accounted entities in Crédit Agricole S.A. consolidated financial statements, reflecting the significant influence exercised by Crédit Agricole S.A. The security deposit is carried as a receivable at amortised cost by the Regional Banks and as a payable at amortised cost by Crédit Agricole S.A. Interest on the security deposit is recognised in revenues and the amount of the guarantee is posted under share of net income of equity accounted entities in the financial statements of Crédit Agricole S.A.

## Capital ties between Crédit Agricole S.A. and the Regional Banks

The capital ties between Crédit Agricole S.A. and the Regional Banks are governed by an agreement entered into by the parties prior to Crédit Agricole S.A.'s initial public offering.

Under the terms of this agreement, the Regional Banks exercise their control over Crédit Agricole S.A. through SAS Rue la Boétie, a holding company wholly-owned by them. The purpose of SAS Rue la Boétie is to hold enough shares to ensure that it always owns at least 50% of the share capital and voting rights of Crédit Agricole S.A.

In addition, under the agreement, Crédit Agricole S.A. directly owns approximately 25% of the share capital of each Regional Bank (except for the Caisse Régionale de la Corse which is wholly owned).

Its holding is in the form of *Certificats coopératifs d'associés* and *Certificats coopératifs d'investissement,* both types of non-voting shares which are issued for a term equal to the Company's lifetime and which give the holder a right in the Company's net assets in proportion to the amount of share capital they represent.

Crédit Agricole S.A., the central body of Crédit Agricole Group, also holds one mutual share in each Regional Bank, which gives it the status of member.

These arrangements enable Crédit Agricole S.A., as the central body for Crédit Agricole, to account for the Regional Banks using the equity method.

# RELATED PARTIES

Parties related to Crédit Agricole S.A. Group are those companies that are fully consolidated, proportionately consolidated or accounted for using the equity method, and Senior Executives of the Group.

In accordance with the internal financial mechanisms at Crédit Agricole, transactions between Crédit Agricole S.A. and the Regional Banks are presented as internal operations in the balance sheet and income statement (Note 6.5, 4.1 and 4.2).

## Other shareholders' agreements

No other shareholders' agreement concerning Crédit Agricole S.A. had been made public or existed at 31 December 2011.

## Relationships between controlled companies affecting the consolidated balance sheet

A list of Crédit Agricole S.A. Group companies can be found in Note 12 to the consolidated financial statements. Transactions and outstandings at the period end and between fully consolidated companies are eliminated in full on consolidation. Therefore, the Group's consolidated financial statements are only affected by those transactions between fully consolidated companies and proportionately consolidated companies to the extent of the interests held by other shareholders.

The main corresponding outstandings in the consolidated balance sheet at 31 December 2011 relate to the Newedge, UBAF, Menafinance, FGA Capital and Forso groups for the following amounts: loans and receivables to credit institutions: €2,709 million; loans and receivables to customers: €2,172 million; amounts due to credit institutions: €2,768 million; due to customers: €592 million.

These transactions had no material impact on the income statement for the year ended 31 December 2011.

## Management of retirement, early retirement and end-of-career allowances: internal hedging contracts within the Group

As presented in the section on accounting policies (Note 1.3), employees are provided with various types of post-employment benefits. These include:

- end-of-career allowances;
- retirement plans, which may be either "defined-contribution" or "defined-benefit" plans.

Its liability in this respect is partially funded by collective insurance contracts taken out with Predica, Crédit Agricole Group's life insurance company.

These contracts govern:

- the setting up by the insurance company of mutual funds for investing contributions made by the employer to build up sufficient funds to cover end-of-career allowances or retirement benefits;
- the management of the funds by the insurance company;
- the payment to the beneficiaries of the allowances and of the benefits due under the various plans.

Information on post-employment benefits is provided in Note 7, "Employee benefits and other compensation" in paragraphs 7.3 and 7.4.

## Relations with senior management

Detailed information on senior management compensation is provided in Note 7, "Employee benefits and other compensation" in paragraph 7.7.

There exist no material transactions between Crédit Agricole S.A. and its senior management, their families or the companies they control and which are not included in the Group's scope of consolidation.

# Consolidated financial statements

## INCOME STATEMENT

| *(in millions of euros)* | Notes | 31/12/2011 | 31/12/2010 |
|---|---|---|---|
| Interest and similar income | *4.1* | 34,570 | 32,374 |
| Interest and similar expenses | *4.1* | (19,401) | (17,480) |
| Fee and commission income | *4.2* | 10,779 | 10,775 |
| Fee and commission expenses | *4.2* | (6,107) | (5,879) |
| Net gains (losses) on financial instruments at fair value through profit or loss | *4.3* | (52) | 2,300 |
| Net gains (losses) on available-for-sale financial assets | *4.4* | (3,570) | 3,147 |
| Income on other activities | *4.5* | 33,900 | 30,684 |
| Expenses on other activities | *4.5* | (29,336) | (35,792) |
| **REVENUES** | | **20,783** | **20,129** |
| Operating expenses | *4.6-7.1-7.4-7.6* | (12,878) | (12,448) |
| Depreciation, amortisation and impairment of property, plant & equipment and intangible assets | *4.7* | (734) | (739) |
| **GROSS OPERATING INCOME** | | **7,171** | **6,942** |
| Cost of risk | *4.8* | (5,657) | (3,777) |
| **OPERATING INCOME** | | **1,514** | **3,165** |
| Share of net income of equity-accounted entities[(1)] | *2.2* | 229 | 65 |
| Net gains (losses) on other assets | *4.9* | 5 | (177) |
| Change in value of goodwill[(2)] | *2.5* | (1,934) | (445) |
| **PRE-TAX INCOME** | | **(186)** | **2,608** |
| Income tax charge | *4.10* | (1,026) | (877) |
| Net income from discontinued or held-for-sale operations | | 14 | 21 |
| **NET INCOME** | | **(1,198)** | **1,752** |
| Minority interests | | 272 | 489 |
| **NET INCOME GROUP SHARE** | | **(1,470)** | **1,263** |
| **Earnings per share (in euros)** | *6.18* | **(0.604)** | **0.540** |
| **Diluted earnings per share (in euros)** | *6.18* | **(0.604)** | **0.540** |

*(1) At 31 December 2011, includes impairment of equity-accounted investments in BES and Bankinter (see Note 2.2). At 31 December 2010, includes the net impact of deconsolidation of Intesa Sanpaolo for -€1,243 million.*

*(2) In respect of 2011, impairment of goodwill related to implementation of the Group's adjustment plan and changes in some valuation data (see Note 2.5).*

## STATEMENT OF COMPREHENSIVE INCOME

Amounts below are reported net of tax.

| *(in millions of euros)* | Notes | 31/12/2011 | 31/12/2010 |
|---|---|---|---|
| **Net income Group share** | | **(1,470)** | **1,263** |
| Gains or losses on translation adjustments | | 90 | 129 |
| Gains or losses on available-for-sale financial assets | | (1,773) | (890) |
| Gains or losses on hedging derivative instruments | | 174 | (101) |
| Actuarial gains or losses on post-employment benefits | | (4) | (32) |
| **Other comprehensive income (loss), excluding equity-accounted entities, in equity Group share** | | **(1,513)** | **(894)** |
| Share of other comprehensive income (loss) of equity-accounted entities | | (50) | (102) |
| **Total other comprehensive income (loss), Group share** | 4.11 | **(1,563)** | **(996)** |
| **Net income and other comprehensive income, Group share** | | **(3,033)** | **267** |
| Net income and other comprehensive income, minority interests | | 244 | 534 |
| **Net income and other comprehensive income** | | **(2,789)** | **801** |

## BALANCE SHEET – ASSETS

| *(in millions of euros)* | Notes | 31/12/2011 | 31/12/2010 |
|---|---|---|---|
| Cash due from central banks | 6.1 | 28,467 | 29,325 |
| Financial assets at fair value through profit or loss | 3.1-6.2 | 490,263 | 413,656 |
| Hedging derivative instruments | 3.1-3.2-3.4 | 33,560 | 23,525 |
| Available-for-sale financial assets | 3.1-6.4-6.6 | 227,390 | 225,757 |
| Loans and receivables to credit institutions | 3.1-3.3-6.5-6.6 | 379,841 | 363,843 |
| Loans and receivables to customers | 3.1-3.3-6.5-6.6 | 399,381 | 383,246 |
| Revaluation adjustment on interest rate hedged portfolios | | 8,300 | 4,867 |
| Held-to-maturity financial assets | 3.1-6.6-6.9 | 15,343 | 21,301 |
| Current and deferred tax assets | 6.11 | 8,231 | 7,731 |
| Accruals, prepayments and sundry assets | 6.12 | 82,765 | 70,534 |
| Non-current assets held for sale | 6.13 | 260 | 1,581 |
| Deferred profit-sharing | 6.16 | 4,273 | 1,496 |
| Investments in equity-accounted entities | 2.2 | 18,286 | 18,111 |
| Investment property | 6.14 | 2,682 | 2,651 |
| Property, plant and equipment | 6.15 | 5,170 | 5,202 |
| Intangible assets | 6.15 | 1,868 | 1,743 |
| Goodwill | 2.5 | 17,528 | 18,960 |
| **TOTAL ASSETS** | | **1,723,608** | **1,593,529** |

## BALANCE SHEET – EQUITY AND LIABILITIES

| *(in millions of euros)* | Notes | 31/12/2011 | 31/12/2010 |
|---|---|---|---|
| Due to central banks | 6.1 | 127 | 770 |
| Financial liabilities at fair value through profit or loss | 6.2 | 439,680 | 343,586 |
| Hedging derivative instruments | 3.2-3.4 | 34,605 | 25,619 |
| Due to credit institutions | 3.3-6.8 | 172,665 | 154,568 |
| Due to customers | 3.1-3.3-6.8 | 525,636 | 501,360 |
| Debt securities | 3.2-3.3 | 148,320 | 170,337 |
| Revaluation adjustment on interest rate hedged portfolios | | 5,336 | 1,838 |
| Current and deferred tax liabilities | 6.11 | 4,755 | 2,453 |
| Accruals, deferred income and sundry liabilities | 6.12 | 73,690 | 65,518 |
| Liabilities associated with non-current assets held for sale | 6.13 | 39 | 1,472 |
| Insurance Company technical reserves | 6.16 | 230,883 | 230,881 |
| Provisions | 6.17 | 4,798 | 4,492 |
| Subordinated debt | 3.2-3.3 | 33,782 | 38,486 |
| **Total liabilities** | | **1,674,316** | **1,541,380** |
| **Equity** | | **49,292** | **52,149** |
| Equity, Group share | | 42,797 | 45,667 |
| Issued capital and share premium | | 30,164 | 29,102 |
| Consolidated reserves | | 15,434 | 15,070 |
| Other comprehensive income | | (1,331) | 232 |
| Net income for the financial year | | (1,470) | 1,263 |
| Minority interests | | 6,495 | 6,482 |
| **TOTAL EQUITY AND LIABILITIES** | | **1,723,608** | **1,593,529** |

## STATEMENT OF CHANGES IN EQUITY

| (in millions of euros) | Share capital and reserves: Share capital | Share capital and reserves: Share premium and consolidated reserves [1] | Share capital and reserves: Elimination of treasury shares | Capital and consolidated reserves, Group share | Other comprehensive income | Net income Group share | Total equity Group share | Minority interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Equity at 1 January 2010** [3] | **6,959** | **37,820** | **(564)** | **44,215** | **1,242** | | **45,457** | **6,507** | **51,964** |
| Capital increase [2] | 246 | 478 | | 724 | | | 724 | | 724 |
| Change in treasury shares held | | (38) | 47 | 9 | | | 9 | | 9 |
| Dividends paid in 2010 | | (1,044) | | (1,044) | | | (1,044) | (368) | (1,412) |
| Dividends received from Regional Banks and subsidiaries | | 151 | | 151 | | | 151 | | 151 |
| Impact of acquisitions/divestments on minority interests | | (39) | | (39) | | | (39) | (142) | (181) |
| Changes due to share-based payments | | 47 | | 47 | | | 47 | 1 | 48 |
| **Changes due to transactions with shareholders** | **246** | **(445)** | **47** | **(152)** | | | **(152)** | **(509)** | **(661)** |
| **Changes in other comprehensive income** | | | | | **(894)** | | **(894)** | **45** | **(849)** |
| Share of changes in equity of equity-accounted entities [3] | | 7 | | 7 | (102) | | (95) | | (95) |
| Net income at 31 December 2010 | | | | | | 1,263 | 1,263 | 489 | 1,752 |
| Other changes | | 102 | | 102 | (14) | | 88 | (50) | 38 |
| **Equity at 31 December 2010** [3] | **7,205** | **37,484** | **(517)** | **44,172** | **232** | **1,263** | **45,667** | **6,482** | **52,149** |
| Appropriation of 2010 net income | | 1,263 | | 1,263 | | (1,263) | | | |
| **Equity at 1 January 2011** | **7,205** | **38,747** | **(517)** | **45,435** | **232** | | **45,667** | **6,482** | **52,149** |
| Capital increase [2] | 289 | 622 | | 911 | | | 911 | | 911 |
| Change in treasury shares held | | (59) | 151 | 92 | | | 92 | | 92 |
| Dividends paid in 2011 | | (1,079) | | (1,079) | | | (1,079) | (349) | (1,428) |
| Dividends received from Regional Banks and subsidiaries | | 160 | | 160 | | | 160 | | 160 |
| Impact of acquisitions/disposals on minority interests | | (16) | | (16) | | | (16) | (134) | (150) |
| Changes related to stock options | | 4 | | 4 | | | 4 | | 4 |
| **Changes related to transactions with shareholders** | **289** | **(368)** | **151** | **72** | | | **72** | **(483)** | **(411)** |
| **Change in other comprehensive income** | | | | | **(1,513)** | | **(1,513)** | **(28)** | **(1,541)** |
| Share of changes in equity of equity-accounted entities [3] | | 8 | | 8 | (50) | | (42) | | (42) |
| Net income at 31 December 2011 | | | | | | (1,470) | (1,470) | 272 | (1,198) |
| Other changes | | 83 | | 83 | | | 83 | 252 | 335 |
| **EQUITY AT 31 DECEMBER 2011** | **7,494** | **38,470** | **(366)** | **45,598** | **(1,331)** | **(1,470)** | **42,797** | **6,495** | **49,292** |

*(1) Consolidated reserves before elimination of treasury shares.*

*(2) Crédit Agricole S.A. conducted two capital increases for a total amount of €911 million, including a share premium of €622 million (see Note 6.17). The two capital increases in 2010 represented a total of €724 million, including a share premium of €478 million, net of the corresponding issue fees.*

*(3) The 2010 figures have been adjusted by transferring the Share of changes in other comprehensive income of equity-accounted entities to Reserves for unrealised gains or losses. The impact was €110 million at 31 December 2009 and -€102 million at 31 December 2010.*

## CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

**Operating activities** shows the impact of cash inflows and outflows arising from Crédit Agricole S.A. Group's income-generating activities, including those associated with assets classified as held-to-maturity financial assets.

Tax inflows and outflows are included in full within operating activities.

**Investment activities** shows the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant & equipment and intangible assets. This section includes strategic equity investments classified as available-for-sale financial assets.

**Financing activities** shows the impact of cash inflows and outflows associated with equity and long-term borrowing.

**Net cash and cash equivalents** includes cash, debit and credit balances with central banks and debit and credit demand balances with credit institutions.

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Pre-tax income** | **(186)** | **2,608** |
| Depreciation and impairment of property, plant & equipment and intangible assets | 789 | 1,025 |
| Impairment of goodwill and other fixed assets | 1,934 | 445 |
| Net depreciation charges to provisions | 10,252 | 2,253 |
| Share of net income (loss) of equity-accounted entities | (229) | (65) |
| Net income (loss) from investment activities | 238 | 197 |
| Net income (loss) from financing activities | 4,923 | 4,487 |
| Other movements | 1,744 | 213 |
| **Total non-cash and other adjustment items included in pre-tax income** | **19,651** | **8,555** |
| Change in interbank items | 15,543 | (7,231) |
| Change in customer items | 1,019 | 11,514 |
| Change in financial assets and liabilities | (29,759) | (43,129) |
| Change in non-financial assets and liabilities | (4,559) | 17,513 |
| Dividends received from equity-accounted entities | 403 | 394 |
| Tax paid | 1,406 | (1,391) |
| **Net decrease/(increase) in assets and liabilities used in operating activities** | **(15,947)** | **(22,330)** |
| **TOTAL NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES (A)** | **3,518** | **(11,167)** |
| Change in equity investments | (1,221) | 112 |
| Change in property, plant & equipment and intangible assets | (787) | (921) |
| **TOTAL NET CASH FLOWS FROM (USED BY) INVESTMENT ACTIVITIES (B)** | **(2,008)** | **(809)** |
| Cash received from (paid to) shareholders | (274) | (1,021) |
| Other cash provided (used) by financing activities | 10,999 | (173) |
| **TOTAL NET CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES (C)** | **10,725** | **(1,194)** |
| **Impact of exchange rate changes on cash and cash equivalents (D)** | **772** | **1,511** |
| **NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)** | **13,007** | **(11,659)** |
| **Cash and cash equivalents at beginning of period** | **33,461** | **45,120** |
| Net cash accounts and accounts with central banks (1) | 28,878 | 32,976 |
| Net demand loans and deposits with credit institutions (2) | 4,583 | 12,144 |
| **Cash and cash equivalents at end of period** | **46,468** | **33,461** |
| Net cash accounts and accounts with central banks (1) | 28,335 | 28,878 |
| Net demand loans and deposits with credit institutions (2) | 18,133 | 4,583 |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | **13,007** | **(11,659)** |

*(1) Consisting of the net balance of "Cash and central banks items", excluding accrued interest as detailed in Note 6.1 (and including cash of entities reclassified as held-for-sale operations).*

*(2) Consisting of the balance of "performing current accounts in debit" and "performing overnight accounts and advances" as detailed in Note 6.5 and "current accounts in credit" and "current accounts and overdrafts" as detailed in Note 6.8 (excluding accrued interest and including Crédit Agricole internal transactions).*

## Dividends received from equity-accounted entities

For 2011, this includes dividend payments of €281 million from Regional Banks, of €25 million from Eurazeo, of €26 million from Bank Saudi Fransi and of €16 million from Banco Espirito Santo.

## Change in equity investments

This line item shows the net effects on cash of acquisitions and disposals of equity investments. These external operations are described in Note 2.1.

The net impact of acquisitions and disposals of consolidated equity investments (subsidiaries and equity-accounted entities) on Group cash in 2011 is -€1,005 million. The main investments were the acquisition of Carispezia shares for €293 million, and consideration paid to Intesa Sanpaolo S.p.A. for transferring branches to Cariparma and to FriulAdria, of €288 million and €69 million, respectively. The disposal of shares in Crédit Uruguay Banco and SCB Cameroun both had a negative impact on cash, of €132 million and €123 million, respectively, after taking account of the cash at the disposed assets.

In the same period, acquisitions and disposals of non-consolidated equity interests had a net impact on Group cash of -€216 million, mainly reflecting the acquisition of shares in Eurosic for -€130 million, Altarea for -€56 million and SCI holding Dahlia for -€40 million, partly offset by the sale of preferential subscription rights in Intesa Sanpaolo S.p.A for €64 million.

## Cash received from (paid to) shareholders

This line includes -€513 million for dividends, not including scrip dividends, paid to shareholders in Crédit Agricole S.A. and minority shareholders in its subsidiaries, the Cariparma capital increase to which minority shareholders subscribed €88 million, the Bes Vida capital increase where minority shareholders subscribed €63 million and the €33 million share of the Emporiki Bank Cyprus capital increase subscribed by minority shareholders.

## Other cash from financing activities

During 2011, bond issues totalled €33,018 million and redemptions €12,500 million. Subordinated debt issues totalled €202 million and debt redemptions €5,201 million. These redemptions include cash flows from implementation of the “Switch” mechanism, *i.e.* repayment of the shareholders' advance and the T3CJs, as explained in Note 2.1 to the consolidated financial statements.

This line also includes cash flows from interest payments on subordinated debt and bonds.

# Notes to the financial statements

## Note 1 Group accounting principles and methods, assessments and estimates

### 1.1 Applicable standards and comparability

Pursuant to Regulation EC No. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS and IFRIC interpretations applicable at 31 December 2011 and as adopted by the European Union (carve-out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

These standards and interpretations are available on the European Commission website at:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The standards and interpretations are the same as those applied and described in the Group's financial statements for the year ended 31 December 2010.

The standards and interpretations used in the annual financial statements at 31 December 2010 have been supplemented by the IFRS standards as adopted by the European Union at 31 December 2011 and that must be applied for the first time in the financial year 2011. These cover the following:

| Standards, Amendments or Interpretations | Date published by the European Union | Date of first-time application: financial year from |
|---|---|---|
| Amendment of IAS 32, relating to classification of rights issues | 23 December 2009 (EU No. 1293/2009) | 1 January 2011 |
| Amendment to IFRS 1R, relating to exemptions from supplying comparative information on financial instruments for first-time adopters | 30 June 2010 (EU No. 574/2010) | 1 January 2011 |
| Amendment to IAS 24, relating to disclosures of subsidiaries and affiliates in a State-owned entity | 19 July 2010 (EU No. 632/2010) | 1 January 2011 |
| Amendment to IFRIC 14, relating to recognition of defined-benefit plans | 19 July 2010 (EU No. 633/2010) | 1 January 2011 |
| Interpretation of IFRIC 19, relating to the extinction of financial liabilities with equity instruments | 23 July 2010 (EU No. 662/2010) | 1 January 2011 |
| Annual improvements (2008-2010) amending the following standards and interpretations: IFRS 1, IFRS 3R, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13 | 18 February 2011 (EU No. 149/2011) | 1 January 2011 |

The application of these new provisions had no material impact on the income statement and the statement of changes in equity for the period.

Moreover, where the early application of standards and interpretations is optional for a period, this option is not selected by the Group, unless otherwise stated. This in particular applies to:

| Standards, Amendments or Interpretations | Date published by the European Union | Date of first-time mandatory application: financial year from |
|---|---|---|
| Amendment of IFRS 7 on transfers of financial assets | 22 November 2011 (EU No. 1205//2011) | 1 January 2012 |

The Group does not expect the application of these standards and interpretations to produce a significant impact on the net income or net assets on shareholders' equity.

Lastly, standards and interpretations that have been published by the IASB, but not yet adopted by the European Union, will become mandatory only as from the date of such adoption. The Group has not applied them as of 31 December 2011.

### 1.2 Presentation of financial statements

In the absence of a required presentation format under IFRS, Crédit Agricole S.A. Group's complete set of financial statements (balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement) has been presented in the format set out in CNC Recommendation 2009-R-04.

## 1.3 Accounting policies and principles

### USE OF ASSESSMENTS AND ESTIMATES TO PREPARE THE FINANCIAL STATEMENTS

Estimates made to draw up the financial statements are by their nature based on certain assumptions and involve risks and uncertainties as to whether they will be achieved in the future.

Actual results may be influenced by many factors, including but not limited to:

- activity in domestic and international markets;
- fluctuations in interest and exchange rates;
- the economic and political climate in certain industries or countries;
- changes in regulations or legislation.

This list is not exhaustive.

Accounting estimates based on assumptions are principally used in the following assessments:

- financial instruments measured at fair value;
- investments in non-consolidated companies;
- retirement plans and other post-employment benefits;
- stock option plans;
- impairment of available-for-sale financial assets and held-to-maturity investments;
- impairment of unrecoverable debts;
- provisions;
- impairment of goodwill;
- deferred tax assets;
- valuation of equity-accounted entities.

The procedures for the use of assessments or estimates are described in the relevant sections below.

### FINANCIAL INSTRUMENTS (IAS 32 AND 39)

Financial assets and liabilities are treated in the financial statements in accordance with IAS 39 as endorsed by the European Commission.

At the time of initial recognition, financial assets and financial liabilities are measured at fair value including trading costs (with the exception of financial instruments recognised at fair value through profit or loss). Subsequently, financial assets and financial liabilities are measured according to their classification, either at fair value or at amortised cost based on the effective interest rate method.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at market conditions.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to obtain the net carrying amount of the financial asset or financial liability.

#### Securities

##### *Classification of financial assets*

Under IAS 39, securities are divided into four categories:

- financial assets at fair value through profit or loss held for trading and financial assets designated as at fair value through profit or loss upon initial recognition;
- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets.

**Financial assets at fair value through profit or loss classified as held for trading and financial assets designated as at fair value through profit or loss upon initial recognition**

According to IAS 39, this portfolio comprises securities that are classified under financial assets at fair value through profit or loss upon initial recognition either as a result of a genuine intention to trade them or designated as at fair value by Crédit Agricole S.A. Group.

Financial assets at fair value through profit or loss classified as held for trading are assets acquired or generated by the enterprise primarily with the aim of disposal in the short term or which are included in a portfolio of financial instruments managed as a unit and with the purpose of making a profit from short-term price fluctuations or an arbitrage margin.

Financial assets may be designated at fair value through profit or loss upon initial recognition when such designation meets the conditions defined in the standard in the following three cases: for hybrid instruments containing one or more embedded derivatives, to reduce any distortion of accounting treatment or in the case of a group of managed financial assets whose performance is measured at fair value. This method is generally used so that derivatives embedded in hybrid instruments do not have to be recognised and measured separately.

Crédit Agricole S.A. Group has designated the following assets at fair value through profit or loss upon initial recognition:

- assets backing unit-linked contracts;
- private equity business portfolio.

Securities that are classified under financial assets at fair value through profit or loss are recognised at fair value at inception, excluding transaction costs attributable directly to their acquisition (which are taken directly to profit or loss) and including accrued interest.

They are subsequently carried at fair value and changes in fair value are taken to profit or loss.

No impairment losses are booked for this category of securities.

Outstanding syndication securities held for sale are recognised as "Financial assets at fair value through profit or loss" held for trading and are marked to market.

**Held-to-maturity financial assets**

The category "Held-to-maturity financial assets" (applicable to securities with fixed maturities) includes securities with fixed or determinable payments that Crédit Agricole S.A. Group has the intention and ability to hold until maturity other than:

- securities that are initially designated as financial assets at fair value through profit or loss at the time of initial recognition by Crédit Agricole S.A. Group;
- securities that fall into the "Loans and receivables" category. Hence, debt securities that are not traded in an active market cannot be included in the "Held-to-maturity financial assets" category.

Classification as held-to-maturity means that the entity must abide by the prohibition on the sale of securities prior to maturity, except where allowed under IAS 39.

Hedging of interest rate risk on these securities is not allowed for hedge accounting under IAS 39.

Held-to-maturity financial assets are initially recognised at acquisition cost, including transaction costs that are directly attributable to the acquisition and including accrued interest.

They are subsequently measured at amortised cost using the effective interest method, including any premiums or discounts.

Impairment rules for this financial asset category are disclosed in the specific section on "impairment of securities" for securities measured at amortised cost.

**Loans and receivables**

"Loans and receivables" comprise unlisted financial assets that generate fixed or determinable payments.

Securities of the "loans and receivables" portfolio are initially recognised at acquisition cost, including transaction costs that are directly attributable to the acquisition and including accrued interest.

They are subsequently measured at amortised cost with amortisation of any premiums or discounts using the effective interest method adjusted for any impairment losses.

Impairment rules for this financial asset category are disclosed in the specific section on "impairment of securities" for securities measured at amortised cost.

**Available-for-sale financial assets**

IAS 39 defines "available-for-sale financial assets" both as assets that are designated as available-for-sale and as the default category.

"Available-for-sale financial assets" are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition and including accrued interest.

"Available-for-sale financial assets" are later measured at fair value and subsequent changes in fair value are recorded in other comprehensive income.

If the securities are sold, these changes are transferred to the income statement.

Amortisation of any premiums or discounts on fixed-income securities is recognised in the income statement using the effective interest rate method.

Impairment rules for this financial asset category are disclosed in the specific section dedicated to "impairment of securities".

### *Impairment of securities*

Impairment shall be booked when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the securities, other than assets measured as at fair value through profit or loss.

Objective evidence of impairment corresponds to a prolonged or significant decline in the value of the security for equity securities or the appearance of significant deterioration in credit risk evidenced by a risk of non recovery for debt securities.

For equity securities, Crédit Agricole S.A. Group uses quantitative criteria as indicators of potential impairment. These quantitative criteria are mainly based on a loss of 30% or more of the value of the equity instrument over a period of six consecutive months. Crédit Agricole S.A. Group may also take account of other factors such as financial difficulties of the issuer, or short term prospects, etc.

Notwithstanding the above-mentioned criteria, Crédit Agricole S.A. Group recognises an impairment loss when there is a decline in the value of the equity instrument, higher than 50% or prolonged over three years.

For debt securities, impairment criteria are the same as for loans and receivables.

Such impairment is only recognised when it translates into a probable loss of all or part of the amount invested:

- for securities measured at amortised cost through the use of an impairment account, the amount of the loss is recognised in the income statement, and may be reversed in case of subsequent improvements;
- for available-for-sale securities, the amount of the aggregate loss is transferred from other comprehensive income to the income statement; in the event of subsequent recovery in the price of the securities, the loss previously transferred to the income statement may be reversed when justified by circumstances for debt instruments.

### *Recognition date of securities*

Crédit Agricole S.A. records securities classified as "Held-to-maturity financial assets" and "Loans and receivables" on the settlement date. Other securities, regardless of type or classification, are recognised on the trading date.

### Reclassification of financial assets

In accordance with the amendment to IAS 39 as published and adopted by the European Union in October 2008, the following reclassifications are now allowed:

- from the "Financial assets held for trading" and "Available-for-sale financial assets" categories to the "Loans and receivables" category, if the entity has the intention and ability to hold the financial asset for the foreseeable future or until maturity and if the classification criteria for this category are met upon the transfer date (in particular, financial asset not quoted in an active market);
- in rare documented circumstances, from "Financial assets held for trading" to "Available-for-sale financial assets" or "Held-to-maturity financial assets" if the eligibility criteria are met upon the transfer date for each category.

The fair value on the date of reclassification becomes the new cost or amortised cost, as applicable, of the reclassified financial asset.

Information on reclassifications made by Crédit Agricole S.A. Group under the terms of the amendment to IAS 39 is provided in Note 9.

### Temporary investments in/disposals of securities

Within the meaning of IAS 39, temporary sales of securities (securities lending/borrowing, repurchase agreements) do not fulfil the derecognition conditions of IAS 39 and are regarded as collateralised financing.

Assets lent or sold under repurchase agreements are kept on the balance sheet. If applicable, the amounts received, representing the liability to the transferee, are recognised on the liability side of balance sheet.

Items borrowed or bought under repurchase agreements are not recognised on the balance sheet of the transferee. A receivable is recognised for the amount paid. If the security is subsequently sold, the transferee recognises a liability in respect of their obligation to return the security under the repurchase agreement.

Revenue and expenses relating to such transactions are posted to profit and loss on a *pro rata temporis* basis, except in the case of assets and liabilities recognised at fair value through profit or loss.

### Lending operations

Loans are principally allocated to the "Loans and receivables" category. In accordance with IAS 39, they are initially valued at fair value and subsequently valued at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments to the original net loan amount. This rate includes the discounts and any transaction income or costs that are an integral part of the effective interest rate.

Syndication loans held for trading are classified as "Financial assets at fair value through profit or loss" and are marked to market.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type.

Income calculated based on the effective interest rate is recognised in the balance sheet under the appropriate category of loans and receivables and booked to the income statement.

Advances made by Crédit Agricole S.A. to the Regional Banks do not represent a direct risk for Crédit Agricole S.A. with respect to the recipients of customers loans made by the Regional Banks. They may, however, represent a potential indirect risk with respect to the financial strength of the Regional Banks. Given this position, Crédit Agricole S.A. has not booked any impairment on advances to the Regional Banks.

#### *Impaired loans or receivables*

In accordance with IAS 39, loans recorded under "Loans and receivables" are impaired when one or more loss events occurs in the collection of such loans. Once these loans and receivables have been identified, they may be individually or collectively assessed for impairment. Foreseeable losses are assessed by recognition of impairment in an amount equal to the difference between the carrying amount of the loans (amortised cost) and the sum of estimated future cash flows, discounted at the original effective interest rate, or in the form of discounts on loans that have been restructured due to customer default.

The following distinctions are made:

- loans individually assessed for impairment: these are loans covered by impairment losses and loans restructured due to customer default that have been discounted;
- loans collectively assessed for impairment: these are loans that are not individually assessed for impairment, for which impairment is determined for a homogeneous class of loans displaying similar credit risk characteristics. It concerns in particular loans and receivables that are past due.

Loans that are past due consist of loans that are overdue but not necessary individually impaired (part of the watch-list category).

Impairment losses are discounted and estimated on the basis of several factors, notably business- or sector-related. It is possible that future assessments of the credit risk may differ significantly from current estimates, which may lead to an increase or decrease in the amount of the impairment.

Probable losses in respect of off-balance sheet items are covered by provisions recognised as liabilities on the balance sheet.

Depreciation charges and reversals on impairment losses for non-recovery risk are recognised in cost of risk and any increase in the carrying amount of the loan arising from an impairment write-back or amortisation of the restructured receivables discount over time is recognised in net interest income.

**Loans individually assessed for impairment**

Loans and receivables of all kinds, even those which are guaranteed, are classified as doubtful if they carry an identified credit risk arising from one of the following events:

- the loan or receivable is at least three months in arrears (six months for mortgage loans and property finance leases, and nine months for loans to local authorities, to take account of their specific characteristics);
- the borrower's financial position is such that an identified risk exists regardless of whether the loan or advance is in arrears;
- the bank and borrower are in legal proceedings.

When a loan is recorded as impaired, all other loans or commitments relating to that borrower are deemed to be subject to "contagion" and also recorded in their entirety in this category, whether or not they are guaranteed.

In the case of restructured loans that are retained in the impaired loan category, the discount is not recognised as a separate item but through impairment.

Crédit Agricole S.A. Group takes impairment for all foreseeable losses in respect of impaired bad debts and doubtful debts, discounted at the initial effective interest rate.

Foreseeable losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than individually assessed.

In the case of restructured loans for which the entity has changed the initial terms (interest rate, term) due to borrower risk, the loans are reclassified as performing loans and the reduction in future cash flows granted to the borrower when the loan was restructured is recognised as a discount.

The discount recognised when a loan is restructured is recorded under cost of risk.

The discount represents future loss of cash flow discounted at the original effective interest rate.

It is equal to the difference between:

- the nominal value of the loan;
- the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined as of the date of the financing commitment).

**Loans collectively assessed for impairment**

Statistical and historical customer default experience shows that there is an identified risk of partial uncollectibility of loans non individually impaired. To cover these risks, which cannot by nature be allocated to individual loans, Crédit Agricole S.A. Group takes various collective impairment losses, calculated using models developed on the basis of these statistical data, by way of deduction from asset values, such as:

- **impairment for past due exposures**:

  Such impairment losses are calculated on the basis of Basel 2 models.

  As part of the implementation of Basel 2, each Crédit Agricole S.A. Group entity calculates the amount of losses anticipated within one year, using statistical tools and databases, based on a variety of observation criteria that meet the definition of a "loss event" within the meaning of IAS 39.

  The amount of impairment is based on the probability of default in each rating class assigned to borrowers, and also on management's experienced judgement.

  Impairment is calculated by applying a correction factor to the anticipated loss, based on management's experienced judgement, which factors in a number of variables that are not included in the Basel 2 models, such as the extension of the anticipated loss horizon beyond one year as well as other factors related to economic, business and other conditions;

- **other loans collectively assessed for impairment**:

  Crédit Agricole S.A. Group also sets aside collective impairment losses to cover customer risks that are not allocated to individual loans, such as sector or country impairment losses. These provisions are intended to cover estimated risks based on a sector or geographical analysis for which there is statistical or historical risk of partial non-recovery.

### *Subsidised loans (IAS 20)*

Under French government measures to support the agricultural and rural sector and to help home buyers, certain Crédit Agricole S.A. Group entities grant subsidised loans at rates fixed by the government. The government pays these entities the difference between the subsidised lending rate and a predetermined benchmark rate. Accordingly, no discounts are recognised against subsidised loans.

The subsidy system is periodically reviewed by the government.

In accordance with IAS 20, subsidies received from the government are recorded under "Interest income" and spread over the life of the corresponding loans.

## Financial liabilities

IAS 39 as endorsed by the European Union recognises three categories of financial liabilities:

- financial liabilities at fair value through profit or loss. Fair value changes on this portfolio are recognised in profit or loss at accounting end-periods;

- financial liabilities designated as at fair value through profit or loss upon initial recognition. Financial liabilities may be designated as at fair value through profit and loss when such designation meets the conditions defined in the standard, in the following three cases: for hybrid instruments containing one or more embedded derivatives, to reduce any distortion of accounting treatment or in the case of a group of managed financial liabilities which performance is measured at fair value. This method is generally used so that derivatives embedded in hybrid instruments do not have to be recognised and measured separately;
- other financial liabilities: this category includes all other financial liabilities. These liabilities are initially measured at fair value (including transaction income and costs) and subsequently at amortised cost using the effective interest method.

Crédit Agricole S.A. Group’s structured issues are recognised as financial liabilities at fair value through profit or loss, classified as held for trading. Changes in fair value are taken to profit or loss.

Revaluation adjustments related to the Group's issuer credit risk are measured using models based on the Group's refinancing conditions during the previous half-year. They also take account of the residual term of the relevant liabilities. In the current environment, we believe that this methodology, using a half-year benchmark, represents a cautious approach and gives the most representative measurement of the fair value of our liabilities.

### *Securities classified as financial liabilities or equity*

**Distinction between liabilities and equity**

A debt instrument or financial liability is a contractual obligation to:

- deliver cash or another financial asset;
- exchange instruments under potentially unfavourable conditions.

An equity instrument is a contract evidencing a residual interest in an enterprise after deduction of all of its liabilities (net assets).

### *Treasury shares buy-back*

Treasury shares (or equivalent derivative instruments, such as stock options) bought back by Crédit Agricole S.A. Group, including shares held to hedge stock option plans, do not meet the definition of a financial asset and are deducted from equity. They do not generate any impact on the income statement.

## Deposits

All deposits are recorded under “Due to customers” in spite of the characteristics of the collection system within Crédit Agricole Group, with deposits originating from the Regional Banks centralised at Crédit Agricole S.A. For the Group, the ultimate counterparty for these deposits is indeed the end customer.

The deposits are initially measured at fair value and subsequently at amortised cost.

Regulated savings products are by nature deemed to be at market rates.

Provisions are taken where necessary against home purchase savings plans and accounts as set out in Note 6.17.

## Derivative instruments

Derivative instruments are financial assets or liabilities and are recognised on the balance sheet at fair value at inception of the transaction. At the end of each reporting period derivatives are measured at fair value, whether they are held for trading purposes or used for hedging.

Any change in the value of derivatives on the balance sheet is recorded in the income statement (except in the special case of a cash flow hedging relationship).

### *Hedge accounting*

Fair value hedges are intended to provide protection from exposure to a change in the fair value of an asset or of a liability that has been recognised, or of a firm commitment that has not been recognised.

Cash flow hedges are intended to provide protection from a change in future cash flows from financial instruments associated with a recognised asset or liability (for example, with all or part of future interest payments on a floating-rate debt) or a projected transaction that is considered to be highly probable.

Hedges of net investments in a foreign operation are intended to provide protection from the risk of an adverse movement in fair value arising from the foreign exchange risks associated with a foreign investment in a currency other than the euro.

Hedges must meet the following criteria in order to be eligible for hedge accounting:

- the hedging instrument and the instrument hedged must be eligible;
- there must be formal documentation from inception, primarily including the individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk;
- the effectiveness of the hedge must be demonstrated, at inception and retrospectively, by testing at each reporting date.

For interest rate hedges for a portfolio of financial assets or financial liabilities, Crédit Agricole S.A. Group documents the hedging relationship for fair value hedges in accordance with the “carve-out” version of IAS 39 as endorsed by the European Union.

The Group also documents these hedging relationships based on its gross position in derivative instruments and hedged items.

The effectiveness of the hedging relationships is measured by maturity schedules.

The change in value of the derivative is recorded in the financial statements as follows:

- fair value hedges: the change in value of the derivative is recognised in the income statement symmetrically with the change in value of the hedged item in the amount of the hedged risk. Only the net amount of any ineffective portion of the hedge is recognised in the income statement;
- cash flow hedges: the change in value of the derivative is recognised in the balance sheet through a specific account in other comprehensive income for the efficient portion and any inefficient portion of the hedge is recognised in the income statement. Any profits or losses on the derivative accrued through other comprehensive income are then reclassified in the income statement when the hedged cash flows occur;
- hedge of a net investment in a foreign operation: the change in value of the derivative is recognised in the balance sheet in the translation adjustment equity account and any ineffective portion of the hedge is recognised in the income statement.

Where the conditions for benefiting from hedging accounting are no longer met, the following accounting treatment must be applied prospectively:

- fair value hedges: only the hedging instrument continues to be revalued through profit or loss. The hedged item is wholly accounted for according to its classification. For available-for-sale securities, changes in fair value subsequent to the ending of the hedging relationship are recorded in other comprehensive income. For hedged items valued at amortised cost, which were interest rate hedged, the revaluation adjustment is amortised over the remaining life of those hedged items;
- cash flow hedges: the hedging instrument is valued at fair value through profit or loss. The amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income until the hedged element affects profit or loss. For interest-rate hedged instruments, profit or loss is affected according to the payment of interest. The revaluation adjustment is therefore amortised over the remaining life of those hedged items;
- hedges of net investments in a foreign operation: the amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income while the net investment is held. The income is recorded once the net investment in a foreign operation exits the scope of consolidation.

### *Embedded derivatives*

An embedded derivative is a component of a hybrid contract that meets the definition of a derivative product. Embedded derivatives must be accounted for separately from the host contract if the following three conditions are met:

- the hybrid contract is not measured at fair value through profit or loss;
- the embedded component taken separately from the host contract has the characteristics of a derivative;
- the characteristics of the derivative are not closely related to those of the host contract.

## Determination of the fair value of financial instruments

The fair value of financial instruments is measured according to the provisions of IAS 39 and is presented following the hierarchy defined in IFRS 7.

To measure some financial instruments at fair value, Crédit Agricole S.A. Group also applies the 15 October 2008 recommendation of the AMF, CNC and ACAM.

For financial instruments measured at fair value, IAS 39 considers that the best evidence of fair value is quoted prices published in an active market.

When such quoted prices are not available, IAS 39 requires fair value to be established by using a valuation technique based on observable data or unobservable inputs.

### *Level 1: fair value corresponding to listed prices (unadjusted) in active markets.*

Level 1 is composed of financial instruments that are quoted in an active market. These are stocks and bonds listed on active markets (such as the Paris Stock Exchange, the London Stock Exchange or the New York Stock Exchange) and also fund securities listed on an active market and derivatives traded on an organised market, in particular futures.

A market is regarded as being active if quoted prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For financial assets and liabilities with offsetting market risks, Crédit Agricole S.A.Group uses mid-prices as a basis for establishing fair values for the offsetting risk positions. The Group applies the current bid price to asset held or liability to be issued (open long position) and the current asking price to asset to be acquired or liability held (open short position).

### *Level 2: fair value measured using directly or indirectly observable inputs other than those in Level 1.*

These inputs that are observable, either directly (*i.e.* as prices) or indirectly (*i.e.* derived from prices) generally meet the following characteristics: they are not entity-specific data but available and obtainable public data accordingly used by marked participants.

Level 2 is composed of:

- stocks and bonds listed on an inactive market or non listed on an active market but for which fair value is established using a valuation methodology usually used by market participants (such as discounted cash flow techniques or the Black & Scholes model) and based on observable market data;

- instruments that are traded over the counter, the fair value of which is measured with models using observable market data, *i.e*. derived from various and independent available external sources which can be obtained on a regular basis. For example, the fair value of interest rate swaps is generally derived from the yield curves of market interest rates as observed at the reporting date.

When the models are consistent notably with standard models based on observable market data (such as interest rate yield curves or implied volatility surfaces), the day one gain or loss resulting from the initial fair value measurement of the related instruments is recognised in profit or loss at inception.

#### *Level 3: fair value that is measured using significant unobservable inputs.*

For some complex instruments that are not traded in an active market, fair value measurement is based on valuation techniques using assumptions, *i.e.* that cannot be observed on the market for an identical instrument. These instruments are disclosed within Level 3.

This mainly concerns complex interest rate instruments, equity derivatives, structured credit instruments which fair value measurement includes for instance correlation or volatility inputs that are not directly benchmarkable.

Since the transaction price is deemed to reflect the fair value at initial recognition, any day one gain or loss recognition is deferred.

The day one gain or loss relating to these structured financial instruments is generally recognised through profit or loss over the period during which inputs are deemed unobservable. When market data become observable, the remaining margin to be deferred is immediately recognised in profit or loss.

Valuation methodologies and models used for financial instruments that are disclosed within Levels 2 and 3 incorporate all factors that market participants would consider in setting a price. They shall be beforehand validated by an independent control. Fair value measurement includes both liquidity risk and counterparty risk.

#### *Absence of accepted valuation method to determine equity instruments' fair value*

In accordance with IAS 39 principles, if there is no satisfactory method or if the estimates obtained using the various methods differ excessively, the security is valued at cost and stays recorded under "Available-for-sale financial assets" because its fair value cannot be reliably measured. In this case, the Group does not report a fair value, in accordance with the applicable recommendations of IFRS 7. These primarily include investments in non-consolidated equity investments that are not listed on an active market of which fair value is difficult to measure reliably.

### Net gains or losses on financial instruments

#### *Net gains (losses) on financial instruments at fair value through profit or loss:*

For financial instruments designated at fair value through profit or loss and financial assets and liabilities held for trading, this heading mainly includes the following income statement items:

- dividends and other revenues from equities and other variable-income securities which are classified under financial assets at fair value through profit or loss;
- changes in fair value of financial assets or liabilities at fair value through profit or loss;
- gains and losses on disposal of financial assets at fair value through profit or loss;
- changes in fair value and gains and losses on disposal or termination of derivative instruments not included in a fair value or cash flow hedging relationship.

This heading also includes the inefficient portion of fair value hedges, cash flow hedges and hedges of net investments in foreign currencies.

#### *Net gains (losses) on available-for-sale financial assets*

For available-for-sale financial assets, this heading mainly includes the following income statement items:

- dividends and other revenues from equities and other variable-income securities which are classified under available-for-sale financial assets;
- gains and losses on disposal of fixed-income and variable-income securities which are classified under available-for-sale financial assets;
- losses in value of variable-income securities;
- net income on disposal or termination of instruments used for fair value hedges of available-for-sale financial assets when the hedged item is sold;
- gains and losses on disposal or termination of loans and receivables and held-to-maturity securities in those cases provided for by IAS 39.

### Netting of financial assets and financial liabilities

In accordance with IAS 32, Crédit Agricole S.A. Group nets a financial asset and a financial liability and reports the net amount when, and only when, it has a legally enforceable right to offset the amounts reported and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Financial guarantees given

A financial guarantee contract is a contract that calls for specific payments to be made by the issuer to reimburse the holder for a loss incurred due to a specified debtor's failure to make a payment when due under the initial or amended terms of a debt instrument.

Financial guarantee contracts are recognised at fair value initially then subsequently at the higher of:

- the amount calculated in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; or,
- the amount initially recognised, less any depreciations recognised in accordance with IAS 18 "Revenue".

Financing commitments that are not designated as fair value through profit or loss or not treated as derivative instruments within the meaning of IAS 39 are not recognised on the balance sheet. They are, however, covered by provisions in accordance with IAS 37.

### Derecognition of financial instruments

A financial asset (or group of financial assets) is fully or partially derecognised if:

- the contractual rights to the cash flows from the financial asset expire or are transferred or are deemed to have expired or been transferred because they belong de facto to one or more beneficiaries;
- substantially all the risks and rewards of ownership in the financial asset are transferred.

In this case, any rights or obligations created or retained at the time of transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but some of the risks and rewards of ownership as well as control are retained, the financial assets are recognised to the extent of the Group's continuing involvement in the asset.

A financial liability is fully or partially derecognised only if the liability is settled.

## PROVISIONS (IAS 37 AND 19)

Crédit Agricole S.A. Group has identified all obligations (legal or constructive) resulting from a past event for which it is probable that an outflow of resources will be required to settle the obligation, and for which the due date or amount of the settlement is uncertain but can be reliably estimated. These estimates are discounted where applicable whenever there is a material impact.

For obligations other than those related to credit risk, Crédit Agricole S.A. Group has set aside general provisions to cover:

- operational risks;
- employee benefits;
- financing commitment execution risks;
- claims and liability guarantees;
- tax risks;
- risks in connection with home purchase savings plans.

The latter provision is designed to cover the Group's obligations in the event of unfavourable movements in home purchase savings schemes. These obligations are: i) to pay a fixed rate of interest on the savings contract from inception for an undefined period of time; and ii) to grant a loan to home purchase savings plan savers at a rate fixed at inception of the contract. The provision is calculated for each generation of a home purchase savings plan and for all home purchase savings accounts, with no netting of obligations between generations.

The amount of these obligations is calculated taking account notably of:

- saver behaviour models, based on assumptions regarding customer behaviour drawn from historical experience, which may not necessarily reflect actual trends in future behaviour;
- an estimate of the amount and term of the loans that will be granted in the future, based on historical experience over an extended period of time;
- the yield curve for market rates and reasonably foreseeable trends.

Certain estimates may be made to determine the amount of the following provisions:

- the reserve for operational risks, which although subject to examination for identified risks, requires management to make assessments with regard to incident frequency and the potential financial impact;
- the reserve for legal risks, which is based on management's best estimate in light of the information in its possession as of the end of the reporting period.

Detailed information is provided in section 6.17.

## EMPLOYEE BENEFITS (IAS 19)

In accordance with IAS 19, employee benefits are recorded in four categories:

- short-term employee benefits, such as salaries, social security contributions and variable compensation payable within 12 months after the end of the period;
- long-term employee benefits (long-service awards, variable compensation and compensation payable 12 months or more after the end of the period);
- termination benefits;
- post-employment benefits, classed in two categories described below: defined-benefit plans and defined-contribution plans.

### Long-term employee benefits

Long-term employee benefits are employee benefits other than post-employment benefits or termination benefits and equity benefits but not fully due to employees within 12 months after the end of the period in which the related services have been rendered.

These include, in particular bonuses and other deferred compensation payable over 12 months after the end of the period.

The methods used to determine the amount and payment of deferred variable compensation by Crédit Agricole S.A. Group comply with the statutory provisions on compensation of employees whose activities are likely to have a significant effect on the Group's risk exposure (ministerial order of 3 November 2009 and the industry standards for practical implementation issued by the FBF). They stipulate deferred variable compensation payment spread over several years and payable either in cash indexed to Crédit Agricole S.A. share price, or in Crédit Agricole S.A. shares.

The expenses are accounted for on a straight line basis under "Employee expenses" spread over the vesting period (between 3 and 4 years) to cover performance and/or attendance conditions. For variable compensation paid in cash, the corresponding debt is revised until settlement to account for failure to meet the above conditions and for changes in Crédit Agricole S.A. share value. For compensation paid in shares of Crédit Agricole S.A., the corresponding expense is revised if the conditions are not met.

The measurement method is similar to the one used by the Group for post-employment benefits with defined-benefit plans.

#### Post-employment benefits

##### *Retirement and early retirement benefits – Defined-benefit plans*

At each reporting date, Crédit Agricole S.A. Group sets aside reserves to cover its liabilities for retirement and similar benefits and all other employee benefits falling in the category of defined-benefit plans.

In keeping with IAS 19, these commitments are stated based on a set of actuarial, financial and demographic assumptions, and in accordance with the projected unit credit method. Under this method, for each year of service, a charge is booked in an amount corresponding to the employee's vested benefits for the period. The charge is calculated based on the discounted future benefit.

Liabilities for retirement and other employee benefits are based on assumptions made by management with respect to the discount rate, staff turnover rate and probable increases in salary and social security costs. If the actual figures differ from the assumptions made, the retirement liability may increase or decrease in future years (see Note 7.4).

Discount rates are determined based on the average duration of the commitment, *i.e.* the arithmetical average of the durations calculated between the valuation date and the payment date weighted by employee turnover assumptions.

The anticipated return on plan assets is also estimated by management. Returns are estimated on the basis of expected returns on fixed-income securities, and notably bonds.

Crédit Agricole S.A. Group does not apply the optional "corridor method" and, since 1 January 2010, all actuarial gains or losses are booked in other comprehensive income and no longer in the income statement.

The amount of the provision is equal to:

- the present value of the obligation to provide the defined-benefits as of the end of the reporting period, calculated in accordance with the actuarial method recommended by IAS 19;
- if necessary, reduced by the fair value of the assets allocated to covering these commitments. These may be represented by an eligible insurance policy. In the event that 100% of the obligation is covered by a policy that meets exactly the expense amount payable over the period for all or part of a defined-benefit plan, the fair value of the policy is deemed to be the value of the corresponding obligation, *i.e.* the amount of the corresponding actuarial liability.

For such obligations that are not covered, a provision for retirement benefits is recognised under "Provisions" on the liabilities side of the balance sheet. This provision is equal to Crédit Agricole S.A. Group's liabilities towards employees in service at year-end, governed by the new Crédit Agricole Group collective agreement that came into effect on 1 January 2005.

A provision to cover the cost of early retirement commitments is also listed under "Provisions". This provision covers the additional discounted cost of the various early retirement agreements signed by Crédit Agricole Group entities under which employees of eligible age may take early retirement.

Lastly, certain Group companies are liable to pay supplementary retirement benefits. A provision is calculated on the basis of the Company's actuarial liability for these benefits. These provisions are also shown on the liabilities side of the balance sheet under "Provisions".

##### *Retirement plans – Defined-contribution plans:*

"Employers" contribute to a variety of compulsory retirement plans. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole S.A. Group has no liabilities in this respect other than their ongoing contributions.

### SHARE-BASED PAYMENT (IFRS 2)

IFRS 2 on share-based payment requires valuation of share-based payment transactions in the Company's income statement and balance sheet. The standard applies to plans granted after 7 November 2002, in accordance with the provisions of IFRS 2 and which had not yet vested at 1 January 2005 and covers two possible cases:

- share-based payment transactions settled in equity instruments;
- share-based payment transactions settled in cash.

Share-based payment plans initiated by Crédit Agricole S.A. Group that are eligible for IFRS 2 are mainly transactions settled in equity instruments.

Options granted are measured at their fair value on the date of grant using the Black & Scholes model. These options are recognised as a charge under "Employee expenses", with a corresponding adjustment to equity, spread over the vesting period (four years for existing plans).

Employee share issues offered to employees as part of the employee saving plan are also subject to the IFRS 2 standard. Shares may be offered to employees with a discount of no more than 20%. These plans have no vesting period but the shares are subject to a lock-up period of five years. The benefit granted to employees is measured as the difference between the fair value per share acquired taking account of the lock-up period and the purchase price paid by the employee on the issue date multiplied by the number of shares issued.

A more detailed description of the plans and valuation methods is provided in Note 7.6, "Share-based payment".

The Group carried out a capital increase reserved for employees in 2011.

The cost of stock options settled in Crédit Agricole S.A. equity instruments and the cost of share subscriptions are now recognised in the financial statements of the entities that employ the plan beneficiaries. The impact is recorded under "Employee expenses", with a corresponding increase in "Consolidated reserves (Group share)".

### CURRENT AND DEFERRED TAXES

In accordance with IAS 12, the income tax charge includes all income taxes, whether current or deferred.

IAS 12 defines current tax liability as "the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a reporting period." Taxable income is the profit (or loss) for a given accounting period measured in accordance with the rules determined by the taxation authorities.

The applicable rates and rules used to measure the current tax liability are those in effect in each country where the Group's companies are established.

The current tax liability relates to any income due or that will become due, for which payment is not subordinated to the completion of future transactions, even if payment is spread over several years.

The current tax liability must be recognised as a liability until it is paid. If the amount that has already been paid for the current year and previous years exceeds the amount due for these years, the surplus must be recognised under assets.

Moreover, certain transactions carried out by the entity may have tax consequences that are not taken into account in measuring the current tax liability. IAS 12 defines a difference between the carrying amount of an asset or liability and its tax basis as a temporary difference.

This standard requires that deferred taxes be recognised in the following cases:

A deferred tax liability should be recognised for any taxable temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, unless the deferred tax liability arises from:

- initial recognition of goodwill;
- the initial recognition of an asset or a liability in a transaction that is not a business combination and that does not affect either the accounting or the taxable profit (taxable loss) as of the transaction date.

A deferred tax asset should be recognised for any deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, insofar as it is deemed probable that a future taxable profit will be available against which such deductible temporary differences can be allocated.

A deferred tax asset should also be recognised for carrying forward unused tax losses and tax credits insofar as it is probable that a future taxable profit will be available against which the unused tax losses and tax credits can be allocated.

The tax rates applicable in each country are used.

Deferred taxes are not discounted.

Taxable unrealised gains on securities do not generate any taxable temporary differences between the carrying amount of the asset and the tax base. As a result, deferred tax is not recognised on these gains. When the relevant securities are classified as available-for-sale securities, unrealised gains and losses are recognised directly through other comprehensive income. The tax charge or saving effectively borne by the entity arising from these unrealised gains or losses is reclassified as a deduction from these gains.

In France, all but 10% of long-term capital gains on the sale of investments in non-consolidated equity investments, as defined by the General Tax Code, are exempt from tax as from the tax year commencing on 1 January 2007; the 10% are taxed at the normally applicable rate. Accordingly, unrealised gains recognised at the end of the year generate a temporary difference requiring the recognition of deferred tax on this 10%.

Deferred tax is recognised in net income for the year, unless the tax arises from:

- either a transaction or event that is recognised directly through other comprehensive income, during the same year or during another year, in which case it is directly debited or credited to other comprehensive income; or,
- a business combination.

Deferred tax assets and liabilities are offset against each other if, and only if:

- the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and,
- the deferred tax assets and liabilities apply to income taxes assessed by the same tax authority:
  **a)** either for the same taxable entity, or
  **b)** on different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to settle their tax assets and liabilities at the same time during each future financial year in which it is expected that substantial deferred tax assets or liabilities will be paid or recovered.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax expense continues to be recognised under the "Income tax expense" heading in the income statement.

### TREATMENT OF FIXED ASSETS (IAS 16, 36, 38, AND 40)

Crédit Agricole S.A. Group applies component accounting for all of its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable amount takes account of the potential residual value of property, plant and equipment.

Land is measured at cost less any impairment losses.

Property used in operations, investment property and equipment are measured at cost less accumulated depreciation and impairment losses since the time they were placed in service.

Purchased software is measured at purchase price less accumulated depreciation and impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation and impairment losses since completion.

Apart from software, intangible assets are mainly assets acquired during a business combination resulting from contract law (*e.g.* distribution agreement).

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole S.A. Group following the application of the measures on component accounting for property, plant and equipment. These depreciation periods are adjusted according to the type of asset and its location:

| Component | Depreciation period |
|---|---|
| Land | Not depreciable |
| Structural works | 30 to 80 years |
| Non-structural works | 8 to 40 years |
| Plant and equipment | 5 to 25 years |
| Fixtures and fittings | 5 to 15 years |
| Computer equipment | 4 to 7 years |
| Special equipment | 4 to 5 years |

Exceptional depreciation charges corresponding to tax-related depreciation and not to any real impairment in the value of the asset are eliminated in the consolidated financial statements.

Based on available information, Crédit Agricole S.A. Group has concluded that impairment testing would not lead to any change in the existing amount of its fixed assets as of the end of the reporting period.

### FOREIGN CURRENCY TRANSACTIONS (IAS 21)

In accordance with IAS 21, a distinction is made between monetary and non-monetary items.

On the reporting date, foreign-currency denominated monetary assets and liabilities are converted into Crédit Agricole S.A. Group's operating currency on the closing date. The resulting translation adjustments are recorded in the income statement. There are two exceptions to this rule:

- for available-for-sale financial assets, only the translation adjustments calculated on amortised cost is taken to the income statement; the balance is recorded in equity;
- translation adjustments on elements designated as cash flow hedges or forming part of a net investment in a foreign entity are recognised in other comprehensive income.

Non-monetary items are treated differently depending on the type of items:

- items at historical cost are measured at the exchange rate on the transaction date;
- items at fair value are measured at the exchange rate at the closing rate at the end of the reporting period.

Translation adjustments on non-monetary items are recognised:

- in the income statement if the gain or loss on the non-monetary item is recorded in the income statement;
- in other comprehensive income if the gain or loss on the non-monetary item is recorded in other comprehensive income.

### FEES AND COMMISSIONS (IAS 18)

Fee and commission income and expenses are recognised in income based on the nature of services with which they are associated:

- fees and commissions that are an integral part of the effective yield on a financial instrument are recognised as an adjustment to the yield on the instrument and included in its effective interest rate;
- when the result from a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised in "fees and commissions" by reference to the stage of completion of the transaction at the end of the reporting period:

**a)** fees and commissions paid or received in consideration for non-recurring services are fully recognised in the income statement.

Fees and commissions payable or receivable that are contingent upon meeting a performance target are recognised only if all the following conditions are met:

i) the amount of fees and commissions can be reliably estimated,

ii) it is probable that the future economic benefits from the services rendered will flow to the Company,

iii) the stage of completion of the service can be reliably estimated, and the costs incurred for the service and the costs to complete it can be reliably estimated,

**b)** fees and commissions in consideration for ongoing services, such as fees and commissions on payment instruments, are recognised in the income statement and spread over the duration of the service rendered.

### INSURANCE BUSINESSES (IFRS 4)

Liabilities remain partially valued under French GAAP, as permitted by IAS and IFRS regulations, pending further amendments to the existing standards. Financial assets held by the Group's insurance companies have been reclassified into the financial assets categories set out in IAS 39.

Contracts containing discretionary participation features are collectively classified as a liability under insurance Company's technical reserves. They are recognised in the same way as insurance contracts. Premiums on these contracts are recognised as income and the increase in obligations to policyholders is recognised as an expense.

Life insurance technical reserves are conservatively estimated based on the technical rates defined in the contracts. Liabilities associated with contracts with or without discretionary participation features or guaranteed elements, are measured based on the fair value of the underlying assets or its equivalent at the end of the reporting period and are recorded under financial liabilities.

The financial margin on these policies is taken to profit or loss, after reversing out the technical items (premiums, benefits, etc.), according to deposit accounting principles.

Property and casualty insurance policy liabilities are estimated at the end of the reporting period, without applying any discount. Claims management costs associated with technical reserves are charged to a provision in the financial statements at the reporting date.

For non-life insurance contracts, acquisition costs are recognised as and when the premium is earned. For life insurance contracts, directly identifiable acquisition costs are deferred over the profit generation period.

Total expenses related to the insurance business are presented in Note 4.5 – Net income (expenses) on other activities.

As permitted by the extension of local GAAP specified by IFRS 4 and CRC regulation 2000-05 pertaining to consolidated financial statements for insurance companies, "shadow accounting" is used to account for insurance liabilities for contracts with discretionary participation features. Under this practice, positive or negative valuation differences in the corresponding financial assets that will potentially revert to policyholders are recognised in a "Deferred profit sharing" account.

The deferred profit sharing is recognised on the liabilities side of the balance sheet under insurance Company's technical reserves or on the asset side with an offsetting entry in the income statement or in the valuation reserve, in the same way as unrealised gains and losses on the underlying assets.

The deferred profit sharing is determined in two stages:

- by allocating unrealised gains and losses on the assets to insurance contracts with participation features on the basis of a three-year historic average;
- then by applying to the remeasurements of insurance contracts with participation features a historical distribution key observed over the past three years for redeemable securities and a 100% key for the other financial assets.

To determine whether the deferred profit-sharing asset is recoverable, tests are carried out to determine whether any unrealised losses can be applied to future surpluses before testing for liability shortfall in accordance with the CNC recommendation of 19 December 2008. These tests are based:

- first, on liquidity analyses of the Company, which show the enterprise's capacity to access funding sources to meet its obligations and its ability to hold assets with unrealised losses even if new production declines. The tests were performed with and without new production;
- second, on a comparison between the average value of future services measured by the internal model replicating the Company's management decisions and the value of the assets representing the obligations at fair value. This shows the enterprise's ability to meet its obligations.

Lastly, sensitivity tests on the ability to activate the deferred profit sharing are also carried out:

- in the event of a uniform 15% increase in redemptions applied to redemption rates drawn from scenarios similar to those used by the banking and insurance sector regulatory authority the French Prudential Supervisory Authority (ACP);
- in the event of an additional 10% decline in the equity markets.

In accordance with IFRS 4, at each reporting date, the Group also ascertains that insurance liabilities (net of deferred acquisition costs and associated intangible assets) are adequate to meet estimated future cash flows.

The liability adequacy test used to verify this must meet the following minimum requirements, as defined in paragraph 16 of the standard:

- it must consider current estimates of all future contractual cash flows, including associated management costs, fees and commissions as well as options and guarantees implicit in these contracts;
- if the test shows that the liability is inadequate, it is wholly recognised in profit or loss.

#### LEASES (IAS 17)

As required by IAS 17, leases are analysed in accordance with their substance and financial reality. They are classified as operating leases or finance leases.

Finance lease transactions are treated as an acquisition of a fixed asset by the lessee financed by a loan from the lessor.

In the lessor's financial statements, analysis of the economic substance of the transactions results in the following:

- recognition of a financial receivable from the customer, which is amortised by the lease payments received;
- lease payments are broken down into interest and principal, known as financial amortisation;
- recognition of a net lease reserve. This is equal to the difference between:
  - **a)** the net lease receivable: amount owned by the lessee, comprising outstanding finance lease receivable and accrued interest at the reporting date,
  - **b)** the net carrying amount of the leased fixed assets,
  - **c)** the provision for deferred taxes.

In the lessee's financial statements, finance leases are restated such that they are recognised in the same way as if the asset had been purchased on credit, by recognising a financial liability, recording the purchased asset under assets and depreciating the asset.

In the income statement, the theoretical depreciation charge (the charge that would have been recognised if the asset had been purchased) and the finance expenses (incurred in connection with the financing) are recorded in the place of the lease payments.

For operating leases, the lessee recognises payments as expenses and the lessor records the corresponding income under rents, and the leased assets on its balance sheet.

#### NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (IFRS 5)

A non-current asset (or a disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable.

The relevant assets and liabilities are shown separately on the balance sheet under "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale".

A non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs of sale. A charge for impairment of unrealised gains is recognised in the income statement. Unrealised gains are no longer amortised when they are reclassified.

A discontinued operation is a component of the Group that has either been disposed of, or is classified as held for sale, according to the following situations:

- it represents a separate major business line or geographical area of operations;
- it is part of a single coordinated plan to dispose of a separate major business line or geographical area of operations; or,
- it is a subsidiary acquired exclusively with a view to resale.

The following are disclosed on a separate line of the income statement:

- the profit or loss from discontinued operations until the date of disposal, net of tax;
- the gain or loss recognised on the disposal or on measurement to fair value less costs of sale of the assets and liabilities constituting the discontinued operations, net of tax.

### 1.4 Consolidation principles and methods (IAS 27, 28 and 31)

#### SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of Crédit Agricole S.A. and those of all companies over which, in compliance with IAS 27, IAS 28 and IAS 31, Crédit Agricole S.A. exercises control. This control is presumed when

Crédit Agricole S.A. holds, directly or indirectly, at least 20% of existing or potential voting rights.

#### Definitions of control

In compliance with international standards, all entities under exclusive control, under joint control or under significant influence are consolidated, provided that their contribution is deemed material and that they are not covered under the exclusions below.

Materiality is assessed in the light of three main criteria representing a percentage of the consolidated balance sheet, the consolidated net assets and the consolidated results.

Exclusive control is presumed to exist when Crédit Agricole S.A. holds over half of the voting rights in an entity, whether directly or indirectly through subsidiaries, except in exceptional circumstances when it can be clearly demonstrated that such ownership does not give it control. Exclusive control also exists when Crédit Agricole S.A. owns half or less than half of the voting rights or potential voting rights in an entity, but holds majority power within management bodies.

Joint control is exercised in joint ventures in which each of the two or more co-owners are bound by a contractual contribution that provides for joint control.

Significant influence is defined as the power to influence but not control a company's financial and operational policies. Crédit Agricole S.A. is presumed to have significant influence if it owns 20% or more of the voting rights in an entity, whether directly or indirectly through subsidiaries.

#### Consolidation of Special Purpose Entities

The consolidation of Special Purpose Entities (entities created to manage a given transaction or a set of similar transactions), and more specifically of funds held under exclusive control, is specified by SIC 12.

In accordance with SIC 12, Special Purpose Entities are consolidated when Crédit Agricole S.A. Group exercises control in substance over the entity, even if there is no equity relationship. This applies primarily to dedicated mutual funds.

Whether or not a Special Purpose Entity is controlled in substance is determined by considering the following criteria:

- activities of Special Purpose Entities are organised on behalf of a company in Crédit Agricole S.A. Group depending on its specific business needs, such that this company obtains benefits from the SPE's activities;
- the company, in substance, has the decision-making powers to obtain a majority of the benefits of the SPE's activities or has delegated such decision-making powers by establishing an "autopilot" mechanism;
- the company, in substance, has rights to obtain a majority of the benefits of the SPE's activities and as a result may be exposed to the risks related to the SPE's activities; or,
- the company, in substance, retains the majority of the residual risks or risks arising from ownership relating to the SPE or its assets, in order to obtain benefits from its activities.

#### Exclusions from the scope of consolidation

In accordance with IAS 28 § 1 and IAS 31 § 1, minority interests held by venture capital entities are also excluded from the scope of consolidation insofar as they are classified under financial assets at fair value through profit or loss (including financial assets classified as held for trading and financial assets designated at fair value through profit or loss upon initial recognition).

### CONSOLIDATION METHODS

The methods of consolidation are respectively defined by IAS 27, 28 and 31. They result in the type of control exercised by Crédit Agricole S.A. over the entities that can be consolidated, regardless of activity or whether or not they have legal entity status:

- full consolidation, for entities under exclusive control, including entities with different financial statement structures, even if their business is not an extension of that of Crédit Agricole S.A.;
- proportionate consolidation, for entities under joint control, including entities with different financial statement structures, even if their business is not an extension of that of Crédit Agricole S.A.;
- the equity method, for the entities over which Crédit Agricole S.A. exercises significant influence.

Consolidation consists in substituting for the value of the shares each of the assets and liabilities items carried by each subsidiary. The share of the minority interests in equity and income is separately identified in the consolidated balance sheet and income statement.

Minority interests correspond to the holdings that do not allow control as defined by IAS 27 and incorporate the instruments that are shares of current interests and that give right to a proportional share of net assets in the event of liquidation and the other equity instruments issued by the subsidiary and not held by the Group.

Proportionate consolidation consists in substituting for the value of the share, the carrying proportion of the asset, liability and net income of the consolidated company representing the consolidating company's interest.

The equity method consists in substituting for the value of shares the Group's proportional share of the equity and income of the companies concerned.

### ADJUSTMENTS AND ELIMINATIONS

Adjustments are made to harmonise the methods of valuing the consolidated companies, unless they are deemed to be non-material.

Group internal transactions affecting the consolidated balance sheet and income statement are eliminated.

Capital gains or losses arising from intra-Group asset transfers are eliminated; any potential lasting impairment measured at the time of disposal in an internal transaction is recognised.

### TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS (IAS 21)

Financial statements of subsidiaries denominated in foreign currencies are translated into euros in two stages:

- if applicable, the local currency in which the financial statements are prepared is translated into the functional currency (currency of the main business environment of the entity). The translation is made as if the information had been recognised initially in the functional currency (same translation principles as for foreign currency transactions);
- the functional currency is translated into euros, the currency in which the Group's consolidated financial statements are presented. Assets and liabilities are translated at the closing rate. Income and expenses included in the income statement are translated at the average exchange rate for the period. Translation adjustments for assets, liabilities and income statement items are recorded under a specific item in equity. These translation differences are recognised as income during the total or partial transfer of the entity. In the event of the sale of a subsidiary (exclusive control), the reclassification of equity as income takes place only in the event of a loss of control.

### BUSINESS COMBINATIONS – GOODWILL

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control (in particular mergers of Regional Banks) which are excluded from the field of application of IFRS 3. These transactions are entered at net carrying amount in accordance with French GAAP, as allowed by IAS 8.

On the date of acquisition the identifiable assets, liabilities and contingent liabilities of the acquired entity which satisfy the conditions for recognition set out in IFRS 3 are recognised at their fair value.

Notably, restructuring liabilities are only recognised as a liability ot the acquired entity if, at the date of acquisition, the acquiree is under an obligation to complete the restructuring.

Price adjustment clauses are, for the transactions conducted after 1 January 2010, recognised at their fair value (if it can be reliably determined) even if their application is not probable. Subsequent changes in the fair value of clauses if they are financial liabilities are recognised in the income statement.

For the transactions conducted prior to 31 December 2009, these clauses were only incorporated in the acquisition cost of the entity acquired when their application became probable even after the 12 month allocation period.

The initial assessment of assets, liabilities and contingent liabilities may be revised within a period of twelve months after the date of acquisition.

Since 1 January 2010, the portion of holdings not allowing control that are shares of current interests giving rights to a share of the net asset in the event of liquidation may be measured, at acquirer's choice, in two ways:

- at fair value on the date of acquisition;
- the share of the identifiable assets and liabilities of the acquired company revalued at fair value;

The option may be exercised by acquisition.

The balance of interests not allowing control (equity instruments issued by the subsidiary and not held by the Group) should be recognised for its fair value on the date of acquisition.

The initial assessment of assets, liabilities and contingent liabilities may be revised within a maximum period of twelve months after the date of acquisition.

Some transactions relating to the acquired entity are recognised separately from the business combination. This applies primarily to:

- transactions that end an existing relationship between the acquired company and the acquiring company;
- transactions that compensate employees or shareholders of the acquired company for future services;
- transactions whose aim is to have the acquired company or its former shareholders repay expenses borne by the acquirer.

These separate transactions are generally recognised in the income statement at the acquisition date.

The transferred counterparty at the time of a business combination (the acquisition cost) is measured as the total of fair values transferred by the acquirer, on the date of acquisition in exchange for control of the acquired entity (for example: cash, equity instruments, etc.).

For transactions conducted prior to 31 December 2009, the acquisition cost also contained the costs directly attributable to the business combination.

For transactions conducted starting 1 January 2010, the costs directly attributable to the business combination shall be recognised as expenses, separately from the business combination. If the transaction has very strong possibilities of occurring, they are recognised under the heading "Net gains (losses) on disposal of other assets", otherwise they are recognised under the heading "Operating expenses ".

The spread between the cost of acquisition and interests that do not allow control and the net balance on the date of acquisition of acquired identifiable assets and liabilities taken over, valued at their fair value is recognised, when it is positive, in the assets side of the consolidated balance sheet, under the heading "Goodwill" when the acquired entity is fully or proportionately consolidated and in the heading "Investments in equity-accounted entities" when the acquired company is consolidated using the equity method of accounting. Any negative goodwill is recognised immediately through profit or loss.

Goodwill is carried in the balance sheet at its initial amount in the currency of the acquired entity and translated at the closing rate at the end of the reporting period.

When control is taken by stages, the interest held before taking control is revaluated at fair value through profit or loss at the date of acquisition and the goodwill is calculated once, using the fair value at the date of acquisition of acquired assets and liabilities taken over.

It is tested for impairment whenever there is objective evidence of a loss of value and at least once a year.

The choices and assumptions used in assessing the holdings that do not allow control at the date of acquisition may influence the amount of initial goodwill and any impairment resulting from a loss of value.

For the purpose of impairment testing, goodwill is allocated to the Cash Generating Units (CGUs) that are expected to benefit from the business combination. The CGUs have been defined within the Group's business lines as the smallest identifiable group of assets and liabilities functioning in a single business model. Impairment testing consists of comparing the carrying amount of each CGU, including any goodwill allocated to it, with its recoverable amount.

The recoverable amount of the CGU is defined as the higher of market value and value in use. The value in use is the present value of the future cash flows of the CGU, as set out in medium-term business plans prepared by the Group for management purposes.

When the recoverable amount is lower than the carrying amount, a corresponding impairment loss is recognised for the goodwill allocated to the CGU. This impairment is irreversible.

In the case of an increase in the percentage of interest of the Group in an entity that is already exclusively controlled, the difference between the acquisition cost and the share of net assets resulting from this increase is recognised under the item "Consolidated reserves, Group share". In the event that the Group's percentage of ownership interest in an entity that remains under its exclusive control declines, the difference between the selling price and the carrying amount of the minority interests sold is also recognised directly under "Consolidated reserves, Group share". The expenses arising from these transactions are recognised in equity.

When there is a change in the percentage of interest in an entity already exclusively controlled, the value of goodwill as an asset is unchanged but is reallocated between the equity Group share and the interests that do not allow control.

The accounting treatment of sale options granted to minority shareholders is as follows:

- when a sale option is granted to the minority shareholders of a fully consolidated subsidiary, a liability is recognised in the balance sheet; on initial recognition, the liability is measured at the estimated present value of the exercise price of the options granted. Against this liability, the share of net assets belonging to the minority shareholders concerned is reduced to zero and the remainder is deducted from equity;
- subsequent changes in the estimated value of the exercise price will affect the amount of the liability, offset by an equity adjustment. Symmetrically, subsequent changes in the share of net assets due to minority shareholders are cancelled, offset in equity.

When there is a loss of control, the proceeds from the disposal are calculated on the entirety of the entity sold and any investment share kept is recognised in the balance sheet at its fair value on the date control was lost.

# Note 2 Significant information for the financial year

The scope of consolidation and changes to it at 31 December 2011 is shown in detail at the end of the notes in Note 12.

## 2.1 Significant events during the reporting period

### 2.1.1 CRÉDIT AGRICOLE S.A. GROUP ADJUSTMENT PLAN.

At 31 December 2011, the macroeconomic environment in which Crédit Agricole operates was significantly affected by:

- an unprecedented crisis, which, after affecting financial institutions for nearly three years, now calls into question the solvency of States and therefore affects the sovereign debt of some eurozone countries. Investor wariness weighs on all refinancing;
- regulatory requirements that could intensify and accelerate (liquidity and solvency – EBA Tests – Basel 2.5 and Basel 3).

In this context, in order to meet the new economic and regulatory restrictions, reduced economic visibility, restricted access to liquidity, refinancing tensions, strengthened regulatory requirements, the Executive Management of Crédit Agricole S.A., announced the Group's adjustment goals at the Cheuvreux conference of 28 September 2011. These are a structural reduction of €50 billion of the Group's debt between June 2011 and December 2012 and a 2012 medium-/long-term refinancing programme of €12 billion on markets compared with the initial programme of €22 billion achieved in 2011.

Crédit Agricole S.A. business lines identified the trade-offs to be made to achieve these goals (reduction or transfer of certain activities, focusing on intrinsically highly profitable business lines and/or sources of liquidity, etc.) and defined the practical terms for their implementation. The various measures taken and the expected financial and accounting impact were presented on 14 December 2011 to assert and demonstrate that Crédit Agricole Group can adapt and meet challenges in this highly restrictive environment.

At 31 December 2011, the impact of these decisions is reflected, for entities impacted by this Adjustment Plan by:

- the allocation of restructuring provisions amounting to €393 million (see Note 4.6);
- a decrease in the value in use of subsidiaries, which, with changes in valuation parameters, entails an impairment of goodwill to the CGUs of €1,575 million (excluding impairment of €359 million of goodwill for Emporiki Bank recognised in the first half of 2011) (see Note 2.5);
- the adjustment of the loans portfolio valuation and the impact of the loan portfolio disposals in the process of being sold, representing a negative impact of €357 million in revenues or cost of risk (according to the accounting classification of receivables).

### 2.1.2 VALUATION OF EQUITY-ACCOUNTED ENTITIES

The value in use of equity-accounted entities, which is determined according to a method identical to the one used for the valuation of goodwill, led to a depreciation of securities treated on the basis of the equity method of €617 million for Bankinter and €269 million for BES (see Note 2.2). These impairment charges reflect the deterioration of market consensus and changes to valuation parameters, allocated capital and discount rates.

### 2.1.3 EXPOSURE OF CRÉDIT AGRICOLE S.A. TO THE ECONOMIC AND FINANCIAL SITUATION IN GREECE

#### Crédit Agricole S.A. Group exposure to Greek sovereign debt

Group exposure went from €330 million at 30 June 2011 to €112 million at 31 December 2011 for banking activity and from €4,974 million to €1,890 million for insurance activity (see Note 6.7).

For banking activity, information is presented as a value net of depreciation and gross and net of hedges. For insurance activity, it is presented as a value net of depreciation and corresponds to the exposure before the application of sharing mechanisms unique to life insurance between insurers and insured.

#### Exposure to credit risk in Greece

Apart from exposure to Greek sovereign debt, Crédit Agricole S.A. Group is exposed in the amount of €25,687 million at 31 December 2011 for the following portfolios:

| *(in millions of euros)* | Outstanding loans | O/W Outstanding doubtful loans | Impairment | Rate of impairment | Net outstanding loans |
|---|---|---|---|---|---|
| Individuals & small businesses | 13,009 | 5,536 | 2,827 | 21.73% | 10,182 |
| Corporates | 2,930 | 953 | 536 | 18.29% | 2,394 |
| Large Corporates | 9,748 | 1,214 | 1,048 | 10.75% | 8,700 |
| *o/w Shipping* | *3,692* | *86* | *119* | *3.22%* | *3,573* |
| **TOTAL CRÉDIT AGRICOLE S.A. GROUP** | **25,687** | **7,703** | **4,411** | **17.17%** | **21,276** |
| **o/w Emporiki Bank[(1)]** | **22,291** | **7,268** | **3,980** | **17.85%** | **18,311** |

*(1) Including €1.1 billion of exposure to public companies and Greek local authorities, of which €415 million in respect of exposure to three state-owned companies (Hellenic Railways Org – OSE, Hellenic Defense Systems – EAS and Athens Urban Transport Org – OASA)*

#### Goodwill impairment charge on Emporiki Bank

The deteriorating situation in Greece has resulted in a review of the earnings outlook for Emporiki Bank, and from the first half of 2011, the review has resulted in:

- total impairment of Crédit Agricole S.A. goodwill in Emporiki Bank, for an additional impairment of €359 million. Impairments in 2009 and 2010 had amounted to €485 million and €418 million respectively;
- depreciation of deferred tax assets amounting to €148 million. The remaining stock of deferred tax assets totalled €133 million at 31 December 2011.

#### Refinancing by Crédit Agricole S.A. of its Emporiki Bank subsidiary

Emporiki continued the refinancing policy initiated early in 2011, aimed at increasing its own sources of funds and reducing its need to call on Crédit Agricole S.A. funding.

Accordingly, in a highly competitive environment, Emporiki Bank has managed to increase its market share in respect of deposit gathering and has moreover mobilised eligible reserves with the ECB amounting to €1.8 billion at 31 December 2011. These measures made it possible to reduce to €5.5 billion the amount of refinancing provided by Crédit Agricole S.A. on 31 December 2011. In early 2012, Emporiki benefited from a capital increase from Crédit Agricole S.A., thus restoring its solvency. Following the recapitalisation of its subsidiary, the exposure of Crédit Agricole S.A.'s capital amounted to €1.3 billion.

Emporiki Bank notified the Bank of Greece of the update to its business plan for 2012-2015, which is built on the basis of the latest available economic data. Crédit Agricole S.A. will put in place the means necessary to achieve this business plan, and has, moreover, decided to participate in the European support plan to Greece, the main terms of which were made public following the Eurogroup meeting of 21 February 2012. If uncertainties surrounding Greece's outlook result in a significant deterioration in the economic and political situation of the country, or in the operating conditions of Emporiki Bank, Crédit Agricole S.A. may be led to consider all options to deal with the situation in order to preserve its interests.

#### Public offer to buy out Emporiki Bank's minority interests

In May 2011, Crédit Agricole S.A. filed a voluntary public offer with the Hellenic Capital Market Commission (HCMC) to purchase the remaining balance (4%) of its Greek subsidiary Emporiki Bank of Greece S.A. not yet held by Crédit Agricole S.A. and Sacam International SAS, to delist the bank from the Athens Stock Exchange.

Following its public offer for Emporiki Bank's shares (€1.76 per share) in July 2011 and a subsequent squeeze-out procedure, Crédit Agricole S.A. increased its holding in its Greek subsidiary to 95%, the remaining 5% being held by Sacam International. After completion of this transaction, the bank requested the delisting of Emporiki Bank's shares on the Athens Stock Exchange.

The delisting was approved by the Board of Directors of the Hellenic Capital Market Commission on 26 October 2011.

The buyout of the minority interests resulted in an impact of -€47 million on the Group's share of equity.

#### Advance by Crédit Agricole S.A. to its subsidiary Emporiki Bank

In order to allow its subsidiary Emporiki Bank to comply with regulatory capital ratios at year end, Crédit Agricole S.A. made an additional advance of €1.6 billion, bringing the total of its advance to €2 billion, which was converted into a capital increase on 24 January 2012.

### 2.1.4 IMPLEMENTATION OF THE "SWITCH" MECHANISM

As part of the relationship between Crédit Agricole S.A., as a central body, and the mutual network of Crédit Agricole Regional Banks, a scheme was introduced on 23 December 2011 to transfer the regulatory requirements related to the holding of CCI/CCA investments issued by the Regional Banks from Crédit Agricole S.A. to the Regional Banks. This mechanism consists of guarantees provided to Crédit Agricole S.A. by the Regional Banks on the equity-accounted value of the CCIs and CCAs. The successful completion of the agreement is ensured through cash collateral of €4.9 billion paid by the Regional Banks, and recognised as term deposits and advances on the network. The deposit bears remuneration recognised as revenues.

The guarantee was recorded as an off-balance sheet commitment of the Group amounting to €14.7 billion; remuneration for the guarantee is recognised under "Share of equity-accounted entities".

Both the hybrid "T3CJ" securities and the shareholder's advance were 74.5% repaid in advance at 31 December 2011, representing respectively €1.4 billion and €2.8 billion of the total amount committed.

### 2.1.5 DISTRIBUTION OF FREE SHARES TO EMPLOYEES

At its meeting on 9 November 2011, the Board of Directors decided to allot free shares to employees (60 shares per employee). The employee expense recognised at end 2011 with a corresponding entry to reserves is €1.2 million.

### 2.1.6 ACQUISITIONS DURING THE YEAR

In accordance with IFRS 3, the temporary fair value of the assets and liabilities acquired can be adjusted to reflect new information obtained about facts and circumstances existing at the acquisition date and during the evaluation period, which must not exceed one year from the date of acquisition. Consequently, the goodwill stated in this paragraph may be subject to subsequent adjustments within this period.

With regard to transactions during the period, minority interests were recognised for their share of the identifiable assets and liabilities, in accordance with IFRS 3.

#### Growth of Crédit Agricole S.A. in Italy

In accordance with the terms and conditions set by the agreement with Intesa Sanpaolo announced on 18 February 2010, Crédit Agricole S.A. continues to expand its presence in Italy with the completion in the first half of 2011 of the acquisition of Cariparma and FriulAdria Carispezia and a network of Intesa Sanpaolo branches, bringing the total Crédit Agricole S.A. network to 902 branches in Italy.

As a result, Crédit Agricole S.A., through its 75% owned subsidiary Cariparma, acquired, at market conditions, for a total cash amount of €740 million:

- on 3 January 2011, 80% of the capital of Cassa di Risparmio della Spezia (or Carispezia), a subsidiary of Intesa Sanpaolo Group for €288 million. Following this acquisition, Crédit Agricole S.A. holds 60% of Carispezia's capital, thus ensuring exclusive control;
- moreover, on 27 March 2011, a first set of eleven branches acquired from Banca CR Firenze SpA, a subsidiary of Intesa Sanpaolo, was also transferred to Cariparma. This contribution was paid through a capital increase of €52 million;
- on 30 June 2011, a second set of 85 branches was transferred to Cariparma (70 branches) and its subsidiary FriulAdria (15 branches). This contribution was paid through a capital increase of €331 million for Cariparma and €69 million for FriulAdria.

After recognition at fair value at the acquisition date of identifiable assets and liabilities of Carispezia and the 96 branches, total goodwill of €512 million was recorded, of which €376 million Group share. This goodwill is attached to the cash generating unit "International Retail Banking".

### Acquisition of Centea

On 1 July 2011, the Belgian bancassurance group KBC and Crédit Agricole de Belgique (of which Crédit Agricole S.A. and the Nord-Est and Nord de France Regional Banks jointly hold 50% of capital) finalised the agreement to sell the savings bank Centea for a total amount of €525 million.

Centea was consolidated from the date of its acquisition by the equity method. Its contribution to Group net income was €3.6 million at 31 December 2011.

This acquisition is an important step in the growth and diversification policy implemented by Crédit Crédit Agricole de Belgique over the past few years. The new entity will be a major player on the Belgian banking scene, with the second largest network of independent agents in the country.

## 2.1.7 DISPOSALS DURING THE YEAR

### Sale of Credit Uruguay Banco (IFRS 5)

Continuing its withdrawal from countries that are non-cooperative on tax matters, on 4 May 2010 Crédit Agricole S.A. signed an agreement for the disposal of its 100% holding in Credit Uruguay Banco, its retail-banking subsidiary in Uruguay, to Banco Bilbao Vizcaya Argentaria, for €74 million.

This transaction was completed in the first quarter of 2011 following approval by the Uruguayan and Spanish financial and regulatory authorities to which the transaction was submitted.

The disposal generated a loss net of taxes and transfer fees of €4 million and was recorded as “Net income from discontinued or held-for-sale operations”, with an insignificant negative effect on the diluted earnings per share from discontinued operations (see Note 6.18 Earnings per share).

### Sale of SCB Cameroon (IFRS 5)

The disposal of 51% of capital in SCB Cameroun to Attijariwafa Bank was completed on 8 April 2011. This transaction followed the disposal of 14% of SCB’s share capital to the state of Cameroon on 7 April 2011.

These transactions bring to an end the project first undertaken over two years ago, namely, the transfer by Crédit Agricole S.A. Group of its holdings in sub-Saharan African banks to the Attijari Group in exchange for an increased stake in Crédit du Maroc and Wafasalaf.

The disposals generated gains of €13 million, recorded as “Net income from discontinued or held-for-sale operations”.

### Sale of Eurofactor UK (IFRS 5)

Pursuant to IFRS 5 “Non-current assets held for sale and discontinued operations”, the income statement items, assets and liabilities of Eurofactor UK were reclassified in the first half of 2011 as Income, non-current assets and liabilities held for sale.

The disposal was completed on 29 July 2011 and generated gains of €4.8 million, recorded as “Net income from discontinued or held-for-sale operations”.

### Disposal of Winchester Global Trust Company Ltd. (IFRS 5)

The disposal of Winchester Global Trust Company Ltd. took place on 30 November 2011 in favour of the current managers of the Company. The impact on earnings is not material.

### Agreement to sell Crédit Agricole Private Equity and Crédit Agricole Capital Investment Finance funds managed by Crédit Agricole Private Equity (IFRS 5)

On 16 December 2011, Crédit Agricole and Coller Capital announced the signing of an agreement on the disposal of 100% of Crédit Agricole Private Equity by Crédit Agricole S.A. to Coller Capital and of the bulk of the funds held by Crédit Agricole Capital Investment Finance.

The completion of this transaction is subject to obtaining the necessary approvals from the competent authorities and should take place during the first quarter of 2012.

Crédit Agricole Private Equity Group and Crédit Agricole Capital Investment Finance funds managed by Crédit Agricole Private Equity are classified as “Non-current assets held for sale” in the Group financial statements.

## 2.1.8 OTHER TRANSACTIONS DURING THE REPORTING PERIOD

### Restructuring of BFT

The activities of *Banque de Financement et Trésorerie* (BFT) were attached to various Group business lines in 2011 (Crédit Agricole S.A., CACEIS, Amundi and Crédit Agricole CIB). From a legal standpoint, this reorganisation took place through transfers of staff and assets to various Group business lines.

After the transfer of these assets, the BFT shares held by Crédit Agricole S.A. were transferred to Crédit Agricole CIB for the remaining activities, primarily funding to local authorities, to prepare for the merger of BFT with Crédit Agricole CIB, expected in 2012. This activity will be spun off at Crédit Agricole CIB.

Internal transfers of assets and securities to Group entities not 100% owned by Crédit Agricole S.A. (Crédit Agricole CIB 97.77% and Amundi 73.62%) result in a dilution of Crédit Agricole S.A. recorded through equity for an insignificant amount.

### Signing of a partnership agreement with CITIC Securities

A partnership agreement was signed in 2011 with CITICS, aiming to create a world leader in brokerage with a solid local presence, in order to better serve clients throughout the world. CITICS would thus become a minority shareholder of CLSA and Crédit Agricole Cheuvreux with stakes of 19.9% in each of these companies’ capital. Subject to the approval of the relevant regulatory and employee representative bodies, the transaction will be completed in 2012.

**Dilution of Crédit Agricole S.A.'s interest in BES**

In the fourth quarter of 2011, with the aim of strengthening its solvency ratio, BES made an offer to exchange the subordinated debt and preferred shares held by institutional and individual investors for shares. The conversion of these issues resulted in a capital increase of €530 million.

Consequent to this transaction, the Group's equity stake in BES was of 20.5%, compared to 23.85% before the exchange offer. The impact of this dilution on Crédit Agricole S.A.'s share in net income Group share was -€95 million, recorded under "Share of net income (loss) of equity-accounted entities".

## 2.2 Investments in equity-accounted entities

| | 31/12/2011 | | | | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Equity-accounted value | Market value | Total assets | Revenues | Net income | Share of net income |
| **Financial companies:** | **17,581** | | | | | **257** |
| Bank Al Saudi Al Fransi | 1,229 | 1,952 | 28,951 | 873 | 554 | 134 |
| B.E.S. | 888 | 404 | 82,771 | 2,095 | (109) | (329) |
| Regional Banks and affiliates | 14,604 | | | | | 1,027 |
| Bankinter | 555 | 555 | 59,491 | 1,104 | 181 | (597) |
| Other | 305 | | | | | 22 |
| **Non-finance companies:** | **705** | | | | | **(28)** |
| Eurazeo(1) | 638 | 311 | 14,454 | 193 | (100) | (24) |
| Other | 67 | | | | | (4) |
| **NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES** | **18,286** | | | | | **229** |

*(1) Total assets, revenues and net income are based on figures reported by Eurazeo for the period ended 30 June 2011.*

The share of BES income includes the recognition of a loss of value of €269 million and a diluting effect of €95 million, amounting to a total of €364 million.

The share of Bankinter income was affected by a loss of value of €617 million.

These losses in value are related to the consideration of the consensus' deterioration and the changing market parameters used for valuing the value in use of these investments (see Note 2.5).

| | 31/12/2010 | | | | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Equity-accounted value | Market value | Total assets | Revenues | Net income | Share of net income |
| **Financial companies:** | **17,429** | | | | | **72** |
| Bank Al Saudi Al Fransi | 1,068 | 2,007 | 24,589 | 887 | 566 | 141 |
| B.E.S. | 1,273 | 801 | 83,655 | 2,367 | 511 | 118 |
| Regional Banks and affiliates | 13,769 | | | | | 968 |
| Bankinter[(1)] | 1,084 | 486 | 54,025 | 1,102 | 151 | (19) |
| Intesa Sanpaolo S.p.A.[(2)] | | | | | | (1,153) |
| Other | 235 | | | | | 17 |
| **Non-finance companies:** | **682** | | | | | **(7)** |
| Eurazeo[(3)] | 634 | 599 | 15,032 | 2,959 | 10 | (5) |
| Other | 48 | | | | | (2) |
| **NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES** | **18,111** | | | | | **65** |

*The change in the line item "Investments in equity-accounted entities" in the 2010 financial year is mainly due to deconsolidation of the investment in Intesa Sanpaolo, following the Group's decision, on 16 December 2010, to bring an end to the mechanism which enabled its representation on the Supervisory Board of that company.*

*(1) Including €209 million impairment of the equity-accounted value of which €57 million allocated during the year.*

*(2) The investment in Intesa Sanpaolo S.p.A., consolidated using the equity method since 30 June 2009, was reclassified as a non-consolidated equity investment ("Available-for-sale financial assets") in December 2010. The equity-accounted income for 2010 of -€1,153 million incorporates the revaluation through income of that investment at its fair value on 17 December 2010 (date of loss of significant influence).*

*(3) Total assets data are those published by the Company at 30 June 2010. Revenues and net income data are those published by Eurazeo in the second half-year of 2009 and first half-year of 2010.*

The market value shown in the above table is the quoted price of the shares on the market at 31 December 2011. This value may not be representative of the selling value since the value in use of equity-accounted entities may be different from the equity-accounted value determined pursuant to IAS 28.

Investments in equity-accounted entities were subject to impairment tests using the same methodology as for goodwill, *i.e.,* by using expected future cash flow estimates of the companies in question and by using the valuation parameters described in Note 2.5.

## 2.3 Securitisation transactions

### SECURITISATION TRANSACTIONS CARRIED OUT ON BEHALF OF CUSTOMERS

Information on securitisation transactions carried out on behalf of customers is provided in the section entitled "Risk factors – Particular risks attributable to the financial crisis".

### SECURITISATION TRANSACTIONS ON OWN ACCOUNT

CA Consumer Finance Group carries out securitisation transactions on own account. At 31 December 2011, the CA Consumer Finance Group managed 15 consolidated vehicles for securitisation of retail consumer loans and dealer financing in Europe. The carrying amounts of the relevant assets (net of related liabilities) amounted to €3,206 million at 31 December 2011. They include, in particular, outstanding customer loans with a net carrying amount of €9,044 million at 31 December 2011.

Securitisation transactions carried out within the CA Consumer Finance Group are not considered to form part of a deconsolidation transaction under IFRS and have therefore been reintegrated into Crédit Agricole S.A. Group's consolidated financial statements.

## 2.4 Investments in non-consolidated companies

These investments, which are included in the portfolio of "Available-for-sale financial assets", consist of variable-income securities representing a significant percentage of the share capital of the companies that issued them and are intended to be held for the long term.

This line item (including accrued interest) amounts to €5,569 million at 31 December 2011 compared with €6,128 million at 31 December 2010.

At 31 December 2011, the unrealised capital loss on the investment of Crédit Agricole S.A. in Intesa Sanpaolo totalled €452 million for a fair value of €785 million compared with €1,237 million at 31 december 2010. At 31 December 2011, Crédit Agricole S.A. believes that there is no objective evidence of impairment insofar as the unrealised capital loss is neither significant nor prolonged. Consequently, the change in value of these securities since 17 December 2010 (date of the loss of significant influence) is recognised as "Other comprehensive income".

At 31 December 2011, the main investment in a non-consolidated company where percentage of control is greater than 20% and which has significant value on the balance sheet is Crédit Logement (shares A and B). The Group's investment amounts to €480 million.

These shares represent 33% of the share capital of Crédit Logement but do not confer any significant influence on that entity which is jointly held by various French banks.

In 2011, the amount of net charges to durable impairment of equity investments in non-consolidated companies was -€60 million, recognised in the income statement.

## 2.5 Goodwill

| *(in millions of euros)* | 31/12/2010 gross | 31/12/2010 net | Increases (acquisitions)[2] | Decreases (Divestments) | Impairment losses during the period | Translation adjustments | Other movements[1] | 31/12/2011 gross | 31/12/2011 net |
|---|---|---|---|---|---|---|---|---|---|
| **French retail banking** | **5,263** | **5,263** | | | | | | **5,263** | **5,263** |
| ● - o/w LCL Group | 5,263 | 5,263 | | | | | | 5,263 | 5,263 |
| **Specialised Financial Services** | **3,499** | **3,363** | | | **(247)** | | | **3,499** | **3,116** |
| ● o/w Consumer finance | 3,047 | 3,047 | | | | | (1) | 3,046 | 3,046 |
| ● o/w Lease financing & factoring | 452 | 316 | | | (247) | | 1 | 453 | 70 |
| **Asset management, insurance and private banking** | **4,549** | **4,549** | **9** | | | **5** | **(22)** | **4,541** | **4,541** |
| ● o/w asset management | 2,043 | 2,043 | | | | 4 | (1) | 2,046 | 2,046 |
| ● o/w investor services | 665 | 665 | | | | | (22) | 643 | 643 |
| ● o/w insurance | 1,226 | 1,226 | 4 | | | | (2) | 1,228 | 1,228 |
| ● o/w international private banking | 615 | 615 | 5 | | | 1 | 3 | 624 | 624 |
| **Corporate and Investment Banking** | **2,419** | **2,405** | | | **(1,053)** | **3** | **(2)** | **2,420** | **1,353** |
| **International retail banking** | **4,553** | **3,308** | **512** | | **(634)** | **(4)** | **1** | **5,069** | **3,183** |
| ● o/w Greece | 1,516 | 359 | | | (359) | | | 1,516 | |
| ● o/w Italy | 2,446 | 2,446 | 512 | | (215) | | 2 | 2,960 | 2,745 |
| ● o/w Poland | 264 | 264 | | | | | 1 | 265 | 265 |
| ● o/w Ukraine | 124 | 63 | | | (60) | (3) | | 127 | |
| ● o/w other countries | 203 | 176 | | | | (1) | (2) | 201 | 173 |
| **Corporate center** | **72** | **72** | | | | | | **72** | **72** |
| **TOTAL** | **20,355** | **18,960** | **521** | | **(1,934)** | **4** | **(23)** | **20,864** | **17,528** |
| **Group Share** | **20,032** | **18,638** | **385** | | **(1,897)** | **4** | **(23)** | **20,405** | **17,107** |
| **Minority Interest** | **323** | **322** | **136** | | **(37)** | | | **459** | **421** |

*(1) Of which €22 million related to the application of price adjustment clauses stipulated in the acquisition agreement of an additional 35% of CACEIS S.A. with Natixis.*

*(2) The acquisition of Carispezia and 96 Intesa Sanpaolo branches generated goodwill of €512 million after an adjustment in the period allowed for allocating goodwill.*

Goodwill was subject to impairment tests based on the assessment of the value in use of the cash generating units (CGU) to which it is associated. The determination of value in use was calculated by discounting the CGU's estimated future cash flows calculated from the medium-term plans developed for Group management purposes. The following assumptions were used:

- estimated future flows: projected data over three years based on the Group's adjustment plan announced in late September 2011. Five-year projected data can be used for some CGUs in order to take into account the longer economic cycle of the CGUs in question;
- the equity allocated to the various business lines corresponds at 31 December 2011 to 7% of risk-weighted assets for banking activity and 100% of the solvency margin for insurance activities;
- perpetual growth rates: rates varying depending on the CGU, as shown in the table below;

- discount rate: rates varying depending on the CGU, as shown in the table below:

| In 2011 | Perpetual growth rates | Discount rate |
|---|---|---|
| French retail banking | 2.0% | 9.2% |
| International retail banking | 2.0% to 3.0% | 10.0% to 15.7% |
| Specialised financial services | 2.0% to 2.5% | 9.2% to 12.2% |
| Asset management, insurance and private banking | 2.0% | 9.7% to 10.1% |
| Corporate and investment banking | 2.0% | 12.6% |
| Corporate centre | 2.0% | 11.8% |

The discount rates used for CGUs and equity-accounted investments in Southern Europe (Italy, Spain, Portugal) were increased by between 50 basis points and 110 basis points to take into account further sovereign risk developments in those countries and the consequences of these developments on our assessment of the value of the entities in these countries.

In 2011, these impairment tests led to the recognition of an impairment charge totalling €1,934 million, of which €37 million was for the impairment of goodwill – minority interest, which breaks down as follows:

- €1,053 million for the Financing and Investment Activities CGU (including €7 million for goodwill – minority interest);
- €359 million for the Emporiki CGU;
- €247 million for the lease financing and factoring CGU (including €6 million for goodwill – minority interest);
- €215 million for the Cariparma CGU (including €24 million for goodwill – minority interest);
- €60 million for the CA Ukraine CGU.

The sensitivity tests conducted on goodwill – Group share show that:

- a variation of +/- 50 basis points in the discount rates or +/- 50 basis points in the level of equity allocated to the banking CGUs would lead to a variation of about +/- 50% in the impairment charge Group share recorded at end 2011;
- a variation of +/- 100 basis points in the level of equity allocated to the banking CGUs would lead to a variation of about +/- 70% in the impairment charge Group share recorded at end-2011;
- a variation of +/- 50 basis points in the perpetual growth rate would lead to a variation of about +/-10% in the impairment charge Group share recorded at end 2011.

The additional impairment charge resulting from these scenarios would affect mainly the CGUs already impaired at 31 December 2011.

### 2.6 Investments in joint ventures

#### LIST AND DESCRIPTION OF INVESTMENTS IN JOINT VENTURES

At 31 December 2011, the main investments in joint ventures are:

- Newedge, 50% consolidated, whose contribution to the consolidated balance sheet totalled €24,832 million, €1,640 million in expenses and €1,341 million in revenues;
- FGA Capital S.p.A., 50% consolidated, whose contribution to the consolidated balance sheet amounted to €7,856 million, €831 million in expenses and €918 million in revenues.

## Note 3 Financial management, risk exposure and hedging policy

Crédit Agricole S.A.'s Financial Management department is responsible for organising financial flows within Crédit Agricole S.A. Group, defining and implementing refinancing rules, asset and liability management, and managing regulatory ratios. It sets out the principles and ensures a cohesive financial management system throughout the Group.

The Group's management of banking risks is handled by the Group Risk Management and Permanent Controls department (DRG). This department reports to the Chief Executive Officer, and its task is to control credit, financial and operational risks and to oversee projects affecting management of these risks.

A description of these processes and commentary now appear in the section entitled "Risk factors", as allowed by IFRS 7. Nonetheless, the accounting breakdowns are still presented in the financial statements.

### 3.1 Credit risk

(See chapter on "Risk factors – Credit Risk")

**Credit risk** occurs when a counterparty is unable to honour its obligations and when the carrying amount of these obligations in the bank's records is positive. The counterparty may be a bank, an industrial or commercial enterprise, a government and its various controlled entities, an investment fund, or an individual person.

The exposure may be a loan, debt security, deed of property, performance exchange contract, performance bond or unused confirmed commitment. The risk also includes the settlement risk inherent in any transaction entailing an exchange of cash or physical goods outside a secure settlement system.

### MAXIMUM EXPOSURE TO CREDIT RISK

An entity's maximum exposure to credit risk is the gross carrying amount, net of any offset amount and any recognised loss of value.

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts) | 432,721 | 345,703 |
| Hedging derivative instruments | 33,560 | 23,524 |
| Available-for-sale assets (excluding equity securities) | 206,353 | 200,424 |
| Loans and receivables to credit institutions (excluding internal transactions) | 104,610 | 103,746 |
| Loans and receivables to customers | 399,381 | 383,246 |
| Held-to-maturity financial assets | 15,343 | 21,301 |
| **Exposure to on-balance sheet commitments (net of impairment losses)** | **1,191,968** | **1,077,944** |
| Financing commitments given (excluding internal operations) | 160,160 | 175,209 |
| Financial guarantee commitments given (excluding internal operations) | 98,898 | 102,908 |
| Provisions – financing commitments | (219) | (264) |
| **Exposure to off-balance sheet financing commitments (net of provisions)** | **258,839** | **277,853** |
| **TOTAL NET EXPOSURE** | **1,450,807** | **1,355,797** |

An analysis of risk by type of concentration provides information on diversification of risk exposure.

Guarantees and other credit enhancements amount to:

| *(in millions of euros)* | 31/12/2011 |
|---|---|
| Loans and receivables to credit institutions (excluding internal transactions) | 22,759 |
| Loans and receivables to customers | 154,975 |
| Financing commitments given (excluding internal operations) | 14,676 |
| Financial guarantee commitments given (excluding internal operations) | 4,682 |

## BREAKDOWN OF LOAN ACTIVITY BY CUSTOMER TYPE

**Loans and receivables to credit institutions and to customers by customer type (excluding Crédit Agricole internal transactions)**

| | 31/12/2011 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | Gross outstanding | o/w gross loans and receivables individually impaired | Individual impairment | Collective impairment | Total |
| Central governments | 7,112 | 210 | 83 | 23 | 7,006 |
| Central banks | 23,214 | | | | 23,214 |
| Credit institutions | 81,964 | 611 | 569 | | 81,395 |
| Institutions other than credit institutions | 75,593 | 2,369 | 1,213 | 1,136 | 73,244 |
| Large corporates | 167,620 | 7,491 | 4,446 | 1,662 | 161,512 |
| Retail customers | 165,492 | 14,078 | 7,153 | 720 | 157,619 |
| **Total(1)(2)** | **520,995** | **24,759** | **13,464** | **3,541** | **503,990** |
| **CARRYING AMOUNT** | | | | | **503,990** |

*(1) Of which €3,020 million in restructured (unimpaired) performing loans.*

*(2) At 31 December 2011, the amounts disclosed include accrued interest.*

| | 31/12/2010 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | Gross outstanding | o/w gross loans and receivables individually impaired | Individual impairment | Collective impairment | Total |
| Central governments | 9,189 | 173 | 97 | 30 | 9,062 |
| Central banks | 19,800 | | | | 19,800 |
| Credit institutions | 84,324 | 561 | 492 | | 83,832 |
| Institutions other than credit institutions | 55,824 | 1,917 | 1,055 | 985 | 53,784 |
| Large corporates | 179,749 | 7,016 | 3,390 | 1,612 | 174,747 |
| Retail customers | 150,689 | 12,102 | 5,706 | 622 | 144,361 |
| **Total (1)** | **499,575** | **21,769** | **10,740** | **3,249** | **485,586** |
| **Net accrued interest** | | | | | **1,406** |
| **CARRYING AMOUNT** | | | | | **486,992** |

*(1) Of which €2,161 million in restructured (unimpaired) performing loans.*

### Commitments given to customers by customer type

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Financing commitments given to customers*** | | |
| Central governments | 4,518 | 4,601 |
| Institutions other than credit institutions | 21,865 | 18,261 |
| Large corporates | 91,264 | 101,371 |
| Retail customers | 31,249 | 36,854 |
| **TOTAL** | **148,896** | **161,087** |
| ***Guarantee commitments given to customers*** | | |
| Central governments | 990 | 474 |
| Institutions other than credit institutions | 7,940 | 8,057 |
| Large corporates | 38,788 | 40,950 |
| Retail customers | 39,003 | 42,703 |
| **TOTAL** | **86,721** | **92,184** |

### Due to customers by customer type

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Central governments | 11,058 | 2,955 |
| Institutions other than credit institutions | 99,699 | 100,046 |
| Large corporates | 116,863 | 100,856 |
| Retail customers | 298,016 | 296,250 |
| **Total(1)** | **525,636** | **500,107** |
| **Accrued interest** | | **1,253** |
| **CARRYING AMOUNT** | **525,636** | **501,360** |

*(1) At 31 December 2011, the amounts disclosed include accrued interest.*

## BREAKDOWN OF LOAN ACTIVITY BY GEOGRAPHICAL AREA

**Loans and receivables to credit institutions and to customers by geographical area (excluding Crédit Agricole internal transactions)**

| | 31/12/2011 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | Gross outstanding | o/w gross loans and receivables individually impaired | Individual impairment | Collective impairment | Total |
| France (including overseas departments and territories) | 208,593 | 5,874 | 3,288 | 878 | 204,427 |
| Other EU countries | 161,444 | 15,918 | 8,207 | 1,136 | 152,101 |
| Other European countries | 16,297 | 523 | 252 | 100 | 15,945 |
| North America | 63,612 | 457 | 350 | 916 | 62,346 |
| Central and South America | 14,613 | 913 | 607 | 23 | 13,983 |
| Africa-Middle East | 20,116 | 903 | 653 | 331 | 19,132 |
| Asia-Pacific (ex. Japan) | 15,223 | 117 | 68 | 83 | 15,072 |
| Japan | 21,069 | 54 | 39 | 74 | 20,956 |
| Supranational organisations | 28 | | | | 28 |
| **Total[(1)(2)]** | **520,995** | **24,759** | **13,464** | **3,541** | **503,990** |
| **CARRYING AMOUNT** | | | | | **503,990** |

*(1) Of which €3,020 million in restructured (unimpaired) performing loans.*

*(2) At 31 December 2011, the amounts disclosed include accrued interest.*

| | 31/12/2010 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | Gross outstanding | o/w gross loans and receivables individually impaired | Individual impairment | Collective impairment | Total |
| France (including overseas departments and territories) | 191,168 | 5,426 | 2,832 | 1,011 | 187,325 |
| Other EU countries | 170,691 | 13,213 | 6,051 | 952 | 163,688 |
| Other European countries | 17,865 | 428 | 234 | 138 | 17,493 |
| North America | 44,579 | 414 | 305 | 787 | 43,487 |
| Central and South America | 18,110 | 855 | 553 | 33 | 17,524 |
| Africa-Middle East | 24,302 | 1,126 | 615 | 181 | 23,506 |
| Asia-Pacific (ex. Japan) | 21,887 | 263 | 135 | 99 | 21,653 |
| Japan | 10,973 | 44 | 15 | 48 | 10,910 |
| Supranational organisations | | | | | |
| **Total[(1)]** | **499,575** | **21,769** | **10,740** | **3,249** | **485,586** |
| **Net accrued interest** | | | | | **1,406** |
| **CARRYING AMOUNT** | | | | | **486,992** |

*(1) Of which €2,161 million in restructured (unimpaired) performing loans.*

### Commitments given to customers: geographical analysis

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Financing commitments given to customers*** | | |
| France (including overseas departments and territories) | 64,904 | 66,643 |
| Other EU countries | 42,029 | 47,695 |
| Other European countries | 7,043 | 6,935 |
| North America | 20,155 | 19,813 |
| Central and South America | 4,747 | 5,802 |
| Africa-Middle East | 2,266 | 3,764 |
| Asia-Pacific (ex. Japan) | 6,735 | 9,402 |
| Japan | 1,017 | 1,033 |
| **TOTAL** | **148,896** | **161,087** |
| ***Guarantee commitments given to customers*** | | |
| France (including overseas departments and territories) | 58,037 | 61,851 |
| Other EU countries | 12,888 | 13,091 |
| Other European countries | 1,806 | 2,237 |
| North America | 5,705 | 6,479 |
| Central and South America | 682 | 1,209 |
| Africa-Middle East | 1,990 | 2,507 |
| Asia-Pacific (ex. Japan) | 4,527 | 4,022 |
| Japan | 1,086 | 788 |
| **TOTAL** | **86,721** | **92,184** |

### Due to customers: geographical analysis

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| France (including overseas departments and territories) | 338,381 | 321,259 |
| Other EU countries | 85,294 | 79,043 |
| Other European countries | 10,349 | 6,247 |
| North America | 62,146 | 59,244 |
| Central and South America | 3,359 | 6,388 |
| Africa-Middle East | 13,277 | 15,052 |
| Asia-Pacific (ex. Japan) | 10,709 | 9,272 |
| Japan | 2,121 | 3,602 |
| Supranational organisations | | |
| **Total[1]** | **525,636** | **500,107** |
| **Accrued interest** | | **1,253** |
| **CARRYING AMOUNT** | **525,636** | **501,360** |

*(1) At 31 December 2011, the amounts disclosed include accrued interest.*

## INFORMATION ON PAST DUE OR INDIVIDUALLY IMPAIRED FINANCIAL ASSETS

### Analysis of past due or impaired financial assets by customer type

| | 31/12/2011 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Payments arrears on past due loans | | | | | Net carrying amount of individually impaired financial assets | Impairment of individually and collectively tested financial assets |
| *(in millions of euros)* | ≤ 90 days | > 90 days ≤ 180 days | > 180 days ≤ 1 year | > 1 year | Net carrying amount of past due financial assets | | |
| Equity instruments | | | | | | 2,416 | 2,296 |
| Debt instruments | 174 | | | | 174 | 2,702 | 5,794 |
| *Central governments*[(1)] | | | | | | 2,002 | 5,116 |
| *Central banks* | | | | | | 2 | |
| *Credit institutions* | | | | | | | 23 |
| *Institutions other than credit institutions* | | | | | | 494 | 417 |
| *Large corporates* | 174 | | | | 174 | 204 | 238 |
| *Retail customers* | | | | | | | |
| Loans and receivables | 6,151 | 401 | 275 | 145 | 6,972 | 11,295 | 17,005 |
| *Central governments* | 43 | 1 | 2 | | 46 | 127 | 106 |
| *Central banks* | | | | | | | |
| *Credit institutions* | 225 | 65 | | 30 | 320 | 42 | 569 |
| *Institutions other than credit institutions* | 218 | 42 | 7 | 1 | 268 | 1,156 | 2,349 |
| *Large corporates* | 2,096 | 104 | 254 | 110 | 2,564 | 3,045 | 6,108 |
| *Retail customers* | 3,569 | 189 | 12 | 4 | 3,774 | 6,925 | 7,873 |
| **TOTAL** | **6,325** | **401** | **275** | **145** | **7,146** | **16,413** | **25,095** |

(1) *Greek government securities valued using an internal model were impaired on average by 74% for a total of €5.1 billion. After applying the profit-sharing mechanism specific to the insurance business and an assessment of deferred tax, the impact on net income Group share is €943 million. The net carrying amount at 31 December 2011 totalled €2 billion (see Note 6.7).*

| | 31/12/2010 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Payments arrears on past due loans | | | | | Net carrying amount of individually impaired financial assets | Impairment of individually and collectively tested financial assets |
| *(in millions of euros)* | ≤ 90 days | > 90 days ≤ 180 days | > 180 days ≤ 1an | > 1 year | Net carrying amount of past due financial assets | | |
| Equity instruments | | | | | | 2,986 | 1,421 |
| Debt instruments | | | | | | 91 | 236 |
| *Central governments* | | | | | | | |
| *Central banks* | | | | | | | |
| *Credit institutions* | | | | | | 39 | 46 |
| *Institutions other than credit institutions* | | | | | | | 30 |
| *Large corporates* | | | | | | 52 | 160 |
| *Retail customers* | | | | | | | |
| Loans and receivables | 7,178 | 410 | 182 | 340 | 8,110 | 11,156 | 14,572 |
| *Central governments* | 88 | 6 | 4 | 19 | 117 | 77 | 128 |
| *Central banks* | | | | | | | |
| *Credit institutions* | 200 | 8 | 48 | 58 | 314 | 69 | 555 |
| *Institutions other than credit institutions* | 115 | 1 | 1 | 4 | 121 | 866 | 2,056 |
| *Large corporates* | 1, 994 | 103 | 89 | 237 | 2,423 | 3,669 | 5,226 |
| *Retail customers* | 4,781 | 292 | 40 | 22 | 5,135 | 6,475 | 6,607 |
| **TOTAL** | **7,178** | **410** | **182** | **340** | **8,110** | **14,233** | **16,229** |

### DERIVATIVE INSTRUMENTS – COUNTERPARTY RISK

The counterparty risk on derivative instruments is established according to market value and potential credit risk calculated and weighted in accordance with regulatory standards.

The impacts of netting and collateralisation contracts, which reduce this risk, are also presented for information.

| | 31/12/2011 | | | 31/12/2010 | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Market value | Potential credit risk(1) | Total counterparty risk | Market value | Potential credit risk(1) | Total counterparty risk |
| Risk regarding OECD governments, central banks and similar organisations | 6,630 | 2,950 | 9,580 | 2,488 | 2,338 | 4,826 |
| Risk regarding OECD financial institutions and similar organisations | 174,122 | 81,312 | 255,433 | 132,023 | 81,232 | 213,255 |
| Risk on other counterparties | 27,648 | 17,085 | 44,733 | 20,407 | 13,086 | 33,493 |
| **Total** | **208,400** | **101,347** | **309,746** | **154,918** | **96,656** | **251,574** |
| Risk on: | | | | | | |
| • interest rate, exchange rate and commodities contracts | 184,711 | 82,877 | 267,586 | 132,002 | 72,786 | 204,788 |
| • equity and index derivative contracts | 9,490 | 4,749 | 14,240 | 9,145 | 5,735 | 14,880 |
| • credit derivative contracts | 14,199 | 13,721 | 27,920 | 13,771 | 18,135 | 31,906 |
| **Total** | **208,400** | **101,347** | **309,746** | **154,918** | **96,656** | **251,574** |
| **Impact of netting and collateralisation contracts** | **177,277** | **65,247** | **242,523** | **130,911** | **54,766** | **185,677** |
| **TOTAL AFTER IMPACT OF NETTING AND COLLATERALISATION CONTRACTS** | **31,123** | **36,100** | **67,223** | **24,007** | **41,890** | **65,897** |

(1) *Calculated using Basel 2 regulatory standards.*

Contracts among members of the network are excluded as they do not carry any counterparty risk.

## 3.2 Market risk

(See chapter on “Risk factors – Market risk”)

**Market risk** is the risk of a negative impact on the income statement or balance sheet of adverse fluctuations in the value of financial instruments following changes in market parameters, particularly:

- interest rates: interest rate risk is the risk of a change in the fair value of a financial instrument or the future cash flows from a financial instrument due to a change in interest rates;
- exchange rates: foreign exchange risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates;
- prices: price risk is the risk of a change in the price or volatility of equities and commodities, baskets of equities and stock indices. The instruments most exposed to this risk are variable-income securities, equity derivatives and commodity derivatives.

## DERIVATIVE INSTRUMENTS: ANALYSIS BY REMAINING MATURITY

The breakdown of market values of derivative instruments is shown by remaining contractual maturity.

### Hedging derivative instruments – Fair value of assets

| | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| | Exchange-traded | | | Over-the-counter | | | | |
| *(in millions of euros)* | ≤ 1 year | > 1 year ≤ 5 years | > 5 years | ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total market value | Total market value |
| **Interest rate instruments:** | | | | **4,135** | **10,577** | **17,451** | **32,163** | **22,509** |
| ● Interest rate swaps | | | | 4,105 | 10,309 | 17,036 | 31,450 | 21,802 |
| ● Interest rate options | | | | 1 | | 149 | 150 | 80 |
| ● Caps-floors-collars | | | | 29 | 268 | 185 | 482 | 549 |
| ● Other options | | | | | | 81 | 81 | 78 |
| **Currency and gold:** | | | | **377** | **382** | **53** | **812** | **552** |
| ● Currency futures | | | | 353 | 382 | 53 | 788 | 552 |
| ● Currency options | | | | 24 | | | 24 | |
| **Other:** | | | | **3** | **13** | **2** | **18** | **155** |
| ● Equity and index derivatives | | | | 3 | 13 | 2 | 18 | 155 |
| **Subtotal** | | | | **4,515** | **10,972** | **17,506** | **32,993** | **23,216** |
| ● Forward currency transactions | | | | 336 | 17 | 214 | 567 | 309 |
| **NET CARRYING AMOUNT** | | | | **4,851** | **10,989** | **17,720** | **33,560** | **23,525** |

### Hedging derivative instruments – Fair value of liabilities

| | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| | Exchange-traded | | | Over-the-counter | | | | |
| *(in millions of euros)* | ≤ 1 year | > 1 year ≤ 5 years | > 5 years | ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total market value | Total market value |
| **Interest rate instruments:** | | | | **3,206** | **10,163** | **20,166** | **33,535** | **24,369** |
| ● Interest rate swaps | | | | 3,155 | 10,006 | 19,836 | 32,997 | 23,923 |
| ● Interest rate options | | | | | | 71 | 71 | 37 |
| ● Caps-floors-collars | | | | 50 | 157 | 188 | 395 | 368 |
| ● Other options | | | | 1 | | 71 | 72 | 41 |
| **Currency and gold:** | | | | **290** | **33** | | **323** | **262** |
| ● Currency futures | | | | 265 | 33 | | 298 | 262 |
| ● Currency options | | | | 25 | | | 25 | |
| **Other:** | | | | **14** | **3** | **2** | **19** | **54** |
| ● Equity and index derivatives | | | | 14 | 3 | 2 | 19 | 54 |
| **Subtotal** | | | | **3,510** | **10,199** | **20,168** | **33,877** | **24,685** |
| ● Forward currency transactions | | | | 587 | 75 | 66 | 728 | 934 |
| **NET CARRYING AMOUNT** | | | | **4,097** | **10,274** | **20,234** | **34,605** | **25,619** |

### Derivative instruments held for trading – Fair value of assets

| *(in millions of euros)* | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| | Exchange-traded | | | Over-the-counter | | | | |
| | ≤ 1 year | > 1 year ≤ 5 years | > 5 years | ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total market value | Total market value |
| **Interest rate instruments:** | **3** | | | **15,304** | **78,937** | **196,732** | **290,976** | **179,703** |
| ● Futures | 2 | | | | | | 2 | 1 |
| ● F.R.A.s | | | | 691 | 75 | | 766 | 322 |
| ● Interest rate swaps | | | | 13,340 | 63,046 | 163,932 | 240,318 | 141,660 |
| ● Interest rate options | | | | 182 | 4,187 | 31,441 | 35,810 | 23,858 |
| ● Caps-floors-collars | | | | 1,091 | 11,628 | 1,359 | 14,078 | 13,807 |
| ● Other options | 1 | | | | 1 | | 2 | 55 |
| **Currency and gold:** | **18** | | | **3,083** | **3,909** | **4,020** | **11,030** | **9,888** |
| ● Currency futures | 18 | | | 1,084 | 1,702 | 2,006 | 4,810 | 2,987 |
| ● Currency options | | | | 1,999 | 2,207 | 2,014 | 6,220 | 6,901 |
| **Other:** | **2,244** | **2,876** | **142** | **6,695** | **15,867** | **3,996** | **31,820** | **34,900** |
| ● Equity and index derivatives | 1,737 | 2,725 | 142 | 3,421 | 4,288 | 454 | 12,767 | 14,435 |
| ● Precious metal derivatives | | | | 74 | 13 | | 87 | |
| ● Commodities derivatives | 507 | 151 | | 1,547 | 551 | 133 | 2,889 | 4,188 |
| ● Credit derivatives | | | | 1,653 | 11,015 | 3,409 | 16,077 | 16,252 |
| ● Other | | | | | | | | 25 |
| **Subtotal** | **2,265** | **2,876** | **142** | **25,082** | **98,713** | **204,748** | **333,826** | **224,491** |
| ● Forward currency transactions | | | | 12,010 | 3,411 | 201 | 15,622 | 12,923 |
| **NET CARRYING AMOUNT** | **2,265** | **2,876** | **142** | **37,092** | **102,124** | **204,949** | **349,448** | **237,414** |

### Derivative instruments held for trading – Fair value of liabilities

| *(in millions of euros)* | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| | Exchange-traded | | | Over-the-counter | | | | |
| | ≤ 1 year | > 1 year ≤ 5 years | > 5 years | ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total market value | Total market value |
| **Interest rate instruments:** | **1** | | | **15,868** | **76,165** | **198,894** | **290,928** | **179,010** |
| ● Futures | 1 | | | | | | 1 | 5 |
| ● F.R.A.s | | | | 659 | 87 | | 746 | 296 |
| ● Interest rate swaps | | | | 14,038 | 57,257 | 164,135 | 235,430 | 136,482 |
| ● Interest rate options | | | | 98 | 5,086 | 31,923 | 37,107 | 25,329 |
| ● Caps-floors-collars | | | | 1,063 | 13,709 | 2,763 | 17,535 | 16,791 |
| ● Other options | | | | 10 | 26 | 73 | 109 | 107 |
| **Currency and gold:** | | | | **3,342** | **3,841** | **3,491** | **10,674** | **10,287** |
| ● Currency futures | | | | 994 | 1,457 | 1,521 | 3,972 | 2,880 |
| ● Currency options | | | | 2,348 | 2,384 | 1,970 | 6,702 | 7,407 |
| **Other:** | **2,473** | **3,455** | **264** | **7,167** | **13,779** | **4,371** | **31,509** | **32,916** |
| ● Equity and index derivatives | 2,056 | 3,263 | 258 | 2,657 | 3,225 | 555 | 12,014 | 12,916 |
| ● Precious metal derivatives | | | | 70 | 14 | | 84 | |
| ● Commodities derivatives | 417 | 188 | 6 | 1,462 | 541 | 122 | 2,736 | 4,318 |
| ● Credit derivatives | | | | 2,957 | 9,892 | 3,689 | 16,538 | 15,368 |
| ● Other | | 4 | | 21 | 107 | 5 | 137 | 314 |
| **Subtotal** | **2,474** | **3,455** | **264** | **26,377** | **93,785** | **206,756** | **333,111** | **222,213** |
| ● Forward currency transactions | | | | 10,471 | 2,200 | 213 | 12,884 | 10,139 |
| **NET CARRYING AMOUNT** | **2,474** | **3,455** | **264** | **36,848** | **95,985** | **206,969** | **345,995** | **232,352** |

## DERIVATIVE INSTRUMENTS: TOTAL COMMITMENTS

| *(in millions of euros)* | 31/12/2011 Total notional amount outstanding | 31/12/2010 Total notional amount outstanding |
|---|---|---|
| **Interest rate instruments:** | **11,966,780** | **13,037,750** |
| • Futures | 248,816 | 415,138 |
| • F.R.A.s | 1,404,723 | 1,043,903 |
| • Interest rate swaps | 7,205,798 | 8,282,547 |
| • Interest rate options[1] | 1,831,275 | 1,900,395 |
| • Caps-floors-collars | 1,274,716 | 1,391,656 |
| • Other options[1] | 1,452 | 4,111 |
| **Currency and gold:** | **2,336,985** | **2,344,717** |
| • Currency futures | 1,674,697 | 1,620,662 |
| • Currency options | 662,288 | 724,055 |
| **Other:** | **1,013,368** | **1,085,526** |
| • Equity and index derivatives | 172,418 | 208,033 |
| • Precious metal derivatives | 1,220 | 205 |
| • Commodities derivatives | 69,783 | 59,885 |
| • Credit derivatives | 769,254 | 817,073 |
| • Other | 693 | 330 |
| **Subtotal** | **15,317,133** | **16,467,993** |
| • Forward currency transactions | 653,489 | 863,661 |
| **TOTAL** | **15,970,622** | **17,331,654** |

*(1) Amounts adjusted with respect to financial statements published in 2010: other options were reclassified as interest rate options of €1,899,352 million.*

## FOREIGN EXCHANGE RISK

### Analysis of the consolidated balance sheet by currency

| *(in millions of euros)* | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| EUR | 1,305,515 | 1,297,660 | 1,214,742 | 1,196,740 |
| Other EU currencies | 25,037 | 27,070 | 29,811 | 30,998 |
| USD | 286,103 | 308,534 | 227,418 | 261,155 |
| JPY | 42,268 | 42,909 | 44,498 | 42,321 |
| Other currencies | 64,685 | 47,435 | 77,060 | 62,315 |
| **TOTAL** | **1,723,608** | **1,723,608** | **1,593,529** | **1,593,529** |

### Breakdown of bonds and subordinated debt by currency

| *(in millions of euros)* | 31/12/2011 | | | 31/12/2010 | | |
|---|---|---|---|---|---|---|
| | Bonds | Fixed-term subordinated debt | Perpetual subordinated debt | Bonds | Fixed-term subordinated debt | Perpetual subordinated debt |
| EUR | 66,866 | 18,792 | 6,407 | 55,376 | 19,349 | 10,786 |
| Other EU currencies | 1,044 | 1,461 | 2,109 | 93 | 1,173 | 1,950 |
| USD | 5,553 | 871 | 3,376 | 30 | 732 | 3,086 |
| JPY | 2,161 | | | | | |
| Other currencies | 2,569 | 180 | 278 | 160 | 140 | 283 |
| **TOTAL** | **78,193** | **21,304** | **12,170** | **55,659** | **21,394** | **16,105** |

Amounts are presented excluding accrued interest.

Debt issues related to assets held by Group insurers on behalf of policyholders included in unit-linked contracts are not eliminated. This has no material impact on the Group's consolidated financial statements.

## 3.3 Liquidity and financing risk

(See “Crédit Agricole S.A. Group Risk factors – Asset/Liability Management”)

**Liquidity and financing risk** is the risk of loss if the Company is unable to meet its financial commitments in timely fashion and at reasonable prices when they reach maturity.

These commitments include obligations to depositors and suppliers, as well as commitments in respect of loans and investments.

### LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS AND TO CUSTOMERS BY RESIDUAL MATURITY

| | 31/12/2011 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | > 5 years | Total |
| Loans and receivables to credit institutions (including Crédit Agricole internal transactions) | 138,986 | 65,926 | 104,044 | 71,454 | 380,410 |
| Loans and receivables to customers (o/w finance leases) | 142,675 | 37,174 | 122,471 | 113,497 | 415,817 |
| **Sub-total(1)** | **281,661** | **103,100** | **226,515** | **184,951** | **796,227** |
| **Impairment** | | | | | **(17,005)** |
| **NET CARRYING AMOUNT** | | | | | **779,222** |

*(1) At 31 December 2011 the amounts disclosed include accrued interest.*

| | 31/12/2010 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | > 5 years | Total |
| Loans and receivables to credit institutions (including Crédit Agricole internal transactions) | 141,173 | 63,140 | 91,715 | 67,386 | 363,414 |
| Loans and receivables to customers (o/w finance leases) | 123,967 | 41,842 | 121,469 | 108,173 | 395,451 |
| **Sub-total** | **265,140** | **104,982** | **213,184** | **175,559** | **758,865** |
| **Accrued interest** | | | | | **2,796** |
| **Impairment** | | | | | **(14,572)** |
| **NET CARRYING AMOUNT** | | | | | **747,089** |

## DEBTS TO CREDIT INSTITUTIONS AND CUSTOMERS BY RESIDUAL MATURITY

| | 31/12/2011 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | > 5 years | Total |
| Due to credit institutions (including Crédit Agricole internal transactions) | 101,959 | 10,288 | 33,453 | 26,965 | 172,665 |
| Due to customers | 442,878 | 36,726 | 33,920 | 12,112 | 525,636 |
| **Sub-total[(1)]** | **544,837** | **47,014** | **67,373** | **39,077** | **698,301** |
| **CARRYING AMOUNT** | **544,837** | **47,014** | **67,373** | **39,077** | **698,301** |

*(1) At 31 December 2011 the amounts disclosed include accrued interest.*

| | 31/12/2010 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | > 5 years | Total |
| Due to redit institutions (including Crédit Agricole internal transactions) | 106,169 | 14,972 | 18,001 | 14,548 | 153,690 |
| Due to customers | 378,084 | 54,996 | 49,458 | 17,569 | 500,107 |
| **Sub-total** | **484,253** | **69,968** | **67,459** | **32,117** | **653,797** |
| **Accrued interest** | **1,533** | **131** | **133** | **334** | **2,131** |
| **CARRYING AMOUNT** | **485,786** | **70,099** | **67,592** | **32,451** | **655,928** |

## DEBT SECURITIES AND SUBORDINATED DEBT

| | 31/12/2011 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | > 5 years | Total |
| ***Debt securities*** | | | | | |
| Interest bearing notes | 134 | 97 | 65 | 2 | 298 |
| Money-market instruments | | 128 | 1,616 | 4,262 | 6,006 |
| Negotiable debt securities | 46,027 | 11,350 | 1,919 | 665 | 59,961 |
| Bonds[(1)] | 5,106 | 8,373 | 38,938 | 25,776 | 78,193 |
| Other debt securities | 1,228 | 1,145 | | 1,489 | 3,862 |
| **Sub-total[(2)]** | **52,495** | **21,093** | **42,538** | **32,194** | **148,320** |
| **CARRYING AMOUNT** | | | | | **148,320** |
| ***Subordinated debt*** | | | | | |
| Fixed-term subordinated debt | 762 | 1,175 | 3,491 | 15,876 | 21,304 |
| Perpetual subordinated debt | 7 | 211 | | 11,952 | 12,170 |
| Mutual security deposits | | | | 128 | 128 |
| Participating securities and loans | 1 | | | 179 | 180 |
| **Sub-total[(2)]** | **770** | **1,386** | **3,491** | **28,135** | **33,782** |
| **CARRYING AMOUNT** | | | | | **33,782** |

*(1) Debt issues related to assets held by Group insurers on behalf of policyholders included in unit-linked contracts are not eliminated. This has no material impact on the Group's consolidated financial statements.*

*(2) At 31 December 2011, the amounts disclosed include accrued interest and are presented in the "≤ three months" and "> three months and ≤ one year" maturities.*

| (in millions of euros) | 31/12/2010 ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| ***Debt securities*** | | | | | |
| Interest bearing notes | 126 | 99 | 18 | 22 | 265 |
| Money-market instruments | 61 | 569 | 1,612 | 3,801 | 6,043 |
| Negotiable debt securities | 74,902 | 26,700 | 2,331 | 397 | 104,330 |
| Bonds[1] | 1,892 | 8,947 | 29,431 | 15,389 | 55,659 |
| Other debt securities | 778 | 252 | | 1,623 | 2,653 |
| **Sub-total** | **77,759** | **36,567** | **33,392** | **21,232** | **168,950** |
| **Accrued interest** | | | | | **1,387** |
| **CARRYING AMOUNT** | | | | | **170,337** |
| ***Subordinated debt*** | | | | | |
| Fixed-term subordinated debt | 265 | 85 | 4,878 | 16,166 | 21,394 |
| Perpetual subordinated debt | | | | 16,105 | 16,105 |
| Mutual security deposits | | | | 119 | 119 |
| Participating securities and loans | | | | 199 | 199 |
| **Sub-total** | **265** | **85** | **4,878** | **32,589** | **37,817** |
| **Accrued interest** | | | | | **669** |
| **CARRYING AMOUNT** | | | | | **38,486** |

*(1) Debt issues related to assets held by Group insurers on behalf of policyholders included in unit-linked contracts are not eliminated. This has no material impact on the Group's consolidated financial statements.*

## FINANCIAL GUARANTEES AT RISK GIVEN BY EXPECTED MATURITY

The amounts presented correspond to the expected amount of the call of financial guarantees at risk, *i.e.* guarantees that have been impaired or are on a watch-list.

| (in millions of euros) | 31/12/2011 ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| Financial Guaranties given | 150 | 426 | | | 576 |

| (in millions of euros) | 31/12/2010 ≤ 3 months | > 3 months to ≤ 1 year | > 1 year to ≤ 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| Financial Guaranties given | 177 | 45 | | | 222 |

The remaining contractual maturities of derivative instruments are shown in Note 3.2 “Market Risk”.

## 3.4 Cash flow and fair value interest rate and foreign exchange hedging

(See chapter on "Risk factors – Asset/Liability Management")

Derivative financial instruments used in a **hedging relationship** are designated according to the intended purpose:

- fair value hedge;
- future cash flow hedge;
- hedge of a net investment in foreign currency.

Each hedging relationship is formally documented describing the strategy, item hedged and hedging instrument, and method of measuring effectiveness.

### FAIR VALUE HEDGES

A fair value hedge modifies the risk caused by changes in the fair value of a fixed-rate financial instrument as a result of changes in interest rates. Fair value hedges transform fixed-rate assets or liabilities into floating-rate assets or liabilities.

Items hedged are principally fixed-rate loans, securities, deposits and subordinated debt.

### CASH FLOW HEDGES

A cash flow hedge modifies the risk related to variability in cash flows arising from floating-rate financial instruments.

Items hedged are principally floating-rate loans and deposits.

### HEDGE OF A NET INVESTMENT IN FOREIGN CURRENCY

A hedge of a net investment in foreign currency protects the Group against fluctuations in exchange rates and resulting changes in the value of assets or liabilities held in currencies other than the euro.

### HEDGING DERIVATIVE INSTRUMENTS

| | 31/12/2011 | | | 31/12/2010 | | |
|---|---|---|---|---|---|---|
| | Market value | | Notional amount | Market value | | Notional amount |
| *(in millions of euros)* | positive | negative | | positive | negative | |
| **Fair value hedges** | **32,345** | **34,436** | **888,290** | **22,905** | **25,405** | **1,122,185** |
| Interest rate | 30,958 | 33,516 | 810,604 | 21,891 | 24,303 | 1,005,712 |
| Equity | 18 | 5 | 184 | 155 | 21 | 997 |
| Foreign Exchange | 1,369 | 915 | 77,498 | 859 | 1,081 | 115,156 |
| Credit | | | | | | |
| Commodities | | | | | | |
| Other | | | 4 | | | 320 |
| **Future cash flow hedges** | **1,205** | **34** | **12,369** | **618** | **99** | **15,991** |
| Interest rate | 1,205 | 21 | 12,369 | 618 | 66 | 15,875 |
| Equity | | 13 | | | 33 | 116 |
| Foreign Exchange | | | | | | |
| Credit | | | | | | |
| Commodities | | | | | | |
| Other | | | | | | |
| **Hedges of net investments in foreign operations** | **10** | **135** | **6,278** | **2** | **115** | **4,825** |
| **TOTAL HEDGING DERIVATIVE INSTRUMENTS** | **33,560** | **34,605** | **906,937** | **23,525** | **25,619** | **1,143,001** |

## 3.5 Operational Risks

(See chapter on "Risk factors – Operational risks")

**Operational risk** is the possibility of loss resulting from failings in internal procedures or inadequate systems, human error or external events that are not linked to a credit, market or liquidity risk.

## 3.6 Capital management and regulatory ratios

The amendment to IAS 1 adopted by the European Union on 11 January 2006 requires disclosure of information on the entity's capital and management of its capital. The purpose of the amendment is to disclose to users information on the entity's objectives, policies and processes for managing capital. It requires disclosure of qualitative and quantitative information in the notes to the financial statements, namely summary quantitative data about what the entity manages as capital, a description of any externally imposed requirements on the entity's capital (such as regulatory requirements), indication as to whether the entity has complied with regulatory requirements, and, if it has not complied, the consequences of such non-compliance.

In accordance with regulatory regulations applicable to banks, which transpose into French law the European Directive on "the capital adequacy of investment firms and credit institutions" and "financial conglomerates", Crédit Agricole S.A. Group must comply with the solvency ratio, with liquidity ratios and with rules on the division of risks and balance sheet management.

Crédit Agricole S.A. Group manages its capital so as to comply with regulatory capital requirements within the meaning of Regulation 90/02 as required by the French Prudential Supervisory Authority (ACP) so as to cover risk-weighted assets for credit risk, operational risk and market risk.

The decree of 20 February 2007 transposed the European CRD (Capital Requirements Directive) (2006/48/EC and 2006/49/EC) into French regulations. The decree defines the "capital requirements applicable to credit institutions and investment companies" and the methods of calculating the solvency ratio as from 1 January 2008.

In compliance with these provisions, Crédit Agricole S.A. Group incorporated, in 2007, the impacts of the transition to the new European CRD directive into its capital and risk management processes.

However, the regulator maintained the additional capital requirements until 31 December 2011 relating to floors (the Basel 2 requirement cannot be less than 80% of the Basel 1 requirement).

Regulatory capital breaks down into three categories:

- Tier 1 capital, calculated based on the Group's equity and adjusted notably for unrealised gains and losses;
- Tier 2 capital, which is limited to 100% of the amount of Tier 1 capital and consists primarily of subordinated debt;
- Tier 3 capital included in the ratio, which consists primarily of subordinated debt with a shorter maturity.

Deductions for equity investments in other credit institutions reduce the total of this capital and are now allocated directly to the amount of Tier 1 and Tier 2 capital, in accordance with regulations.

Application of the "Conglomerate Directive" involves, for Crédit Agricole S.A. Group, the deduction of the investment in equity-accounted insurance companies. In accordance with regulations, this deduction applies to 100% of the capital funds of entities acquired before 1 January 2007.

In accordance with regulations, Crédit Agricole S.A. Group must maintain a core capital fund ratio of at least 4% and a solvency ratio of 8%.

In 2011, as in 2010, Crédit Agricole S.A. Group met these regulatory requirements.

# Note 4 Notes to the income statement

## 4.1 Interest and similar income and expenses

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Interbank transactions | 1,731 | 1,361 |
| Crédit Agricole internal transactions | 6,938 | 6,359 |
| Customer transactions | 14,195 | 13,232 |
| Accrued interest receivable on available-for-sale financial assets | 8,330 | 7,496 |
| Accrued interest receivable on held-to-maturity investments | 906 | 981 |
| Accrued interest receivable on hedging instruments | 1,281 | 1,780 |
| Finance leases | 1,146 | 1,139 |
| Other interest and similar income | 43 | 26 |
| **INTEREST AND SIMILAR INCOME(1)** | **34,570** | **32,374** |
| Interbank transactions | (1,990) | (1,797) |
| Crédit Agricole internal transactions | (1,044) | (882) |
| Customer transactions | (7,677) | (6,627) |
| Debt securities | (4,393) | (3,544) |
| Subordinated debt | (2,297) | (2,376) |
| Accrued interest receivable on hedging instruments | (1,755) | (1,983) |
| Finance leases | (240) | (257) |
| Other interest and similar expenses | (5) | (14) |
| **INTEREST AND SIMILAR EXPENSES** | **(19,401)** | **(17,480)** |

*(1) Including €215 million on individually impaired loans and receivables at 31 December 2011 compared to €310 million at 31 December 2010.*

## 4.2 Net fees and commissions

| *(in millions of euros)* | 31/12/2011 Income | 31/12/2011 Expense | 31/12/2011 Net | 31/12/2010 Income | 31/12/2010 Expense | 31/12/2010 Net |
|---|---|---|---|---|---|---|
| Interbank transactions | 160 | (57) | 103 | 189 | (56) | 133 |
| Crédit Agricole internal transactions | 427 | (974) | (547) | 492 | (1,070) | (578) |
| Customer transactions | 1,816 | (190) | 1,626 | 1,761 | (166) | 1,595 |
| Securities transactions | 1,289 | (775) | 514 | 1,176 | (543) | 633 |
| Foreign exchange transactions | 44 | (18) | 26 | 42 | (17) | 25 |
| Derivative instruments and other off-balance sheet items | 2,120 | (760) | 1,360 | 2,082 | (639) | 1,443 |
| Payment instruments and other banking and financial services | 2,208 | (2,735) | (527) | 2,294 | (2,739) | (445) |
| Mutual funds management, fiduciary and similar operations | 2,715 | (598) | 2,117 | 2,739 | (649) | 2,090 |
| **NET FEES AND COMMISSIONS** | **10,779** | **(6,107)** | **4,672** | **10,775** | **(5,879)** | **4,896** |

## 4.3 Net gains (losses) on financial instruments at fair value through profit or loss

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Dividends received | 627 | 319 |
| Unrealised or realised gains or losses on assets/liabilities at fair value through profit or loss classified as held for trading[(1)] | 1,677 | (142) |
| Unrealised or realised gains or losses on assets/liabilities designated as at fair value through profit or loss upon initial recognition | (1,846) | 1,603 |
| Net gains (losses) on foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)[(1)] | (486) | 544 |
| Gains or losses from hedge accounting | (24) | (24) |
| **NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS[(2)]** | **(52)** | **2,300** |

(1) *In 2010, the swaps' performance was recognised in "Unrealised or realised gains or losses on assets/liabilities at fair value through profit or loss by type" for - €741 million and in "Net gains (losses) on foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)" for €741 million. In 2011, the swaps' performance was recognised in full in "Net gains (losses) on foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)".*

(2) *Including -€2.3 billion in 2011 and €1 billion in 2010 on financial assets owned by insurance companies. This line item mainly comprises the change in the value of assets backing unit-linked contracts (- €2.0 billion in 2011, compared to €1.4 billion in 2010). An opposite trend is observed in the change in technical reserves related to these contracts, recognised in "Net income (expenses) on other activities". In addition, impairment losses on other assets valued at fair value through profit or loss were partly offset by the change in the provision for deferred profit-sharing, also recorded in "Net income (expenses) on other activities".*

Changes in issuer spreads resulted in a gain of €671 million (taken to revenues) at 31 December 2011 on structured issues measured at fair value, compared to a charge of -€33 million on 31 December 2010.

Analysis of net gains (losses) from hedge accounting:

| *(in millions of euros)* | 31/12/2011 Gains | Losses | Net |
|---|---|---|---|
| **Fair value hedges** | **7,957** | **(7,976)** | **(19)** |
| Change in fair value of hedged items attributable to hedged risks | 3,446 | (4,213) | (767) |
| Change in fair value of hedging derivatives (including sales of hedges) | 4,511 | (3,763) | 748 |
| **Cash flow hedges** | | | |
| Change in fair value of hedging derivatives – ineffective portion | | | |
| **Hedges of net investments in foreign operations** | | | |
| Change in fair value of hedging derivatives – ineffective portion | | | |
| **Fair value hedge of the interest rate exposure of a portfolio of financial instruments** | **16,778** | **(16,781)** | **(3)** |
| Change in fair value of hedged items | 8,343 | (8,474) | (131) |
| Change in fair value of hedging derivatives | 8,435 | (8,307) | 128 |
| **Cash flow hedge of the interest rate exposure of a portfolio of financial instruments** | | **(2)** | **(2)** |
| Change in fair value of hedging instrument – ineffective portion | | (2) | (2) |
| **TOTAL GAINS OR LOSSES FROM HEDGE ACCOUNTING** | **24,735** | **(24,759)** | **(24)** |

| *(in millions of euros)* | 31/12/2010 Gains | Losses | Net |
|---|---|---|---|
| **Fair value hedges** | **7,998** | **(8,016)** | **(18)** |
| Change in fair value of hedged items attributable to hedged risks | 4,107 | (5,065) | (958) |
| Change in fair value of hedging derivatives (including sales of hedges) | 3,891 | (2,951) | 940 |
| **Cash flow hedges** | | | |
| Change in fair value of hedging derivatives – ineffective portion | | | |
| **Hedges of net investments in foreign operations** | | | |
| *Change in fair value of hedging derivatives – ineffective portion* | | | |
| **Fair value hedge of the interest rate exposure of a portfolio of financial instruments** | **6,130** | **(6,136)** | **(6)** |
| Change in fair value of hedged items | 3,293 | (2,738) | 555 |
| Change in fair value of hedging derivatives | 2,837 | (3,398) | (561) |
| **Cash flow hedge of the interest rate exposure of a portfolio of financial instruments** | | | |
| Change in fair value of hedging instrument – ineffective portion | | | |
| **TOTAL GAINS OR LOSSES FROM HEDGE ACCOUNTING** | **14,128** | **(14,152)** | **(24)** |

## 4.4 Net gains (losses) on available-for-sale financial assets

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Dividends received | 886 | 672 |
| Realised gains or losses on available-for-sale financial assets(1) | 815 | 2,629 |
| Permanent impairment losses on equity investments | (5,057) | (134) |
| Gains or losses on disposal of held-to-maturity investments and on loans and receivables | (214) | (20) |
| **NET GAINS (LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS(2)** | **(3,570)** | **3,147** |

*(1) Excluding realised gains or losses on permanently impaired fixed-income securities recognised as available-for-sale financial assets mentioned in Note 4.8.*

*(2) The change in net gains (losses) on available-for-sale financial assets is mainly due to insurance activities (-€3,545 million at 31 December 2011, compared with €3,032 million at 31 December 2010). After applying the policyholder profit-sharing mechanism specific to the insurance business (recognised in "Net income (expenses) on other activities"), Crédit Agricole S.A. Group's insurance companies retained a residual cost of risk on impairment of Greek securities of €1,081 million.*

## 4.5 Net income (expenses) on other activities

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Gains or losses on fixed assets not used in operations | 61 | 32 |
| Policyholder profit sharing(1) | - | - |
| Other net income from insurance activities(1) (2) | 3,999 | 12,735 |
| Change in insurance technical reserves(3) | 162 | (18,228) |
| Net income from investment properties | 136 | 55 |
| Other net income (expense) | 206 | 298 |
| **INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES** | **4,564** | **(5,108)** |

*(1) Policyholder profit sharing is now directly included in "Other net income from insurance activities" for the portion paid with the benefits and in "Change in insurance technical reserves" for the portion included in liabilities. Expenses for 2011 totalled €4,857 million, compared to €5,100 million in 2010. Amounts were adjusted in relation to the amounts published in 2010.*

*(2) For the most part, the change relates to the drop in life insurance premiums written for -€4.2 billion and the rise in benefits paid for claims for -€3 billion.*

*(3) The change in income and expenses on technical reserves reflects the positive trend in net inflows (a decrease in mathematical provision charges of €7.4 billion) and the upward revaluation of unit-linked contracts (of €2.5 billion). Furthermore, following the application of the policyholder profit-sharing mechanism on financial results, the developments in the financial markets and the provisions related to the exposure to Greece determined significant changes in other technical reserves. These reserves recorded a net reversal of €4.7 billion in 2011, compared with a net addition of -€1.7 billion in 2010, a change of €6.4 billion over the period.*

## 4.6 Operating expenses

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Employee expenses | (7,824) | (7,567) |
| Taxes other than on income or payroll-related | (504) | (357) |
| External services and other general operating expenses | (4,550) | (4,524) |
| **OPERATING EXPENSES(1)** | **(12,878)** | **(12,448)** |

*(1) The provisions for restructuring recognised under the Group Adjustment plan amounts to €393 million (of which €286 million is recognised as a provision for employee benefits).*

The breakdown of fees paid to Statutory Auditors by firm and type of engagement by fully and proportionately consolidated Crédit Agricole S.A. Group companies in 2011 is provided below:

| | 2011 | | | | | | | 2010 |
|---|---|---|---|---|---|---|---|---|
| *in thousands of euros (excluding taxes)* | Ernst & Young | Pricewaterhouse Coopers | Mazars et Guerard | KPMG | Deloitte | Other | TOTAL | TOTAL |
| Independent audit, certification, review of separate and consolidated financial statements | 16,990 | 15,982 | 1,954 | 319 | 994 | 812 | 37,051 | 36,949 |
| Ancillary assignments and services directly linked to the mission of independent audit | 4,640 | 5,063 | 303 | 28 | 269 | 1 | 10,304 | 11,349 |
| **TOTAL** | **21,630** | **21,045** | **2,257** | **347** | **1,263** | **813** | **47,355** | **48,298** |

## 4.7 Depreciation, amortisation and impairment of property, plant & equipment and intangible assets

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Depreciation charges and amortisation** | **(730)** | **(737)** |
| Property, plant and equipment | (464) | (450) |
| Intangible assets | (266) | (287) |
| **Impairment losses** | **(4)** | **(2)** |
| Property, plant and equipment | | 1 |
| Intangible assets | (4) | (3) |
| **TOTAL** | **(734)** | **(739)** |

## 4.8 Cost of risk

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Charge to provisions and impairment losses** | **(7,313)** | **(5,067)** |
| Fixed-income available-for-sale financial assets[1] | (1,144) | (32) |
| Loans and receivables | (5,285) | (4,598) |
| Held-to-maturity financial assets[2] | (190) | |
| Other assets | (83) | (24) |
| Financing commitments | (168) | (163) |
| Risks and expenses | (443) | (250) |
| **Reversal of provisions and impairment losses** | **1,972** | **1,586** |
| Fixed-income available-for-sale financial assets | 40 | 38 |
| Loans and receivables | 1,448 | 1,200 |
| Held-to-maturity financial assets | | |
| Other assets | 81 | 7 |
| Financing commitments | 197 | 149 |
| Risks and expenses | 206 | 192 |
| **Net charge to reversal of impairment losses and provisions** | **(5,341)** | **(3,481)** |
| Realised gains or losses on impaired fixed-income available-for-sale financial assets | (34) | (47) |
| Bad debts written off – not provided for | (311) | (269) |
| Recoveries on bad debts written off | 170 | 193 |
| Discounts on restructured loans | (56) | (67) |
| Losses on financing commitments | (2) | (43) |
| Other losses | (83) | (63) |
| **COST OF RISK** | **(5,657)** | **(3,777)** |

*(1) Of which -€1,136 million in impairments on Greek government securities classified as available-for-sale financial assets.*

*(2) Corresponds in its entirety to the impairment on Greek government securities classified as available-for-sale financial assets held until maturity.*

## 4.9 Net gains (losses) on other assets

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Property, plant & equipment and intangible assets used in operations** | **8** | **8** |
| Gains on disposals | 16 | 14 |
| Losses on disposals | (8) | (6) |
| **Consolidated equity investments** | **1** | **(185)** |
| Gains on disposals | 6 | 5 |
| Losses on disposals[1] | (5) | (190) |
| **Net income (expense) on combinations** | **(4)** | |
| **NET GAINS (LOSSES) ON OTHER ASSETS** | **5** | **(177)** |

*(1) Losses on disposals for 2010 corresponded for the most part to loss on the sale of 0.8% of Intesa Sanpaolo shares.*

## 4.10 Income tax charge

### TAX CHARGE

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Current tax charge | 177 | 179 |
| Deferred tax charge | (1,203) | (1,056) |
| **TAX CHARGE FOR THE PERIOD** | **(1,026)** | **(877)** |

### RECONCILIATION OF THEORETICAL TAX RATE AND EFFECTIVE TAX RATE

#### At 31 December 2011

| *(in millions of euros)* | Base | Tax rate | Tax |
|---|---|---|---|
| Income before tax, goodwill impairment, discontinued operations and share of net income of equity-accounted entities | 1,519 | 36.10% | (548) |
| Impact of permanent differences[(1)] | | 7.57% | (115) |
| Impact of different tax rates on foreign subsidiaries[(2)] | | 12.38% | (188) |
| Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences[(3)] | | 20.80% | (316) |
| Impact of reduced tax rate | | (5.66)% | 86 |
| Impact of other items[(4)] | | (3.62)% | 55 |
| **EFFECTIVE TAX RATE AND TAX CHARGE** | | **67.57%** | **(1,026)** |

The theoretical tax rate is the tax rate applicable under ordinary law (including the additional social contribution and the exceptional contribution to corporate income tax) to taxable profits in France for the year ended 31 December 2011.

*(1) Including -€51 million related to provisions for risks and expenses.*

*(2) Including -€208 million related to Emporiki.*

*(3) Including -€380 million related to non-activation and impairment of deferred taxes on non-deductible provisions for risks and expenses of Emporiki.*

*(4) Including €89 million related to the application of the affrancamento mechanism to the branch contributions for Cariparma and Friuladria.*

#### At 31 December 2010

| *(in millions of euros)* | Base | Tax rate | Tax |
|---|---|---|---|
| Income before tax, goodwill impairment, discontinued operations and share of net income of equity-accounted entities | 2,988 | 34.43% | (1,029) |
| Impact of permanent differences[(1)] | | (10.07)% | 301 |
| Impact of different tax rates on foreign subsidiaries | | (3.48)% | 104 |
| Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences[(2)] | | 3.31% | (99) |
| Impact of reduced tax rate[(3)] | | 2.68% | (80) |
| Impact of other items | | 2.48% | (74) |
| **EFFECTIVE TAX RATE AND TAX CHARGE** | | **29.34%** | **(877)** |

The theoretical tax rate is the tax rate applicable under ordinary law (including the additional social contribution) to taxable profits in France for the year ended 31 December 2010.

*(1) Including €442 million related to new tax regulations for the insurance capitalisation reserve and -€63 million related to provisions for risks and expenses.*

*(2) Including -€211 million related to non-activation of deferred taxes on non-deductible provisions for risks and expenses of Emporiki Bank.*

*(3) Including -€50 million related to the disposal of 0.8% of Intesa Sanpaolo shares.*

## 4.11 Change in other comprehensive income

The following table shows a breakdown of other comprehensive income for the period, after tax.

| | Other comprehensive income | | | | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Due to change in translation adjustments | Change in fair value of available-for-sale financial assets[1] | Change in fair value of hedging derivatives | Actuarial gains or losses on post-employment benefits | Other comprehensive income | Share of other comprehensive income of equity-accounted entities |
| Change in fair value[2] | | (2,615) | 169 | | (2,446) | |
| Reclassified to profit or loss[1] | | 842 | 5 | | 847 | |
| Change in translation adjustments | 90 | | | | 90 | |
| Change in actuarial gains or losses on post-employment benefits | | | | (4) | (4) | |
| Share in other comprehensive income of equity-accounted entities | 37 | (135) | 42 | 6 | (50) | (50) |
| **Other comprehensive income for the 2011 financial year (Group share)** | **127** | **(1,908)** | **216** | **2** | **(1,563)** | **(50)** |
| **Other comprehensive income for the 2011 financial year (minority interests)** | **106** | **(142)** | **8** | | **(28)** | |
| **TOTAL OTHER COMPREHENSIVE INCOME FOR THE 2011 FINANCIAL YEAR[4]** | **233** | **(2,050)** | **224** | **2** | **(1,591)** | **(50)** |
| Change in fair value | | (798) | (109) | | (907) | |
| Reclassified to profit or loss[1] | | (92) | 8 | | (84) | |
| Change in translation adjustments | 129 | | | | 129 | |
| Change in actuarial gains or losses on post-employment benefits | | | | (32) | (32) | |
| Share in other comprehensive income of equity-accounted entities[3] | | | | | | (102) |
| **Other comprehensive income for the 2010 financial year (Group share)** | **129** | **(890)** | **(101)** | **(32)** | **(894)** | **(102)** |
| **Other comprehensive income for the 2010 financial year (minority interests)** | **128** | **(82)** | **2** | **(3)** | **45** | |
| **TOTAL OTHER COMPREHENSIVE INCOME FOR THE 2010 FINANCIAL YEAR[4]** | **257** | **(972)** | **(99)** | **(35)** | **(849)** | **(102)** |

(1) *In 2011, this included mainly recycling in the income statement of capital gains worth -€0.8 billion (see Note 4.4); recycling in the income statement of impairment losses on equity investments worth €5.8 billion, a stake in policyholder participation of €2.6 billion and taxes of -€1.3 billion.*

*In 2010, this amount includes capital gains of €2.6 billion from disposals (see Note 4.4), a stake in policyholder participation of -€2.3 billion and the associated -€0.1 billion tax expense.*

(2) *Including -€316 million corresponding to the unrealised losses related to securities reclassified from securities held-to-maturity to available-for-sale securities.*

(3) *In 2010, the breakdown of gains or losses recognised directly as equity in equity-accounted entities was not available.*

(4) *Total gains and losses recognised in other comprehensive income for available-for-sale financial assets is detailed below:*

| | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Gross amount | (2,844) | (1,344) |
| Tax | 794 | 372 |
| **NET TOTAL** | **(2,050)** | **(972)** |

## Note 5 Segment reporting

### DEFINITION OF OPERATING SEGMENTS

According to IFRS 8, information disclosed is based on the internal reporting that is used by the Executive Committee to manage Crédit Agricole S.A., to assess performance and to make decisions about resources to be allocated to the identified operating segments.

Operating segments according to the internal reporting consist of the business lines of the Group.

Crédit Agricole S.A.'s activities are organised into seven operating segments:

- **six business lines**:
  - French retail banking – Regional Banks,
  - French retail banking – LCL Network,
  - International retail banking,
  - Specialised financial services,
  - Asset management, insurance and private banking,
  - Corporate and investment banking;
- **plus the Corporate centre**.

### PRESENTATION OF BUSINESS LINES

#### 1. French retail banking – Regional Banks

This business line comprises the Regional Banks and their subsidiaries.

The Regional Banks provide banking services for individual customers, farmers, small businesses, corporates and local authorities, with a very strong local presence.

The Crédit Agricole Regional Banks provide a full range of banking and financial services, including savings products (money market, bonds, equity), life insurance, lending (particularly mortgage loans and consumer finance), and payment services. In addition to life insurance, they also provide a broad range of property & casualty and death & disability insurance.

#### 2. French retail banking – LCL Network

This business line comprises the LCL branch network in France, which has a strong focus on urban areas and a segmented customer approach (individual customers, small businesses and small and medium-sized enterprises).

LCL offers a full range of banking products and services, together with asset management, insurance and wealth management products.

#### 3. International retail banking

This business line encompasses foreign subsidiaries and investments – fully consolidated or equity-accounted entities – that are mainly involved in retail banking.

These subsidiaries and investments are mostly in Europe (Emporiki Bank in Greece, Cariparma, FriulAdria and Carispezia in Italy, Crédit Agricole Polska in Poland, Banco Espirito Santo in Portugal, Bankoa and Bankinter in Spain, Center and Crédit Agricole Belge in Belgium, PJSC Crédit Agricole Bank in Ukraine, Crédit Agricole Banka Srbija a.d. Novi Sad in Serbia) and, to a lesser extent, in the Middle East and Africa (Crédit du Maroc and Crédit Agricole Egypt, etc.). The foreign subsidiaries in consumer finance, lease finance and factoring (subsidiaries of Crédit Agricole Consumer Finance, of CAL&F and EFL in Poland, etc.) are however not included in this division but are reported in the "Specialised financial services" segment.

#### 4. Specialised financial services

Specialised financial services comprises the Group subsidiaries that provide banking products and services to individual customers, small businesses, corporates and local authorities in France and abroad. These include:

- consumer finance companies belonging to Crédit Agricole Consumer Finance in France and held through its subsidiaries or partnerships in countries other than France (Agos-Ducato, Forso, Credit-Plus, Ribank, Credibom, Dan Aktiv, Interbank Group, Emporiki Credicom, FGA Capital S.p.A.);
- specialised financial services for companies such as factoring and lease finance (CAL&F group, EFL).

#### 5. Asset management, insurance and private banking

This business line encompasses:

- the asset management activities of the Amundi group, offering savings solutions for individuals and investment solutions for institutions;
- investor services: CACEIS Bank for custody and CACEIS Fastnet for fund administration;
- personal insurance (Predica and Médicale de France in France, CA Vita in Italy and BES Vida in Portugal);
- property & casualty insurance (Pacifica, and BES Seguros in Portugal);
- creditor insurance activities (conducted by Crédit Agricole Creditor Insurance);
- private banking activities conducted mainly by Banque de Gestion Privée Indosuez (BGPI) and by Crédit Agricole CIB subsidiaries (Crédit Agricole Suisse, Crédit Agricole Luxembourg and Crédit Foncier de Monaco, etc.).

### 6. Corporate and investment banking

Corporate and investment banking operations are divided into three main activities, most of them carried out by Crédit Agricole CIB:

- financing activities comprises traditional commercial banking and structured finance in France and abroad: project, aeronautical, maritime, acquisition and real estate finance, international trade;
- capital markets and investment activities brings together capital market activities (cash, foreign exchange, commodities, interest rate derivatives, debt markets and equity derivatives), investment banking (merger and acquisitions consulting and primary equity) and equity brokerage activities conducted by CA Cheuvreux and CLSA and futures activities by Newedge;
- since the implementation of the Crédit Agricole CIB refocusing plan in September 2008, businesses in run-off include exotic equity derivatives, correlation businesses and CDO, CLO and ABS portfolios.

### 7. Corporate centre

This business line encompasses mainly Crédit Agricole S.A.'s central body function, asset and liability management and management of debt connected with acquisitions of subsidiaries or equity investments.

It also includes the results of the private equity business and results of various other Crédit Agricole S.A. Group's companies (Uni-Éditions, Foncaris, etc.).

This segment also includes the income from resource pooling companies, real-estate companies holding properties used in operations by several business lines and activities undergoing reorganisation.

Lastly, it also includes the net impact of tax consolidation for Crédit Agricole S.A., as well as differences between the "standard" tax rates for each business line and the actual tax rates applied to each subsidiary.

## 5.1 Operating segment information

Transactions between operating segments are effected at arm's length.

Segment assets are calculated on the basis of accounting items comprising the balance sheet for each operating segment.

| | 31/12/2011 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | French retail banking | | | | | | | |
| *(in millions of euros)* | Regional Banks | LCL network | International retail banking | Specialised financial services | Asset management, insurance and private banking | Corporate and investment banking | Corporate centre[1] | Total |
| Revenues | | 3,822 | 3,068 | 3,926 | 5,243 | 5,436 | (712) | 20,783 |
| Operating expenses | | (2,497) | (2,104) | (1,744) | (2,508) | (3,784) | (975) | (13,612) |
| **Gross operating income** | | **1,325** | **964** | **2,182** | **2,735** | **1,652** | **(1,687)** | **7,171** |
| Cost of risk[1] | | (286) | (1,846) | (1,606) | (1,075) | (504) | (340) | (5,657) |
| **Operating income** | | **1,039** | **(882)** | **576** | **1,660** | **1,148** | **(2,027)** | **1,514** |
| Share of net income of equity-accounted entities | 1,008 | | (911) | 14 | 11 | 133 | (26) | 229 |
| Net gains (losses) on other assets | | 1 | 8 | | (1) | 1 | (4) | 5 |
| Change in value of goodwill | | | (634) | (247) | | (1,053) | | (1,934) |
| **Pre-tax income** | **1,008** | **1,040** | **(2,419)** | **343** | **1,670** | **229** | **(2,057)** | **(186)** |
| Income tax charge | | (330) | (247) | (242) | (620) | (383) | 796 | (1,026) |
| Net gains (losses) on discontinued operations | | | 14 | 5 | | | (5) | 14 |
| **Net income for the period** | **1,008** | **710** | **(2,652)** | **106** | **1,050** | **(154)** | **(1,266)** | **(1,198)** |
| Minority interests | | 35 | (51) | 15 | 99 | (7) | 181 | 272 |
| **NET INCOME GROUP SHARE** | **1,008** | **675** | **(2,601)** | **91** | **951** | **(147)** | **(1,447)** | **(1,470)** |
| **Segment assets** | | | | | | | | |
| Of which investments in equity-accounted entities | 14,403 | | 1,724 | 178 | 82 | 1,261 | 638 | 18,286 |
| Of which Goodwill | | 5,263 | 3,183 | 3,116 | 4,541 | 1,353 | 72 | 17,528 |
| **TOTAL ASSETS** | **7,937** | **112,543** | **75,926** | **117,418** | **351,564** | **1,011,617** | **46,603** | **1,723,608** |

*(1) The cost of risk of "Corporate centre" contains the provisions recognised by Crédit Agricole S.A. for the guarantees granted to its subsidiaries (Crédit Agricole CIB, Emporiki and Emporiki Leasing).*

| *(in millions of euros)* | 31/12/2010 French retail banking Regional Banks | LCL network | International retail banking | Specialised financial services | Asset management, insurance and private banking | Corporate and investment banking | Corporate centre management | Total |
|---|---|---|---|---|---|---|---|---|
| Revenues | | 3,945 | 2,975 | 3,945 | 4,984 | 5,315 | (1,035) | 20,129 |
| Operating expenses | | (2,575) | (1,951) | (1,734) | (2,490) | (3,507) | (930) | (13,187) |
| **Gross operating income** | | **1,370** | **1,024** | **2,211** | **2,494** | **1,808** | **(1,965)** | **6,942** |
| Cost of risk | | (359) | (1,444) | (1,298) | (25) | (623) | (28) | (3,777) |
| **Operating income** | | **1,011** | **(420)** | **913** | **2,469** | **1,185** | **(1,993)** | **3,165** |
| Share of net income of equity-accounted entities | 957 | | 108 | 12 | 3 | 139 | (1,154) | 65 |
| Net gains (losses) on other assets | | (2) | 8 | | (8) | (6) | (169) | (177) |
| Change in value of goodwill | | | (445) | | | | | (445) |
| **Pre-tax income** | **957** | **1,009** | **(749)** | **925** | **2,464** | **1,318** | **(3,316)** | **2,608** |
| Income tax charge | | (303) | (183) | (330) | (801) | (305) | 1,045 | (877) |
| Net gains (losses) on discontinued operations | | | 21 | | 1 | | (1) | 21 |
| **Net income for the period** | **957** | **706** | **(911)** | **595** | **1,664** | **1,013** | **(2,272)** | **1,752** |
| Minority interests | | 35 | 17 | 59 | 155 | 38 | 185 | 489 |
| **NET INCOME GROUP SHARE** | **957** | **671** | **(928)** | **536** | **1,509** | **975** | **(2,457)** | **1,263** |
| **Segment assets** | | | | | | | | |
| Of which investments in equity-accounted entities | 13,635 | | 2,567 | 163 | 17 | 1,095 | 634 | 18,111 |
| Of which goodwill | | 5,263 | 3,308 | 3,363 | 4,549 | 2,405 | 72 | 18,960 |
| **TOTAL ASSETS** | **13,635** | **116,326** | **95,425** | **124,868** | **351,654** | **890,469** | **1,152** | **1,593,529** |

## 5.2 Segment information: geographical analysis

The geographical analysis of segment assets and results is based on the place where operations are booked for accounting purposes.

| *(in millions of euros)* | 31/12/2011 Net income Group share | O/w revenues | Segment assets | of which goodwill | 31/12/2010 Net income Group share | O/w revenues | Segment assets | of which goodwill |
|---|---|---|---|---|---|---|---|---|
| France (including overseas departments and territories) | 75 | 11,062 | 1,395,267 | 11,794 | 571 | 10,290 | 1,238,305 | 12,960 |
| Other European Union countries | (2,334) | 6,394 | 171,037 | 4,971 | (177) | 6,402 | 204,063 | 5,179 |
| Other European countries | 138 | 766 | 16,098 | 497 | 111 | 702 | 18,571 | 559 |
| North America | 251 | 923 | 83,299 | 27 | 247 | 952 | 62,509 | 26 |
| Central and South America | (1) | 58 | 88 | 23 | 14 | 62 | 1,799 | 22 |
| Africa-Middle East | 238 | 461 | 10,396 | 174 | 212 | 486 | 13,086 | 175 |
| Asia-Pacific (ex. Japan) | 187 | 921 | 27,877 | 2 | 288 | 1,033 | 34,572 | 2 |
| Japan | (24) | 198 | 19,546 | 40 | (3) | 202 | 20,624 | 37 |
| **TOTAL** | **(1,470)** | **20,783** | **1,723,608** | **17,528** | **1,263** | **20,129** | **1,593,529** | **18,960** |

## 5.3 Insurance activities

### GROSS INCOME FROM INSURANCE ACTIVITIES

| Insurance activities *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Premium written | 24,345 | 28,771 |
| Change in unearned premiums | (130) | (166) |
| **Earned premiums** | **24,215** | **28,605** |
| **Other operating income** | **29** | **233** |
| Investment income | 8,567 | 7,380 |
| Investment expenses | (315) | (444) |
| Gains (losses) on disposal of investments net of impairment and amortisation reversals | 794 | 2,541 |
| Change in fair value of investments at fair value through profit or loss | (3,161) | 968 |
| Change in impairment on investments | (6,164) | (23) |
| **Investment income after expenses** | **(279)** | **10,422** |
| **Claims paid(1)** | **(19,920)** | **(34,445)** |
| Income on business ceded to reinsurers | 267 | 392 |
| Expenses on business ceded to reinsurers | (458) | (504) |
| **Net income (expense) on business ceded to reinsurers** | **(191)** | **(112)** |
| **Contract acquisition costs** | **(1,821)** | **(1,882)** |
| **Amortisation of investment securities and similar** | **(8)** | **(9)** |
| **Administration expenses** | **(1,232)** | **(1,065)** |
| **Other current operating income (expense)** | **9** | **(123)** |
| **Other operating income (expense)** | **(1)** | **(31)** |
| **OPERATING INCOME** | **801** | **1,593** |
| Financing costs | (170) | (116) |
| Share of net income of associates | | |
| Income tax charge | (282) | (482) |
| **CONSOLIDATED NET INCOME** | **349** | **995** |
| **Minority interests** | **(49)** | **12** |
| **NET INCOME GROUP SHARE** | **398** | **983** |

*(1) The change in claims paid is due to the increase in services provided for claims for -€3 billion and to the change in technical reserves (see Note 4.5).*

### INSURANCE COMPANY INVESTMENTS

| IFRS Classification *(in millions of euros)* | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| | Net value | Unrealised gains | Net value | Unrealised gains |
| **Available-for-sale financial assets[1]** | **148,264** | | **139,313** | |
| Equities | 16,793 | | 19,976 | |
| Bonds | 105,215 | | 69,510 | |
| Treasury bills and similar securities | 26,287 | | 49,827[4] | |
| **Held-to-maturity financial assets[2]** | **15,322** | **1,564** | **21,225** | **506** |
| Bonds | 3,187 | 408 | 139 | 3 |
| Treasury bills and similar securities | 12,135 | 1,156 | 21,086 | 503 |
| **Financial assets at fair value through profit or loss classified as held for trading and financial assets designated at fair value through profit or loss upon initial recognition** | **22,419** | | **25,011** | |
| Equities | 6,935 | | 8,302 | |
| Bonds | 9,975 | | 8,291 | |
| Treasury bills and similar securities | 4,755 | | 7,477 | |
| Derivative instruments | 754 | | 941 | |
| **Other assets at fair value** | **40,411** | | **41,389** | |
| Assets backing unit-linked contracts[3] | 40,372 | | 41,496 | |
| Hedging derivative instruments | 39 | | (107) | |
| **Loans and receivables** | **7,360** | | **4,127** | |
| **Investment property** | **2,494** | **2,013** | **2,461** | **1,782** |
| **TOTAL INSURANCE COMPANY INVESTMENTS** | **236,301** | **3,577** | **233,526** | **2,288** |

*(1) Including reclassification from the available-for-sale portfolio to the held-to-maturity of a sovereign debt portfolio of €256 million. This reclassification occurred due to a change in management intent by the insurance subsidiary in Portugal.*

*(2) Including reclassification from the held-to-maturity portfolio to the available-for-sale of a sovereign debt portfolio for which a sale of €2,991 million is planned (fair value at 31 December 2011). This reclassification took place following a decision made as part of the Group's desire to alleviate the burden of sovereign debt on the balance sheet for which a significant lowering of the long-term rating was recognised after the acquisition date. The assets transferred were measured at their fair value and the difference between the amount previously recognised (amortised cost at the date of transfer) and the fair value was recognised directly as recyclable equity (unrecognised gains and losses on available-for-sale assets) for an amount of -€316 million.*

*(3) Debt issues related to assets held by Group insurers on behalf of policyholders included in unit-linked contracts are not eliminated. This has no material impact on the Group's consolidated financial statements.*

*(4) At 31 December 2010, this amount included €13.6 billion reclassified as bonds at 31 December 2011.*

## 5.4 French retail banking – Regional Banks

### OPERATIONS AND CONTRIBUTION OF THE REGIONAL BANKS AND THEIR SUBSIDIARIES

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Adjusted revenues** | **13,420** | **13,232** |
| Operating expenses | (7,377) | (7,092) |
| **Gross operating income** | **6,043** | **6,140** |
| Cost of risk | (1,008) | (1,366) |
| **Operating income** | **5,035** | **4,774** |
| Other income | 5 | 6 |
| Income tax charge | (1,748) | (1,586) |
| **Adjusted aggregate net income of Regional Banks** | **3,292** | **3,194** |
| **Adjusted aggregate net income of Regional Banks' subsidiaries** | **46** | **57** |
| **Net aggregate income (100%)** | **3,338** | **3,251** |
| **Net aggregate income contributed before restatements** | **854** | **824** |
| Increase in share of Regional Banks' net income(1) | 162 | 142 |
| Income from dilution/accretion on changes in share capital | (9) | (10) |
| Other consolidation restatements and eliminations | 1 | 1 |
| **SHARE OF NET INCOME OF EQUITY-ACCOUNTED ENTITIES(1)** | **1,008** | **957** |

(1) *Including the difference between dividends actually paid by the Regional Banks to Crédit Agricole S.A. and dividends calculated on the basis of Crédit Agricole S.A.'s percentage ownership of the Regional Banks.*

# Note 6 Notes to the balance sheet

## 6.1 Cash due from central banks

| | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| *(in millions of euros)* | Assets | Liabilities | Assets | Liabilities |
| Cash | 1,356 | | 1,515 | |
| Central banks | 27,111 | 127 | 27,810 | 770 |
| **CARRYING AMOUNT** | **28,467** | **127** | **29,325** | **770** |

## 6.2 Financial assets and liabilities at fair value through profit or loss

### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Financial assets held for trading | 447,075 | 368,944 |
| Financial assets designated as at fair value through profit or loss upon initial recognition | 43,188 | 44,712 |
| **CARRYING AMOUNT** | **490,263** | **413,656** |
| ***Of which lent securities*** | ***720*** | ***2,999*** |

### FINANCIAL ASSETS HELD FOR TRADING

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Loans and receivables to customers | 263 | 435 |
| Securities bought under repurchase agreements | 21,684 | 35,556 |
| Securities held for trading | 75,680 | 95,539 |
| ● Treasury bills and similar securities | 31,046 | 42,633 |
| ● Bonds and other fixed-income securities | 28,510 | 27,816 |
| ● Equities and other variable-income securities | 16,124 | 25,090 |
| Derivative instruments | 349,448 | 237,414 |
| **CARRYING AMOUNT** | **447,075** | **368,944** |

Securities acquired under repurchase agreements include those that the entity is authorised to use as collateral.

### FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS UPON INITIAL RECOGNITION

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Loans and receivables to customers | 78 | |
| Asset backing unit-linked contracts | 40,372 | 41,496 |
| Securities designated as at fair value through profit or loss upon initial recognition | 2,738 | 3,216 |
| ● Treasury bills and similar items | 3 | 8 |
| ● Bonds and other fixed-income securities | 1,691 | 1,841 |
| ● Equities and other variable-income securities | 1,044 | 1,367 |
| **CARRYING AMOUNT** | **43,188** | **44,712** |

### FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Financial liabilities held for trading | 439,680 | 343,586 |
| Financial liabilities at fair value through profit or loss upon initial recognition | | |
| **CARRYING AMOUNT** | **439,680** | **343,586** |

### FINANCIAL LIABILITIES HELD FOR TRADING

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Securities sold short | 26,259 | 25,797 |
| Securities sold under repurchase agreements | 36,013 | 54,601 |
| Debt securities | 31,413 | 30,836 |
| Derivative instruments | 345,995 | 232,352 |
| **CARRYING AMOUNT** | **439,680** | **343,586** |

Detailed information on trading derivatives is provided in Note 3.2 on market risk, in particular with regard to interest rates.

## 6.3 Hedging derivative instruments

Detailed information is provided in Note 3.4 on cash flow and fair value hedges, and more particularly with respect to interest rates and foreign exchange rates.

## 6.4 Available-for-sale financial assets

| *(in millions of euros)* | 31/12/2011 | | | 31/12/2010 | | |
|---|---|---|---|---|---|---|
| | Fair value on balance sheet | Gains recognised in other comprehensive income | Losses recognised in other comprehensive income | Fair value on balance sheet | Gains recognised in other comprehensive income | Losses recognised in other comprehensive income |
| Treasury bills and similar securities[3] | 58,520 | 551 | (4,303) | 87,008 | 746 | (3,200) |
| Bonds and other fixed-income securities[3] | 147,555 | 3,359 | (4,223) | 113,275 | 1,663 | (949) |
| Equities and other variable-income securities | 15,468 | 841 | (2,036) | 19,206 | 479 | (55) |
| Non-consolidated equity investments | 5,569 | 905 | (619) | 6,128 | 873 | (265) |
| **Total available-for-sale securities** | **227,112** | **5,656** | **(11,181)** | **225,617** | **3,761** | **(4,469)** |
| Available-for-sale receivables | 278 | | | 140 | | |
| **Total available-for-sale receivables** | **278** | | | **140** | | |
| **Carrying amount of available-for-sale financial assets [1]** | **227,390** | **5,656** | **(11,181)** | **225,757** | **3,761** | **(4,469)** |
| **Income tax charge (income)** | | **(1,781)** | **3,536** | | **(1,086)** | **1,333** |
| **GAINS AND LOSSES ON AVAILABLE-FOR SALE FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX) [2]** | | **3,875** | **(7,645)** | | **2,675** | **(3,136)** |

*(1) The carrying amount of impaired available-for-sale debt securities is €2,168 billion (€91 million at 31 December 2010) and the carrying amount of impaired variable-income available-for-sale securities is €2,737 million (€2,986 million at 31 December 2010).*

*Including reclassification of sovereign debt portfolio from available-for-sale to held-to-maturity securities for €256 million due to a change in management intent by the insurance subsidiary in Portugal..*

*(2) At 31 December 2011, a net unrealised loss of €3,770 billion (€461 million at 31 December 2010) is offset by the after-tax deferred profit-sharing asset of €1,936 billion for Group insurance companies (€537 million at 31 December 2010); the balance of €1,838 million corresponds to net unrealised losses recognised in recyclable equity at 31 December 2011 (net unrealised gain of €76 million at 31 December 2010).*

*Including reclassification of a sovereign debt portfolio from available-for-sale securities to held-to-maturity securities for which a sale of €2,991 million is planned (fair value at 31 December 2011). This reclassification took place following a decision made as part of the Group's willingness to alleviate the burden of sovereign debt on the balance sheet for which a significant lowering of the long-term rating was recognised after the acquisition date. The assets transferred were valued at their fair value and the difference between the amount previously recognised (amortised cost at the date of transfer) and the fair value was recognised directly as recyclable equity (unrecognised gains and losses on available-for-sale securities) for an amount of -€316 million.*

*(3) At 31 December 2010,the fair value of Treasury bills and similar securities on the balance sheet amounted to €13.6 billion, reclassified as Bonds securities and other fixed-income securities at 31 December 2011.*

## 6.5 Loans and receivables to credit institutions and to customers

### LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Credit institutions*** | | |
| Loans and receivables | 67,727 | 54,367 |
| *of which performing current accounts in debit* | *23,940* | *19,719* |
| *of which performing overnight accounts and advances* | *10,873* | *6,062* |
| Pledged securities | 285 | 290 |
| Securities bought under repurchase agreements | 36,196 | 48,446 |
| Subordinated loans | 394 | 396 |
| Securities not traded in an active market | 419 | 481 |
| Other loans and receivables | 157 | 144 |
| **Sub-total(1)** | **105,179** | **104,124** |
| **Accrued interest** | | **177** |
| **Impairment** | **(569)** | **(555)** |
| **TOTAL** | **104,610** | **103,746** |
| ***Crédit Agricole internal transactions*** | | |
| Current accounts | 1,979 | 1,663 |
| Term deposits and advances | 273,253 | 257,627 |
| **Sub-total(1)** | **275,232** | **259,290** |
| **Accrued interest** | | **807** |
| **TOTAL** | **275,232** | **260,097** |
| **CARRYING AMOUNT** | **379,841** | **363,843** |

*(1) At 31 December 2011, the amounts disclosed include accrued interest.*

## LOANS AND RECEIVABLES TO CUSTOMERS

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Loans and receivables to customers*** | | |
| Trade receivables | 13,794 | 12,941 |
| Other customer loans | 297,260 | 291,586 |
| Securities bought under repurchase agreements | 53,327 | 42,172 |
| Subordinated loans | 697 | 496 |
| Securities not traded in an active market | 10,679 | 11,779 |
| Insurance receivables | 1,353 | 1,114 |
| Reinsurance receivables | 267 | 224 |
| Advances in associates current accounts | 366 | 403 |
| Current accounts in debit | 19,031 | 16,286 |
| **Sub-total(1)** | **396,774** | **377,001** |
| **Accrued interest** | | **1,433** |
| **Impairment** | **(15,895)** | **(13,709)** |
| **TOTAL** | **380,879** | **364,725** |
| ***Finance leases*** | | |
| Property leasing | 7,973 | 7,552 |
| Equipment leases, operating leases and similar transactions | 11,070 | 10,898 |
| **Sub-total(1)** | **19,043** | **18,450** |
| **Accrued interest** | | **379** |
| **Impairment** | **(541)** | **(308)** |
| **TOTAL** | **18,502** | **18,521** |
| **CARRYING AMOUNT** | **399,381** | **383,246** |

*(1) At 31 December 2011, the amounts disclosed include accrued interest.*

## 6.6 Impairment deducted from financial assets

| (in millions of euros) | 31/12/2010 | Change in scope | Increases | Reversals and utilisations | Translation adjustments | Other movements | 31/12/2011 |
|---|---|---|---|---|---|---|---|
| Loans and receivables to credit institutions | 555 | | 37 | (40) | 16 | | 568 |
| Loans and receivables to customers[(1)] | 13,709 | 71 | 4,977 | (2,921) | 51 | 8 | 15,895 |
| *of which collective impairment* | *3,250* | *19* | *461* | *(271)* | *74* | *8* | *3,541* |
| Finance leases[(2)] | 309 | | 454 | (211) | (1) | (9) | 542 |
| Held-to-maturity financial assets[(3)] | | | 745 | | | (688) | 57 |
| Available-for-sale financial assets[(4)] | 1,656 | (1) | 5,625 | (450) | 7 | 678 | 7,515 |
| Other financial assets | 133 | 1 | 97 | (101) | (5) | | 125 |
| **TOTAL IMPAIRMENT OF FINANCIAL ASSETS** | **16,362** | **71** | **11,935** | **(3,723)** | **68** | **(11)** | **24,702** |

*Changes in scope*

*(1) The €71 million under "Changes in Scope" essentially includes Carispezia for €64 million and new branches with Cariparma for €7 million.*

*Depreciation charges*

*(3) and (4) Including impairments on Greek government debt under the Greek bailout plan, which are recognised primarily in insurance businesses and partially offset by a reversal of provisions in insurance technical reserves recognised in liabilities.*

*(4) The assessment of the need to record permanent impairment losses on equity securities classified as available-for-sale financial assets, beyond the impairment criteria defined in Note 1.3 - Accounting policies and principles, led to the recognition of €185 million in such losses (before applying the policyholder profit sharing mechanism specific to the insurance business)..*

*Reversals and utilisations*

*(4) Reversals and utilisations of provisions on available-for-sale financial assets essentially include full or partial sales of available-for-sale securities or UCITS.*

*Other movements*

*(1) Including €4 million of reclassifications to Assets at CAL&F.*

*(2) Including mainly a transfer of €9.5 million to fixed assets at CAL&F.*

*(3) Transfer from held-to-maturity to available-for-sale of -€688 million of sovereign debt in insurance activities.*

*(4) Including mainly the transfer of €688 million of held-to-maturity to available-for-sale securities and -€18 million transferred between the outstanding amount and the impairment of CA Vita securities portfolio.*

| (in millions of euros) | 31/12/2009 | Change in scope | Increases | Reversals and utilisations | Translation adjustments | Other movements | 31/12/2010 |
|---|---|---|---|---|---|---|---|
| Loans and receivables to credit institutions | 485 | | 91 | (37) | 25 | (9) | 555 |
| Loans and receivables to customers[(1)] | 11,780 | (39) | 4,531 | (2,781) | 187 | 31 | 13,709 |
| *of which collective impairment* | *3,379* | *(8)* | *453* | *(688)* | *98* | *16* | *3,250* |
| Finance leases[(2)] | 285 | (6) | 231 | (202) | 1 | | 309 |
| Held-to-maturity financial assets | | | | | | | |
| Available-for-sale financial assets | 2,424 | 4 | 165 | (804) | (149) | 16 | 1,656 |
| Other financial assets | 143 | | 36 | (44) | 1 | (3) | 133 |
| **TOTAL IMPAIRMENT OF FINANCIAL ASSETS** | **15,117** | **(41)** | **5,054** | **(3,868)** | **65** | **35** | **16,362** |

*Changes in scope*

*(1) The €39 million included under "Changes in Scope" essentially relate to the exclusion of impairment of loans and receivables to customers for BIMR (€12 million) sold in 2010 as well as impairment losses for SSF and Credigen (€18 million) both deconsolidated in 2010.*

*Reversals and utilisations on impairment of available-for-sale assets*

*(2) Reversals and utilisations of provisions on available-for-sale financial assets essentially include full or partial sales of available-for-sale securities or UCITS.*

*Other movements*

*(1) These movements include, in particular, €50 million corresponding to the transfer by Crédit Agricole CIB of a provision for financing commitments to impairment on loans and receivables to customers and -€14 million for reclassification to liability at Emporiki (provisions for liabilities and charges).*

*(2) These movements mainly include transfers to impairment of available-for-sale securities: for Crédit Agricole CIB (€7 million from impairment of loans and receivables to credit institutions) and for Emporiki (€6 million from impairment of customer loans).*

## 6.7 Exposure to sovereign risk

Given the economic climate confirming the difficulties that some countries in the eurozone face in controlling their finances, the exposure of Crédit Agricole S.A. Group to European countries is presented below:

### EXPOSURE TO SOVEREIGN RISK IN GREECE, IRELAND, PORTUGAL, ITALY AND SPAIN

#### Banking activity

For banking activity, information is presented according to the methodology that was used to perform stress tests at the request of the EBA (European Banking Authority). The scope of sovereign exposures recorded covers exposures to the Government, *Société de financement de l'économie française* (SFEF), the French Public Treasury and *Agence France Trésor*.

Exposure to sovereign debt corresponds to an exposure net of impairment (carrying amount) and gross and net of hedging.

| | Banking activity exposures net of impairment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Including banking portfolio | | | | | | |
| *(in millions of euros)* | Held-to-maturity financial assets | Available-for-sale financial assets | Loans and receivables(1) | Including trading book (excluding derivatives) | Total Banking activity gross of hedging | Hedging of available-for-sale financial assets (2) | Total Banking activity net of hedging |
| Greece | | 111 | | 1 | **112** | | **112** |
| Ireland | | 146 | | | **146** | (6) | **140** |
| Portugal | | 589 | 18 | 8 | **615** | (14) | **601** |
| Italy | | 3,577 | 192 | 128 | **3,897** | (246) | **3,651** |
| Spain | | 48 | 124 | | **172** | | **172** |
| **TOTAL** | | **4,471** | **334** | **137** | **4,942** | **(266)** | **4,676** |

*(1) Excluding deferred tax assets.*

*(2) No hedging on financial assets held-to-maturity and on trading.*

#### Group insurance companies

For insurance activity, exposure to sovereign debt is presented as a value net of impairment and corresponds to an exposure before application of sharing mechanisms between insurer and policyholder specific to life insurance.

| *(in millions of euros)* | Gross exposures Insurance Activity |
|---|---|
| Greece | 1,890 |
| Ireland | 1,309 |
| Portugal | 1,870 |
| Italy | 7,078 |
| Spain | 3,155 |
| **TOTAL** | **15,302** |

*Gross exposure corresponds to the value of securities on the balance sheet.*

*Exposure before sharing mechanism between policyholders and insurers.*

In accordance with what is allowed under paragraph 51 of IAS 39, and given the significant lowering of the long-term rating recognised after the acquisition, the Group reclassified sovereign debt securities from the held-to-maturity category to the available-for-sale category for an amount of €2,991 million (fair value at 31 December 2011). Moreover, consistent with what is allowed under paragraph 54 of IAS 39, and given the change of management intent of the insurance subsidiary in Portugal, the Group reclassified sovereign debt securities from the available-for-sale category to the held-to-maturity category for an amount of €256 million.

The policy of European solidarity has led to the establishment of a support plan to Greece, Portugal and Ireland. In the absence of a default situation and given the plans put in place, none of these securities has been impaired, except for the special case of Greece described below.

### ACCOUNTING TREATMENT OF GREECE

#### Background

Crédit Agricole S.A. Group has committed to participate in the Greek support plan agreed on 21 July 2011 by the EU Heads of State and Government and announced it in its press release dated 28 July following a Board of Directors meeting the same day.

However, the terms originally set forth very quickly came back under discussion by the various stakeholders. In an economic environment that continues to deteriorate, they were deemed insufficient to correct the trajectory of Greek government debt without a fast rebound of the growth, and compliance with deficit reduction objectives and without significant progress in the privatisation programme.

In this context, new measures to support Greece were agreed at the Brussels summit on 26 October 2011 with increased participation, on a voluntary basis, from the private sector. In view of this participation, the Institute for International Finance (IFF) began new negotiations with the Greek and European authorities and the International Monetary Fund (IMF) on the basis of a write-down of 50% of the nominal value on all maturities of securities held, although the exact terms have not yet been fully determined at this stage.

On Tuesday, 21 February 2012, these negotiations resulted in the announcement by the Eurogroup of a second bailout package to Greece of €237 billion. This consisted of another state aid package of €130 billion and a voluntary "write-off" of debt of €107 billion by private creditors, who now agreed to a discount of 53.5% of the nominal value of shares currently held. In the very short term, a Greek default was avoided, thus enabling it to meet a repayment deadline of €14.5 billion on 20 March and in the medium term, the second bailout package reduces its debt/GDP ratio to 120% in 2020.

**Valuation method**

At 31 December 2011, the assessment of the fair value of Greek government debt securities as Level 3 "Mark to model" (excluding trading book securities still at Level 1 "fair value" given their type and maturity) is still justified by the severe lack of liquidity on the secondary market. Given this, combined with the commitment made by the banks to public authorities to retain their securities, it is no longer possible to believe that the prices found on that market are representative of the fair value of the instruments issued.

To take into account the valuation used in the illiquidity premium reflected in the "fair value" of Greek government bonds, the internal model relies on a weighting between the market price at 31 December 2011 (30%) and a valuation based on macroeconomic assumptions (debt/GDP target ratio, performance of the privatisation programme, investment by the various creditors of the Greek government, etc.) (70%).

Under that internal model, an average discount of 74% of all Greek government securities, regardless of their maturity, was recognised in the Group financial statements at 31 December 2011.

Accordingly, Crédit Agricole S.A. financial statements at 31 December 2011 recognise a sharp impairment of the profit-sharing mechanisms of policyholders specific to life insurance, of €1,327 million as cost of risk (see Note 4.8). This impairment is allocated to operating segments that hold the securities included in the plan, namely International retail banking and Insurance.

## SOVEREIGN DEBT BANKING AND INSURANCE ACTIVITIES – MATURITY GROSS OF HEDGING

### BANK (Banking book)

| Gross exposure *(in millions of euros)* | Residual maturities | | | | | | |
|---|---|---|---|---|---|---|---|
| | One year | Two years | Three years | Five years | Ten years | Over ten years | Total |
| Greece | 6 | | | 102 | | 3 | 111 |
| Ireland | | | 146 | | | | 146 |
| Portugal | 480 | 127 | | | | | 607 |
| Italy | 192 | 35 | 87 | 426 | 1,967 | 1,062 | 3,769 |
| Spain | 126 | 19 | 4 | | | 23 | 172 |
| **TOTAL** | | | | | | | **4,805** |

### INSURANCE

| Gross exposure *(in millions of euros)* | Residual maturities | | | | | | |
|---|---|---|---|---|---|---|---|
| | One year | Two years | Three years | Five years | Ten years | Over ten years | Total |
| Greece | 12 | 31 | 22 | 29 | 876 | 920 | 1,890 |
| Ireland | | 37 | 19 | 6 | 992 | 237 | 1,291 |
| Portugal | 671 | 99 | 35 | 27 | 175 | 862 | 1,869 |
| Italy | 123 | 157 | 428 | 881 | 4,224 | 1,265 | 7,078 |
| Spain | 3 | 1 | 1,017 | 30 | 120 | 1,984 | 3,155 |
| **TOTAL** | | | | | | | **15,283** |

## SOVEREIGN DEBT BANKING ACTIVITY – CHANGES FROM 30 JUNE 2011 TO 31 DECEMBER 2011

| Changes in exposures (before hedging) *(in millions of euros)* | Balance at 30/06/2011 | Change in fair value[(1)] | Recycling of available-for-sale reserves[(1)] | Accrued interest | Impairment | Maturity dates | Disposals | Acquisitions[(2)] | Balance at 31/12/2011 |
|---|---|---|---|---|---|---|---|---|---|
| Greece | | | | | | | | | |
| Ireland | | | | | | | | | |
| Portugal | | | | | | | | | |
| Italy | | | | | | | | | |
| Spain | | | | | | | | | |
| **Held-to-maturity financial assets** | | | | | | | | | |
| Greece | 279 | | 4 | 2 | (174) | | | | 111 |
| Ireland | 120 | 20 | | 6 | | | | | 146 |
| Portugal | 645 | 15 | | 1 | | | (72) | | 589 |
| Italy | 7,455 | (523) | | | | (169) | (3,187) | | 3,576 |
| Spain | 1,504 | | | | | (632) | (823) | | 49 |
| **Available-for-sale financial assets** | **10,003** | **(488)** | **4** | **9** | **(174)** | **(801)** | **(4,082)** | | **4,471** |
| Greece | | | | | | | | | |
| Ireland | | | | | | | | | |
| Portugal | | | | | | | (11) | 29 | 18 |
| Italy | 200 | | | | | (200) | | 192 | 192 |
| Spain | 95 | | | | | | | 29 | 124 |
| **Loans and receivables** | **295** | | | | | **(200)** | **(11)** | **250** | **334** |
| Greece | 51 | | | | | (50) | | | 1 |
| Ireland | | | | | | | | | |
| Portugal | 169 | | | | | | (161) | | 8 |
| Italy | 885 | | | | | | (757) | | 128 |
| Spain | 29 | | | | | | (29) | | |
| **Book portfolio (excluding derivatives)** | **1,134** | | | | | **(50)** | **(947)** | | **137** |
| **TOTAL BANKING ACTIVITY** | **11,432** | **(488)** | **4** | **9** | **(174)** | **(1,051)** | **(5,040)** | **250** | **4,942** |

*(1) Valuation of securities with maturities after 2020, present in the second quarter of 2011 and which were impaired at 31 December 2011.*

*(2) Including €192 million of receivables acquired under the DAS Investment activity of Crédit Agricole CIB in Italy and €58 million of factoring receivables for lease financing activity in Portugal and Spain.*

## SOVEREIGN DEBT INSURANCE ACTIVITY – CHANGES FROM 30 JUNE 2011 TO 31 DECEMBER 2011

| Changes in gross hedging exposures *(in millions of euros)* | Balance at 30/06/2011 | Change in fair value[(1)] | Recycling of available-for-sale reserves[(1)] | Accrued interest | Impairment | Maturity dates | Disposals | Changes to the consolidation scope | Balance at 31/12/2011 |
|---|---|---|---|---|---|---|---|---|---|
| Greece | 4,974 | | 919 | 85 | (4,098) | | | 9 | 1,890 |
| Ireland | 1,444 | (67) | | | | | (74) | 6 | 1,309 |
| Portugal | 2,199 | (316) | | | | (16) | (8) | 12 | 1,870 |
| Italy | 14,243 | (1,220) | | | | 6 | (6,107) | 156 | 7,078 |
| Spain | 3,821 | | 45 | | | (4) | (747) | 40 | 3,155 |
| **TOTAL INSURANCE ACTIVITY** | **26,681** | **(1,604)** | **964** | **85** | **(4,098)** | **(13)** | **(6,936)** | **223** | **15,302** |

*(1) Valuation of securities with maturities after 2020, present in the second quarter of 2011 and which were impaired at 31 December 2011.*

## 6.8 Due to credit institutions and to customers

### DUE TO CREDIT INSTITUTIONS

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Credit institutions*** | | |
| Accounts and overdrafts: | 92,204 | 78,201 |
| *of which current accounts in credit* | *12,294* | *7,803* |
| *of which daylight overdrafts and accounts* | *3,314* | *12,002* |
| Pledged securities | 12,195 | 11,936 |
| Securities sold under repurchase agreements | 23,298 | 32,181 |
| **Sub-total(1)** | **127,697** | **122,318** |
| **Accrued interest** | | **403** |
| **TOTAL** | **127,697** | **122,721** |
| ***Crédit Agricole internal transactions*** | | |
| Current accounts in credit | 3,098 | 3,092 |
| Term deposits and advances | 41,870 | 28,278 |
| **Sub-total(1)** | **44,968** | **31,370** |
| **Accrued interest** | | **477** |
| **TOTAL** | **44,968** | **31,847** |
| **CARRYING AMOUNT** | **172,665** | **154,568** |

(1) *At 31 December 2011 the amounts disclosed include accrued interest.*

### DUE TO CUSTOMERS

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Current accounts in credit | 121,610 | 100,214 |
| Special savings accounts | 221,644 | 214,220 |
| Other amounts due to customers | 108,035 | 123,666 |
| Securities sold under repurchase agreements | 72,018 | 59,593 |
| Direct insurance liabilities | 1,428 | 2,018 |
| Reinsurance liabilities | 414 | 389 |
| Cash deposits received from cedants and retrocessionaires against technical insurance commitments | 486 | 7 |
| **Sub-total(1)** | **525,636** | **500,107** |
| **Accrued interest** | | **1,253** |
| **CARRYING AMOUNT** | **525,636** | **501,360** |

(1) *At 31 December 2011 the amounts disclosed include accrued interest.*

## 6.9 Held-to-maturity financial assets

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Treasury bills and similar securities(1) (2) | 12,191 | 21,101 |
| Bonds and other fixed-income securities | 3,209 | 200 |
| **Sub-total** | **15,400** | **21,301** |
| Impairment | (57) | |
| **NET CARRYING AMOUNT** | **15,343** | **21,301** |

(1) *Including reclassification of the held-to-maturity portfolio as an available-for-sale sovereign debt portfolio for which a sale of €2,991 million is planned (fair value at 31 December 2011). This reclassification took place following a decision made as part of the Group's desire to alleviate the burden of sovereign debt on the balance sheet for which a significant lowering of the long-term rating was recognised after the acquisition date. The assets transferred were valued at their fair value and the difference between the amount previously recognised (amortised cost at the date of transfer) and the fair value was recognised directly as recyclable equity (unrecognised gains and losses on available-for-sale assets) for -€316 million.*

*Including reclassification of sovereign debts of €256 million from the available-for-sale portfolio to the held-to-maturity portfolio. This reclassification occurred due to a change in management intent by the insurance subsidiary in Portugal.*

(2) *Including, at 31 December 2010, €13.6 billion reclassified as bonds at 31 December 2011.*

## 6.10 Debt securities and subordinated debt

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Debt securities*** | | |
| Interest bearing notes | 298 | 265 |
| Money-market instruments | 6,006 | 6,043 |
| Negotiable debt securities | 59,961 | 104,330 |
| Bonds(1) | 78,193 | 55,659 |
| Other debt securities | 3,862 | 2,653 |
| **Sub-total(4)** | **148,320** | **168,950** |
| **Accrued interest** | | **1,387** |
| **CARRYING AMOUNT** | **148,320** | **170,337** |
| ***Subordinated debt*** | | |
| Fixed-term subordinated debt(2) | 21,304 | 21,394 |
| Perpetual subordinated debt(3) | 12,170 | 16,105 |
| Mutual security deposits | 128 | 119 |
| Participating securities and loans | 180 | 199 |
| **Sub-total(4)** | **33,782** | **37,817** |
| **Accrued interest** | | **669** |
| **CARRYING AMOUNT** | **33,782** | **38,486** |

(1) *- Debt issues related to assets held by Group insurers on behalf of policyholders included in unit-linked contracts are not eliminated. This has no material impact on the Group's consolidated financial statements.*

*- Includes issues of covered bonds.*

(2) *Includes issues of redeemable subordinated notes "TSR".*

(3) *Includes issues of deeply subordinated notes "TSS", perpetual subordinated notes "TSDI", hybrid capital instruments "T3CJ" and shareholder advances agreed by SAS Rue La Boétie.*

(4) *At 31 December 2011 the amounts include accrued interest.*

At 31 December 2011, deeply subordinated notes totalled €7,243 million. Crédit Agricole S.A. made an early repayment of 74.5% on the shareholder advance granted by SAS La Boétie and of the "T3CJ" notes, or €2,792 million and €1,369 million respectively. After this repayment, the shareholder advance totals €958 million, versus €3,750 million at 31 December 2010 and the amount of "T3CJ" notes outstanding totals €470 million, versus €1,839 million at 31 December 2010.

Debt securities issued by Crédit Agricole S.A. and underwritten by the insurance companies of the Group that are not eliminated for the portion where the financial risk is borne by the policyholder, due to the nature of these contracts, is €5,294 million.

## SUBORDINATED DEBT ISSUES

All banks adjust the volume and nature of their liabilities continuously according to developments in their uses of funds.

Subordinated debt thus plays a part in regulatory capital management while contributing to refinancing all of Crédit Agricole S.A.'s operations.

Management of regulatory capital was impacted by important regulatory changes, including the implementation of new Basel 3 rules through the draft directives and CRD 4 regulations that are to come into force from 1 January 2013. The draft directives and CRD 4 regulations provide new, more restrictive conditions to be met by the instruments issued to benefit from the status of regulatory capital and a gradual disqualification scheduled between 1 January 2013 and 1 January 2019 of old instruments that will no longer meet the new criteria.

In light of these regulatory changes and to enhance the quality of its capital base, on 26 January 2012 Crédit Agricole S.A. launched a buyback offer on its eight series of subordinated bonds in circulation. These offers resulted in the repurchase of US$610,072,000 as a nominal amount of perpetual deeply subordinated notes issued on 31 May 2007, and the repurchase of €1,635,818,651.08 as a nominal amount for seven series of securities denominated in euros, British pounds and Canadian dollars (six series of perpetual deeply subordinated notes and a series of perpetual subordinated notes). The estimated gains concerning this operation, net of tax, amounted to around €550 million recorded upon redemption (see Note 6.10).

Crédit Agricole S.A. Group has issued various types of subordinated debt securities, which are described below.

### Redeemable subordinated notes

Redeemable subordinated notes (TSR) issued by Crédit Agricole S.A. are usually fixed-rate and pay interest on a quarterly or annual basis.

They are issued either in the French market under French law or in the international markets under UK law, under the Euro Medium Term Notes programme (EMTN).

These notes differ from traditional bonds in terms of their ranking as defined by the subordination clause.

In the case of notes issued by Crédit Agricole S.A., in the event of liquidation, redeemable subordinated notes (TSR) will be repaid after all other secured and unsecured creditors, but before either participating loans provided to the issuer, or any participating notes issued by the Bank, as well as any deeply subordinated notes according to Article L. 228-97 of the French Commercial Code. Interest payments are not usually subject to a subordination clause. Where one exists, it generally refers to events outside the Company's control.

### Perpetual subordinated notes

Perpetual subordinated notes (TSDI) issued by Crédit Agricole S.A. are usually fixed-rate and pay interest quarterly. They are only redeemable in the event of the issuer's liquidation or on expiry of the issuer's term as indicated in Crédit Agricole S.A.'s Articles of Association, unless they contain a contractually defined early redemption clause. The subordination clause may apply to principal and interest. Namely, the coupon may be suspended if the General Meeting of Shareholders duly notes that there were no distributable earnings for the relevant financial year.

Note: TSDIs rank senior to shares, T3CJs, TSSs and participating notes and securities issued by the issuer; they rank *pari passu* with TSRs and are subordinated to all other debt.

### Deeply subordinated notes (TSS)

Deeply subordinated notes issued by Crédit Agricole S.A. are either fixed or floating-rate and perpetual (unless they contain a contractually defined early redemption clause). They are senior to shares and T3CJ but subordinated to all other subordinated debt.

Deeply subordinated notes are generally fixed-rate then floating rate beyond a certain maturity and include early repayment options in favour of the issuer after that maturity.

The coupons are non-cumulative and payment of a dividend, or coupon for T3CJ, by Crédit Agricole S.A. involves the obligation to pay the coupon on the deeply subordinated notes for a period of one year. However, the coupons may not be paid if Crédit Agricole S.A. experiences a regulatory event, *i.e.,* falls below the legal minimum equity ratio, or if the French Prudential Supervisory Authority (ACP) anticipates such an event in the near future.

Given the new Basel 3 requirements, terms for recognition of deeply subordinated notes should change. However, ACP has still not yet defined the new criteria that must be met by deeply subordinated notes issued by French banks to be classified as regulatory capital under Basel 3.

### Early redemption at the issuer's discretion

Redeemable subordinated notes (TSR), perpetual subordinated notes (TSDI) and deeply subordinated notes (TSS) may be early redeemed, through buy-back transactions, either on the market through public takeover bids or exchange offers or over-the-counter, subject to prior approval by the regulatory authority and at the issuer's initiative, in accordance with the contractual clauses applicable to each issue.

Furthermore, for contracts containing specific early redemption clauses (call options), after securing approval from the regulatory authority, Crédit Agricole S.A. is entitled to redeem the notes prior to their maturity, under the conditions and at the times defined by the contractual terms of the issue, in the event that the issuance agreement for the securities contains such a clause.

### Early payability

Existing debt instruments may become due and payable immediately under certain circumstances, for example upon non-payment of principal and interest, after a predetermined grace period elapsed, following which they become due and payable, the insolvency of Crédit Agricole S.A. as issuer; and in the case of breach by Crédit Agricole S.A. of its other contractual obligations. TSS contain no early repayment clauses, except in the event of the liquidation de Crédit Agricole S.A.

### Hybrid capital instruments

The T3CJ (*Titres de créances complexes de capital jumelés*) issue made by Crédit Agricole S.A. is a private investment entirely taken up by the Regional Banks. T3CJs are debt securities issued on the basis of Articles L. 228-40 and L. 228-41 of the French Commercial Code and are not transferable.

The €1,839 million issue was made in 2003 and carries a coupon that is payable only if Crédit Agricole S.A. generates a positive provisional result for the financial year. Since the result was negative for 2011, no coupon will be paid to the Regional Banks.

Moreover, as part of the “Switch” transaction (see Note 2.1 “Significant events of the period”), €1,369 million in T3CJs was repaid on 23 December 2011, bringing the amount outstanding of the T3CJs to €470 million at 31 December 2011. Moreover, the balance of the T3CJ issue may be repaid in advance, in whole or in part, at the initiative of Crédit Agricole S.A.

## COVERED BOND ISSUES

To increase the amount of medium-to-long term financing, the Group issues covered bonds through its subsidiary Crédit Agricole Covered Bonds.

The initial issue was launched in January 2009. A total of €22,149 million has thus been raised at 31 December 2011.

## 6.11 Current and deferred tax assets and liabilities

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Current tax | 3,136 | 2,511 |
| Deferred tax | 5,095 | 5,220 |
| **TOTAL CURRENT AND DEFERRED TAX ASSETS** | **8,231** | **7,731** |
| Current tax | 2,998 | 1,233 |
| Deferred tax | 1,757 | 1,220 |
| **TOTAL CURRENT AND DEFERRED TAX LIABILITIES** | **4,755** | **2,453** |

Net deferred tax assets and liabilities break down as follows:

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Temporary timing differences** | **3,874** | **4,828** |
| Non-deductible accrued expenses | 306 | 368 |
| Non-deductible provisions for liabilities and charges | 3,426 | 2,926 |
| Other temporary differences(1) | 142 | 1,534 |
| **Deferred tax/Reserves for unrealised gains or losses** | **859** | **250** |
| Available-for-sale assets | 339 | 30 |
| Cash flow hedges | 495 | 200 |
| Gains and losses/Actuarial differences | 25 | 20 |
| **Deferred tax/Income** | **(1,395)** | **(1,078)** |
| **TOTAL DEFERRED TAX** | **3,338** | **4,000** |

*(1) The portion of deferred tax related to tax loss carry-forwards for 2011 is €789 million, compared to €973 million for 2010.*

Deferred tax assets are netted on the balance sheet by taxable entity.

In order to assess the level of deferred tax assets to be recognised, Crédit Agricole S.A. takes into account for each company or tax group in question the dedicated tax status and the earnings projections established during the budgetary process.

In particular, the review of the earnings projections for Emporiki Bank resulted in the impairment of deferred tax assets of €148 million and non-activation of deferred tax assets for losses recognised in 2011.

The remaining deferred tax assets of Emporiki Bank amounted to €133 million at 31 December 2011.

## 6.12 Accrued income and expenses and other assets and liabilities

### ACCRUALS, PREPAYMENTS AND SUNDRY ASSETS

| (in millions of euros) | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Other assets** | **75,299** | **55,469** |
| Inventory accounts and miscellaneous | 210 | 402 |
| Collective management of Sustainable Development Passbook account (LDD) securities | | 50 |
| Miscellaneous debtors | 47,126 | 42,063 |
| Settlement accounts | 26,635 | 11,589 |
| Due from shareholders – unpaid capital | 19 | 19 |
| Other insurance assets | 366 | 342 |
| Reinsurers' share of technical reserves | 943 | 1,004 |
| **Accruals and prepayments** | **7,466** | **15,065** |
| Accounts for receipts and transfers | 2,959 | 9,790 |
| Adjustment and suspense accounts | 1,221 | 967 |
| Accrued income | 1,309 | 1,530 |
| Prepaid expenses | 482 | 515 |
| Other accruals and prepayments | 1,495 | 2,263 |
| **NET CARRYING AMOUNT** | **82,765** | **70,534** |

### ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES

| (in millions of euros) | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Other liabilities**(1) | **57,162** | **45,899** |
| Settlement accounts | 23,958 | 14,029 |
| Miscellaneous creditors | 33,056 | 31,643 |
| Liabilities related to trading securities | 66 | 144 |
| Other insurance liabilities | 82 | 83 |
| Other | | |
| **Accruals and deferred expenses** | **16,528** | **19,619** |
| Accounts for receipts and transfers(2) | 4,309 | 8,978 |
| Adjustment and suspense accounts | 5,179 | 3,173 |
| Unearned income | 2,226 | 2,146 |
| Accrued expenses | 3,613 | 3,776 |
| Other accruals and deferred expenses | 1,201 | 1,546 |
| **CARRYING AMOUNT** | **73,690** | **65,518** |

(1) *Amounts include accrued interest.*

(2) *Amounts indicated are net.*

## 6.13 Non-current assets held for sale and associated liabilities

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Non-current assets held for sale | 260 | 1,581 |
| Liabilities associated with non-current assets held for sale(1) | (39) | 1,472 |

(1) *At 31 December 2010, these items concern SCB Cameroun, Crédit Uruguay Banco and Winchester Global Trust Company Ltd.*

*At 31 December 2011, this item includes assets held for sale following the agreement on the disposal of the management company Crédit Agricole Private Equity and the funds it manages on behalf of CACIF.*

## 6.14 Investment property

| *(in millions of euros)* | 31/12/2010 | Change in scope | Increases (acquisitions) | Decreases (disposals and redemptions) | Translation adjustments | Other movements(2) | Balance at 31/12/2011 |
|---|---|---|---|---|---|---|---|
| ***Investment property*** | | | | | | | |
| Gross amount | 2,797 | 4 | 203 | (239) | | 74 | 2,839 |
| Amortisation and impairment | (146) | (1) | (15) | 19 | | (14) | (157) |
| **NET CARRYING AMOUNT(1)** | **2,651** | **3** | **188** | **(220)** | | **60** | **2,682** |

(1) *Including investment property let to third parties.*

(2) *At Predica, current account reclassification of SCI Imefa 128 regarding the Procession building from Operating building to Investment property for €38 million.*

| *(in millions of euros)* | 31/12/2009 | Change in scope | Increases (acquisitions) | Decreases (disposals and redemptions) | Translation adjustments | Other movements(2) | Balance at 31/12/2010 |
|---|---|---|---|---|---|---|---|
| ***Investment properties*** | | | | | | | |
| Gross amount | 2,773 | | 178 | (273) | | 119 | 2,797 |
| Amortisation and impairment | (115) | | (11) | 16 | | (36) | (146) |
| **NET CARRYING AMOUNT(1)** | **2,658** | | **167** | **(257)** | | **83** | **2,651** |

(1) *Including investment property let to third parties.*

(2) *– At Predica, reclassification of investment property to property used in operations for -€110 million, following entry of Crédit Agricole Assurances, and for SCI current accounts, reclassification from property used in operations to investment property of €128 million.*

*– Inclusion of temporarily vacant investment property corresponding to expired or terminated lease finance lease contracts, for €55 million.*

Investment properties are valued by expert appraisers.

The market value of investment properties recognised at amortised cost, as valued by expert appraisers, was €4,719 million at 31 December 2011 compared to €4,599 million at 31 December 2010.

## 6.15 Property, plant & equipment and intangible assets (excluding goodwill)

| (in millions of euros) | 31/12/2010 | Changes in scope[2] | Increases (acquisitions, business combinations) | Decreases (disposals and redemptions) | Translation adjustment | Other movements[3] | Balance at 31/12/2011 |
|---|---|---|---|---|---|---|---|
| ***Property, plant & equipment used in operations*** | | | | | | | |
| Gross amount | 9,342 | 108 | 935 | (1,086) | | 293 | 9,592 |
| Amortisation and impairment[1] | (4,140) | (63) | (661) | 617 | (1) | (174) | (4,422) |
| **NET CARRYING AMOUNT** | **5,202** | **45** | **274** | **(469)** | **(1)** | **119** | **5,170** |
| ***Intangible assets*** | | | | | | | |
| Gross amount | 4,060 | 137 | 420 | | 3 | 50 | 4,670 |
| Amortisation and impairment | (2,317) | 1 | (395) | (39) | (2) | (50) | (2,802) |
| **NET CARRYING AMOUNT** | **1,743** | **138** | **25** | **(39)** | **1** | **-** | **1,868** |

*(1) Including depreciation on fixed assets let to third parties.*

*(2) At Cariparma, FriulAdria and Carispezia, allocation of goodwill as an intangible asset for a total amount of €133 million. Intangible assets arising from mark-to-market adjustments to assets and liabilities acquired are amortised over the same period and according to the same method used to amortise other intangible assets of the same class.*

*At Carispezia, inclusion of property, plant & equipment for a gross value of €108 million and related amortisations for -€63 million.*

*(3) Inclusion of temporarily vacant property corresponding to expired or terminated finance lease contracts for €146 million.*

*At Predica, current account reclassification of SCI Imefa 128 regarding the Procession building from Operating building to Investment property for -€38 million.*

*At Amundi, de-netting of €53 million of amortisation on intangible assets previously recognised at net value.*

| (in millions of euros) | 31/12/2009 | Change in scope | Increases (acquisitions, business combinations) | Decreases (disposals and redemptions) | Translation adjustment | Other movements[2] | Balance at 31/12/2010 |
|---|---|---|---|---|---|---|---|
| ***Property, plant & equipment used in operations*** | | | | | | | |
| Gross amount | 8,836 | 15 | 950 | (828) | 90 | 279 | 9,342 |
| Amortisation and impairment[1] | (3,793) | 16 | (667) | 517 | (40) | (173) | (4,140) |
| **NET CARRYING AMOUNT** | **5,043** | **31** | **283** | **(311)** | **50** | **106** | **5,202** |
| ***Intangible assets[2]*** | | | | | | | |
| Gross amount | 3,667 | 27 | 329 | (125) | 23 | 139 | 4,060 |
| Amortisation and impairment | (1,974) | 3 | (398) | 82 | (13) | (17) | (2,317) |
| **NET CARRYING AMOUNT** | **1,693** | **30** | **(69)** | **(43)** | **10** | **122** | **1,743** |

*(1) Including depreciation on fixed assets let to third parties.*

*(2) Inclusion of temporarily vacant property corresponding to expired or terminated finance lease contracts for €279 million.*

*Identification at Amundi of an intangible asset corresponding to a distribution contract in Société Générale group networks, at fair value, for €161 million. Intangible assets arising from mark-to-market adjustments to assets and liabilities acquired are amortised over the same period and according to the same method used to amortise other intangible assets of the same class.*

## 6.16 Insurance company technical reserves

### BREAKDOWN OF INSURANCE TECHNICAL RESERVES

| | 31/12/2011 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | Life | Non-life | International | Creditor | Total |
| Insurance contracts | 107,797 | 2,441 | 8,878 | 1,381 | 120,497 |
| Investment contracts with discretionary participation features | 97,992 | | 6,422 | | 104,414 |
| Investment contracts without discretionary participation features | 1,743 | | 4,163 | | 5,906 |
| Deferred participation liability(1) | | | | | |
| Other technical reserves | | | | | |
| **Total technical reserves** | **207,532** | **2,441** | **19,463** | **1,381** | **230,817** |
| Deferred profit-sharing asset(1) | (3,872) | | (401) | | (4,273) |
| Reinsurers' share of technical reserves | (498) | (178) | (38) | (293) | (1,007) |
| **NET TECHNICAL RESERVES(2)** | **203,162** | **2,263** | **19,024** | **1,088** | **225,537** |

(1) *Including deferred asset on revaluation of available-for-sale securities of €2.6 billion before tax, i.e. €1.3 billion after tax (see Note 6.4 Available-for-sale financial assets).*

(2) *Reinsurers' share in technical reserves and other insurance liabilities is recognised under "Accruals, prepayments and sundry assets".*

| | 31/12/2010 | | | | |
|---|---|---|---|---|---|
| *(in millions of euros)* | Life | Non-life | International | Creditor | Total |
| Insurance contracts | 101,334 | 2,227 | 8,509 | 1,302 | 113,372 |
| Investment contracts with discretionary participation features | 103,442 | | 6,451 | | 109,893 |
| Investment contracts without discretionary participation features | 1,749 | | 5,710 | | 7,459 |
| Deferred participation liability(1) | | | | | |
| Other technical reserves | | | | | |
| **Total technical reserves** | **206,525** | **2,227** | **20,670** | **1,302** | **230,724** |
| Deferred profit-sharing asset(1) | (1,353) | | (143) | | (1,496) |
| Reinsurers' share of technical reserves | (444) | (191) | (100) | (270) | (1,005) |
| **NET TECHNICAL RESERVES(2)** | **204,728** | **2,036** | **20,427** | **1,032** | **228,223** |

(1) *Including deferred asset on revaluation of available-for-sale securities of €0.8 billion before tax, i.e. €0.5 billion after tax (see Note 6.4 Available-for-sale financial assets).*

(2) *Reinsurers' share in technical reserves and other insurance liabilities is recognised under "Accruals, prepayments and sundry assets".*

The deferred profit-sharing asset at 31 December 2011 and 31 December 2010 breaks down as follows:

| Deferred participation asset | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Deferred participation on available-for-sale securities mark-to-market adjustment | (2,584) | (811) |
| Deferred participation on trading securities mark-to-market adjustment | (2,034) | (870) |
| Other deferred participation (liquidity risk reserve cancellation) | 345 | 185 |
| **TOTAL(1)** | **(4,273)** | **(1,496)** |

(1) *Deferred participation asset on revaluation of available-for-sale securities of €2.6 billion before tax, i.e. €1.9 billion after tax, at 31 December 2011, compared with a deferred participation asset on revaluation of available-for-sale securities of €0.8 billion before tax, i.e. €0.5 billion after tax, at 31 December 2010 (see Note 6.4 Available-for-sale financial assets).*

The recoverable nature of this asset was determined by tests carried out as described in Note 1.3 on insurance activities, in accordance with the CNC recommendation of 19 December 2008.

## 6.17 Provisions

| (in millions of euros) | 31/12/2010 | Change in scope[4] | Increases | Reversals, amounts used | Reversals, amounts not used | Translation adjustment | Other movements[5] | 31/12/2011 |
|---|---|---|---|---|---|---|---|---|
| Home purchase savings plans | 468 | | 10 | | (98) | | | **380** |
| Financing commitment execution risks | 264 | | 167 | (10) | (197) | (5) | | **219** |
| Operational risk[1] | 83 | 3 | 14 | (7) | (21) | | 1 | **73** |
| Employee retirement and similar benefits[2] | 1,775 | 33 | 401 | (239) | (179) | 1 | 69 | **1,861** |
| Litigation | 990 | 3 | 318 | (54) | (101) | 4 | 48 | **1,208** |
| Equity investments | 20 | | 5 | | | | | **25** |
| Restructuring[3] | 18 | | 79 | (15) | (2) | | | **80** |
| Other risks | 874 | 11 | 432 | (149) | (175) | 4 | (45) | **952** |
| **TOTAL** | **4,492** | **50** | **1,426** | **(474)** | **(773)** | **4** | **73** | **4,798** |

*(1) The main contributors are LCL and Specialised financial services (lease finance, factoring and investor services).*

*(2) "Employee retirement and similar benefits" includes post-employment benefits under defined-benefit plans as well as provisions for obligations to employees arising from the LCL competitiveness plan and the adjustment plan at Crédit Agricole CIB for €286 million.*

*(3) The provision for restructuring includes €57 million for CA Consumer Finance for the adjustment plan and €10 million for BFT.*

*(4) Changes in scope*

*Movement in the change of scope for the most part involve the inclusion of Carispezia for €32 million and the branch contributions at Cariparma for €16 million.*

*(5) Other movements:*

- *Employee retirement and similar benefits: €69 million are primarily related to the actuarial gains on the defined benefit plans;*
- *Litigation and other risks: including €48 million corresponding primarily to transfers of other risks to various litigation.*

| (in millions of euros) | 31/12/2009 | Change in scope | Increases | Reversals, amounts used | Reversals, amounts not used | Translation adjustment | Other movements[4] | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| Home purchase savings plans | 388 | | 102 | | (22) | | | 468 |
| Financing commitment execution risks | 565 | | 163 | (245) | (149) | 1 | (71) | 264 |
| Operational risk[1] | 104 | 2 | 39 | (48) | (14) | | | 83 |
| Employee retirement and similar benefits[2] | 1,983 | (3) | 166 | (366) | (108) | 21 | 82 | 1,775 |
| Litigation | 873 | (2) | 212 | (64) | (140) | 17 | 94 | 990 |
| Equity investments | 17 | 4 | 1 | | (4) | | 2 | 20 |
| Restructuring[3] | 45 | | 2 | (15) | (14) | | | 18 |
| Other risks | 923 | 4 | 379 | (105) | (258) | 3 | (72) | 874 |
| **TOTAL** | **4,898** | **5** | **1,064** | **(843)** | **(709)** | **42** | **35** | **4,492** |

*(1) The main contributors are LCL and Specialised financial services (lease finance, factoring and investor services).*

*(2) "Employee retirement and similar benefits" includes post-employment benefits under defined-benefit plans as well as provisions for obligations to employees arising from the LCL competitiveness plan.*

*(3) The provision for restructuring includes €7 million for Caceis Bank Deutschland, €5 million for LCL and €3 million for CA Consumer Finance.*

*(4) Other movements:*

- *Financing commitment execution risks: the -€71 million may be explained primarily by transfers from liabilities to assets (impairment of loans and receivables to customers) at Crédit Agricole CIB (-€50 million) and at LCL (-€17 million);*
- *Employee retirement and similar benefits: €82 million are primarily related to the actuarial gains on the defined benefit plans at 31 December 2010;*
- *Litigation: €94 million for the most part involves reclassification of other risks as litigation for €41 million at Crédit Agricole CIB, €39 million at Cariparma and €10 million at Amundi;*
- *Other risks: -€72 million includes in particular the following reclassifications: -€41 million at Crédit Agricole CIB, -€39 million at Cariparma and -€10 million chez Amundi as well as €14 million transferred at Emporiki from Impairment of loans and receivables to customers to Other risks.*

## TAX AUDITS

### Predica tax audit

In 2009 Predica was the object of a tax audit, with an audit of accounts covering the years 2006 and 2007.

At the end of December 2009, it received a tax adjustment notice applying to one provision item.

This adjustment is the subject of recent market litigation and Predica provided a well-founded challenge to this. Pending the resolution of this litigation, Predica has prudently provisioned this adjustment.

No new developments have occurred in 2011.

### LCL tax audit

In 2010 and 2011, LCL was the object of an audit of accounts covering years 2007, 2008 and 2009 as well as an audit on regulated savings. All of the financial consequences of these audits have been covered by the provisions made earlier by the bank and points of disagreement led to an appeal to the French National and International Audit department (DVNI).

### Crédit Agricole CIB Italie tax audit

In 2010 and 2011, Crédit Agricole CIB, after accounting audits, received proposed adjustments for fiscal years 2005 and 2006 issued by the Italian tax authorities. Crédit Agricole CIB provided a well-founded challenge to this on all points adjusted and has already sought arbitration from the French and Italian authorities as regards 2005.

The provision recognised for this reflects the total risk estimated by the Tax department of Crédit Agricole CIB.

### Crédit Agricole Assurances tax audit

Crédit Agricole Assurances underwent a tax audit covering the years 2008 and 2009. The adjustment notified was not material, and it has been fully challenged. It was not provisioned, given the opinion of the Group Tax department.

## HOME PURCHASE SAVING PLAN PROVISION

### Deposits collected under home purchase savings accounts and plans during the savings phase

| *(in millions of euros)* | 31/12/2011 | 31/12/2010(1) |
|---|---|---|
| **Home purchase savings plans** | | |
| Under four years old | 2,542 | 24,964 |
| Between four and ten years old | 48,594 | 23,213 |
| Over ten years old | 19,120 | 20,862 |
| **Total home purchase savings plans** | **70,256** | **69,039** |
| **Total home purchase savings accounts** | **13,810** | **14,016** |
| **TOTAL DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS CONTRACTS** | **84,066** | **83,055** |

*(1) Amounts adjusted at the opening of +€24,964 million for plans less than four years old and -€24.964 million for plans more than four but less than ten years.*

Age is determined in accordance with CRC Regulation 2007-01 of 14 December 2007.

Customer deposits outstanding are based on carrying amount at the end of November 2011 for the financial statements at 31 December 2011 and at the end of November 2010 for the financial statements at 31 December 2010 and do not include government subsidy.

### Outstanding loans granted to holders of home purchase savings accounts and plans

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Home purchase savings plans | 66 | 94 |
| Home purchase savings accounts | 277 | 327 |
| **TOTAL OUTSTANDING LOANS GRANTED UNDER HOME PURCHASE SAVINGS CONTRACTS** | **343** | **421** |

**Provision for home purchase savings accounts and plans**

| (in millions of euros) | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Home purchase savings plans** | | |
| Under 4 years old | | |
| Between 4 and 10 years old | 48 | 47 |
| Over 10 years old | 300 | 381 |
| **Total home purchase savings plans** | **348** | **428** |
| **Total home purchase savings accounts** | **32** | **40** |
| **TOTAL PROVISION FOR HOME PURCHASE SAVINGS CONTRACTS** | **380** | **468** |

Age is determined in accordance with CRC Regulation 2007-01 of 14 December 2007.

| (In millions of euros) | 31/12/2010 | Increases | Reversals | Other movements | 31/12/2011 |
|---|---|---|---|---|---|
| Home purchase savings plans | 428 | 10 | (90) | | 348 |
| Home purchase savings accounts | 40 | | (8) | | 32 |
| **TOTAL PROVISION FOR HOME PURCHASE SAVINGS CONTRACTS** | **468** | **10** | **(98)** | **-** | **380** |

In Crédit Agricole Group's internal financial organisation, 100% of deposits in home purchase savings plans and accounts collected by the Regional Banks are included in Crédit Agricole S.A.'s liabilities and the savings deposits shown in the tables above therefore take all of these amounts into account. Conversely, Crédit Agricole S.A. assumes risk only on a portion of these outstandings (31.7% at 31 December 2010 and 29.1% at 31 December 2011). The balance is carried by the Regional Banks: only the amount representing the actual exposure is provisioned in Crédit Agricole S.A.'s financial statements. Consequently, the ratio between the provision booked and the outstanding amounts shown on Crédit Agricole S.A. Group's balance sheet is not representative of the level of provisioning for home purchase savings risk.

## 6.18 Equity

### OWNERSHIP STRUCTURE AT 31 DECEMBER 2011

At 31 December 2011, to the knowledge of Crédit Agricole S.A., the distribution of capital and voting rights is as follows:

| Shareholders | Number of shares at 31/12/2011 | % of the share capital | % of voting rights |
|---|---|---|---|
| **SAS Rue La Boétie** | **1,405,263,364** | **56.25%** | **56.41%** |
| **Treasury shares** | **6,969,381** | **0.28%** | |
| **Employees (ESOP)** | **119,290,876** | **4.78%** | **4.79%** |
| **Public** | **966,496,916** | **38.69%** | **38.80%** |
| Institutional investors | 696,717,823 | 27.89% | 27.97% |
| Retail investors | 269,779,093 | 10.80% | 10.83% |
| **TOTAL** | **2,498,020,537** | **100%** | **100%** |

SAS Rue La Boétie is wholly-owned by the Crédit Agricole Regional Banks.

The treasury shares are held as part of Crédit Agricole S.A.'s share buyback programme designed to cover stock options and as part of a share liquidity agreement.

Concerning Crédit Agricole S.A. stock, a liquidity agreement was signed on 25 October 2006 with Crédit Agricole Cheuvreux S.A. This agreement is automatically renewed every year. So that the operator can conduct the operations stipulated in the agreement with complete independence the agreement has been allocated an amount of €50 million.

The par value of the shares is three euros. All the shares are fully paid up.

To the Company's knowledge, no other shareholder owns 5 percent or more of the share capital or voting rights, either directly or indirectly or with others.

During the year 2011, Crédit Agricole S.A. conducted two capital increases for a total amount of €911 million (share premium of €622 million included without issue fees relating to the capital increase):

- the first, following the exercise by its own shareholders of the option for scrip dividend that led to the creation of 96,311,860 new shares on 20 June 2011;
- the second capital increase, reserved for employees of Crédit Agricole Group that led to the creation on 5 October 2011 of 48,386 new shares.

On 31 December 2011, Crédit Agricole S.A.'s share capital amounted to €7,494,061,611 shares divided into 2,498,020,537 ordinary shares each with a par value of three euros.

## PREFERRED SHARES

| Issuer | Date of issue | Issue amount *(in millions of dollars)* | Issue amount *(in millions of euros)* | 31/12/2011 *(in millions of euros)* | 31/12/2010 *(in millions of euros)* |
|---|---|---|---|---|---|
| CA Preferred Funding LLC | January 2003 | 1,500 | | 1,159 | 1,123 |
| CA Preferred Funding LLC | July 2003 | 550 | | 425 | 412 |
| CA Preferred Funding LLC | December 2003 | | 550 | 550 | 550 |
| Crédit Lyonnais Preferred capital 1 LLC | April 2002 | | 750 | 750 | 750 |
| **TOTAL** | | **2,050** | **1,300** | **2,884** | **2,835** |

## EARNINGS PER SHARE

| | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Net income Group share for the period *(in millions of euros)* | (1,470) | 1,263 |
| Weighted average number of ordinary shares in circulation during the period | 2,434,681,792 | 2,340,110,360 |
| Adjustment ratio | | |
| Weighted average number of ordinary shares for calculation of diluted earnings per share | | |
| **BASIC EARNINGS PER SHARE** *(in euros)* | **(0.604)** | **0.540** |
| **BASIC EARNINGS PER SHARE FROM ONGOING ACTIVITIES** *(in euros)* | **(0.610)** | **0.531** |
| **BASIC EARNINGS PER SHARE FROM DISCONTINUING OPERATIONS** *(in euros)* | **0.006** | **0.009** |
| **DILUTED EARNINGS PER SHARE** *(in euros)* | **(0.604)** | **0.540** |
| **DILUTED EARNINGS PER SHARE FROM ONGOING ACTIVITIES** *(in euros)* | **(0.610)** | **0.531** |
| **DILUTED EARNINGS PER SHARE FROM DISCONTINUING OPERATIONS** *(in euros)* | **0.006** | **0.009** |

Taking into consideration the change in the average price of Crédit Agricole S.A. share in 2011, all Crédit Agricole S.A. stock option plans are anti-dilutive (see Note 7.6).

Without any dilutive issue by Crédit Agricole S.A., the basic earnings per share are identical to the diluted earnings per share.

## DIVIDENDS

For 2011, the Board of Directors of Crédit Agricole S.A. decided not to offer the Annual General Meeting of 22 May 2012 the payment of any dividends.

| *(in euros)* | 2011 proposed | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| Net dividend per share | - | 0.45 | 0.45 | 0.45 | 1.20 | 1.15 |
| Gross dividend | - | 0.45 | 0.45 | 0.45 | 1.20 | 1.15 |

#### DIVIDENDS PAID DURING THE YEAR

The amount of dividends paid can be found in the statement of changes in equity. It totalled €1,079 million. Payment was made for €914 million in Crédit Agricole S.A. shares (*i.e.* the issue of 96,311,860 shares) and €165 million in cash.

#### APPROPRIATION OF NET INCOME

The proposed appropriation of results for 2011 is set out in the resolutions to be presented by the Board of Directors at Crédit Agricole S.A.'s Ordinary Shareholders' Meeting of Tuesday 22 May 2012.

For the financial year 2011, Crédit Agricole S.A. reported a net loss of €3,656,381,773.88. The Board of Directors proposes that the General Meeting of Shareholders transfers the full amount to retained earnings. After the appropriation of net income for the financial year 2011, the retained earnings balance will be reduced from €2,715,121,958.43 to -€941,259,815.45.

## 6.19 Breakdown of financial assets and liabilities by contractual maturity

The breakdown of balance sheet financial assets and liabilities is made according to maturity date.

The maturities of derivative instruments held for trading and for hedging correspond to their date of contractual maturity.

Equities and other variable-income securities are by nature without maturity; they are classified "Undefined".

Value adjustment on interest rate risk hedged portfolios are considered to have an undefined maturity given the absence of a defined maturity.

| | 31/12/2011 | | | | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 3 months | > 3 months up to ≤ 1 year | > 1year up to ≤ 5 years | > 5 years | Undefined | Total |
| Cash, due from central banks | 28,467 | | | | | 28,467 |
| Financial assets at fair value through profit or loss | 62,534 | 29,472 | 120,041 | 227,502 | 50,714 | 490,263 |
| Hedging derivative instruments | 3,251 | 1,600 | 10,989 | 17,647 | 73 | 33,560 |
| Available-for-sale financial assets | 23,388 | 25,484 | 47,491 | 108,225 | 22,802 | 227,390 |
| Loans and receivables to credit institutions | 138,660 | 65,921 | 104,044 | 67,822 | 3,394 | 379,841 |
| Loans and receivables to customers | 131,700 | 36,691 | 121,288 | 103,553 | 6,149 | 399,381 |
| Value adjustment on interest rate risk hedged portfolios | | | | | 8,300 | 8,300 |
| Held-to-maturity financial assets | 2 | 552 | 3,756 | 11,033 | | 15,343 |
| **TOTAL FINANCIAL ASSETS BY MATURITY** | **388,002** | **159,720** | **407,609** | **535,782** | **91,432** | **1,582,545** |
| Due to central banks | 127 | | | | | 127 |
| Financial liabilities at fair value through profit or loss | 69,390 | 26,517 | 121,887 | 221,885 | 1 | 439,680 |
| Hedging derivative instruments | 2,868 | 1,229 | 10,274 | 20,234 | | 34,605 |
| Due to credit institutions | 101,959 | 10,288 | 33,453 | 23,712 | 3,253 | 172,665 |
| Due to customers | 442,878 | 36,726 | 33,920 | 8,299 | 3,813 | 525,636 |
| Debt securities | 52,496 | 21,092 | 42,538 | 31,547 | 647 | 148,320 |
| Subordinated debt | 770 | 1,386 | 3,491 | 15,991 | 12,144 | 33,782 |
| Value adjustment on interest rate risk hedged portfolios | | | | | 5,336 | 5,336 |
| **TOTAL FINANCIAL LIABILITIES BY MATURITY** | **670,488** | **97,238** | **245,563** | **321,668** | **25,194** | **1,360,151** |

| (in millions of euros) | 31/12/2010 | | | | | |
|---|---|---|---|---|---|---|
| | ≤ 3 months | > 3 months up to ≤ 1 year | > 1 year up to ≤ 5 years | > 5 years | Undefined | Total |
| Cash, due from central banks | 29,325 | | | | | 29,325 |
| Financial assets at fair value through profit or loss | 75,665 | 43,663 | 102,994 | 124,100 | 67,234 | 413,656 |
| Hedging derivative instruments | 2,624 | 1,594 | 8,872 | 10,279 | 156 | 23,525 |
| Available-for-sale financial assets | 8,104 | 18,566 | 51,041 | 116,548 | 31,498 | 225,757 |
| Loans and receivables to credit institutions | 141,509 | 63,152 | 91,776 | 67,256 | 150 | 363,843 |
| Loans and receivables to customers | 115,637 | 41,596 | 120,756 | 99,256 | 6,001 | 383,246 |
| Value adjustment on interest rate risk hedged portfolios(1) | | | | | 4,867 | 4,867 |
| Held-to-maturity financial assets | 1 | 2,066 | 3,167 | 16,067 | | 21,301 |
| **TOTAL FINANCIAL ASSETS BY MATURITY** | **372,865** | **170,637** | **378,606** | **433,506** | **109,906** | **1,465,520** |
| Due to central banks | 770 | | | | | 770 |
| Financial liabilities at fair value through profit or loss | 84,365 | 32,359 | 98,985 | 127,854 | 23 | 343,586 |
| Hedging derivative instruments | 2,220 | 2,117 | 9,112 | 12,124 | 46 | 25,619 |
| Due to credit institutions | 106,598 | 15,094 | 18,078 | 14,693 | 105 | 154,568 |
| Due to customers | 379,188 | 55,004 | 49,513 | 11,636 | 6,019 | 501,360 |
| Debt securities | 77,909 | 36,777 | 33,635 | 22,016 | | 170,337 |
| Subordinated debt(2) | 283 | 187 | 4,722 | 16,809 | 16,485 | 38,486 |
| Value adjustment on interest rate risk hedged portfolios(1) | | | | | 1,838 | 1,838 |
| **TOTAL FINANCIAL LIABILITIES BY MATURITY** | **651,333** | **141,538** | **214,045** | **205,132** | **24,516** | **1,236,564** |

(1) *In relation to the publication of the financial statements at 31 December 2010, the revaluation adjustment up to that time allocated to "≤ 3 months" has been reallocated to the column "undefined".*

(2) *In relation to the publication of the financial statements at 31 December 2010, perpetual subordinated debts have been reclassified from "> 5 years" to "Undefined" (see Note 3.3).*

## Note 7 Employee benefits and other compensation

### 7.1 Analysis of employee expenses

| (in millions of euros) | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Salaries(1) | (5,543) | (5,381) |
| Contributions to defined-contribution plans | (471) | (424) |
| Contributions to defined-benefit plans | (84) | (42) |
| Other social security expenses | (1,154) | (1,160) |
| Profit-sharing and incentive plans | (263) | (275) |
| Payroll-related tax | (309) | (285) |
| **TOTAL EMPLOYEE EXPENSES** | **(7,824)** | **(7,567)** |

(1) *Salaries include the following expenses related to shared-based payments:*

- *in respect of share-based compensation, Crédit Agricole S.A. Group recognised an expense of €4.6 million at 31 December 2011 (including €1.2 million related to the free share allocation plan) compared to €21.2 million at 31 December 2010;*
- *in respect of deferred variable compensation paid to market professionals, Crédit Agricole S.A. Group has recognised an expense of €69 million at 31 December 2011.*

#### OBLIGATIONS CONCERNING PUBLIC PENSION SCHEMES IN GREECE (EMPORIKI BANK)

The supplementary pension plan for employees of Emporiki Bank (TEAPETE) is subject to Greek Acts no. 3371/2005 and 3455/2006. These Acts have a) reduced the disadvantages for Emporiki Bank arising from the payment of higher social security contributions and b) induced the transparency of Emporiki Bank's actuarial loss estimates.

In accordance with the provisions of the new act 3371/2005, an economic study has been carried out by independent specialist actuaries, in order to determine the cost of including the TEAPETE plan in the aforementioned supplementary plans (IKA-ETEAM and ETAT). The study was completed in the first quarter of 2006, approved by the relevant Committee of the Greek economy and finance ministry, and ratified by act no. 3455/2006. According to this study, Emporiki Bank will pay a special contribution into the IKA-ETEAM and ETAT plans with respect to its retired employees, totalling €786.3 million, either upfront or over ten years at an interest rate of 3.53%. In addition, Emporiki Bank will have to pay contributions over and above those specified by the ETEAM regulations with respect to employees hired before 31 December 2004 until their retirement. The conditions for paying additional contributions were not defined by Act 3371/2005, but by ministerial order IKA Φ20203/19189/931/7.11.06. Emporiki Bank is making the payments as defined in the aforementioned economic report. Obligations outstanding at 31 December 2011 totalled €262 million.

The union opposed this change, and brought legal action. In one set of proceedings, the Athens court of first instance ruled (decision No. 116/2008) that act No. 3455/2006 was unconstitutional and that the termination of contracts between Emporiki Bank, the union and TEAPETE was improper. Emporiki Bank appealed against the decision which was judged on 24 March 2009. During the lawsuit, the Greek government supported Emporiki Bank in the appeal. However, the court rejected Emporiki Bank's appeal (decision No. 4007/2009, published on 30 June 2009) and upheld the first-instance decision. In December 2009, Emporiki Bank filed another appeal, this time with Greece's Supreme Court and it is still awaiting the Supreme Court's decision. A hearing is scheduled for March 2012. The economic impact of the decision cannot currently be assessed.

## 7.2 Headcount at year-end

| Number of employees | 31/12/2011 | 31/12/2010 |
|---|---|---|
| France | 41,296 | 40,994 |
| Outside France | 46,155 | 46,526 |
| **TOTAL** | **87,451** | **87,520** |

## 7.3 Post-employment benefits, defined-contribution plans

French "employers" contribute to a variety of compulsory pension plans. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole S.A. Group companies have no liability in this respect other than the contributions payable.

Within the Group, there are several compulsory defined-contribution plans, the main ones being AGIRC/ARRCO, which are French supplementary retirement plans, and some supplementary plans in place notably within UES Crédit Agricole S.A.

### ANALYSIS OF SUPPLEMENTARY PENSION PLANS IN FRANCE

| Business line | Entity | Compulsory supplementary pension plans | Number of employees covered Estimate at 31/12/2011 | Number of employees covered Estimate at 31/12/2010 |
|---|---|---|---|---|
| Central support functions | UES Crédit Agricole S.A. | Agriculture industry plan 1.24% | 3,072 | 3,284 |
| Central support functions | UES Crédit Agricole S.A. | "Article 83" Group managers plan | 218 | |
| French retail banking | LCL | "Article 83" Group managers plan | 299 | |
| Corporate and investment banking | Crédit Agricole CIB | "Article 83" type plan | 4,584 | 4,493 |
| Corporate and investment banking | BGPI | "Article 83" type plan | 428 | 445 |
| Insurance | Predica/CAA/CAAGIS | Agriculture industry plan 1.24% | 1,415 | 1,260 |
| Insurance | Predica/CAA/CAAGIS | "Article 83" Group managers plan | 46 | |
| Insurance | Pacifica/Sirca | Agriculture industry plan 1.24% | 1,630 | 1,362 |
| Insurance | Pacifica/CACI | "Article 83" Group managers plan | 18 | 11 |
| Insurance | CACI | "Article 83" type plan | 181 | |

*Number of employees on the payroll.*

## 7.4 Post-employment benefits, defined-benefit plans

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Change in actuarial liability*** | | |
| **Actuarial liability at 31/12/N-1** | **2,231** | **2,160** |
| Translation adjustments | 34 | 86 |
| Current service cost during the period | 73 | 73 |
| Interest cost | 81 | 88 |
| Employee contributions | 11 | 11 |
| Benefit plan changes and settlement | (36) | (38) |
| Changes in scope | 93 | 70 |
| Benefits paid (mandatory) | (152) | (285) |
| Actuarial (gains)/losses | (4) | 66 |
| **ACTUARIAL LIABILITY AT 31/12/N** | **2,331** | **2,231** |

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Breakdown of net charge recognised in the income statement*** | | |
| Service cost | 73 | 72 |
| Interest cost | 81 | 87 |
| Expected return on plan assets | (56) | (54) |
| Amortisation of past service cost | (11) | 5 |
| Net actuarial gains/(losses) | | |
| Amortisation of gains/(losses) generated by benefit plan changes, withdrawals and settlements | (23) | (41) |
| Gains/(losses) due to asset restriction changes | | |
| **NET CHARGE RECOGNISED THE IN INCOME STATEMENT** | **64** | **69** |

| (in millions of euros) | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Change in fair value of plan assets and reimbursement rights*** | | |
| **Fair value of assets/reimbursement rights at 31/12/N-1** | **1,180** | **1,008** |
| Translation adjustments | 28 | 73 |
| Expected return on plan assets | 48 | 55 |
| Actuarial gains/(losses) | 13 | 15 |
| Employer contributions | 71 | 98 |
| Employee contributions | 11 | 11 |
| Benefit plan changes, withdrawals and settlement | (4) | |
| Changes in scope | (13) | 24 |
| Benefits paid out under the benefit plan | (60) | (104) |
| **FAIR VALUE OF ASSETS/REIMBURSEMENT RIGHTS AT 31/12/N** | **1,274** | **1,180** |

| (in millions of euros) | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Net position*** | | |
| **Closing actuarial liability** | **2,331** | **2,231** |
| Unrecognised past service costs (plan changes) | 2 | (2) |
| Impact of asset restriction | | |
| **Fair value of assets at end of period** | 1,274 | 1,180 |
| **NET POSITION OF ASSETS/(LIABILITIES) AT END OF PERIOD** | **(1,055)** | **(1,053)** |

| (in millions of euros) | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Items immediately recognised through SoRIE (Statement of recognised income and expense) and reported in comprehensive income*** | | |
| Actuarial gains or losses generated by post-employment benefit plans | (16) | 52 |
| Asset restriction adjustments (including impact of IFRIC 14) | | |
| **Total items immediately recognised through SoRIE during the financial year** | **(16)** | **52** |
| **Total amount of actuarial gains or losses in SoRIE at end of year** | **96** | **112** |

| Information on plan assets | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Breakdown of assets*** | | |
| ● % Bonds | 83.9% | 83.6% |
| ● % Equities | 7.4% | 9.6% |
| ● % Other assets | 6.7% | 6.8% |

| Defined benefit plans: principal actuarial assumptions | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Discount rate(1) | 4.30% to 5.50% | 3.65% to 4.01% |
| Expected return on plan assets and reimbursement rights | 3.20% to 4.50% | 3.50% to 3.60% |
| Actual return on plan assets and reimbursement rights | 3.00% to 4.50% | 3.50% to 3.60% |
| Expected salary increase rates(2) | 0.77% to 6.00% | 2.50% to 5.20% |
| Rate of change in medical costs | n.m. | n.m. |

*(1) Discount rates are determined based on the average term of the commitment, that is, the arithmetical average of the terms calculated between the valuation date and the payment date weighted by employee turnover assumptions.*

*(2) As a function of the relevant employee category (managerial or non-managerial).*

At 31 December 2011, the sensitivity analysis showed that:

- a 50 basis point increase in discount rates would reduce the commitment by 5.93%;
- a 50 basis point decrease in discount rates would increase the commitment by 6.62%.

## 7.5 Other employee benefits

Among the various collective variable compensation plans within the Group, Crédit Agricole S.A. *Rémunération variable collective* (RVC) is a global plan encompassing the discretionary incentive scheme and the compulsory profit-sharing scheme. The amount is calculated in accordance with the Company's performance as measured on the basis of Crédit Agricole S.A.'s net income Group share.

A given level of net income Group share will give rise to an entitlement equal to a given percentage of the total payroll.

The amount of the profit-sharing component is calculated in accordance with the standard legal formula and is deducted from the total RVC to obtain the amount of the discretionary incentive entitlement.

Other employee benefits: in France, the Group's main entities pay long-service awards. The amounts vary according to practices and collective bargaining agreements in place.

## 7.6 Share-based payments

The Board of Directors of Crédit Agricole S.A. has implemented various stock option plans using the authorisations granted by the Extraordinary General Meetings of Shareholders of 21 May 2003 and 17 May 2006.

At 31 December 2011, five stock option plans were implemented by the Board of Directors of Crédit Agricole S.A. No new plan has been implemented in 2011.

### 7.6.1 STOCK OPTION PLAN

#### 2005 Stock option plan

On 25 January 2005, the Board of Directors converted the existing plan at the CL Suisse subsidiary by granting 25,296 Crédit Agricole S.A. stock options to the beneficiaries using the authority granted by the Extraordinary General Meeting of Shareholders of 21 May 2003. The exercise price is €22.57, which is equal to the average price quoted during the twenty trading sessions preceding the date of the Board Meeting, with no discount. On 19 July 2005, the Board of Directors granted 5,000 stock options at an exercise price of €20.99 to a new employee, corresponding to the average price quoted during the twenty trading sessions preceding the date of the Board Meeting, with no discount.

#### 2006 Stock option plan

Pursuant to the authorisation granted by the Extraordinary General Meeting of Shareholders of 17 May 2006, the Board of Directors of Crédit Agricole S.A. set the terms and conditions for granting a stock option plan and granted the necessary powers to its Chairman to carry out this plan.

The Board of Directors thus created a stock option plan for Executive Officers and certain senior managers of Crédit Agricole S.A. and its subsidiaries, for 12,029,500 stock options at a price of €33.61 per share, for 1,745 beneficiaries.

#### 2007 Stock option plan

Pursuant to the authorisation granted by the Extraordinary General Meeting of Shareholders of 17 May 2006, at its meeting of 17 July 2007, the Board of Directors of Crédit Agricole S.A. created a stock option plan for six employees who had joined the Group, at the exercise price of €29.99 per share, which is equal to the average price quoted during the twenty trading sessions preceding the date of the Board Meeting, with no discount.

#### 2008 Stock option plan

Pursuant to the authorisation granted by the Extraordinary General Meeting of Shareholders of 17 May 2006, at its meeting of 15 July 2008, the Board of Directors of Crédit Agricole S.A. created a stock option plan, effective on 16 July 2008, for three employees who had joined the Group, at the exercise price of €14.42 per share, which is equal to the higher of:1) the undiscounted average opening price quoted during the 20 trading sessions preceding the date of the Board Meeting, or 2) 80% of the average purchase price for Crédit Agricole S.A. treasury shares.

Following the capital transactions of January 2007 and June 2008, the Board of Directors of Crédit Agricole S.A. adjusted the number of options and the exercise prices under the plans implemented in 2004, 2005, 2006 and 2007.

The following tables show the attributes and general terms and conditions of the plans in place at 31 December 2011:

## DESCRIPTION OF CRÉDIT AGRICOLE S.A. STOCK OPTION PLANS

| Crédit Agricole S.A. stock option plans | 2005 | | 2006 | 2007 | 2008 | Total |
|---|---|---|---|---|---|---|
| Date of General Meeting of Shareholders that authorised the plan | 21/05/2003 | 21/05/2003 | 17/05/2006 | 17/05/2006 | 17/05/2006 | |
| Date of Board Meeting | 25/01/2005 | 19/07/2005 | 18/07/2006 | 17/07/2007 | 15/07/2008 | |
| Option attribution date | 25/01/2005 | 19/07/2005 | 06/10/2006 | 17/07/2007 | 16/07/2008 | |
| Term of plan | 7 years | 7 years | 7 years | 7 years | 7 years | |
| Lock-up period | 4 years | 4 years | 4 years | 4 years | 4 years | |
| First exercise date | 25/01/2009 | 19/07/2009 | 06/10/2010 | 17/07/2011 | 16/07/2012 | |
| Expiry date | 25/01/2012 | 19/07/2012 | 05/10/2013 | 16/07/2014 | 15/07/2015 | |
| Number of beneficiaries | 17 | 1 | 1,745 | 6 | 3 | |
| Number of options granted | 27,600 | 5,452 | 13,116,803 | 136,992 | 74,000 | **13,360,847** |
| Exercise price | €20.70 | €19.25 | €30.83 | €27.91 | €14.42 | |
| Performance conditions | no | no | no | no | no | |
| **Conditions in case of departure from Group** | | | | | | |
| Resignation | Forfeit | Forfeit | Forfeit | Forfeit | Forfeit | |
| Dismissal | Forfeit | Forfeit | Forfeit | Forfeit | Forfeit | |
| Retirement | Retain | Retain | Retain | Retain | Retain | |
| Death | Retain(1) | Retain(1) | Retain(1) | Retain(1) | Retain(1) | |
| **Number of options** | | | | | | |
| Granted to Executive Officers | | | 185,336 | | | |
| Granted to the ten largest grantees | 29,150 | | 861,262 | 136,992 | 74,000 | |
| Exercises in 2011 | | | | | | |
| Forfeited and exercised since inception | 2,532 | | 1,577,253 | 32,233 | | **1,612,018** |
| **NUMBER OF OPTIONS IN PLACE AT 31 DECEMBER 2011** | **25,068** | **5,452** | **11,539,550** | **104,759** | **74,000** | **11,748,829** |
| **Fair value (as a % of purchase price)** | **18.30%** | **18.30%** | **28.60%** | **22.70%** | **24.30%** | |
| Valuation method used | Black & Scholes | Black & Scholes | Black & Scholes | Black & Scholes | Black & Scholes | |

*(1) If heirs and successors exercise within 6 months of death.*

## STATISTICS ON CRÉDIT AGRICOLE S.A. STOCK OPTION PLANS

| Crédit Agricole S.A. stock option plans | 2005 | | 2006 | 2007 | 2008 | Total |
|---|---|---|---|---|---|---|
| | 25/01/2005 | 19/07/2005 | 06/10/2006 | 17/07/2007 | 16/07/2008 | |
| **Options in place at 31 December 2010** | **25,068** | **5,452** | **11,539,550** | **104,759** | **74,000** | **11,748,829** |
| Options cancelled or matured in 2011 | | | | | | |
| Options exercised in 2011 | | | | | | |
| **OPTIONS IN PLACE AT 31 DECEMBER 2011** | **25,068** | **5,452** | **11,539,550** | **104,759** | **74,000** | **11,748,829** |

### Hedging of Crédit Agricole S.A. stock option plans

The 2006 stock option plan (maturity: 2013) is hedged through Crédit Agricole S.A. options to buy existing shares.

The other stock option plans are covered by treasury shares held directly by Crédit Agricole S.A.

### Key assumptions used to value the stock option plans

Crédit Agricole S.A. values the options granted and recognises an expense determined on the date of grant of the plans based on the market value of the options on that date. The only assumptions that may be revised during the vesting period giving rise to an adjustment to the expense are those relating to the beneficiaries (options forfeited on resignation or dismissal).

### Stock option plans

| Date of grant | 25/01/2005 | 19/07/2005 | 06/10/2006 | 17/07/2007 | 16/07/2008 |
|---|---|---|---|---|---|
| Estimated life | 5 years | | 7 years | 7 years | 7 years |
| Rate of forfeiture | 5% | | 1.25% | 1.25% | 1.25% |
| Estimated dividend rate | 3.22% | | 3.03% | 4.20% | 6.37% |
| Volatility on the date of grant | 25% | | 28% | 28% | 40% |

The Black & Scholes model has been used for all Crédit Agricole S.A. stock option plans.

### 7.6.2 BONUS SHARE PLAN

Pursuant to the authorisations granted by the Extraordinary General Meeting of Shareholders of 18 May 2011, at its meeting of 9 November 2011, the Board of Directors decided to implement a bonus share plan to allow all employees of Crédit Agricole S.A. Group to participate in the Company's capital and success.

This plan provides for individual grants of 60 shares each to more than 82,000 Crédit Agricole S.A. employees in 58 countries. No condition of performance is required. The plan includes, however, two-restrictions: attendance during the vesting period and the prohibition to transfer or sell the shares during the lock-up period.

In France and a few other countries, the vesting period and the lock-up period each last for two years. Other countries have specific durations for these periods, tailored to local circumstances: such as a three-year lock-up period (in Spain and Italy) and a four-year vesting period (with no lock-up period).

The shares allocated at the end of the vesting period will be new shares issued for this purpose.

The expense related to this plan was calculated on the basis of the share price on 9 November 2011 (€5.02) adjusted to take into account the share lock-up period and employee turnover assumptions derived from historical data. This expense is recognised over the vesting period. In 2011, it amounted to €1.2 million.

### 7.6.3 STOCK OPTIONS AND SHARE SUBSCRIPTIONS PROPOSED TO EMPLOYEES AS PART OF THE EMPLOYEE SHARE OWNERSHIP PLAN

Between 21 June and 4 July 2011, Group employees had the opportunity to subscribe to a reserved increase in the capital of Crédit Agricole S.A. at a price of €8.24. This price is equal to the average opening price of Crédit Agricole S.A. shares quoted during the 20 trading sessions preceding 21 June 2011, to which a 20% discount was applied. In the light of the significant decline in the share price and the particularly high volatility of markets during the days following the subscription period, Crédit Agricole S.A. decided, by way of exception, to allow current and retired Group employees who subscribed to the capital increase to withdraw and revoke their subscription. As the majority of subscribers opted to do so, the final amount subscribed was €0.399 million (excluding issue costs).

### 7.6.4 DEFERRED VARIABLE COMPENSATION PAYABLE EITHER IN SHARES OR IN CASH INDEXED ON SHARE PRICE

The deferred compensation plans implemented by the Group in respect of services rendered in 2010 comprise:

- equity-settled plans;
- cash-settled plans indexed on Crédit Agricole S.A. share price.

In both cases, variable compensation is subject to conditions of attendance and performance and deferred by thirds to March 2012, March 2013 and March 2014.

The expense related to these plans is recognised in compensation expenses on a straight-line basis over the vesting period to reflect the condition of attendance, along with an entry to:

- equity, in the case of equity-settled plans, with the expense being revalued solely on the basis of the estimated number of shares to be paid (in relation to the conditions of attendance and performance);
- liabilities to employees, in the case of cash-settled plans, with periodical revaluation of the liability through profit or loss until the settlement date, depending on the evolution of the share price and on vesting conditions (conditions of attendance and performance).

## 7.7 Executive compensation

Top executives include all members of the Executive Committee, namely the Chief Executive Officer and Deputy Chief Executive Officers of Crédit Agricole S.A., the Chief Executive Officers of the main subsidiaries and the heads of the Group's core business activities.

Compensation and benefits paid to the members of the Executive Committee in 2011 were as follows:

- short-term benefits: €26.3 million for fixed and variable compensation, including social security expenses and benefits in kind;
- post-employment benefits: €4.2 million for end-of-career benefits and for the supplementary pension plan for Group Senior Executive Officers;
- other long-term benefits: the amount of long-service awards granted was not material;
- employment contract termination indemnities: not material;
- share-based payments: the members of Crédit Agricole S.A. Executive Committee were eligible to participate in the 2011 all-employee bonus share plan.

Total Directors' fees paid to members of Crédit Agricole S.A. Board of Directors in 2011 in consideration for serving as Directors of Crédit Agricole S.A. amounted to €1,016,138.

These amounts include compensation and benefits paid to the Chief Executive Officer and Deputy Chief Executive Officers of Crédit Agricole S.A. shown in the section on "Corporate governance and internal control" of the present registration document.

## Note 8 Financing and guarantee commitments and other guarantees

### Commitments given and received

| (in millions of euros) | 31/12/2011 | 31/12/2010 |
|---|---|---|
| ***Commitments given*** | | |
| **Financing commitments** | **191,245** | **206,454** |
| • Commitments given to credit institutions | 42,349 | 45,367 |
| • Commitments given to customers | 148,896 | 161,087 |
| • Confirmed credit lines | 130,960 | 137,338 |
| • Documentary credits | 11,818 | 12,439 |
| • Other confirmed credit lines | 119,142 | 124,898 |
| • Other commitments given to customers | 17,936 | 23,749 |
| **Guarantee commitments** | **98,902** | **102,914** |
| • Credit institutions | 12,181 | 10,730 |
| • Confirmed documentary credit lines | 3,025 | 2,698 |
| • Other | 9,156 | 8,032 |
| • Customers | 86,721 | 92,184 |
| • Property guarantees | 2,904 | 2,556 |
| • Financial guarantees | 7,204 | 11,899 |
| • Other customer guarantees | 76,613 | 77,728 |
| ***Commitments received*** | | |
| **Financing commitments** | **62,430** | **82,228** |
| • Commitments received from credit institutions(1) | 59,343 | 69,794 |
| • Commitments received from customers | 3,087 | 12,434 |
| **Guarantee commitments** | **272,351** | **211,940** |
| • Commitments received from credit institutions | 61,402 | 43,863 |
| • Commitments received from customers | 210,949 | 168,077 |
| • Guarantees received from government bodies or similar | 22,378 | 22,873 |
| • Other guarantees received | 188,571 | 145,204 |

(1) *At 31 december 2011, this item includes €14.7 billion for "Switch guarantee" commitments (see the chapter on Crédit Agricole internal relations and Note 2.1 Implementation of the "Switch" system).*

### Assets pledged as collateral for liabilities

| (in millions of euros) | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Securities lent | 4,945 | 10,557 |
| Security deposits on market transactions | 26,016 | 18,393 |
| Securities sold under repurchase agreements | 143,525 | 158,307 |
| **TOTAL** | **174,486** | **187,257** |

## Guarantees held and assets received as collateral

Guarantees held and assets received as collateral by Crédit Agricole S.A. Group which it is allowed to sell or to use as collateral amount to €252.7 billion at 31 December 2011, mostly within Crédit Agricole CIB (€104.8 billion). The majority of these guarantees consist of mortgage liens, collateral or guarantees received, regardless of the quality of the assets guaranteed. They are mainly related to repurchase agreements and securities pledged to guarantee brokerage transactions. Crédit Agricole S.A. also has €105 billion in assets received as collateral. The majority of these are receivables pledged as collateral by the Regional Banks to Crédit Agricole S.A., as Crédit Agricole S.A. acts as the centralising body for the external refinancing organisations.

With the exception of securities received under repurchase agreements (€111.2 billion at 31 December 2011, compared with €126.2 billion at 31 December 2010) and securities received as guarantees or collateral (€141.5 billion at 31 December 2011, compared with €121 billion at 31 December 2010), the guarantees held by Crédit Agricole S.A. which it is allowed to sell or to use as collateral are not material. Their use is marginal to the Group and therefore is not the subject of a systematic policy.

Crédit Agricole S.A. Group policy is to sell seized collateral as soon as possible. Crédit Agricole CIB and Crédit Agricole S.A. had no such assets at 31 December 2011.

## Receivables received and pledged as collateral

Crédit Agricole Group participates in the refinancing facilities provided by *Société de financement de l'économie française* (SFEF). Under the terms of this transaction, the Regional Banks and certain Group subsidiaries pledge receivables as collateral to Crédit Agricole S.A., which in turn pledges them to SFEF to guarantee the loans granted by SFEF to the Group. Within Crédit Agricole S.A. Group, the collateral pledged by the Regional Banks and the collateral received by Crédit Agricole S.A. do not cancel each other out entirely, because the Regional Banks are equity-accounted. In 2011, total receivables of €25 billion were pledged to SFEF as part of this transaction (€30.8 billion in 2010). The Regional Banks and the subsidiaries retain all risks and rewards associated with these receivables.

The €25 billion in receivables pledged as collateral to SFEF in 2011, including €14.6 billion pledged by the Regional Banks, enabled SFEF to grant loans totalling €15.9 billion to Crédit Agricole S.A. Of this amount, €9.5 billion was returned to the Regional Banks in the form of advances and allocated in proportion to the amount of the receivables pledged as collateral.

Crédit Agricole S.A. Group contributed €61.1 billion in receivables at 31 December 2011 for refinancing transactions to the Banque de France *via* Crédit Agricole S.A., compared to €54.5 billion in 2010. Finally, €10 billion in receivables was directly contributed to Banque de France by subsidiaries at 31 December 2011.

Crédit Agricole S.A. Group contributed €18.1 billion in receivables at 31 December 2011 for refinancing transactions to the *Caisse de Refinancement de l'Habitat via* Crédit Agricole S.A., compared to €16.4 billion in 2010. Finally, €8.5 billion in receivables was directly contributed to *Caisse de Refinancement de l'Habitat* by LCL at 31 December 2011.

## Note 9 Reclassification of financial instruments

### PRINCIPLES ADOPTED BY CRÉDIT AGRICOLE S.A. GROUP

The Group decided on and carried out certain reclassifications from the "Financial assets held for trading" category, in compliance with the conditions set out in the amendment to IAS 39 adopted by the European Union on 15 October 2008. They were recognised in their new accounting category at fair value on the reclassification date.

### RECLASSIFICATIONS CARRIED OUT BY CRÉDIT AGRICOLE S.A. GROUP

Pursuant to the amendment to IAS 39 published and adopted by the European Union on 15 October 2008, Crédit Agricole S.A. Group made reclassifications in 2011, as well as in previous years, as allowed by the amendment of IAS 39.

Information on these reclassifications is shown below.

### DESCRIPTION, GROUNDS FOR AND AMOUNT OF RECLASSIFICATIONS

In 2011, the Group reclassified from "Financial assets at fair value through profit or loss" to the "Loans and receivables" category certain financial assets for which the intention of Crédit Agricole S.A. Group had changed. It now plans to hold these financial assets for the foreseeable future and no longer to sell them in the short term.

These reclassifications made during the period concern syndication operations.

For the assets reclassified during 2011, the table below shows the fair value at the date of the reclassification and their value at close. Likewise, also shown in the table is the value, at 31 December 2011, of assets reclassified prior to 2011 and still included in the Group's assets at that date:

| | Total reclassified assets | | Assets reclassified in 2011 | | | Assets reclassified before 2011 | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Carrying amount 31/12/2011 | Estimated market value at 31/12/2011 | Reclassification value | Carrying amount 31/12/2011 | Estimated market value 31/12/2011 | Carrying amount 31/12/2011 | Estimated market value 31/12/2011 | Carrying amount 31/12/2010 | Estimated market value 31/12/2010 |
| Financial assets at fair value through profit or loss reclassified as loans and receivables | 5,902 | 5,322 | 169 | 169 | 160 | 5,733 | 5,162 | 7,647 | 7,061 |
| **TOTAL RECLASSIFIED ASSETS** | **5,902** | **5,322** | **169** | **169** | **160** | **5,733** | **5,162** | **7,647** | **7,061** |

### CHANGE IN FAIR VALUE OF RECLASSIFIED ASSETS RECOGNISED IN PROFIT OR LOSS

Changes in fair value recognised in profit or loss are disclosed below for financial assets reclassified in 2011.

| | Change in fair value recognised | |
|---|---|---|
| *(in millions of euros)* | In 2011, as of reclassification date | In 2010 |
| Financial assets at fair value through profit or loss reclassified as loans and receivables | - | (1) |
| **TOTAL RECLASSIFIED ASSETS** | **-** | **(1)** |

### CONTRIBUTION OF RECLASSIFIED ASSETS TO NET INCOME SINCE THE RECLASSIFICATION DATE

The contribution of the reclassified assets since the date of reclassification to net income for the year includes all gains, losses, income and expenses recognised in profit or loss or in other comprehensive income.

Analysis of the impact of the transferred assets:

| (in millions of euros) | Impact on pre-tax income since reclassification date | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets reclassified in 2011 | | Assets reclassified prior to 2011 | | | | | |
| | Impact 2011 | | Cumulative impact at 31/12/2010 | | Impact 2011 | | Cumulative impact at 31/12/2011 | |
| | Actual income and expenses recognised | If asset had been retained in its former category (change in fair value) | Actual income and expenses recognised | If asset had been retained in its former category (change in fair value) | Actual income and expenses recognised | If asset had been retained in its former category (change in fair value) | Actual income and expenses recognised | If asset had been retained in its former category (change in fair value) |
| Financial assets at fair value through profit or loss reclassified as loans and receivables | 1 | **(3)** | 28 | (598) | (65) | (74) | (37) | (672) |
| **TOTAL RECLASSIFIED ASSETS** | **1** | **(3)** | **28** | **(598)** | **(65)** | **(74)** | **(37)** | **(672)** |

### ADDITIONAL INFORMATION

As of the reclassification date, the financial assets reclassified in 2011 carried effective interest rates ranging from 1.29% to 1.61% inclusive with estimated undiscounted future cash flows of €145 million.

## Note 10 Fair value of financial instruments

**The fair value** of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair values shown below are estimates made on the reporting date. They are subject to change in subsequent periods due to developments in market conditions or other factors.

The calculations represent best estimates. They are based on a number of valuation models and assumptions.

To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

In practice, and in line with the going-concern principle, not all these financial instruments would necessarily be settled immediately at the values estimated below.

### 10.1 Fair value of financial assets and liabilities measured at amortised cost

| | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| *(in millions of euros)* | Carrying amount | Estimated market value | Carrying amount | Estimated market value |
| **Assets** | | | | |
| Loans and receivables to credit institutions | 379,841 | 385,241 | 363,843 | 367,849 |
| Loans and receivables to customers | 399,381 | 404,354 | 383,246 | 388,378 |
| Held-to-maturity financial assets | 15,343 | 16,908 | 21,301 | 21,807 |
| **Liabilities** | | | | |
| Due to credit institutions | 172,665 | 172,580 | 154,568 | 154,695 |
| Due to customers | 525,636 | 525,750 | 501,360 | 501,472 |
| Debt securities | 148,320 | 152,740 | 170,337 | 170,361 |
| Subordinated debt | 33,782 | 29,961 | 38,486 | 38,282 |

For financial instruments that are traded in an active market (*i.e.* prices are quoted and disseminated), the best estimate of fair value is their market price.

In the absence of a market and of reliable data, fair value is determined using an appropriate method that is consistent with the valuation methods used in financial markets: market value of a comparable instrument, discounted future cash flows, or valuation models.

Where it is necessary to assess market value, the discounted cash flow method is the most commonly used.

In addition, it should be noted that Crédit Agricole S.A. Group took into account the experts' report published by the IASB on 31 October 2008 on the valuation of certain financial instruments at fair value listed on markets that are no longer active.

In some cases, market values are close to carrying amounts. This applies primarily to:

- assets or liabilities at variable rates for which interest rates changes do not have a significant influence on the fair value, since the rates on these instruments frequently correct themselves to the market rates;
- short-term assets or liabilities where the redemption value is considered to be close to the market value;
- regulated instruments (*e.g.* regulated savings accounts) where prices are fixed by the government;
- demand liabilities;
- transactions for which there are no reliable observable data.

## 10.2 Information about financial instruments measured at fair value

### FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE BROKEN DOWN INTO THE FAIR VALUE HIERARCHY

**Financial assets measured at fair value**

Amounts presented below include accrued interests and are net of impairment.

| *(in millions of euros)* | Total 31/12/2011 | Quoted prices in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 | Total 31/12/2010 | Quoted prices in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 |
|---|---|---|---|---|---|---|---|---|
| **Financial assets held for trading** | **447,075** | **66,016** | **370,565** | **10,494** | **368,944** | **89,937** | **268,660** | **10,347** |
| Loans and receivables to customers | 263 | | 263 | | 435 | | 435 | |
| Securities bought under repurchase agreements | 21,684 | | 21,684 | | 35,556 | | 35,556 | |
| Securities held for trading | 75,681 | 60,573 | 12,104 | 3,004 | 95,539 | 83,725 | 8,759 | 3,055 |
| *Treasury bills and similar securities*[(1)] | *31,046* | *31,032* | *14* | | *42,633* | *42,630* | *3* | |
| *Bonds and other fixed-income securities* | *28,511* | *19,550* | *7,996* | *965* | *27,816* | *21,960* | *4,643* | *1,213* |
| *Equities and other variable-income securities* | *16,124* | *9,991* | *4,094* | *2,039* | *25,090* | *19,135* | *4,113* | *1,842* |
| Derivative instruments | 349,447 | 5,443 | 336,514 | 7,490 | 237,414 | 6,212 | 223,910 | 7,292 |
| **Financial assets designated at fair value through profit or loss upon initial recognition** | **43,188** | **29,149** | **12,584** | **1,455** | **44,712** | **31,554** | **11,547** | **1,611** |
| Loans and receivables to customers | 78 | | | 78 | | | | |
| Asset backing unit-linked contracts | 40,372 | 28,744 | 11,178 | 450 | 41,496 | 30,869 | 10,261 | 366 |
| Securities designated as at fair value through profit or loss upon initial recognition | 2,738 | 405 | 1,406 | 927 | 3,216 | 685 | 1,286 | 1,245 |
| *Treasury bills and similar securities* | *3* | *3* | | | *8* | *8* | | |
| *Bonds and other fixed-income securities* | *1,690* | *378* | *1,311* | *1* | *1,841* | *660* | *1,176* | *5* |
| *Equities and other variable-income securities* | *1,045* | *24* | *95* | *926* | *1,367* | *17* | *110* | *1,240* |
| **Available-for-sale financial assets** | **227,390** | **179,355** | **44,524** | **3,511** | **225,757** | **197,331** | **26,883** | **1,543** |
| Treasury bills and similar securities | 58,519 | 55,609 | 951 | 1,959 | 87,008 | 86,846 | 157 | 5 |
| Bonds and other fixed-income securities | 147,559 | 110,387 | 36,879 | 293 | 113,275 | 91,993 | 21,233 | 49 |
| Equities and other variable-income securities | 21,034 | 13,359 | 6,416 | 1,259 | 25,334 | 18,492 | 5,353 | 1,489 |
| Available-for-sale receivables | 278 | | 278 | | 140 | | 140 | |
| **Hedging derivative instruments** | **33,560** | **2,415** | **31,137** | **8** | **23,525** | **129** | **23,396** | |
| **TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE** | **751,213** | **276,935** | **458,810** | **15,468** | **662,938** | **318,951** | **330,486** | **13,501** |

*(1) The amount at 31 December 2010 included €13.6 billion reclassified to "bonds" at 31 December 2011.*

### Financial liabilities measured at fair value

Amounts presented below include accrued interest.

| *(in millions of euros)* | Total 31/12/2011 | Quoted prices in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 | Total 31/12/2010 | Quoted prices in active markets for identical instruments: Level 1 | Valuation based on observable data: Level 2 | Valuation based on unobservable data: Level 3 |
|---|---|---|---|---|---|---|---|---|
| **Financial liabilities held for trading** | **439,680** | **30,974** | **406,074** | **2,632** | **343,586** | **31,400** | **308,145** | **4,041** |
| Securities sold short | 26,259 | 24,724 | 1,535 | | 25,797 | 25,797[1] | | |
| Securities sold under repurchase agreements | 36,013 | | 36,013 | | 54,601 | | 54,601 | |
| Debt securities | 31,413 | | 31,413 | | 30,836 | | 30,836 | |
| Derivative instruments | 345,995 | 6,250 | 337,113 | 2,632 | 232,352 | 5,603 | 222,708 | 4,041 |
| **Financial liabilities designated as at fair value upon initial recognition** | | | | | | | | |
| **Hedging derivative instruments** | **34,605** | **746** | **33,859** | | **25,619** | **207** | **25,412** | |
| **TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE** | **474,285** | **31,720** | **439,933** | **2,632** | **369,205** | **31,607** | **333,557** | **4,041** |

*(1) Amounts adjusted with respect to the 2010 registration document.*

Market data used for valuation models are regarded as observable if the Market Risks department can obtain data from several sources independent of the front offices on a regular basis (daily if possible), for example from brokers or pricing services that collect data from a sufficient number of market participants. A dedicated team, which reports to the Market Risks department, regularly checks the relevance of data obtained in this way and formally documents it.

Conversely, some complex products with a basket component, where valuation requires correlation or volatility data that are not directly comparable with market data, may be classified as non-observable.

## FINANCIAL INSTRUMENTS VALUED ON A LEVEL 3 MODEL

Most of these instruments valued on a Level 3 model are complex fixed-income instruments, structured credit instruments (including some correlation instruments whose measurement incorporates non-observable credit spreads), equity derivatives (including some instruments with multiple underlyings), or hybrid contracts and instruments linked to risk capital and, to a lesser extent, foreign exchange and commodities products. Some financial instruments that are themselves standard but with long maturities may also be classified as Level 3 if the only market data available to measure them are for maturities that are shorter than the contractual maturity and must be extrapolated in order to measure fair value.

At 31 December 2011, financial instruments whose measurement is based on unobservable data (Level 3) mainly included:

- CDOs units with US real-estate underlyings;
- hedges on some of the above-mentioned CDOs with US real-estate underlyings;
- CDOs indexed on corporate credit risk (correlation business);
- Greek sovereign debt;
- venture capital funds;
- to a lesser extent, shares of SCI property companies and SCPI property investment funds and other fixed-income, equity and credit derivatives.

## VALUATION METHOD

- The method used to measure super-senior CDOs with US residential underlyings is described in the "Risk factors" – "Particular risk attributable to the financial crisis" section of the management report.
- Corporate CDOs are valued using a pricing model, which allocates expected losses according to the level of subordination of each transaction. This model uses both observable data (Credit Default Swap spreads) and data that became much less observable since 2008 (correlation data relating to CDOs based on a standard basket of corporates). Since 2009, Crédit Agricole CIB adjusted its model to take this factor into account. More specifically, on

the least liquid senior tranches, Crédit Agricole CIB introduced valuation factors adjusted to its assessment of the intrinsic risk of its exposures.

- The fair value of venture capital funds (FCPR) is measured based on the valuation of the portfolio of equity investments.

  For investments in unlisted companies, the assessment is based on models using factors such as discounted cash flows, earnings multiples, or net asset value, etc.

The net asset value of FCPR is obtained from the sum of valuations of holdings restated to account for any liabilities.

## CHANGES IN VALUATION MODELS

The specific context described in Note 6.7 and the very low liquidity of the market for Greek debt led Crédit Agricole S.A. to value these instruments at 31 December 2011 using the mark-to-model method and to classify them as Level 3, with the exception of the trading book securities which remained marked-to-market, Level 1 instruments, in light of their nature and maturity (less than six months). Due to the very low trading volume in recent months and the commitments given by the banks to the governments to hold their securities, the prices quoted in the market can no longer be considered relevant for the fair value of the instruments issued.

## NET VARIATIONS IN FINANCIAL INSTRUMENTS MEASURED ACCORDING TO LEVEL 3

### Financial assets measured at fair value according to Level 3

| | | Financial assets held for trading | | | | Financial assets designated at fair value through profit or loss upon initial recognition | | | | | Available-for-sale financial assets | | | Hedging derivative instruments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Total | *Bonds and other fixed-income securities* | *Equities and other variable-income securities* | Securities held for trading | Derivative instruments | Asset backing unit-linked contracts | Loans and receivables to customers | *Bonds and other fixed-income securities* | *Equities and other variable-income securities* | Securities designated as at fair value through profit or loss upon initial recognition | Treasury bills and similar items | Bonds and other fixed-income securities | Equities and other variable-income securities | |
| **Opening balance (01/01/2011)** | **13,501** | ***1,213*** | ***1,842*** | **3,055** | **7,292** | **366** | | ***5*** | ***1,240*** | **1,245** | **5** | **49** | **1,489** | |
| Gains or losses for the period | (1,211) | *(246)* | *170* | (76) | 1,905 | (86) | | *(5)* | *(91)* | (96) | (2,548) | (226) | (84) | |
| *Recognised in profit or loss(1)* | (3,336) | *(246)* | *170* | (76) | 1,905 | (86) | | *(5)* | *(91)* | (96) | (4,731) | (247) | (5) | |
| *Recognised in other comprehensive income(2)* | 2,125 | | | | | | | | | | 2,183 | 21 | (79) | |
| Purchases | 1,453 | | *605* | 605 | 229 | 277 | 78 | *5* | | 5 | 17 | 3 | 234 | 5 |
| Sales | (1,984) | *(2)* | *(578)* | (580) | (1,110) | (106) | | *(4)* | | (4) | (22) | (20) | (142) | |
| Issues | (2) | | | | | | | | | | | | (2) | |
| Settlements | (386) | | | | (385) | (1) | | | | | | | | |
| Reclassifications | (223) | | | | | | | | *(223)* | (223) | | | | |
| Changes associated with scope for the period | 6 | | | | | | | | | | | 1 | 2 | 3 |
| Transfers | 4,314 | | | | (441) | | | | | | 4,507 | 486 | (238) | |
| *Transfers to Level 3* | 5,033 | | | | | | | | | | 4,528 | 486 | 19 | |
| *Transfers out of Level 3* | (719) | | | | (441) | | | | | | (21) | | (257) | |
| **CLOSING BALANCE (31/12/2011)** | **15,468** | **965** | **2,039** | **3,004** | **7,490** | **450** | **78** | **1** | **926** | **927** | **1,959** | **293** | **1,259** | **8** |

(1) Gains and losses for the period recognised in profit or loss deriving from assets held at the end of the reporting period amounted to -€3,085 million.

(2) Gains and losses for the period recognised in equity deriving from assets held at the end of the reporting period amounted to €2,227 million.

**Financial liabilities measured at fair value according to Level 3**

| *(in millions of euros)* | Total | Financial liabilities held for trading<br>Derivative instruments |
|---|---|---|
| **Opening balance (01/01/2011)** | **4,041** | **4,041** |
| Gains or losses for the period | (165) | (165) |
| *Recognised in profit or loss(1)* | *(165)* | *(165)* |
| Purchases | 139 | 139 |
| Sales | (636) | (636) |
| Settlements | (234) | (234) |
| Transfers | (513) | (513) |
| *Transfers out of Level 3* | *(513)* | *(513)* |
| **CLOSING BALANCE (31/12/2011)** | **2,632** | **2,632** |

*(1) Gains and losses for the period recognised in profit or loss deriving from liabilities held at the end of the reporting period amounted to €277 million.*

Gains or losses relating to assets and liabilities on the balance sheet at year-end (negative €0.6 billion) mainly comprise:

- the impact of changes in values recognised on CDOs with US real-estate underlyings and the related hedges, for approximately €41 million;
- the change in value of other interest rate, credit and equity derivatives, and in particular corporate CDOs valued on the basis of data that became non-observable, for €2 billion.

  However, the fair value alone (and the related change) of these instruments is not relevant. Indeed, these products are extensively hedged by other, less complex products, which are individually valued based on data deemed to be observable. The valuation of these hedging products (and the related changes), which to a large extent is symmetrical to the valuation of products measured on the basis of data deemed to be unobservable, does not appear in the table above;
- the effect of changes in the value of Greek debt outstanding coupled with the impact of their impairment, for net -€2.5 billion.

During the period, the fair value of financial instruments transferred out of Level 3 was approximately €1.2 billion. These transfers are mainly due to the restored observability of some valuation inputs as they get closer to their maturity date over time and to revised observability criteria.

The fair value of financial instruments transferred to Level 3 was €5 billion. These transfers relate to the change in the valuation method of the Greek sovereign debt described above.

## SENSITIVITY ANALYSIS FOR FINANCIAL INSTRUMENTS MEASURED USING LEVEL 3 VALUATION TECHNIQUES

At 31 December 2011, at Crédit Agricole CIB, the sensitivity to variables used in the models based on reasonable alternative assumptions amounted to approximately €134 million (most of it for discontinuing operations: €50 million on CDOs with American residential underlyings and €73 million on corporate CDO activities).

Sensitivity is calibrated independently of the front office, based primarily on consensus data:

- corporate CDOs: the extent of uncertainty over the default correlation (an unobservable input) is determined based on the standard deviation between the consensus data compared to standard indices;
- super senior ABS CDO tranches: the extent of uncertainty is estimated based on a set rate (10% change in loss scenarios);
- equity derivatives: the extent of uncertainty over both dividends and correlation is estimated based on the standard deviation of consensus data;
- fixed-income derivatives: a 2% shock is applied to the main correlations (Interest rate/exchange rate and Interest rate/Interest rate).

### ESTIMATED IMPACT OF INCLUSION OF THE MARGIN AT INCEPTION

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Deferred income at 1 January** | **241** | **297** |
| Income generated by new transactions during the year | 27 | 51 |
| Recognised in net income for the period | | |
| Amortisation and cancelled/reimbursed/matured transactions | (106) | (107) |
| Effects of inputs or products reclassified as observable during the year | | |
| **DEFERRED INCOME AT 31 DECEMBER** | **162** | **241** |

## Note 11 Events after the reporting period

### Repurchase of subordinated debt issued by the Group

In view of the regulatory changes that will come into effect on 1 January 2013, including the new Basel 3 rules, and in order to reinforce the quality of its Tier 1 capital, Crédit Agricole S.A. launched on 26 January 2012 offers to redeem its subordinated bonds outstanding (*cf.* Note 6.10).

### Eurogroup's announcement of the second support plan to Greece

On Tuesday, 21 February 2012, the Eurogroup announced the approval of a second support plan to Greece totalling €237 billion.

The exchange value, which can be estimated at approximately 74%, taking into account the exchange conditions and a discount rate of 12%, is in line with the valuation at 31 december 2011 of the exposure to Greek sovereign debt of Crédit Agricole S.A. (see note 6.7).

### Correlation activity

An agreement was signed between Crédit Agricole CIB and Blue Mountain with regard to the transfer, as of 2012, of the market risk exposure linked to the correlation activity. This transaction has no financial impact in 2011.

# Note 12 Scope of consolidation at 31 December 2011

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control 31/12/2011 | % control 31/12/2010 | % interest 31/12/2011 | % interest 31/12/2010 |
|---|---|---|---|---|---|---|---|
| ***French Retail Banking*** | | | | | | | |
| **Banks and financial institutions** | | | | | | | |
| Banque Chalus | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Banque Thémis | | France | Full | 100.0 | 100.0 | 95.1 | 95.1 |
| Caisse régionale Alpes Provence | | France | Equity | 25.2 | 25.0 | 25.2 | 25.0 |
| Caisse régionale Alsace Vosges | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Aquitaine | | France | Equity | 29.3 | 29.3 | 29.3 | 29.3 |
| Caisse régionale Atlantique Vendée | | France | Equity | 25.6 | 25.1 | 25.6 | 25.1 |
| Caisse régionale Brie Picardie | | France | Equity | 27.0 | 25.7 | 27.0 | 25.7 |
| Caisse régionale Centre Est | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Centre France | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Centre Loire | | France | Equity | 27.7 | 27.7 | 27.7 | 27.7 |
| Caisse régionale Centre Ouest | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Champagne Bourgogne | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Charente-Maritime - Deux-Sèvres | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Charente-Périgord | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Côtes d'Armor | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale de l'Anjou et du Maine | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale des Savoie | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Finistère | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Franche Comté | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Guadeloupe | | France | Equity | 27.2 | 27.2 | 27.2 | 27.2 |
| Caisse régionale Ille et Vilaine | | France | Equity | 26.0 | 25.1 | 26.0 | 25.1 |
| Caisse régionale Languedoc | | France | Equity | 25.6 | 25.2 | 25.6 | 25.2 |
| Caisse régionale Loire - Haute Loire | | France | Equity | 25.4 | 25.0 | 25.4 | 25.0 |
| Caisse régionale Lorraine | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Martinique | | France | Equity | 28.2 | 28.2 | 28.2 | 28.2 |
| Caisse régionale Morbihan | | France | Equity | 27.3 | 25.2 | 27.3 | 25.2 |
| Caisse régionale Nord de France | | France | Equity | 25.0 | 24.9 | 25.0 | 24.6 |
| Caisse régionale Nord Midi Pyrénées | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Nord-Est | | France | Equity | 26.4 | 26.0 | 26.4 | 26.0 |
| Caisse régionale Normandie | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Normandie Seine | | France | Equity | 25.6 | 25.0 | 25.6 | 25.0 |
| Caisse régionale Paris et Île de France | | France | Equity | 25.5 | 25.2 | 25.5 | 25.2 |
| Caisse régionale Provence - Côte d'Azur | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Pyrénées Gascogne | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Réunion | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Sud Méditerranée | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caisse régionale Sud Rhône-Alpes | | France | Equity | 25.4 | 25.3 | 25.4 | 25.3 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control 31/12/2011 | % control 31/12/2010 | % interest 31/12/2011 | % interest 31/12/2010 |
|---|---|---|---|---|---|---|---|
| Caisse régionale Toulouse 31 | | France | Equity | 26.3 | 25.1 | 26.3 | 25.1 |
| Caisse régionale Touraine Poitou | | France | Equity | 26.1 | 25.3 | 26.1 | 25.3 |
| Caisse régionale Val de France | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Cofam | | France | Equity | 25.4 | 25.0 | 25.4 | 25.0 |
| Interfimo | | France | Full | 99.0 | 99.0 | 94.1 | 94.1 |
| LCL | | France | Full | 95.1 | 95.1 | 95.1 | 95.1 |
| Mercagentes | | Spain | Equity | 25.0 | 25.0 | 20.6 | 20.6 |
| Sircam | | France | Equity | 25.4 | 25.0 | 25.4 | 25.0 |
| **Lease financing companies** | | | | | | | |
| Locam | | France | Equity | 25.4 | 25.0 | 25.4 | 25.0 |
| **Investment companies** | | | | | | | |
| Bercy Participations | | France | Equity | 25.5 | 25.2 | 25.5 | 25.2 |
| Crédit Agricole Centre France Développement | | France | Equity | 25.0 | 25.0 | 20.8 | 20.8 |
| Crédit Agricole Consumer Finance Immobilier | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| CADS Développement | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Calixte Investissement | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Cofinep | | France | Equity | 26.4 | 26.0 | 26.4 | 26.0 |
| Crédit Agricole Centre Est Immobilier | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| L'Immobilière d'À Côté | | France | Equity | 25.2 | 25.0 | 25.2 | 25.0 |
| Nord Capital Investissement | | France | Equity | 30.0 | 29.8 | 27.2 | 26.8 |
| Nord Est Champagne Agro Partenaires | | France | Equity | 26.4 | 26.0 | 26.4 | 26.0 |
| Prestimmo | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Sepi | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Sequana | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Socadif | | France | Equity | 25.5 | 25.2 | 25.6 | 23.0 |
| Vauban Finance | E5 | France | Equity | | 29.8 | | 26.8 |
| **Other** | | | | | | | |
| Adret Gestion | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Alsace Elite | | France | Equity | 25.0 | 25.0 | 23.7 | 23.7 |
| Anjou Maine Gestion | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Aquitaux Rendement | I2 | France | Equity | 29.3 | | 29.3 | |
| C.L. Verwaltungs und Beteiligungsgesellschaft GmbH | | Germany | Full | 100.0 | 100.0 | 95.1 | 95.1 |
| Crédit Agricole Aquitaine Agences Immobilières | | France | Equity | 29.3 | 29.3 | 29.3 | 29.3 |
| Crédit Agricole Aquitaine Immobilier | | France | Equity | 29.3 | 29.3 | 29.3 | 29.3 |
| Crédit Agricole Participations | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Caapimmo 4 | | France | Equity | 25.2 | 25.0 | 24.9 | 24.8 |
| Caapimmo 6 | | France | Equity | 25.2 | 25.0 | 25.2 | 25.0 |
| CAL Immobilier | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| CAP Actions 2 | | France | Equity | 25.2 | 25.0 | 25.2 | 25.0 |
| CAP Obligataire | | France | Equity | 25.2 | 25.0 | 25.2 | 25.0 |
| CAP Régulier 1 | | France | Equity | 25.2 | 25.0 | 25.2 | 25.0 |
| CAPI Centre-Est (formerly Sparkway) | O1 | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control | | % interest | |
|---|---|---|---|---|---|---|---|
| | | | | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| Caryatides Finance | | France | Equity | 25.0 | 24.9 | 22.0 | 21.7 |
| Centre France Location Immobilière | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| CMDS Opportunités | I2 | France | Equity | 25.0 | | 25.0 | |
| Crédit Lyonnais Développement Économique (CLDE) | | France | Full | 100.0 | 100.0 | 95.1 | 95.1 |
| Crédit Lyonnais Europe | | France | Full | 100.0 | 100.0 | 95.1 | 95.1 |
| Crédit Lyonnais Preferred Capital | | United States | Full | 100.0 | 100.0 | 0.0 | 0.0 |
| Créer S.A.S. | E2 | France | Equity | | 24.9 | | 7.4 |
| Europimmo | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Financière PCA | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Finarmor Gestion | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Fonds dédié Elstar | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Fonds diversifiés Centre Loire | E2 | France | Equity | | 27.7 | | 27.7 |
| Force Alsace | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Force Crédit Agricole Consumer Finance | | France | Equity | 25.0 | 25.0 | 25.1 | 25.1 |
| Force Charente Maritime Deux Sèvres | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Force Iroise | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Force Languedoc | | France | Equity | 25.6 | 25.2 | 25.6 | 25.3 |
| Force Lorraine Duo | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Force Profile 20 | | France | Equity | 25.6 | 25.0 | 25.7 | 25.1 |
| Force Run | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Force Toulouse Diversifié | | France | Equity | 26.3 | 25.1 | 26.3 | 25.1 |
| Force 4 | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Green Island | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Immobilière de Picardie (formerly Société Immobilière de Picardie) | O1 | France | Equity | 27.0 | 25.7 | 27.0 | 25.7 |
| Inforsud Gestion | | France | Equity | 25.0 | 25.0 | 22.2 | 22.2 |
| Morbihan Gestion | | France | Equity | 27.3 | 25.2 | 27.3 | 25.2 |
| NACARAT | | France | Equity | 25.0 | 24.9 | 7.7 | 7.6 |
| NMP Gestion | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Nord de France Immobilier | | France | Equity | 25.0 | 24.9 | 25.0 | 24.6 |
| NS Immobilier Finance | I2 | France | Equity | 25.0 | | 25.0 | |
| Ozenne Institutionnel | | France | Equity | 26.3 | 25.1 | 26.3 | 25.3 |
| PCA Immo | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| PG Immo | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Pyrénées Gascogne Altitude | I2 | France | Equity | 25.0 | | 25.0 | |
| Pyrénées Gascogne Gestion | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| S.A.S. Immnord | | France | Equity | 25.0 | 24.9 | 25.0 | 24.6 |
| SCI Capimo | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| SCI Euralliance Europe | | France | Equity | 25.0 | 24.9 | 25.0 | 24.6 |
| SCI Les Fauvins | | France | Equity | 25.2 | 25.0 | 25.2 | 25.0 |
| Scica HL | | France | Equity | 25.4 | 25.0 | 25.1 | 24.7 |
| Société Picarde de Développement | | France | Equity | 27.0 | 25.7 | 27.0 | 25.7 |
| Sud Rhône Alpes Placement | | France | Equity | 25.4 | 25.3 | 25.7 | 24.9 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control 31/12/2011 | % control 31/12/2010 | % interest 31/12/2011 | % interest 31/12/2010 |
|---|---|---|---|---|---|---|---|
| Toulouse 31 Court Terme | | France | Equity | 26.3 | 25.1 | 26.3 | 25.1 |
| Toulouse 31 Obligations | | France | Equity | 26.3 | 25.1 | 26.3 | 25.1 |
| Val de France Rendement | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Voix du Nord Investissement | I3 | France | Equity | 25.0 | | 6.2 | |
| **Tourism – property development** | | | | | | | |
| Franche Comté Développement Foncier | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Franche Comté Développement Immobilier | | France | Equity | 25.0 | 25.0 | 25.0 | 25.0 |
| Nord Est Optimmo S.A.S. | | France | Equity | 26.4 | 26.0 | 26.4 | 26.0 |
| S.A. Foncière de l'Erable | | France | Equity | 25.0 | 24.9 | 25.0 | 24.6 |
| S.A.S. Arcadim Fusion | | France | Equity | 25.0 | 24.9 | 25.0 | 24.6 |
| SCI Crystal Europe | | France | Equity | 25.0 | 24.9 | 25.0 | 24.6 |
| SCI Quartz Europe | | France | Equity | 25.0 | 24.9 | 25.0 | 24.6 |
| ***International retail banking*** | | | | | | | |
| **Banks and financial institutions** | | | | | | | |
| Banca Popolare Friuladria S.p.A. | | Italy | Full | 80.2 | 79.1 | 60.1 | 59.3 |
| Bankinter | | Spain | Equity | 24.5 | 24.7 | 24.5 | 24.7 |
| Bankoa | | Spain | Equity | 30.0 | 30.0 | 28.7 | 28.7 |
| BES (Banco Espirito Santo) | | Portugal | Equity | 9.4 | 10.8 | 20.5 | 23.8 |
| BNI Madagascar | | Madagascar | Full | 51.0 | 51.0 | 51.0 | 51.0 |
| Cariparma | | Italy | Full | 75.0 | 75.0 | 75.0 | 75.0 |
| Carispezia | I3 | Italy | Full | 80.0 | | 60.0 | |
| Centea | I3 | Belgium | Equity | 5.0 | | 22.1 | |
| Crédit Agricole Bank Polska S.A. (formerly Lukas Bank) | O1 | Poland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Banka Srbija a.d. Novi Sad | | Serbia | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Egypt S.A.E. | | Egypt | Full | 60.5 | 60.5 | 60.2 | 60.2 |
| Crédit Agricole Financement | | Switzerland | Equity | 40.0 | 41.0 | 35.9 | 36.6 |
| Crédit Agricole Polska S.A. (formerly Lukas S.A.) | O1 | Poland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit du Maroc | | Morocco | Full | 77.0 | 76.7 | 77.0 | 76.7 |
| Crédit Uruguay Banco | E2 | Uruguay | Full | | 100.0 | | 100.0 |
| Emporiki Bank | | Greece | Full | 95.0 | 91.0 | 95.0 | 91.0 |
| Emporiki Bank Albania S.A. | | Albania | Full | 100.0 | 100.0 | 95.0 | 91.0 |
| Emporiki Bank Bulgaria E.A.D. | | Bulgaria | Full | 100.0 | 100.0 | 95.0 | 91.0 |
| Emporiki Bank Cyprus | | Cyprus | Full | 73.3 | 96.6 | 69.6 | 87.9 |
| Emporiki Bank Romania S.A. | | Romania | Full | 99.7 | 99.6 | 94.7 | 90.7 |
| Europabank | | Belgium | Equity | 5.0 | 5.0 | 22.1 | 21.9 |
| PJSC Crédit Agricole (formerly JSC Index Bank HVB) | O1 | Ukraine | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| S.A. Crédit Agricole (Belgique) | | Belgium | Equity | 5.0 | 5.0 | 22.1 | 21.9 |
| SCB Cameroun | E2 | Cameroon | Full | | 65.0 | | 65.0 |
| **Other** | | | | | | | |
| Belgium Crédit Agricole S.A.S. | | Belgium | Equity | 10.0 | 10.0 | 33.1 | 32.8 |
| Bespar | | Portugal | Equity | 32.6 | 32.6 | 32.6 | 32.6 |
| Emporiki Development & Real Estate Management | E3 | Greece | Full | | 100.0 | | 91.0 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control 31/12/2011 | % control 31/12/2010 | % interest 31/12/2011 | % interest 31/12/2010 |
|---|---|---|---|---|---|---|---|
| Emporiki Group Finance P.l.c. | | United Kingdom | Full | 100.0 | 100.0 | 95.0 | 91.0 |
| IUB Holding | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Keytrade | | Belgium | Equity | 5.0 | 5.0 | 22.1 | 21.9 |
| ***Specialised financial services*** | | | | | | | |
| **Banks and financial institutions** | | | | | | | |
| Aetran Administrative Dientverlening B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Agos S.p.A. | | Italy | Full | 61.0 | 61.0 | 61.0 | 61.0 |
| Alsolia | | France | Equity | 20.0 | 20.0 | 20.0 | 20.0 |
| Antera Incasso B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Assfibo Financieringen B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| BC Finance | | France | Full | 55.0 | 55.0 | 55.0 | 55.0 |
| BCC Credito Consumo | I1 | Italy | Equity | 40.0 | | 24.4 | |
| CREALFI | | France | Full | 51.0 | 51.0 | 51.0 | 51.0 |
| Credibom | | Portugal | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Credicom Consumer Finance Bank S.A. | | Greece | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crediet Maatschappij “De Ijssel” B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Commercial Finance Polska S.A. | I2 | Poland | Full | 100.0 | | 100.0 | |
| Crédit Agricole Consumer Finance | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Consumer Finance Nederland | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Lift S.p.A. | | Italy | Full | 100.0 | 100.0 | 61.0 | 61.0 |
| Creditplus Bank AG | | Germany | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Credium Slovakia, a.s. | | Slovakia | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Dan-Aktiv | | Denmark | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| De Kredietdesk B.V. | O3 | Netherlands | Full | 100.0 | | 100.0 | |
| Dealerservice B.V. | O3 | Netherlands | Full | 100.0 | | 100.0 | |
| DMC Groep N.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| DNV B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| EFL Services | | Poland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Eurofactor AG (Allemagne) | | Germany | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Eurofactor France | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Eurofactor Hispania S.A. | | Spain | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Eurofactor Italia S.p.A. | | Italy | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Eurofactor S.A./NV (Belgique) | | Belgium | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Eurofactor UK (Angleterre) | E2 | United Kingdom | Full | | 100.0 | | 100.0 |
| Eurofactor S.A. (Portugal) | | Portugal | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Eurofintus Financieringen B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Euroleenlijn B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| FC France S.A. | | France | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Bank Germany GmbH | | Germany | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Bank GmbH | | Austria | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital Belgium S.A. | | Belgium | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital Danmark A/S | | Denmark | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control 31/12/2011 | % control 31/12/2010 | % interest 31/12/2011 | % interest 31/12/2010 |
|---|---|---|---|---|---|---|---|
| FGA Capital Hellas S.A. | | Greece | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital IFIC | | Portugal | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital Ireland Plc | | Ireland | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital Lux S.A. | E4 | Luxembourg | Proportionate | | 50.0 | | 50.0 |
| FGA Capital Netherlands B.V. | | Netherlands | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital Re Limited | | Ireland | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital S.p.A. | | Italy | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital Spain EFC S.A. | | Spain | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital UK Ltd. | | United Kingdom | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Distribuidora | | Portugal | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Insurance Hellas S.A. | | Greece | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Leasing Polska | | Poland | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Leasing GmbH | | Austria | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Wholesale UK Ltd. | | United Kingdom | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| Fiat Bank Polska S.A. | | Poland | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| Fidis Finance Polska Sp. Zo.o. | | Poland | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| Fidis Finance S.A. | | Switzerland | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| Finalia | | Belgium | Equity | 49.0 | 49.0 | 49.0 | 49.0 |
| Financierings Data Netwerk B.V. | O3 | Netherlands | Full | 44.0 | | 44.0 | |
| Financieringsmaatschappij Mahuko N.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Finaref AB | | Sweden | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Finaref AS | | Norway | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Finaref OY | | Finland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Finata Bank N.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Finata Sparen N.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Finata Zuid-Nederland B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| FL Auto S.N.C. | | France | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FL Location S.N.C. | | France | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FORSO Denmark | | Denmark | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FORSO Finland | | Finland | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FORSO Norway | | Norway | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FORSO Sweden | | Sweden | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| GAC - Sofinco Auto Finance Co. Ltd. | | China | Equity | 50.0 | 50.0 | 50.0 | 50.0 |
| IDM Finance B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| IDM Financieringen B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| IDM lease maatschappij N.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Iebe Lease B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| InterBank N.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| J.J.P. Akkerman Financieringen B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Krediet '78 B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Logos Finanziaria S.p.A. | | Italy | Full | 94.8 | 94.8 | 57.8 | 57.8 |
| Mahuko Financieringen B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control 31/12/2011 | % control 31/12/2010 | % interest 31/12/2011 | % interest 31/12/2010 |
|---|---|---|---|---|---|---|---|
| Matriks N.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| MENAFINANCE | | France | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| Money Care B.V. | O3 | Netherlands | Full | 100.0 | | 100.0 | |
| New Theo | | United Kingdom | Full | 100.0 | 50.0 | 100.0 | 50.0 |
| NVF Voorschotbank B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Regio Kredietdesk B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Ribank | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Sedef | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Tunisie Factoring | | Tunisia | Equity | 36.4 | 36.4 | 36.4 | 36.4 |
| VoordeelBank B.V. | | Netherlands | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Wafasalaf | | Morocco | Equity | 49.0 | 49.0 | 49.0 | 49.0 |
| **Lease financing companies** | | | | | | | |
| Auxifip | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Carefleet S.A. | | Poland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Climauto | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Leasing & Factoring | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Leasing Italia | | Italy | Full | 100.0 | 100.0 | 78.7 | 78.7 |
| Crédit du Maroc Leasing | | Morocco | Full | 100.0 | 100.0 | 84.7 | 84.5 |
| Credium | | Czech Republic | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Emporiki Leasing S.A. | | Greece | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Emporiki Rent Long Term Leasing of Vehicles S.A. | | Greece | Full | 99.7 | 99.6 | 99.7 | 99.6 |
| Etica | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Europejski Fundusz Leasingowy (E.F.L.) | | Poland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| FAL Fleet Services S.A.S. | | France | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Capital Services Spain S.A. | | Spain | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| FGA Contracts UK Ltd. | | United Kingdom | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| Finamur | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Leasys S.p.A. | | Italy | Proportionate | 50.0 | 50.0 | 50.0 | 50.0 |
| Lixxbail | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Lixxcourtage | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Lixxcredit | | France | Full | 99.9 | 99.9 | 99.9 | 99.9 |
| NVA (Négoce Valorisation des Actifs) | | France | Full | 99.9 | 99.9 | 99.9 | 99.9 |
| Ucalease | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Unifergie | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| **Investment companies** | | | | | | | |
| Argence Investissement S.A.S. | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Argence Participation | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Nordic Consumer Finance A/S (formerly Nordic Consumer Finans) | O1 | Denmark | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| **Insurance** | | | | | | | |
| ARES Reinsurance Ltd. (formerly Arès) | O1 | Ireland | Full | 100.0 | 100.0 | 61.0 | 61.0 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control | | % interest | |
|---|---|---|---|---|---|---|---|
| | | | | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| **Other** | | | | | | | |
| CCDS (Carte Cadeaux Distribution Services) | | France | Equity | 49.0 | 49.0 | 49.0 | 49.0 |
| Clientys | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit LIFT | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Eda | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| EFL Finance S.A. | | Poland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Emporiki Credicom Insurance Brokers S.A. | | Greece | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GEIE Argence Développement | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Sofinco Participations | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Valris | E4 | France | Full | | 100.0 | | 100.0 |
| ***Asset management, insurance and private banking*** | | | | | | | |
| **Banks and financial institutions** | | | | | | | |
| ABC-CA Fund Management CO | I1 | China | Equity | 33.3 | | 24.5 | |
| Aguadana S.L. | | Spain | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Amundi | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi (UK) Ltd. | | United Kingdom | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi AI Holding | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi AI LLC (formerly Amundi Investment Solutions Americas Holding Inc.) | O1 | United States | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi AI S.A.S. | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Alternative Investments Inc. | E4 | United States | Full | | 100.0 | | 73.6 |
| Amundi Alternative Investments Ltd. | | Bermuda | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Finance | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Group | | France | Full | 73.6 | 73.6 | 73.6 | 73.6 |
| Amundi Hellas MFMC S.A. | | Greece | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Hong Kong Ltd. | | Hong Kong | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Iberia S.G.I.I.C S.A. | | Spain | Full | 100.0 | 100.0 | 84.5 | 84.5 |
| Amundi Immobilier | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi India Holding | I1 | France | Full | 100.0 | | 73.6 | |
| Amundi Intermédiation | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Investment Solutions | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Investment Solutions Americas LLC | E4 | United States | Full | | 100.0 | | 73.6 |
| Amundi Japan | | Japan | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Japan Holding | | Japan | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Japan Securities Cy Ltd. | | Japan | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Luxembourg S.A. | | Luxembourg | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Private Equity Funds | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Real Estate Italia SGR S.p.A. | | Italy | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi SGR S.p.A. | | Italy | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Singapore Ltd. | | Singapore | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Suisse | I1 | Switzerland | Full | 100.0 | | 73.6 | |
| BFT Gestion | | France | Full | 100.0 | 100.0 | 73.6 | 100.0 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control 31/12/2011 | % control 31/12/2010 | % interest 31/12/2011 | % interest 31/12/2010 |
|---|---|---|---|---|---|---|---|
| BGP Indosuez | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole (Suisse) S.A. | | Switzerland | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Brasil DTVM | | Brazil | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Luxembourg | | Luxembourg | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| CACEIS (Bermuda) Ltd. | | Bermuda | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS (Canada) Ltd. | | Canada | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS (Cayman) Ltd. (formerly Olympia Capital Ltd. Cayman) | O1 | Cayman Islands | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS (USA) Inc. | | United States | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS Bank | | France | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS Bank Deutschland GmbH | | Germany | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS Bank Luxembourg | | Luxembourg | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS Belgium (formerly Fastnet Belgique) | O1 | Belgium | Full | 100.0 | 52.2 | 85.0 | 44.4 |
| CACEIS Corporate Trust | | France | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS Fund Administration (formerly CACEIS Fastnet) | O1 | France | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS Irland (formerly CACEIS Fastnet Irlande Ltd.) | O1 | Ireland | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CACEIS Netherlands (formerly Fastnet Pays-Bas) | O1 | Netherlands | Full | 100.0 | 52.2 | 85.0 | 44.3 |
| CACEIS Switzerland (formerly CACEIS Fastnet Suisse) | O1 | Switzerland | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| CPR AM | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Crédit Agricole Suisse (Bahamas) Ltd. (formerly CA (Suisse) Bahamas) | O1 | Bahamas | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Foncier de Monaco | | Monaco | Full | 70.1 | 70.1 | 67.4 | 67.4 |
| CREELIA | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Etoile Gestion | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| European Partners in Emerging Markets Inc. (ex E.P.E.M. Inc.) | O1 | United States | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Fastnet Luxembourg | E4 | Luxembourg | Full | | 100.0 | | 85.0 |
| Finanziaria Indosuez International Ltd. | | Switzerland | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Fund Channel | | Luxembourg | Equity | 50.0 | 50.0 | 36.8 | 36.8 |
| Gestion Privée Indosuez (G.P.I) | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| IDEAM | E4 | France | Full | | 100.0 | | 73.6 |
| IKS KB | | Czech Republic | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Investor Service House S.A. | | Luxembourg | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| NH-CA Asset Management Ltd. | | South Korea | Equity | 40.0 | 40.0 | 29.4 | 29.4 |
| Partinvest S.A. | | Luxembourg | Full | 100.0 | 100.0 | 85.0 | 85.0 |
| SGAM Deutschland | E3 | Germany | Full | | 100.0 | | 73.6 |
| SGAM Iberia | E4 | Spain | Full | | 100.0 | | 84.5 |
| SGAM Singapore Ltd | E3 | Singapore | Full | | 100.0 | | 73.6 |
| Société Générale Gestion (S2G) | | France | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| State Bank of India Fund Management | I3 | India | Equity | 37.0 | | 27.2 | |
| Winchester Fiduciary Services Ltd. | E2 | Bermuda | Full | | 100.0 | | 85.0 |
| Winchester Global Trust Company Ltd. | E2 | Bermuda | Full | | 100.0 | | 85.0 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control | | % interest | |
|---|---|---|---|---|---|---|---|
| | | | | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| **Stockbrokers** | | | | | | | |
| Crédit Agricole Van Moer Courtens | I3 | Luxembourg | Full | 85.0 | | 83.1 | |
| **Investment companies** | | | | | | | |
| CACEIS S.A. | | France | Full | 85.0 | 85.0 | 85.0 | 85.0 |
| CAI BP Holding | E5 | France | Full | | 100.0 | | 97.8 |
| Lyra Capital LLC | | United States | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| **Insurance** | | | | | | | |
| Assurances Mutuelles Fédérales | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| BES Seguros | | Portugal | Full | 50.0 | 50.0 | 55.1 | 56.0 |
| BES Vida | | Portugal | Full | 50.0 | 50.0 | 60.2 | 61.9 |
| BFT opportunité | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Assicurazioni | | Italy | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| CACI Life Limited | | Ireland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| CACI Non Life Limited | | Ireland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| CACI Reinsurance Ltd. (ex CACI RE) | O1 | Ireland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Assurances (CAA) | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Assurances Italia Holding | | Italy | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Creditor Insurance (CACI) | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Life Insurance Company Japan Ltd. | | Japan | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Life Insurance Europe | | Luxembourg | Full | 100.0 | 100.0 | 99.9 | 99.9 |
| Crédit Agricole Reinsurance S.A. | | Luxembourg | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Vita S.p.A. | | Italy | Full | 100.0 | 100.0 | 87.5 | 87.5 |
| Dolcea Vie | | Italy | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Edram opportunités | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Emporiki Life | | Greece | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| FCPR CAA Compart. Part. A1 | I2 | France | Full | 100.0 | | 100.0 | |
| FCPR CAA Compart. Part. A2 | I2 | France | Full | 100.0 | | 100.0 | |
| FCPR CAA Compart. Part. A3 | I2 | France | Full | 100.0 | | 100.0 | |
| FCPR Roosevelt Investissements | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Federval | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Finaref Assurances | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Finaref Risques Divers | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Finaref Vie | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Foncière Hypersud | | France | Proportionate | 51.4 | 51.4 | 51.4 | 51.4 |
| GRD1 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD10 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD11 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD12 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD14 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD16 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD17 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD18 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control | | % interest | |
|---|---|---|---|---|---|---|---|
| | | | | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| GRD19 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD2 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD20 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD3 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD4 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD5 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD7 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD8 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GRD9 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Médicale de France | | France | Full | 99.8 | 99.8 | 99.8 | 99.8 |
| Pacifica | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2005 FCPR A | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2006 FCPR A | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2006-2007 FCPR | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2007 FCPR A | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2007 FCPR C | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2008 FCPR A1 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2008 FCPR A2 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2008 FCPR A3 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2010 FCPR A1 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2010 FCPR A2 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica 2010 FCPR A3 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica Secondaires I A1 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica Secondaires II A1 | I2 | France | Full | 100.0 | | 100.0 | |
| Predica Secondaires I B1 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Predica Secondaires II B1 | I2 | France | Full | 100.0 | | 100.0 | |
| Prediquant actions Amérique | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Prediquant actions Asie | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Prediquant actions Europe | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Prediquant opportunité | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Prediquant reflex 100 | E2 | France | Full | | 100.0 | | 100.0 |
| Prediquant Stratégies | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Space Holding (Ireland) Limited | | Ireland | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Space Lux | | Luxembourg | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Spirica | I3 | France | Full | 100.0 | | 100.0 | |
| **Other** | | | | | | | |
| Amundi Alternative Investments Services Inc. | | United States | Full | 100.0 | 100.0 | 73.6 | 73.6 |
| Amundi Informatique Technique Services (formerly Segespar Informatique Technique Services) | O1 | France | Full | 99.8 | 99.8 | 76.0 | 76.0 |
| CACI Gestion | | France | Full | 100.0 | 100.0 | 99.0 | 99.0 |
| Crédit Agricole Private Banking | I2 | France | Full | 100.0 | | 97.8 | |
| C.A.P.B. Levante | | Spain | Full | 100.0 | 100.0 | 97.8 | 97.8 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control | | % interest | |
|---|---|---|---|---|---|---|---|
| | | | | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| C.A.P.B. Norte | | Spain | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| SAS CAAGIS | | France | Full | 50.0 | 50.0 | 62.9 | 62.8 |
| SCI La Baume | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Via Vita | | Italy | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| ***Corporate and investment banking*** | | | | | | | |
| **Banks and financial institutions** | | | | | | | |
| Al BK Saudi Al Fransi - BSF | | Saudi Arabia | Equity | 31.1 | 31.1 | 30.4 | 30.4 |
| Calyon Algérie | | Algeria | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB Australia Ltd. | | Australia | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB China Ltd. | | China | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB Merchant Bank Asia Ltd. | | Singapore | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB S.A. | | France | Full | 97.8 | 97.8 | 97.8 | 97.8 |
| Crédit Agricole CIB Services Private Ltd. | | India | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB ZAO Russia | | Russia | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Yatirim Bankasi Turk A.S. | | Turkey | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Himalia P.l.c. | | United Kingdom | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| INCA SARL | | Luxembourg | Full | 65.0 | 65.0 | 63.6 | 63.6 |
| LF Investments | O2 | United States | Full | | 99.0 | | 96.8 |
| LYANE BV | | Luxembourg | Full | 65.0 | 65.0 | 63.6 | 63.6 |
| Newedge Group | | France | Proportionate | 50.0 | 50.0 | 48.9 | 48.9 |
| PJSC Crédit Agricole CIB Ukraine | | Ukraine | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| **Stockbrokers** | | | | | | | |
| Cheuvreux/CLSA Global Portfolio Trading Pte Ltd. | | Singapore | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Cheuvreux Espana S.A. | | Spain | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Cheuvreux International Ltd. | | United Kingdom | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Cheuvreux Nordic AB | | Sweden | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Cheuvreux North America Inc. | | United States | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Chevreux S.A. | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Securities Asia BV (Tokyo) | | Japan | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| **Lease financing companies** | | | | | | | |
| Cardinalimmo | | France | Full | 49.6 | 49.6 | 48.5 | 48.5 |
| Financière Immobilière Crédit Agricole CIB | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| **Investment companies** | | | | | | | |
| Banco Crédit Agricole Brasil S.A. | | Brazil | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Cafi KEDROS | E5 | France | Full | | 100.0 | | 97.8 |
| CALYCE P.l.c. | | United Kingdom | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Calyon Capital Market International (CCMI) | E5 | France | Full | | 100.0 | | 97.8 |
| CLIFAP | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| CLINFIM | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Compagnie Française de l'Asie (CFA) | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB Air Finance S.A. | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB Capital Market Asia BV | | Netherlands | Full | 100.0 | 100.0 | 97.8 | 97.8 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control | | % interest | |
|---|---|---|---|---|---|---|---|
| | | | | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| Crédit Agricole CIB Finance (Guernsey) Ltd. | | United Kingdom | Full | 99.9 | 99.9 | 97.7 | 97.7 |
| Crédit Agricole CIB Financial Prod. (Guernsey) Ltd. | | United Kingdom | Full | 99.9 | 99.9 | 97.7 | 97.7 |
| Crédit Agricole CIB Global Banking | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB Global Partners Inc. Group | | United States | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB Holdings Ltd. | | United Kingdom | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB UK IH | | United Kingdom | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole Securities USA Inc. | | United States | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Lyonnais Securities Asia BV | | Netherlands | Full | 100.0 | 100.0 | 96.7 | 96.7 |
| Doumer Finance S.A.S. | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Ester Finance | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Fininvest | | France | Full | 98.3 | 98.3 | 96.1 | 96.1 |
| Fletirec | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| I.P.F.O. | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Mescas | E5 | France | Full | | 100.0 | | 97.8 |
| Safec | | Switzerland | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| SNC Shaun | E3 | France | Full | | 100.0 | | 97.8 |
| **Insurance** | | | | | | | |
| CAIRS Assurance S.A. | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| **Other** | | | | | | | |
| Alcor | | Hong Kong | Full | 100.0 | 98.8 | 97.8 | 96.6 |
| Aylesbury | | United Kingdom | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Bletchley Investments Limited | E2 | United Kingdom | Full | | 82.2 | | 97.8 |
| Crédit Agricole Conseil S.A. | | Luxembourg | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Calixis Finance | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Calliope SRL | | Italy | Full | 100.0 | 100.0 | 65.5 | 65.5 |
| Crédit Agricole Asia Shipfinance Ltd. | | Hong Kong | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Crédit Agricole CIB Financial Solutions | | France | Full | 99.8 | 99.7 | 97.5 | 97.5 |
| Crédit Agricole CIB LP | E5 | France | Full | | 100.0 | | 97.8 |
| Crédit Agricole CIB Preferred Funding II LLC | | United States | Full | 100.0 | 100.0 | 99.5 | 99.2 |
| Crédit Agricole CIB Preferred Funding LLC | | United States | Full | 100.0 | 100.0 | 99.7 | 99.4 |
| DGAD International SARL | | Luxembourg | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| European NPL S.A. | | Luxembourg | Full | 60.0 | 60.0 | 65.5 | 65.5 |
| Immobilière Sirius S.A. | | Luxembourg | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Indosuez Finance Limited | | United Kingdom | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Indosuez Holding SCA II | | Luxembourg | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Indosuez Management Luxembourg II | | Luxembourg | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Island Refinancing SRL | | Italy | Full | 100.0 | 100.0 | 65.5 | 65.5 |
| Korea 21st Century Trust | E1 | South Korea | Full | | 100.0 | | 97.8 |
| LSF Italian Finance Cpy SRL | | Italy | Full | 100.0 | 100.0 | 65.5 | 65.5 |
| Merisma | | France | Full | 100.0 | 100.0 | 97.8 | 97.8 |
| Sagrantino | | Netherlands | Full | 100.0 | 100.0 | 65.5 | 65.5 |
| Sagrantino Italy SRL | | Italy | Full | 100.0 | 100.0 | 65.5 | 65.5 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control 31/12/2011 | % control 31/12/2010 | % interest 31/12/2011 | % interest 31/12/2010 |
|---|---|---|---|---|---|---|---|
| SNC Doumer | | France | Full | 99.9 | 99.9 | 97.7 | 97.7 |
| SPV LDF 65 | | Luxembourg | Full | 64.9 | 64.9 | 63.5 | 63.5 |
| UBAF | | France | Proportionate | 47.0 | 47.0 | 46.0 | 46.0 |
| ***Corporate centre*** | | | | | | | |
| **Crédit Agricole S.A.** | | | | | | | |
| Crédit Agricole S.A. | | France | Parent company | 100.0 | 100.0 | 100.0 | 100.0 |
| **Banks and financial institutions** | | | | | | | |
| BFC Antilles Guyane | | France | Full | 100.0 | 100.0 | 95.1 | 95.1 |
| BFT (Banque Financement et Trésorerie) | | France | Full | 100.0 | 100.0 | 97.8 | 100.0 |
| Caisse régionale de Crédit Agricole mutuel de la Corse | | France | Full | 99.9 | 99.9 | 99.9 | 99.9 |
| CL Développement de la Corse | | France | Full | 99.9 | 99.9 | 99.9 | 99.9 |
| Crédit Agricole Home Loan SFH (formerly Crédit Agricole Covered Bonds) | O1 | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| FIA-NET | | France | Full | 50.0 | 100.0 | 50.0 | 100.0 |
| Foncaris | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| **Investment companies** | | | | | | | |
| Crédit Agricole Capital Investissement et Finance (CACIF) | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Crédit Agricole Private Equity | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Delfinances | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Eurazeo | | France | Equity | 25.4 | 25.0 | 18.6 | 19.2 |
| IDIA-Sodica | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| **Other** | | | | | | | |
| CA Grands Crus | | France | Full | 100.0 | 100.0 | 82.5 | 82.5 |
| CA Preferred Funding LLC | | United States | Full | 100.0 | 100.0 | 6.5 | 6.5 |
| Cedicam | | France | Full | 50.0 | 50.0 | 63.0 | 62.8 |
| CPR Holding (CPRH) | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| CPR Investissement (INVT) | E5 | France | Full | | 100.0 | | 100.0 |
| Crédit Agricole Immobilier | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| FIA-NET Europe | I2 | Luxembourg | Full | 50.0 | | 50.0 | |
| Finasic | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| GIE Silca | | France | Full | 100.0 | 100.0 | 99.3 | 99.3 |
| S.A.S. Evergreen Montrouge | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| SCI D2 CAM | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| SCI Max Hymans | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| SCI Pasteur 3 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| SCI Quentyvel | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| SCI Raspail | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| SIS (Société Immobilière de la Seine) | | France | Full | 72.9 | 72.9 | 79.8 | 79.7 |
| SNC Kalliste Assur | | France | Full | 100.0 | 100.0 | 99.9 | 99.9 |
| UI Vavin 1 | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Unibiens | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |

| Crédit Agricole S.A. – Scope of consolidation | (1) | Country | Method 31/12/2011 | % control | | % interest | |
|---|---|---|---|---|---|---|---|
| | | | | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| Uni-Édition | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| **Tourism - property development** | | | | | | | |
| Crédit Agricole Immobilier Promotion | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| France Capital S.A. | E4 | France | Full | | 100.0 | | 100.0 |
| Monné-Decroix Courtage S.A.S. | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Monné-Decroix Gestion S.A.S. | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Monné-Decroix Promotion S.A.S. | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Monné-Decroix Résidences S.A.S. | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |
| Selexia S.A.S. | | France | Full | 100.0 | 100.0 | 100.0 | 100.0 |

*(1) **Crédit Agricole S.A. Group – Scope of consolidation***

- *Inclusions (I) into the scope of consolidation:*
  *I1: Breach of threshold*
  *I2: Creation*
  *I3: Acquisition (including controlling interests)*
- *Exclusions (E) from the scope of consolidation:*
  *E1: Discontinuation of business (including dissolution and liquidation)*
  *E2: Sale to non-Group companies or deconsolidation following loss of control*
  *E3: Deconsolidated due to non-materiality*
  *E4: Merger or takeover*
  *E5: Transfer of all assets and liabilities*
- *Other:*
  *O1: Change of company name*
  *O2: Change in consolidation method*
  *O3: First time listed in the Note on scope of consolidation*

# Statutory Auditors' report on the consolidated financial statements

*This is a free translation into English of the Statutory Auditors' report issued in French. It is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information required specifically by French law in such reports, whether qualified or not. This information presents below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.*

*This report should be read and construed in accordance with French law and professional auditing standards applicable in France.*

Year ended December 31, 2011

To the shareholders:

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended December 31, 2011 on:

- the audit of the accompanying consolidated financial statements of Crédit Agricole S.A.;
- the justification of our assessments;
- the specific verification required by law.

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

## I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform procedures to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities and of the financial position of the Group as of December 31, 2011, as well as of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## II. Justification of our assessments

The accounting estimates reflected in the consolidated financial statements as at December 31, 2011 were made in a context of uncertainty arising as a result of the sovereign debt crisis of some eurozone countries (most notably Greece) combined with an economic and a liquidity crisis, resulting in a lack of visibility on economic prospects. In that context and in accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de Commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- Your Group accounts for impairment reserves to cover identified credit risk, which are inherent to its business activities. We have reviewed the procedures implemented by management to identify and assess these risks and to determine the amount of impairment considered necessary, and we have verified that these accounting estimates were based on documented methods that comply with the principles described in Note 1.3 to the consolidated financial statements.
- As stated in Notes 1.3, 6.7 and 10.2 to the consolidated financial statements, your Group uses internal models to assess the fair value of certain financial instruments that are not traded on an active market including in 2011 the Greek Government Bonds. We have reviewed the control procedures around these models, the assumptions used and the way the risks associated with such instruments are taken into consideration.
- As stated in Note 2.1 to the consolidated financial statements, your Group is exposed to the economic crisis in Greece primarily through its subsidiary Emporiki Bank. Based on the information available to date, we have reviewed the processes implemented by management to assess the related risks and assessed the appropriateness of the related accounting estimates as well as the disclosures included in the consolidated financial statements.
- As stated in Note 1.3 to the consolidated financial statements, in order to determine the fair value of the issued securities accounted for at fair value through profit and loss, your Group has measured the impact its own credit risk. We have reviewed the appropriateness of the methods and assumptions used for this purpose and verified that these accounting estimates are based on documented procedures consistent with the principles described in the financial statements.
- As stated in Notes 1.3, 2.2 and 2.5 to the consolidated financial statements, your Group has performed impairment tests on goodwills and investments in equity affiliates. We have reviewed the terms and conditions related to these tests, the main parameters and assumptions used, and have verified that the presentation in the notes to the consolidated financial statements was appropriate.
- As part of its process of preparation of the consolidated financial statements, your Group has made other accounting estimates, as explained in Note 1.3 to the consolidated financial statements, in particular regarding the valuation and impairment of non-consolidated equity securities, the pension and future employee benefits engagements, reserves for operational risks, reserves for legal risks, deferred taxes assets and the recognition of the deferred profit sharing reserve and the justification of the recoverable nature of that asset. In 2011, your Group has recorded restructuring provisions as mentioned in notes 2.1 and 4.6 of the consolidated financial statements. We have reviewed the methods and assumptions used and ensured that the accounting estimates are appropriately documented in conformity with the principles described in Note 1.3 of the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information on the Group presented in the management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 14, 2012

The Statutory Auditors

| PricewaterhouseCoopers Audit | ERNST & YOUNG et Autres |
|---|---|
| Catherine Pariset | Valérie Meeus |

# Parent company financial statements

## at 31 December 2011, approved by the Board of Directors of Crédit Agricole S.A. on 22 February 2012

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# Financial statements

## BALANCE SHEET AT 31 DECEMBER 2011

### ASSETS

| *(in millions of euros)* | Notes | 31/12/2011 | 31/12/2010 |
|---|---|---|---|
| **Cash, money market and interbank items** | | **165,210** | **139,785** |
| Cash due from central banks | | 1,519 | 3,396 |
| Treasury bills and similar securities | 5 | 22,087 | 20,262 |
| Loans and receivables to credit institutions | 3 | 141,604 | 116,127 |
| **Crédit Agricole internal transactions** | **3** | **275,765** | **260,735** |
| **Loans and receivables to customers** | **4** | **2,983** | **2,475** |
| **Portfolio securities** | | **31,704** | **33,904** |
| Bonds and other fixed-income securities | 5 | 31,101 | 33,289 |
| Equities and other variable-income securities | 5 | 603 | 615 |
| **Fixed assets** | | **67,755** | **69,470** |
| Equity investments and other long-term equity investments | 6-7 | 9,855 | 11,365 |
| Investments in subsidiaries and affiliates | 6-7 | 57,701 | 57,910 |
| Intangible assets | 7 | 41 | 35 |
| Property, plant and equipment | 7 | 158 | 160 |
| **Due from shareholders – unpaid capital** | | | |
| **Treasury shares** | **8** | **30** | **92** |
| **Accruals, prepayments and sundry assets** | | **27,586** | **23,008** |
| Other assets | 9 | 5,503 | 4,180 |
| Accruals and prepayments | 9 | 22,083 | 18,828 |
| **TOTAL ASSETS** | | **571,033** | **529,469** |

### EQUITY AND LIABILITIES

| *(in millions of euros)* | Notes | 31/12/2011 | 31/12/2010 |
|---|---|---|---|
| **Money market and interbank items** | | **126,252** | **83,974** |
| Due to central banks | | | 1 |
| Due to credit institutions | 11 | 126,252 | 83,973 |
| **Crédit Agricole internal transactions** | **11** | **44,965** | **31,911** |
| **Due to customers** | **12** | **218,912** | **221,644** |
| **Debt securities** | **13** | **82,187** | **92,593** |
| **Accruals, deferred income and sundry liabilities** | | **27,051** | **19,686** |
| Other liabilities | 14 | 4,935 | 1,940 |
| Accruals and deferred income | 14 | 22,116 | 17,746 |
| **Provisions and subordinated debt** | | **38,922** | **43,126** |
| Provisions | 15-16-17 | 2,322 | 1,644 |
| Subordinated debt | 19 | 36,600 | 41,482 |
| **Fund for general banking risks (FGBR)** | **18** | **904** | **876** |
| **Equity (excluding FGBR)** | **20** | **31,840** | **35,659** |
| Share capital | | 7,494 | 7,205 |
| Share premium | | 22,452 | 21,830 |
| Reserves | | 2,827 | 2,827 |
| Revaluation adjustments | | | |
| Regulated provisions and investment subsidies | | 8 | 2 |
| Retained earnings | | 2,715 | 4,347 |
| Net income for the financial year | | (3,656) | (552) |
| **TOTAL EQUITY AND LIABILITIES** | | **571,033** | **529,469** |

## OFF-BALANCE SHEET AT 31 DECEMBER 2011

| *(in millions of euros)* | Notes | 31/12/2011 | 31/12/2010 |
|---|---|---|---|
| **COMMITMENTS GIVEN** | | **61,130** | **56,296** |
| Financing commitments | 26 | 33,315 | 33,068 |
| Guarantee commitments | 26 | 27,804 | 22,437 |
| Commitments on securities | | 11 | 790 |

| *(in millions of euros)* | | 31/12/2011 | 31/12/2010 |
|---|---|---|---|
| **COMMITMENTS RECEIVED** | | **56,785** | **45,959** |
| Financing commitments | 26 | 38,823 | 43,118 |
| Guarantee commitments | 26 | 17,951 | 2,701 |
| Commitments on securities | | 11 | 140 |

## INCOME STATEMENT AT 31 DECEMBER 2011

| *(in millions of euros)* | Notes | 31/12/2011 | 31/12/2010 |
|---|---|---|---|
| Interest and similar income | 27-28 | 14,092 | 12,959 |
| Interest and similar expenses | 27 | (15,407) | (14,043) |
| Income from variable-income securities | 28 | 3,669 | 2,787 |
| Fee and commission income | 29 | 679 | 790 |
| Fee and commission expenses | 29 | (1,171) | (1,337) |
| Net gains (losses) on trading book | 30 | (231) | (60) |
| Net gains (losses) on available-for-sale portfolios | 31 | (415) | (138) |
| Other banking income | 32 | 59 | 98 |
| Other banking expenses | 32 | (90) | (128) |
| **Revenues** | | **1,185** | **928** |
| Operating expenses | 33 | (721) | (734) |
| Depreciation and impairment of property, plant & equipment and intangible assets | | (13) | (11) |
| **Gross operating income** | | **451** | **183** |
| Cost of risk | 34 | (295) | (17) |
| **Operating income** | | **156** | **166** |
| Net income on fixed assets | 35 | (4,979) | (1,832) |
| **Pre-tax income on ordinary activities** | | **(4,823)** | **(1,666)** |
| Net extraordinary items | | | |
| Income tax charge | 36 | 1,201 | 1,136 |
| Net allocation to FGBR and regulated provisions | | (34) | (22) |
| **NET INCOME FOR THE FINANCIAL YEAR** | | **(3,656)** | **(552)** |

# Notes to the financial statements

## Note 1 Legal and financial background – Significant events in 2011

### 1.1 Legal and financial background

Crédit Agricole S.A. is a French Limited Liability Company (*Société Anonyme*) with a share capital of €7,494,062 thousand, divided into 2,498,020,537 shares with a par value of 3 euros each.

As of 31 December 2011, the share capital of Crédit Agricole S.A. was held as follows:

- 56.25% by SAS Rue La Boétie;
- 43.47% free float (including employees).

In addition, Crédit Agricole S.A. held 6,969,381 treasury shares at 31 December 2011, representing 0.28% of its share capital, compared with 9,324,639 treasury shares at 31 December 2010.

Crédit Agricole's Regional Banks are co-operative companies whose status and operating procedures are defined by laws and regulations codified in the French Monetary and Financial Code. Crédit Agricole S.A. in turn holds around 25% of the cooperative associate certificates (*Certificats Coopératifs d'Associés*) and/or the cooperative investment certificates (*Certificats Coopératifs d'Investissement*) issued by the Regional Banks (except for *Caisse régionale de la Corse* which is wholly owned by Crédit Agricole S.A.).

Crédit Agricole S.A. co-ordinates the activities of the Regional Banks, grants them advances of funds that they collect in its name, centralises their liquidity surpluses and exercises a statutory right of supervision over them in accordance with the French Monetary and Financial Code. This relationship is described in more detail in the following section: "1.2 Crédit Agricole internal funding mechanisms".

France's Banking Act of 24 January 1984, incorporated within the French Monetary and Financial Code, has confirmed Crédit Agricole S.A.'s role as central body. In this respect, Crédit Agricole S.A. represents the Regional Banks vis-à-vis the Bank of France and the French Prudential Supervisory Authority (ACP, formerly the *Comité des Établissements de Crédit et des Entreprises d'Investissement* and the French Banking Commission).

Crédit Agricole S.A.'s task is to ensure the cohesion and proper functioning of the network, as well as compliance with operating standards designed to guarantee its liquidity and solvency.

Crédit Agricole S.A. exercises administrative, technical and financial supervision over the Regional Banks' organisation and management. It guarantees the liquidity and solvency of both the Crédit Agricole network as a whole and of each of the affiliated credit institutions. Similarly, the Regional Banks guarantee Crédit Agricole S.A.'s liabilities up to the amount of their equity.

### 1.2 Crédit Agricole internal funding mechanisms

Affiliation with Crédit Agricole Group moreover means being part of a system of financial relationships that operates as described below:

#### REGIONAL BANKS' CURRENT ACCOUNTS

Each Regional Bank holds a current account with Crédit Agricole S.A., which records the financial movements resulting from internal financial transactions within the Group. This account may be in credit or debit and is presented in the balance sheet under "Crédit Agricole internal transactions – Current accounts".

#### SPECIAL SAVINGS ACCOUNTS

Funds held in special savings accounts (popular savings plans and accounts, sustainable development passbook accounts, home purchase savings plans and accounts, youth passbook accounts and Livret A passbook savings accounts) are collected by the Regional Banks on behalf of Crédit Agricole S.A. These funds are transferred to the latter, on a compulsory basis. Crédit Agricole S.A. recognises them on its balance sheet as "Due to customers".

#### TERM DEPOSITS AND ADVANCES

The Regional Banks also collect savings funds (passbook accounts, bonds, certain term accounts and related accounts, etc.) on behalf of Crédit Agricole S.A. These funds are transferred to Crédit Agricole S.A. and are recognised as such on its balance sheet.

Special savings accounts and term deposits and advances are used by Crédit Agricole S.A. to make "advances" (loans) to the Regional Banks, enabling them to fund their medium and long-term loans.

A series of four internal financial reforms has been implemented. These reforms have permitted the transfer back to the Regional Banks, in the form of "advances" (loans) of a specific percentage of the funds collected by them (first 15%, 25%, then 33% and, lastly, with effect since 31 December 2001, 50%), *via* "mirror advances" with maturities and interest rates precisely matching those of the savings funds received, and which they are free to use at their discretion.

Since 1 January 2004, the financial margins generated by the centralised management of funds collected (and not transferred back *via* mirror advances) are shared by the Regional Banks and Crédit Agricole S.A. and are determined by using replacement models and applying market rates.

Furthermore, 50% of new loans written since 1 January 2004 and falling within the field of application of financial relations between Crédit Agricole S.A. and the Regional Banks may be refinanced in the form of advances negotiated at market rates with Crédit Agricole S.A.

Hence, there are currently two types of advances: advances governed by financial rules before 1 January 2004 and those governed by the new rules.

Crédit Agricole S.A. may also make additional financing available to the Regional Banks at market rates.

### TRANSFER OF REGIONAL BANKS' LIQUIDITY SURPLUSES

The Regional Banks may use their "monetary" deposits (demand deposits, non-centralised term deposits and negotiable certificates of deposit) to finance lending to their customers. Surpluses must be transferred to Crédit Agricole S.A., where they are booked as current or term accounts, under "Crédit Agricole internal transactions".

### INVESTMENT OF REGIONAL BANKS' SURPLUS CAPITAL WITH CRÉDIT AGRICOLE S.A.

Available surplus capital may be invested with Crédit Agricole S.A. in the form of three- to ten-year instruments with the same characteristics of interbank money market transactions in all respects.

### FOREIGN CURRENCY TRANSACTIONS

Crédit Agricole S.A. represents the Regional Banks with respect to the Bank of France and centralises their foreign currency transactions.

### MEDIUM AND LONG-TERM NOTES ISSUED BY CRÉDIT AGRICOLE S.A.

These are placed mainly on the market or by the Regional Banks with their customers. They are booked by Crédit Agricole S.A. under liabilities either as "Debt securities" or as "Subordinated debt", depending on the type of security issued.

### HEDGING OF LIQUIDITY AND SOLVENCY RISKS

In 2001, ahead of Crédit Agricole S.A.'s initial public offering, CNCA (which subsequently became Crédit Agricole S.A.) entered into an agreement with the Regional Banks governing internal relations within the Crédit Agricole Group. This agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any affiliate experiencing difficulties. The main provisions of this agreement are set out in Chapter III of the registration document filed by Crédit Agricole S.A. with the *Commission des Opérations de Bourse* on 22 October 2001 under number R. 01-453. The fund was initially allocated €609.8 million. It stood at €904.1 million at 31 December 2011, this year's provision having been €28.1 million.

Furthermore, since CNCA's reorganisation as a mutual company in 1988, the Regional Banks have committed to making up any shortfall suffered by creditors should Crédit Agricole S.A. become insolvent or experience similar financial difficulties. The Regional Banks' potential commitment under this guarantee is equal to the sum of their share capital.

### "SWITCH" GUARANTEES

The "Switch" mechanism established on 23 December 2011 forms part of the financial arrangements between Crédit Agricole S.A., as central body, and the mutual network of the Crédit Agricole Regional Banks.

This enables the transfer of the regulatory requirements applying to Crédit Agricole S.A.'s interests in the Regional Banks, which are accounted for under the equity method in the consolidated financial statements of Crédit Agricole S.A. This transfer to the Regional Banks is achieved by means of a guarantee mechanism granted by them to Crédit Agricole S.A. with respect to contractual minimum equity-accounted values for the cooperative investment certificates and the cooperative associate certificates issued by the Regional Banks. This minimum is specified at the outset of the transaction.

The mechanism is guaranteed by means of a security deposit paid by the Regional Banks to Crédit Agricole S.A.

As a result, the mechanism protects Crédit Agricole S.A. from a fall in the overall equity-accounted value of the Regional Banks. In effect, once a fall in value is identified, the guarantee mechanism is activated and Crédit Agricole S.A. is compensated by means of a deduction from the security deposit. In the event of a subsequent rise in the overall equity-accounted value, Crédit Agricole S.A., by virtue of the application of a clawback provision, must return any compensation it has previously received.

The guarantee is valid for a period of 15 years at the end of which it may be tacitly renewed. This guarantee may be terminated early, in certain circumstances and with the prior agreement of the French Prudential Supervisory Authority (ACP, *Autorité de Contrôle Prudentiel*).

The security deposit bears interest at a fixed rate, in line with the terms and conditions of long-term cash deposits. The guarantee is subject to a fixed remuneration that reflects the discounted risk and the cost of tying up shareholders' equity for the Regional Banks.

In the parent company's financial statements, the "Switch" guarantee is an off-balance sheet commitment given by the Regional Banks and symmetrically received by Crédit Agricole S.A. The total remuneration for the guarantee is staggered over the duration of the agreement and recognised within revenues under net interest income. When the guarantee is called in, the compensation is symmetrically recognised by Crédit Agricole S.A. and the Regional Banks in income under cost of risk. The clawback provision gives rise to the booking of a provision in the financial statements of Crédit Agricole S.A., the amount of which depends on the likelihood of repayment.

## 1.3 Significant events in 2011

In January 2011, Crédit Agricole S.A. completed the sale of 100% of the share capital of Credit Uruguay Banco S.A. to Banco Bilbao Vizcaya Argentaria S.A. This transaction generated a gain of €13.8 million and reflects Crédit Agricole S.A.'s strategy of refocusing its international retail banking operations in Europe and the Mediterranean basin. It represents a step forward in Crédit Agricole's new medium and long-term goal: to become market leader in universal retail banking in Europe.

In March 2011, Crédit Agricole S.A. announced its medium-term plan: "Commitment 2014". This plan reflects the Group's ambition over the next four years: "to become the European benchmark in universal retail banking". This ambition, which commits Crédit Agricole Group to profitable organic growth, is based on three priorities: stimulating organic growth, maximizing Group synergies and acting as a committed and responsible Group *vis-à-vis* its various partners.

In May 2011, Crédit Agricole S.A. announced the purchase of the outstanding capital (some 4%) in its Greek subsidiary Emporiki Bank of Greece S.A. as part of a voluntary public purchase offer. This offer was for 20,466,745 Emporiki shares at an offer price of €1.76.

Crédit Agricole S.A. thereby marked its support to Emporiki, which is committed to the updated restructuring and development plan announced on 22 June 2010.

Emporiki continued its funding policy put in place since the start of 2011, with the aim of increasing its own resources and thus reducing its level of funding from Crédit Agricole S.A. These measures reduced the amount of funding granted by Crédit Agricole S.A. to €5.5 billion at 31 December 2011.

In the payment instruments market, FIA-NET Europe, a Crédit Agricole Group subsidiary, launched "Kwixo" in June 2011. "Kwixo" is a new secure payment instrument combining money transfers between private individuals and payment on merchant websites. "Kwixo" represents an innovation and a broadening of its product offering for Crédit Agricole Group, the leader in payment instruments in France and no. 4 in Europe.

The dismantling of *Banque de financement et de trésorerie* (BFT), a subsidiary of Crédit Agricole S.A., was completed on 1 July 2011. BFT's asset management activities were taken over by the Amundi entities, while Crédit Agricole S.A. took over the portfolio of available-for-sale securities. Crédit Agricole CIB took over the lending business to local authorities, the capital markets activities as well as the legal structure.

In September 2011, the central servers of the various Crédit Agricole S.A. Group entities migrated to the Greenfield data centers, located on the outskirts of Chartres. The bulk of the Group's data are now managed from this facility.

On 16 December 2011, Crédit Agricole S.A. and Coller Capital announced the signing of an agreement for the sale by Crédit Agricole S.A. to Coller Capital of 100% of the share capital of Crédit Agricole Private Equity (CAPE) and most of the funds managed by CAPE and held by Crédit Agricole Capital Investment Finance (CACIF), a wholly owned subsidiary of Crédit Agricole S.A.

Completion of this deal is subject to receipt of the necessary authorisations from the competent authorities, that is expected to come through in the first quarter of 2012.

This decision by Crédit Agricole S.A. is part of its policy of optimising its capital allocation and refocusing its private equity business on local private equity.

Finally, on 23 December 2011, Crédit Agricole S.A. established the "Switch" mechanism, designed to transfer to the Regional Banks, by means of guarantees, the capital requirement arising from the holding of cooperative investment certificates and cooperative associate certificates issued by the Regional Banks and accounted for under the equity method in the consolidated financial statements of Crédit Agricole S.A.

In the framework of this mechanism, Crédit Agricole S.A. repaid before due date 74.5% of the shareholders' advance provided by the Regional Banks *via* SAS Rue La Boétie in 2008, and of the T3CJ hybrid capital securities subscribed by the Regional Banks in 2003 *via* SNC Courcelles, representing €1.4 and €2.8 billion respectively of the total amount agreed.

Fulfillment of the agreement is guaranteed *via* a cash pledge of €4.9 billion paid by the Regional Banks, and recorded in term loans and advances for the network. The deposit is treated as remuneration recognised in net banking income.

The guarantee was recorded as an off-balance sheet commitment for the Group for the amount of €14.7 billion; the remuneration for the guarantee is recognised in net banking income.

### MEASURES TO ADAPT CRÉDIT AGRICOLE GROUP TO THE NEW ECONOMIC ENVIRONMENT

In an economic environment marked by ongoing liquidity pressures and financial markets unsettled by the sovereign debt crisis, the euro zone crisis, and fears of recession in Europe, Crédit Agricole Group took measures to adapt to this new environment.

The objectives involve the structural reduction of the Group's debt by €50 billion between June 2011 and December 2012 and the cutting of medium and long-term market funding needs from €22 billion in 2011 to €12 billion in 2012.

The achievement of these objectives requires a reduction in funding needs in Specialised financial services and Corporate and investment banking, combined with the accelerated disposal of certain discontinuing operations.

### 1.4 Events subsequent to the 2011 reporting period

Early 2012, Emporiki benefitted from a capital increase subscribed by Crédit Agricole S.A. enabling it to re-establish its solvency. Following the recapitalisation of its subsidiary, Crédit Agricole S.A.'s capital exposure amounts to €1.3 billion.

Emporiki Bank communicated its updated business plan for the 2012-2015 period to the Bank of Greece; the plan has been updated based on the latest economic data available. Crédit Agricole S.A. will put in place the means required to execute the business plan and has also decided to participate in the bailout Greece by the private sector ("PSI"), the main terms of which were made public following the meeting of the Eurogroup on 21 February 2012. However, if the uncertainties surrounding the outlook for Greece should result in significant deterioration in the country's economic and political situation, or Emporiki Bank's operating conditions, Crédit Agricole S.A. may have to consider solutions to ensure its interests are protected.

## Note 2 Accounting policies and principles

Crédit Agricole S.A. prepares its financial statements in accordance with the accounting principles applicable to banks in France.

The presentation of Crédit Agricole S.A.'s financial statements complies with the provisions of CRB (French Banking Regulations Committee) regulation 91-01, as amended by CRC (French Accounting Regulations Committee) regulation 2000-03, on the preparation and publication of the annual parent company's financial statements of companies within the jurisdiction of the CRBF (French Banking and Financial Regulations Committee), as amended in particular in 2010 by ANC Regulation 2010-08 of 07 October 2010 on the publication of the parent company's financial statements of credit institutions.

The accounting policies and presentation of the financial statements were unchanged in 2011 from the previous financial year.

### 2.1 Loans and financing commitments

Loans and receivables to credit institutions, Crédit Agricole Group entities and customers are governed by CRC regulation 2002-03 of 12 December 2002, as amended.

They are presented in the financial statements according to their initial term or the nature of the receivable:

- demand and term deposits for banks;
- current accounts, term loans and advances for Crédit Agricole's internal transactions;
- *trade receivables and other loans and receivables to customers.*

In accordance with regulations, the customers category also includes transactions with financial customers.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type (interbank, Crédit Agricole, customers).

Amounts receivable are recognised on the balance sheet at face value.

Pursuant to CRC regulation 2009-03, the commissions and fees received and the marginal transaction costs borne are now deferred over the effective term of the loan and are thus included in the outstanding amount of the relevant loan.

Accrued interest is recognised on the balance sheet under the appropriate category of loans and advances and booked to the income statement as interest income.

Financing commitments recognised as off-balance-sheet represent irrevocable commitments to cash advances and guarantee commitments that have not resulted in fund movements.

Advances made by Crédit Agricole S.A. to the Regional Banks do not represent a direct risk for Crédit Agricole S.A. with respect to the corresponding customer loans made by the Regional Banks. They do, however, represent a potential indirect risk with respect to the financial strength of the Regional Banks. Crédit Agricole S.A. has not made any provisions for such advances to the Regional Banks.

The application of CRC regulation 2002-03 as amended relating to the accounting treatment of credit risk has prompted Crédit Agricole S.A. to recognise loans showing a risk of arrears in accordance with the following rules. External and/or internal rating systems are used to help assess whether there is a credit risk.

#### RESTRUCTURED LOANS

These are loans to counterparties in financial difficulty, such that the bank alters their initial characteristics (term, interest rate etc.) to allow borrowers to honour the repayment schedule.

Consequently, the following are not included in restructured loans:

- loans whose characteristics have been renegotiated on a commercial basis with counterparties not showing any solvency problems;
- loans whose repayment schedule has been altered due to the application of an option or contractual clause initially included in the contract (*e.g.* payment holiday and extension of the loan term).

At 31 December 2011, Crédit Agricole S.A. did not hold any restructured loans.

#### DOUBTFUL LOANS AND RECEIVABLES

Loans and receivables of all kinds, even those which are guaranteed, are classified as doubtful if they carry an identified credit risk arising from one of the following events:

- the loan or advance is at least three months in arrears (six months for mortgage loans and property leases and nine months for loans to local authorities, to take account of their specific characteristics);
- the borrower's financial position is such that an identified risk exists regardless of whether the loan or advance is in arrears;
- the bank and borrower are in legal proceedings.

For overdrafts, the age of the overdue amount is calculated as from the date on which the borrower has exceeded an authorised limit that the bank has brought to its attention, has been notified that the outstanding overdraft exceeds a limit set by the bank as part of its internal control procedures, or has drawn sums without an overdraft authorisation.

Subject to certain conditions, in lieu of the above criteria, the bank may calculate the age of the overdue amount from the date on which the bank has issued a demand for total or partial repayment of the overdraft by the borrower.

Crédit Agricole S.A. makes the following distinction between doubtful loans and receivables:

##### Doubtful debts

All doubtful loans and receivables which do not fall into the bad debt category are classified as doubtful debts.

##### Bad debts

Bad debts are those for which the prospects of recovery are highly impaired and which are likely to be written off in time.

In the case of doubtful loans and receivables, interest continues to be recognised so long as the receivable is deemed to be doubtful, but is no longer recognised after the loss has been transferred to bad debts.

#### IMPAIRMENT RESULTING FROM IDENTIFIED CREDIT RISK

Once a loan is classified as doubtful, an impairment loss is deducted by Crédit Agricole S.A. from the asset in an amount equal to the probable loss. These impairment losses represent the difference between the carrying amount of the receivable and estimated future cash flows discounted at the contractual rate, taking into account the borrower's financial condition, its business prospects and any guarantees, after deducting the cost of enforcing such guarantees.

Possible losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than individually assessed.

Probable losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.

#### ACCOUNTING TREATMENT OF DISCOUNTS AND IMPAIRMENT LOSSES

Discounts in respect of restructured loans and impairment losses against doubtful loans and receivables are recognised in profit or loss under the cost of risk. For restructured loans classified as performing, the discount is amortised to profit or loss in net interest income over the life of the loan. For restructured loans classified as doubtful and all non-restructured doubtful loans and receivables, impairment losses and reversals for non-recovery are recognised in the cost of risk and any increase in the carrying amount of the loan arising from an impairment reversal or discount amortisation over time is recognised in net interest income.

#### IMPAIRMENT RESULTING FROM CREDIT RISK NOT INDIVIDUALLY ALLOCATED TO LOANS

Crédit Agricole S.A. also books provisions on the liabilities side of the balance sheet to cover customer risks that are not individually allocated to loans, such as sector provisions and provisions calculated based on Basel 2 models. These provisions are designed to cover identified risks for which there is a statistical or historical probability of partial non-recovery against loans classified as performing or not individually impaired.

## 2.2 Securities portfolio

The rules on recognition of securities portfolios are defined by CRB regulation 90-01 as amended, inter alia, by CRC regulations 2005-01, 2008-07 and 2008-17 and, for determination of credit risk and impairment of fixed-income securities, CRC regulation 2002-03.

These securities are presented in the financial statements according to their asset class: treasury bills (treasury bonds and similar securities), bonds and other fixed-income securities (negotiable debt securities and money-market instruments) and equities and other variable-income securities.

They are classified in portfolios defined by regulation (trading, available-for-sale, held-to-maturity, portfolio, investments in subsidiaries, other long-term equity investments and investments in subsidiaries and affiliates), depending on the initial intention for holding the securities as identified in the accounting IT system at the time they were acquired.

### 2.2.1 TRADING SECURITIES

These are securities that were originally:

- bought with the intention of selling them in the near future, or sold with the intention of repurchasing them in the near future;
- or held by the bank as a result of its market-making activity. The classification of these securities as trading securities depends on the effective turnover of the securities and on a significant trading volume taking into account market opportunities.

These securities must be tradable on an active market and resulting market prices must represent real transactions regularly undertaken in the market on an arm's length basis.

Trading securities also include:

- securities bought or sold as part of specialised management of the trading portfolio, including forward financial instruments, securities or other financial instruments that are managed collectively and on which there is an indication of recent short-term profit taking;
- securities on which there is a commitment to sell as part of an arbitrage transaction on an organised exchange for financial instruments or similar market.

Other than in the cases stipulated in CRC regulation 2008-17, trading securities may not be reclassified into another accounting category. They continue to be presented and measured as trading securities until they are removed from the balance sheet after being sold, fully redeemed or written off.

Trading securities are recognised on the date they are purchased in the amount of their purchase price, excluding transaction expenses and including accrued interest.

Liabilities relating to securities sold short are recognised on the liabilities side of the seller's balance sheet in the amount of the selling price excluding transaction expenses.

At each reporting date, securities are measured at the most recent market price. The overall amount of differences resulting from price changes is taken to profit and loss and recorded under "Net gains (losses) on trading book.

### 2.2.2 AVAILABLE-FOR-SALE SECURITIES

This category consists of securities that do not fall into any other category.

The securities are recorded at purchase price, including transaction expenses.

Crédit Agricole S.A.'s portfolio of available-for-sale securities consists mostly of bonds denominated in euros and foreign currencies and mutual fund units.

- **Bonds and other fixed-income securities**

  These securities are recognised at acquisition cost including interest accrued as of the acquisition date. The difference between the purchase price and the redemption value is spread over the residual life of the security on an actuarial basis.

  Income is recorded in the income statement under "Interest income from bonds and other fixed-income securities".

- **Equities and other variable-income securities**

  Equities are recognised on the balance sheet at their purchase price including transaction expenses. The associated dividends are recorded as income under "Income from variable-income securities".

  Income from mutual funds is recognised when received under the same heading.

At each reporting date, available-for-sale securities are measured at the lower of acquisition cost and market value. If the current value of an item or a homogeneous set of securities (calculated from market prices at the reporting date, for example) is lower than its carrying amount, an impairment loss is recorded for the unrealised loss without being offset against any gains recognised on other categories of securities. Gains from hedging, as defined in Article 4 of CRB Regulation 88-02, taking the form of purchases or sales of forward financial instruments, are factored in for the purposes of calculating impairment losses. Potential gains are not recorded.

Impairment intended to take into account counterparty risk and recognised under the cost of risk is booked on fixed-income securities as follows:

- in the case of listed securities, impairment is based on market value, which intrinsically reflects credit risk. However, if Crédit Agricole S.A. has specific information on the issuer's financial position that is not reflected in the market value, a specific impairment loss is recorded;
- in the case of unlisted securities, impairment is recorded in the same way as on loans and receivables to customers based on identified probable losses (see Note 2.1 "Loans and financing commitment – Impairment resulting from identified credit risk").

Sales of securities are deemed to take place on a first-in, first-out basis.

Impairment losses and reversals and disposal gains or losses on available-for-sale securities are recorded under "Net gains (losses) on available-for-sale portfolios" in the income statement.

### 2.2.3 HELD-TO-MATURITY SECURITIES

Held-to-maturity securities are fixed-income securities with a fixed maturity date that have been acquired or transferred to this category with the manifest intention of holding them until maturity.

This category only includes securities for which Crédit Agricole S.A. has the necessary financial ability to continue holding them until maturity and that are not subject to any legal or other restriction that could interfere with its intention to hold them until maturity.

Held-to-maturity securities are recognised at their purchase price, including acquisition costs and accrued interest.

The difference between the purchase price and the redemption price is spread over the residual life of the security.

Impairment is not booked for held-to-maturity securities if their market value falls below cost. On the other hand, if the impairment arises from a risk relating specifically to the issuer of the security, impairment is recorded under "Cost of risk", in accordance with CRC regulation 2002-03 on credit risk.

In the case of the sale or reclassification to another category of held-to-maturity securities and representing a material amount, during the current financial year and the next two financial years, the reporting entity is no longer authorised to classify securities previously bought and to be bought as held-to-maturity securities, in accordance with CRC regulation 2005-01, except in the special cases provided by that regulation and by CRC regulation 2008-17.

### 2.2.4 EQUITY PORTFOLIO SECURITIES

In accordance with CRC regulation 2000-02, portfolio securities are "investments made on a normal basis, with the sole aim of securing a capital gain in the medium term, with no intention of investing in the issuer's business on a long-term basis or taking an active part in its management".

Securities can only be included in this category if the activity is carried out to a significant extent and on an ongoing basis within a structured framework and gives the reporting entity a recurring return mainly in the form of capital gains on disposals.

Crédit Agricole S.A. meets these conditions and some of its securities can be classified in this category.

Equity portfolio securities are recorded at purchase price, including transaction expenses.

They are recognised at the end of the reporting period at the lower of historical cost or value in use, which is determined on the basis of the issuer's general outlook and the estimated remaining time horizon for holding the securities.

For listed companies, value in use is generally the average quoted price over a sufficiently long period of time, depending on the estimated time horizon for holding the securities, to mitigate the impact of substantial fluctuations in stock prices.

Impairment losses are booked for any unrealised losses calculated for each line of securities, and are not offset against any unrealised gains. Unrealised losses are recorded under "Net gains (losses) on available-for-sale portfolios" along with impairment losses and reversals on these securities.

Unrealised gains are not recognised.

### 2.2.5 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES, EQUITY INVESTMENTS AND OTHER LONG-TERM EQUITY INVESTMENTS

- Investments in subsidiaries and affiliates are investments in companies that are under exclusive control and that are or are liable to be fully consolidated into a given group that can be consolidated.
- Equity investments are investments (other than affiliates), of which the long-term ownership is judged beneficial to the reporting entity, in particular because it allows it to exercise influence or control over the issuer.
- Other long-term equity investments consist of securities held with the intention of promoting long-term business relations by creating a special relationship with the issuer, but with no influence on the issuer's management due to the small percentage of voting rights held.

These securities are recognised at purchase price, including transaction expenses.

At the reporting date, the value of these securities is measured individually, based on value in use, and they are recorded on the balance sheet at the lower of historical cost or value in use.

Value in use represents the price the reporting entity would be prepared to pay to acquire these securities if it had to buy them having regard to its reasons for holding them.

Value in use may be estimated on the basis of various factors such as the issuer's profitability and prospective profitability, its equity, the economic environment, the average share price in the preceding months or the mathematical value of the security.

When value in use is lower than historical cost, impairment losses are booked for these unrealised gains and are not offset against any unrealised gains.

Impairment losses and reversals and disposal gains or losses on these securities are recorded under "Net gains (losses) on fixed assets".

### 2.2.6 MARKET PRICE

The market price at which the various categories of securities are measured is determined as follows:

- securities traded on an active market are measured at the latest price;
- if the market on which the security is traded is not or no longer considered active or if the security is unlisted, Crédit Agricole S.A. determines the likely value at which the security concerned would be traded using valuation techniques. Firstly, these techniques take into account recent transactions carried out in normal competition conditions. If required, Crédit Agricole S.A. uses valuation techniques commonly used by market participants to price these securities, when it has been demonstrated that these techniques provide reliable estimates of prices obtained in actual market transactions.

### 2.2.7 RECORDING DATES

Crédit Agricole S.A. records securities classified as held-to-maturity securities on the settlement date. Other securities, regardless of type or classification, are recognised on the trading date.

### 2.2.8 SECURITIES SOLD/BOUGHT UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements are kept on the balance sheet. The amount received, representing the liability to the buyer, is recorded as a liability.

Securities bought under repurchase agreements are not recorded on the balance sheet, but the amount paid, representing the receivable from the seller, is recorded as an asset on the balance sheet.

Securities sold under repurchase agreements are subject to the accounting principles corresponding to the portfolio from which they originate.

#### 2.2.9 RECLASSIFICATION OF SECURITIES

In accordance with CRC regulation 2008-17 of 10 December 2008, the following reclassifications are now permitted:

- from "Trading securities" to "Available-for-sale securities" or "Held-to-maturity securities" in case of exceptional market conditions or, for fixed income securities that are no longer tradable in an active market and if the entity has the intention and ability to hold the securities for the foreseeable future or until maturity;
- from "Available-for-sale securities" to "Held-to-maturity securities" in case of an exceptional market situation or for fixed income securities that are no longer tradable in an active market.

In 2011, Crédit Agricole S.A. did not make any reclassifications as allowed by CRC regulation 2008-17.

#### 2.2.10 TREASURY SHARES BUY-BACK

Treasury shares bought back by Crédit Agricole S.A., including shares and stock options held to cover stock option plans, are recognised as assets under a specific balance sheet heading.

Impairment is recorded if the current value is lower than the purchase price.

### 2.3 Fixed assets

Crédit Agricole S.A. applies CRC regulation 2002-10 of 12 December 2002 relating to the depreciation, amortisation and impairment of assets.

As a result, Crédit Agricole S.A. applies component accounting for all of its property, plant and equipment. In accordance with this regulation, the depreciable base takes account of the potential residual value of property, plant and equipment.

In accordance with CRC regulation 2004-06, the acquisition cost of fixed assets includes the purchase price plus any incidental expenses, namely expenses directly or indirectly incurred in connection with bringing the asset into service or "into inventory".

Land is stated at acquisition cost.

Buildings and equipment are stated at acquisition cost less accumulated depreciation, amortisation and impairment losses since the time they were placed in service.

Purchased software is measured at purchase price less accumulated depreciation, amortisation and any impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation, amortisation and impairment losses booked since completion.

Intangible assets other than software are not amortised. They may be subject to impairment.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole S.A. following the application of component accounting for fixed assets. These depreciation periods are adjusted according to the type of asset and its location:

| *Component* | **Depreciation period** |
|---|---:|
| Land | Not depreciable |
| Structural works | 30 to 80 years |
| Non-structural works | 20 to 40 years |
| Plant and equipment | 10 to 25 years |
| Fixtures and fittings | 5 to 15 years |
| Computer equipment | 4 to 7 years (accelerated or straight-line) |
| Special equipment | 4 to 5 years (accelerated or straight-line) |

Based on available information on the value of its fixed assets, Crédit Agricole S.A. has concluded that impairment testing would not lead to any change in the existing depreciable base.

## 2.4 Amounts due to customers and credit institutions

Due to credit institutions, Crédit Agricole entities and customers are presented in the financial statements according to their initial term or their nature:

- demand and term deposits for banks;
- current accounts, term deposits and advances for Crédit Agricole's internal transactions;
- special savings accounts and other deposits for customers (notably including financial customers).

Repurchase agreements (represented by certificates or securities) are included under these various headings, according to counterparty type.

Accrued interest on these deposits is recognised under accrued interest and taken to profit and loss.

## 2.5 Debt securities

Debt securities are presented according to their form: interest bearing notes, money-market instruments, negotiable debt securities and bonds, excluding subordinated securities, which are classified in liabilities under "Subordinated debt".

Interest accrued but not yet due is recognised under accrued interest and taken to profit and loss.

Issue or redemption premiums on bonds are amortised over the maturity period of each bond issue. The corresponding charge is recorded under "Interest expenses on bonds and other fixed-income securities".

Redemption premiums can be amortised in two ways:

- based on accrued interest on a pro-rata basis for bonds issued before 1 January 1993, or for those with a redemption premium of less than 10% of the issue price; or
- on an actuarial basis for debt issued after 1 January 1993 with a redemption premium of more than 10% of the issue price.

Crédit Agricole S.A. also amortises borrowing expenses in its parent company's financial statements.

Fee and commission expenses on financial services paid to the Regional Banks are recognised as expenses under "Fee and commission expenses".

## 2.6 Provisions

Crédit Agricole S.A. applies CRC regulation 2000-06 on liabilities relating to the recognition and measurement of provisions falling within the scope of this regulation.

Provisions include provisions relating to financing commitments, retirement and early retirement liabilities, litigation and various risks.

The provisions also include country risks. All these risks are reviewed quarterly.

Provisions are set aside for country risks following an analysis of the types of transactions, the term of commitments, their form (receivables, securities, market products) as well as country quality.

Crédit Agricole S.A. partially hedges provisions on these foreign-currency-denominated receivables by buying foreign currency, to limit the impact of changes in exchange rates on provision levels.

The provision for home purchase savings contract imbalance risk is designed to cover obligations in the event of unfavourable movements in home purchase savings contracts. These obligations are: i) to pay a fixed rate of interest on the savings contract from inception for an undefined period of time; and ii) to grant a loan to home purchase savings account and plan savers at a rate fixed at inception of the contract. The provision is calculated for each generation of a home purchase savings plan and for all home purchase savings accounts, with no netting of obligations between generations.

The amount of these obligations is calculated taking account notably of:

- saver behaviour, as well as an estimate of the amount and term of the loans that will be granted in the future. These estimates are based on historical observations over a long period;
- the yield curve for market rates and reasonably foreseeable trends.

This provision is calculated in accordance with CRC regulation 2007-01 of 14 December 2007.

## 2.7 Fund for General Banking Risks

In accordance with the Fourth European directive and CRBF regulation 90-02 of 23 February 1990 as amended relating to capital, funds for general banking risks are constituted by Crédit Agricole S.A., at the discretion of its management, to meet any charges or risks relating to banking operations but whose incidence is not certain.

Provisions are released to cover any incidence of these risks during a given period.

At 31 December 2011, the fund for general banking risks corresponded with the fund for banking liquidity and solvency risks, which is intended to enable Crédit Agricole S.A. to discharge its duties as central body of Crédit Agricole.

## 2.8 Transactions on forward financial instruments and options

Hedging and market transactions on forward interest-rate, foreign-exchange or equity instruments are recorded in accordance with CRB regulations 88-02 and 90-15 as amended and the French Prudential Supervisory Authority (formerly the French Banking Commission) instruction 94-04 as amended.

Commitments relating to these transactions are recorded off-balance sheet at the nominal value of the contracts. This amount represents the volume of pending transactions.

Gains or losses relating to these transactions are recorded on the basis of the type of instrument and the strategy used:

### HEDGING TRANSACTIONS

Gains or losses realised on hedging transactions are taken to profit and loss symmetrically with the recognition of income and expenses on the hedged item and under the same accounting heading.

Income and expenses relating to forward financial instruments used for hedging and managing Crédit Agricole S.A.'s overall interest-rate risk are recorded on a *pro-rata* basis under "interest and similar income (expenses) – Net gains (losses) on macro-hedging transactions". Unrealised gains and losses are not recorded.

### MARKET TRANSACTIONS

Instruments traded on a regulated exchange or similar market or over the counter, or included in a trading portfolio within the meaning of CRB regulation 90-15 as amended, are measured at fair market value at the reporting date.

If there is an active market, the instrument is stated at the quoted price on that market. In the absence of an active market, fair value is determined using internal valuation techniques and models.

Realised and unrealised gains or losses on instruments traded on organised or similar exchanges are taken to profit or loss.

Gains or losses on instruments traded in illiquid markets (over-the-counter markets) or constituting isolated open positions are taken to profit and loss on settlement or on a *pro-rata* basis, depending on the type of instrument. On the reporting date, provisions are booked for any unrealised losses.

Gains and losses and movements in provisions relating to such market transactions are recorded in the income statement under "Net gains (losses) on trading book operations".

## 2.9 Foreign currency transactions

Monetary receivables and liabilities denominated in foreign currencies and forward foreign-exchange contracts included in off-balance sheet commitments are translated using the exchange rate at the closing date or at the next earlier date.

Expenses paid and income received are recorded at the exchange rate on the transaction date. Income and expenses accrued but not yet paid are translated at the closing rate.

Capital funds allocated to branches, fixed assets in offices abroad and available-for-sale and held-to-maturity securities and equity investments in foreign currencies bought with euros are translated into euros on the transaction date. Only foreign exchange gains and losses on available-for-sale securities are taken to profit and loss.

However, a provision may be booked if there is a permanent deterioration in the exchange rate affecting Crédit Agricole S.A.'s foreign equity interests.

At each reporting date, forward foreign exchange transactions are measured at the relevant forward exchange rate. Recognised gains or losses are taken to the income statement under "Net gains (losses) on trading book operations – Net gains (losses) on foreign currency transactions and similar financial instruments".

Pursuant to CRBF regulation 89-01, Crédit Agricole S.A. has instituted multi-currency accounting to enable it to monitor its currency position and to measure its exposure to foreign exchange risk.

Crédit Agricole S.A.'s aggregate operating exposure to foreign currency was -€1,115 million at 31 December 2011.

## 2.10 Consolidation of foreign branches

Branches keep separate accounts that comply with the accounting rules in force in the countries in which they are based.

At each reporting date, the branches' balance sheets and income statements are adjusted according to French accounting rules, translated into euros and integrated with the accounts of their head office after the elimination of intra-group transactions.

The rules for translation into euros are as follows:

- balance sheet items other than capital funds are translated at the closing rate;
- capital funds are translated at the closing rate;
- income and expenses are translated at the average exchange rate.

Gains or losses resulting from this translation are recorded on the balance sheet under "Accruals, prepayments and sundry assets" or "Accruals, prepayments and sundry liabilities".

## 2.11 Off-balance sheet commitments

Off-balance sheet items mainly reflect the unused portion of financing commitments and guarantee commitments given and received.

A charge is booked to provisions for commitments given if there is a probability that calling in the commitment will result in a loss for Crédit Agricole S.A.

Reported off-balance sheet items do not mention commitments on forward financial instruments or foreign exchange transactions. Similarly, they do not include commitments received concerning treasury bonds, similar securities and other securities pledged as collateral.

However, these items are detailed in Notes 24 and 25 to the financial statements.

## 2.12 Employee profit-sharing and incentive plans

Employee profit-sharing is recognised in the income statement in the year in which the employees' rights are earned.

Incentive plans are covered by the 21 June 2011 agreement.

The cost of employee profit-sharing and incentive plans is included in "Employee expenses".

## 2.13 Post-employment benefits

### 2.13.1 RETIREMENT AND EARLY RETIREMENT BENEFITS AND END-OF-CAREER ALLOWANCES – DEFINED-BENEFIT PLANS

Since 1 January 2004, Crédit Agricole S.A. has applied CNC recommendation 2003-R. 01 of 1 April 2003 relating to the recognition and valuation of retirement and similar benefit obligations.

In accordance with this recommendation, Crédit Agricole S. A. sets aside provisions to cover its retirement and similar benefit obligations falling within the category of defined-benefit plans.

To this end, a provision for retirement benefits is booked under "Provisions" on the liabilities side of the balance sheet. The amount of this provision is equal to Crédit Agricole S.A.'s liabilities to employees in service at the reporting date, governed by the new Crédit Agricole S.A. Collective Agreement that came into effect on 1 January 2005.

Lastly, supplementary retirement benefits, which generate obligations for Crédit Agricole S.A., give rise to provisions calculated on the basis of the actuarial liability for these benefits. These provisions are also shown on the liabilities side of the balance sheet under "Provisions".

In accordance with the recommendation, these obligations are stated on the basis of actuarial, financial and demographic assumptions, and in accordance with the projected unit credit method. Under this method, for each year of service, a charge is booked in an amount corresponding to the employee's vested benefits for the period. The charge is calculated based on the discounted future benefit.

Since actuarial gains and losses are taken immediately to profit and loss, the amount of the provision is equal to:

- the present value of the obligation to provide the defined benefits as of the reporting date, calculated in accordance with the actuarial method advised by the recommendation;
- less, where applicable, the fair value of plan assets. These may be represented by an eligible insurance policy. In the event that the obligation is fully covered by such a policy, the fair value of the policy is deemed to be the value of the corresponding obligation, *i.e.* the amount of the corresponding actuarial liability.

To the extent that the reform (Act 2010-1330 of 9 November 2010 on pension reform) does not modify the existing branch agreements, but rather the actuarial assumptions as to retirement age, it is considered an update to actuarial assumptions and not a change in plan. To this extent, the impact of the reform must be recognised like other actuarial gains and losses, wholly in income.

### 2.13.2 PENSION SCHEMES – DEFINED-CONTRIBUTION PLANS

Employers contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole S.A. has no liabilities in this respect other than the contributions payable for the period ended.

The amount of contributions under the terms of these retirement plans is shown under "Employee expenses".

## 2.14 Stock options and share subscription offered to employees under the employee share ownership plan

### STOCK OPTION PLANS

Stock option plans granted to certain categories of employees are recorded when exercised. Exercise gives rise to either an issue of shares, recorded in accordance with requirements relating to capital increases, or the transfer to employees of treasury shares, previously purchased by Crédit Agricole S.A. and recognised in accordance with the terms set out in the "Treasury share buyback" section.

### SHARE SUBSCRIPTION UNDER THE EMPLOYEE SHARE OWNERSHIP PLAN

Share issues offered to employees under the employee share ownership plan, with a maximum discount of 20%, do not involve a vesting period but are subject to a five-year lock-up period. These share subscriptions are recognised in accordance with requirements relating to capital increases.

## 2.15 Extraordinary income and expenses

These comprise income and expenses that are extraordinary in nature and relate to transactions that do not form part of Crédit Agricole S.A.'s ordinary activities.

## 2.16 Income tax charge

In general, only the current tax liability is recognised in the parent company's financial statements.

The tax charge appearing in the income statement is the income tax due in respect of the reporting period. It includes the effect of the 3.3% additional social contribution on profits.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge continues to be recognised under the "Income tax charge" heading in the income statement.

Crédit Agricole S.A. has had a tax consolidation mechanism since 1990. At 31 December 2011, 1,309 entities had signed tax consolidation agreements with Crédit Agricole S.A. Under these agreements, each company that is part of the tax consolidation mechanism recognises in its financial statements the tax that it would have had to pay in the absence of the mechanism.

# Note 3 Loans and receivables to credit institutions – analysis by remaining maturity

| | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 3 months | > 3 months ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total principal | Accrued interest | Total | Total |
| **Credit institutions** | | | | | | | | |
| Loans and receivables: | | | | | | | | |
| demand | 14,076 | | | | 14,076 | | 14,076 | 12,027 |
| term | 33,669 | 14,959 | 59,246 | 12,408 | 120,282 | 374 | 120,656 | 97,007 |
| Pledged securities | | | | | | | | |
| Securities bought under repurchase agreements | | | | | | | | |
| Subordinated loans | | | 2,677 | 4,185 | 6,862 | 14 | 6,876 | 7,099 |
| **Total** | **47,745** | **14,959** | **61,923** | **16,593** | **141,220** | **388** | **141,608** | **116,133** |
| Impairment | | | | | | | (4) | (6) |
| **NET CARRYING AMOUNT** | | | | | | | **141,604** | **116,127** |
| **Crédit Agricole internal transactions** | | | | | | | | |
| Current accounts | 1,978 | | | | 1,978 | | 1,978 | 1,663 |
| Term deposits and advances | 58,826 | 62,901 | 84,549 | 66,548 | 272,824 | 948 | 273,772 | 259,057 |
| Securities bought under repurchase agreements | | | | | | | | |
| Subordinated loans | | | 15 | | 15 | | 15 | 15 |
| **Total** | **60,804** | **62,901** | **84,564** | **66,548** | **274,817** | **948** | **275,765** | **260,735** |
| Impairment | | | | | | | | |
| **NET CARRYING AMOUNT** | | | | | | | **275,765** | **260,735** |
| **TOTAL** | | | | | | | **417,369** | **376,862** |

## Note 4 Loans and receivables to customers – analysis by remaining maturity

| *(in millions of euros)* | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| | ≤ 3 months | > 3 months ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total principal | Accrued interest | Total | Total |
| **Loans and receivables to customers** | | | | | | | | |
| Trade receivables | | | | | | | | |
| Other customer loans | 268 | 350 | 815 | 1,173 | 2,606 | 45 | 2,651 | 2,350 |
| Securities bought under repurchase agreements | | | | | | | | |
| Current accounts in debit | 335 | | | | 335 | | 335 | 128 |
| Impairment | | | | | | | (3) | (3) |
| **NET CARRYING AMOUNT** | | | | | | | **2,983** | **2,475** |

### 4.1 Loans and receivables to customers – geographic analysis

| *(in millions of euros)* | 31/12//2011 | 31/12//2010 |
|---|---|---|
| France (including overseas departments and territories) | 2,849 | 2,391 |
| Other European Union countries | 92 | 35 |
| Rest of Europe | | |
| North America | | 8 |
| Central and Latin America | | |
| Africa and Middle East | | |
| Asia-Pacific (ex. Japan) | | |
| Japan | | |
| Non allocated and international organisations | | |
| **Total principal** | **2,941** | **2,434** |
| Accrued interest | 45 | 44 |
| Impairment | (3) | (3) |
| **NET CARRYING AMOUNT** | **2,983** | **2,475** |

## 4.2 Loans and receivables to customers – Doubtful loans and receivables and impairment losses: geographical analysis

| | 31/12/2011 | | | | | 31/12/2010 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Gross out-standing | O/w doubtful loans and receivables | O/w bad debts | Impairment of doubtful loans and receivables | Impairment of bad debts | Gross out-standing | O/w doubtful loans and receivables | O/w bad debts | Impairment of doubtful loans and receivables | Impairment of bad debts |
| France (including overseas departments and territories) | 2,894 | 3 | | (3) | | 2,434 | 3 | | (3) | |
| Other European Union countries | 92 | | | | | 36 | | | | |
| Rest of Europe | | | | | | | | | | |
| North America | | | | | | 8 | | | | |
| Central and Latin America | | | | | | | | | | |
| Africa and Middle East | | | | | | | | | | |
| Asia-Pacific (ex. Japan) | | | | | | | | | | |
| Japan | | | | | | | | | | |
| Non allocated and international organisations | | | | | | | | | | |
| **TOTAL** | **2,986** | **3** | | **(3)** | | **2,478** | **3** | | **(3)** | |

## 4.3 Loans and receivables to customers – analysis by customer type

| | 31/12/2011 | | | | | 31/12/2010 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | Gross out-standing | O/w doubtful loans and receivables | O/w bad debts | Impairment of doubtful loans and receivables | Impairment of bad debts | Gross out-standing | O/w doubtful loans and receivables | O/w bad debts | Impairment of doubtful loans and receivables | Impairment of bad debts |
| Individual customers | 136 | | | | | 134 | | | | |
| Farmers | | | | | | | | | | |
| Other small businesses | | | | | | | | | | |
| Financial institutions | 1,012 | | | | | 1,018 | | | | |
| Corporates | 1,837 | 3 | | (3) | | 1,323 | 3 | | (3) | |
| Local authorities | 1 | | | | | 3 | | | | |
| Other customers | | | | | | | | | | |
| **TOTAL** | **2,986** | **3** | | **(3)** | | **2,478** | **3** | | **(3)** | |

## Note 5 Trading, available-for-sale, held-to-maturity and equity portfolio securities

| (in millions of euros) | 31/12/2011 Trading securities | Available-for-sale securities | Equity portfolio securities | Held-to-maturity securities | Total | 31/12/2010 Total |
|---|---|---|---|---|---|---|
| Treasury bills and similar securities: | 805 | 20,538 | | | 21,343 | 19,670 |
| *o/w residual net premium* | | *988* | | | *988* | *857* [2] |
| *o/w residual net discount* | | *227* | | | *227* | *241* [2] |
| Accrued interest | | 1,054 | | | 1,054 | 707 |
| Impairment | | (310) | | | (310) | (115) |
| **Net carrying amount** | **805** | **21,282** | | | **22,087** | **20,262** |
| Bonds and other fixed-income securities [1]: | | | | | | |
| Issued by public bodies | 293 | 1,222 | | | 1,515 | 1,547 |
| Other issuers | 4,294 | 25,175 | | | 29,469 | 31,468 |
| *o/w residual net premium* | | *206* | | | *206* | *255* [2] |
| *o/w residual net discount* | | *31* | | | *31* | *24* [2] |
| Accrued interest | | 395 | | | 395 | 381 |
| Impairment | | (278) | | | (278) | (107) |
| **Net carrying amount** | **4,587** | **26,514** | | | **31,101** | **33,289** |
| Equities and other variable-income securities | 24 | 529 | 85 | | 638 | 626 |
| Accrued interest | | | | | | |
| Impairment | | (5) | (30) | | (35) | (11) |
| **Net carrying amount** | **24** | **524** | **55** | | **603** | **615** |
| **TOTAL** | **5,416** | **48,320** | **55** | | **53,791** | **54,166** |
| **Estimated values** | **5,416** | **48,242** | **54** | | **53,743** | **54,463** |

*(1) Of which €7,273 million of subordinated debt (excluding accrued interest) at 31 December 2011 compared to €7,055 million at 31 December 2010.*

*(2) Amounts adjusted with respect to the published financial statements.*

### 5.1 Trading, available-for-sale, held-to-maturity and equity portfolio securities (excluding treasury bills) – breakdown by major category of counterparty

| (in millions of euros) | Net outstandings 31/12/2011 | Net outstandings 31/12/2010 |
|---|---|---|
| Government and central banks (including central governments) | 1,516 | 1,547 |
| Credit institutions | 25,774 | 27,395 |
| Financial institutions | 509 | 1,676 |
| Local authorities | | |
| Corporates, insurance companies and other customers | 3,824 | 3,023 |
| Other and non-allocated | | |
| **Total principal** | **31,623** | **33,641** |
| Accrued interest | 395 | 381 |
| Impairment | (314) | (118) |
| **NET CARRYING AMOUNT** | **31,704** | **33,904** |

## 5.2 Breakdown of listed and unlisted securities between fixed-income and variable-income securities

| *(in millions of euros)* | 31/12/2011 | | | | 31/12/2010 | | | |
|---|---|---|---|---|---|---|---|---|
| | Bonds and other fixed-income securities | Treasury bills and similar securities | Equities and other equity variable-income securities | Total | Bonds and other fixed-income securities | Treasury bills and similar securities | Equities and other equity variable-income securities | Total |
| Fixed-income and variable-income securities: | 30,984 | 21,343 | 638 | 52,965 | 33,015 | 19,670 | 626 | 53,310 |
| *o/w listed securities* | *22,726* | *21,343* | *89* | *44,158* | *18,969* | *19,471* | *102* | *38,542* |
| *o/w unlisted securities* (1) | *8,258* | | *549* | *8,807* | *14,046* | *199* | *524* | *14,769* |
| Accrued interest | 395 | 1,054 | | 1,449 | 381 | 707 | | 1,088 |
| Impairment | (278) | (310) | (35) | (623) | (107) | (115) | (11) | (233) |
| **NET CARRYING AMOUNT** | **31,101** | **22,087** | **603** | **53,791** | **33,289** | **20,262** | **615** | **54,166** |

(1) *Mutual fund units break down as follows: French mutual funds: €14 million; of which French capitalisation funds: €11 million. Foreign mutual funds: €28 million constituted of foreign capitalisation funds.*

### BREAKDOWN OF MUTUAL FUNDS BY TYPE AT 31 DECEMBER 2011

| *(in millions of euros)* | Carrying amount | Cash-in value |
|---|---|---|
| Money market funds | | |
| Bond funds | | |
| Equity funds | 4 | 10 |
| Other funds | 38 | 40 |
| **TOTAL** | **42** | **50** |

## 5.3 Treasury bills, bonds and other fixed-income securities – analysis by remaining maturity

| *(in millions of euros)* | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| | ≤ three months | > three months ≤ one year | > one year ≤ five years | > five years | Total principal | Accrued interest | Total | Total |
| **Bonds and other fixed-income securities** | | | | | | | | |
| Gross amount | 5,766 | 2,528 | 12,490 | 10,200 | 30,984 | 395 | 31,379 | 33,396 |
| Impairment | | | | | | | (278) | (107) |
| **NET CARRYING AMOUNT** | | | | | | | **31,101** | **33,289** |
| **Treasury bills and similar securities** | | | | | | | | |
| Gross amount | 600 | 1,819 | 4,914 | 14,010 | 21,343 | 1,054 | 22,397 | 20,377 |
| Impairment | | | | | | | (310) | (115) |
| **NET CARRYING AMOUNT** | | | | | | | **22,087** | **20,262** |

## 5.4 Treasury bills, bonds and other fixed-income securities – geographical analysis

| *(in millions of euros)* | Net outstandings 31/12/2011 | Net outstandings 31/12/2010 |
|---|---|---|
| France (including overseas departments and territories) | 36,189 | 34,340 |
| Other European Union countries | 13,579 | 15,500 |
| Rest of Europe | 541 | 590 |
| North America | 1,596 | 1,447 |
| Central and Latin America | | |
| Africa and Middle East | | |
| Asia-Pacific (ex. Japan) | 422 | 808 |
| Japan | | |
| **Total principal** | **52,327** | **52,685** |
| Accrued interest | 1,449 | 1,088 |
| Impairment | (588) | (221) |
| **NET CARRYING AMOUNT** | **53,188** | **53,552** |

## Note 6 Equity investments and subsidiaries

| Company | Address | Currency | Share capital 31/12/2011 (in millions of original currency) | Equity other than Share capital 31/12/2011 (in millions of original currency) | Percentage ownership 31/12/2011 | Carrying amounts of investments – Gross amount (in millions of euros) | Carrying amounts of investments – Net amount (in millions of euros) | Loans and receivables outstanding granted by the Company and not yet paid back (in millions of euros) | Guarantees and other commitments given by the Company (in millions of euros) | NBI or revenue (ex VAT) for the year ended (in millions of euros) | Net income for the year ended 31/12/2011 (in millions of euros) | Dividends received by the Company during the financial year (in millions of euros) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Investments whose carrying amount exceeds 1% of Crédit Agricole S.A.'s share capital*** | | | | | | | | | | | | |
| **1) Investments in banking subsidiaries (more than 50% owned)** | | | | | | | | | | | | |
| Banco Bisel | Corrientes 832,1° piso, Rosario, Provincia de Santa Fe Argentina | ARS | N.A. | N.A. | 99.2 | 237 | | | | | | |
| Cariparma | Via Universita n° 1 43100 Parma Italy | EUR | 877 | 2,844 (1) | 75.0 | 5,006 | 4,347 | 5,034 | | 1,516 (1) | 242 (1) | 103 |
| Crédit Agricole Srbija | Brace Ribnikara 4-6, 21000 Novi Sad, Republic of Serbia | RSD | 13,122 | (3,218) (1) | 100.0 | 249 | 82 | | | 41 (1) | (11) (1) | |
| Crédit du Maroc | 48-58, boulevard Mohamed-V Casablanca Morocco | MAD | 890 | 1,629 (1) | 77.0 | 291 | 291 | | 374 | 247 (1) | 32 (1) | 16 |
| Emporiki Bank of Greece | 11, Sophocleous Street GR 10235 Athènes Greece | EUR | 512 | 1,304 (1) | 95.0 | 4,081 | | 6,022 (2) | | 1,071 (1) | (873) (1) | |
| EFL SA | Pl. Orlat Lwowskich 1, 53 605 Wroclaw Poland | PLN | 674 | 138 (1) | 100.0 | 355 | 355 | 246 | 555 | 150 (1) | 23 (1) | 21 |
| JSC Index Bank | 42/4 Pushkinska Street Kiev 01004 Ukraine | UAH | 1,050 | (304) (1) | 100.0 | 290 | 70 | | | 74 (1) | (2) (1) | |
| Crédit Agricole Polska SA | Pl. Orlat Lwowskich 1, 53 605 Wroclaw Poland | PLN | 1 | 344 (1) | 76.7 | 437 | 437 | 549 | 71 | | | 8 |
| Crédit Agricole Corporate and Investment Bank | 9, quai du Président-Paul-Doumer 92400 Courbevoie | EUR | 6,775 | 1,549 (1) | 97.3 | 17,192 | 16,452 | 32,125 | 3,439 | 292,137 (1) | 1,388 (1) | 930 |
| Amundi Group | 90, boulevard Pasteur – Immeuble Cotentin 75015 Paris | EUR | 417 | 1,360 (1) | 73.6 | 3,341 | 3,341 | 1,047 | | (3) (1) | (23) (1) | 134 |
| Crédit Agricole Leasing & Factoring | 1-3, rue du Passeur-de-Boulogne 92861 Issy-les-Moulineaux | EUR | 195 | 563 (1) | 100.0 | 839 | 839 | 4,667 | 102 | 44 (1) | 36 (1) | 34 |
| Crédit Lyonnais | 18, rue de la République 69002 Lyon | EUR | 1,848 | 1,278 (1) | 95.1 | 10,897 | 10,897 | 16,494 | | 5,592 (1) | 671 (1) | 481 |
| Crédit Agricole Home Loan SFH | 91/93, boulevard Pasteur 75015 Paris | EUR | 550 | 2 (1) | 100.0 | 550 | 550 | | | | | |
| Foncaris | 91/93, boulevard Pasteur 75015 Paris | EUR | 225 | 128 (1) | 100.0 | 320 | 320 | | 385 | 14 (1) | 20 (1) | 19 |
| Banque de gestion privée Indosuez | 20, rue de la Baume 75008 Paris | EUR | 83 | 36 (1) | 100.0 | 198 | 198 | 111 | | 142 (1) | 10 (1) | 10 |
| **2) Investments in banking associates (10 to 50% owned)** | | | | | | | | | | | | |
| Bankinter | Paseo de la Castellana 29, 28046 Madrid Spain | EUR | 143 | 2,310 (1) | 24.5 | 1,281 | 514 | | | 2,318 (1) | 151 (1) | 18 |
| Crédit Agricole Egypt SAE | 4/6, Hassan Sabry Street Zamalek Le Caire Egypt | EGP | 1,148 | 630 (1) | 47.4 | 258 | 247 | 1 | | 263 (1) | 57 (1) | 18 |
| Crédit Logement | 50, boulevard Sébastopol 75003 Paris | EUR | 1,254 | 111 (1) | 16.5 | 215 | 215 | | 188 | 287 (1) | 87 (1) | 14 |
| Caisse de Refinancement de l'habitat | 35, rue La-Boétie 75008 Paris | EUR | 300 | 7 (1) | 25.2 | 78 | 78 | | | 2 (1) | | |

| | | | *(in millions of original currency)* | | | *(in millions of euros)* | | *(in millions of euros)* | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Carrying amounts of investments | | | | | | |
| Company | Address | Currency | Share capital 31/12/2011 | Equity other than Share capital 31/12/2011 | Percentage ownership 31/12/2011 | Gross amount | Net amount | Loans and receivables outstanding granted by the Company and not yet paid back | Guarantees and other commit-ments given by the Company | NBI or revenue (ex VAT) for the year ended | Net income for the year ended 31/12/2011 | Dividends received by the Company during the financial year |
| Caisse régionale Alpes Provence | 25, chemin des Trois-Cyprès 13097 Aix-En-Provence Cedex 2 | EUR | 114 | 1,136 | 25.0 | 210 | 210 | 7,170 | | 435 | 73 | 5 |
| Caisse régionale Alsace Vosges | 1, place de la Gare BP 440 67008 Strasbourg Cedex | EUR | 48 | 870 | 25.0 | 131 | 131 | 5,861 | | 284 | 71 | 5 |
| Caisse régionale Anjou et Maine | 40, rue Prémartine 72000 Le Mans | EUR | 211 | 1,511 | 25.0 | 234 | 234 | 8,646 | | 453 | 110 | 8 |
| Caisse régionale Aquitaine | 304, boulevard du Président-Wilson 33076 Bordeaux Cedex | EUR | 129 | 1,923 | 29.3 | 310 | 310 | 9,472 | | 496 | 120 | 11 |
| Caisse régionale Atlantique Vendée | Route de Paris 44949 Nantes Cedex | EUR | 113 | 1,316 | 25.1 | 196 | 196 | 10,470 | | 408 | 109 | 8 |
| Caisse régionale Brie Picardie | 500, rue Saint-Fuscien 80095 Amiens | EUR | 277 | 1,844 | 25.6 | 391 | 391 | 10,500 | | 613 | 175 | 17 |
| Caisse régionale Centre Est | 1, rue Pierre-de-Truchis-de-Lays 69541 Champagne-Au-Mont-D'Or | EUR | 191 | 2,657 | 25.0 | 323 | 323 | 12,013 | | 718 | 228 | 17 |
| Caisse régionale Centre France | 3, avenue de la Libération 63045 Clermont-Ferrand Cedex 9 | EUR | 146 | 2,213 | 25.0 | 318 | 318 | 9,629 | | 499 | 130 | 10 |
| Caisse régionale Centre Loire | 8, allée des Collèges 18920 Bourges Cedex | EUR | 56 | 1,088 | 27.7 | 175 | 175 | 7,410 | | 389 | 95 | 8 |
| Caisse régionale Centre Ouest | 29, boulevard de Vanteaux BP 509 87044 Limoges Cedex | EUR | 58 | 615 | 25.0 | 89 | 89 | 3,299 | | 196 | 47 | 3 |
| Caisse régionale Champagne Bourgogne | 269, faubourg Croncels 10000 Troyes | EUR | 112 | 951 | 25.0 | 114 | 114 | 5,833 | 3 | 362 | 91 | 7 |
| Caisse régionale Charente-Maritime – Deux-Sèvres | 12, boulevard Guillet-Maillet 17100 Saintes | EUR | 53 | 1,006 | 25.0 | 130 | 130 | 5,569 | | 336 | 92 | 7 |
| Caisse régionale Charente Périgord | Rue d'Épagnac BP 21 16800 Soyaux | EUR | 96 | 591 | 25.0 | 77 | 77 | 3,809 | | 240 | 55 | 4 |
| Caisse régionale Côtes d'armor | La-Croix-Tual 22440 Ploufragan | EUR | 92 | 762 | 25.0 | 118 | 118 | 4,381 | | 229 | 62 | 5 |
| Caisse régionale de Normandie | 5, esplanade Brillaud-de-Laujardière 14050 Caen Cedex | EUR | 131 | 1,333 | 25.0 | 205 | 205 | 7,992 | | 402 | 84 | 7 |
| Caisse régionale des Savoie | PAE Les Glaisins 4, avenue du Pré-Félin 74985 Annecy Cedex 09 | EUR | 188 | 1,108 | 25.0 | 152 | 152 | 14,654 | | 481 | 135 | 9 |
| Caisse régionale Finistère | 7, route du Loch 29555 Quimper Cedex 9 | EUR | 100 | 839 | 25.0 | 135 | 135 | 5,575 | | 270 | 60 | 4 |
| Caisse régionale Franche-Comté | 11, avenue Élisée-Cusenier 25084 Besançon Cedex 9 | EUR | 78 | 735 | 25.0 | 109 | 109 | 6,885 | | 285 | 61 | 5 |
| Caisse régionale Ille-et-Vilaine | 19, rue du Pré-Perché BP 2025X 35040 Rennes Cedex | EUR | 92 | 803 | 25.1 | 122 | 122 | 6,181 | | 256 | 67 | 5 |
| Caisse régionale Loire Haute-Loire | 94, rue Bergson 42000 Saint-Étienne | EUR | 31 | 903 | 25.0 | 131 | 131 | 5,578 | | 272 | 71 | 5 |

| | | | *(in millions of original currency)* | | | *(in millions of euros)* | | | *(in millions of euros)* | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Carrying amounts of investments | | | | | | |
| **Company** | **Address** | **Currency** | **Share capital 31/12/2011** | **Equity other than Share capital 31/12/2011** | **Percentage ownership 31/12/2011** | **Gross amount** | **Net amount** | **Loans and receivables outstanding granted by the Company and not yet paid back** | **Guarantees and other commit-ments given by the Company** | **NBI or revenue (ex VAT) for the year ended** | **Net income for the year ended 31/12/2011** | **Dividends received by the Company during the financial year** |
| Caisse régionale Lorraine | 56, 58, avenue André-Malraux 54017 Metz Cedex | EUR | 32 | 851 | 25.0 | 115 | 115 | 5,536 | | 252 | 60 | 5 |
| Caisse régionale Languedoc | Avenue du Montpelliéret – Maurin 34977 Lattes Cedex | EUR | 203 | 1,732 | 25.3 | 239 | 239 | 12,326 | | 662 | 177 | 13 |
| Caisse régionale Morbihan | Avenue de Kéranguen 56956 Vannes Cedex 9 | EUR | 82 | 620 | 25.2 | 92 | 92 | 4,711 | | 231 | 55 | 4 |
| Caisse régionale Nord de France | 10, avenue Foch BP 369 59020 Lille Cedex | EUR | 179 | 2,329 | 24.7 | 378 | 378 | 12,114 | | 580 | 172 | 19 |
| Caisse régionale Nord Midi-Pyrénées | 219, avenue François-Verdier 81022 Albi Cedex 9 | EUR | 125 | 1,284 | 25.0 | 181 | 181 | 7,195 | | 438 | 103 | 7 |
| Caisse régionale Nord-Est | 25, rue Libergier 51100 Reims | EUR | 213 | 1,669 | 26.4 | 266 | 266 | 10,788 | | 384 | 70 | 7 |
| Caisse régionale Normandie Seine | Cité de l'agriculture BP 800 76230 Bois-Guillaume Cedex | EUR | 92 | 1,097 | 25.0 | 162 | 162 | 7,069 | | 370 | 102 | 8 |
| Caisse régionale Paris et Île-de-France | 26, quai de la Rapée 75012 Paris | EUR | 114 | 3,159 | 25.1 | 488 | 488 | 18,026 | | 943 | 277 | 23 |
| Caisse régionale Provence Côte d'Azur | Avenue Paul-Arène-les-Négadis 83002 Draguignan | EUR | 83 | 1,288 | 25.0 | 166 | 166 | 9,152 | | 505 | 115 | 8 |
| Caisse régionale Pyrénées Gascogne | 11, boulevard Président-Kennedy BP 329 65003 Tarbes Cedex | EUR | 59 | 1,106 | 25.0 | 139 | 139 | 7,031 | | 355 | 90 | 7 |
| Caisse régionale Sud Rhône-Alpes | 15-17, rue Paul-Claudel BP 67 38041 Grenoble Cedex 09 | EUR | 71 | 1,106 | 25.0 | 138 | 138 | 8,231 | | 454 | 111 | 8 |
| Caisse régionale Toulouse | 6-7, place Jeanne-d'Arc 31000 Toulouse | EUR | 74 | 676 | 25.5 | 110 | 110 | 4,093 | | 255 | 59 | 4 |
| Caisse régionale Touraine et Poitou | 18, rue Salvador-Allende 86000 Poitiers | EUR | 99 | 980 | 25.5 | 168 | 168 | 5,777 | | 308 | 66 | 5 |
| Caisse régionale Val de France | 1, rue Daniel-Boutet 28000 Chartres | EUR | 43 | 787 | 25.0 | 104 | 104 | 3,947 | | 254 | 68 | 5 |
| **3) Investments in other associates (more than 50% owned)** | | | | | | | | | | | | |
| Crédit Agricole Assurances | 50-56, rue de la Procession 75015 Paris | EUR | 1,163 | 7,235 (1) | 100.0 | 8,205 | 8,205 | 1,522 | 651 | 8 (1) | 761 (1) | 904 |
| Crédit Agricole Capital Investissement & Finance | 100, boulevard du Montparnasse La Coupole 75014 Paris | EUR | 688 | 432 (1) | 100.0 | 1,145 | 1,145 | 366 | | 1 (1) | (3) (1) | |
| Crédit Agricole Immobilier | 91/93, boulevard Pasteur 75015 Paris | EUR | 125 | 38 (1) | 100.0 | 296 | 296 | 74 | 52 | 27 (1) | (4) (1) | |
| Delfinances | 91/93, boulevard Pasteur 75015 Paris | EUR | 151 | 85 (1) | 100.0 | 171 | 171 | | | 42 (1) | 41 (1) | 39 |
| D2 CAM | 91/93, boulevard Pasteur 75015 Paris | EUR | 112 | | 100.0 | 112 | 112 | 26 | | | (1) (1) | |

| Company | Address | Currency | Share capital 31/12/2011 (in millions of original currency) | Equity other than Share capital 31/12/2011 (in millions of original currency) | Percentage ownership 31/12/2011 | Carrying amounts of investments Gross amount (in millions of euros) | Carrying amounts of investments Net amount (in millions of euros) | Loans and receivables outstanding granted by the Company and not yet paid back (in millions of euros) | Guarantees and other commit-ments given by the Company | NBI or revenue (ex VAT) for the year ended | Net income for the year ended 31/12/2011 | Dividends received by the Company during the financial year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Evergreen Montrouge | 91/93, boulevard Pasteur 75015 Paris | EUR | 320 | (2) (1) | 100.0 | 320 | 320 | 35 | | 1 (1) | (33) (1) | |
| Crédit Agricole Consumer Finance | 128/130, boulevard Raspail 75006 Paris | EUR | 347 | 2,571 (1) | 100.0 | 5,638 | 5,638 | 38,665 | 6,523 | 2,787 (1) | 181(1) | 382 |
| CPR Holding | 9, quai du Président-Paul-Doumer 92400 Courbevoie | EUR | 78 | 126 (1) | 100.0 | 256 | 211 | | | 1 (1) | 1 (1) | |
| CACEIS | 1-3, place Valhubert 75013 Paris | EUR | 602 | 887 (1) | 85.0 | 1,313 | 1,313 | 100 | | 13 (1) | 80 (1) | 42 |
| **4) Other investments (10 to 50% owned)** | | | | | | | | | | | | |
| Bespar | Rua Sao Bernardo n° 62, 1200-826 Lisbon Portugal | EUR | 1,563 | 261 (1) | 22.9 | 473 | 399 | | | 65 (1) | 64 (1) | 13 |
| Eurazeo | 32, rue de Monceau 75008 Paris | EUR | 186 | 3,251 (1) | 18.6 | 497 | 497 | | | 60 (1) | 65 (1) | 25 |
| ***Other investments where the carrying amount is under 1% of Crédit Agricole S.A.'s share capital or where Crédit Agricole S.A. owns less than 10% of the Company*** | | EUR | | | | **3,744** | **2,212** | **22,133** | **13,044** | **5,981** | **624** | **160** |
| **TOTAL SUBSIDIARIES AND ASSOCIATES** | | | | | | **74,701** | **66,168** | **396,141** | **25,386** | | | **3,644** |
| Fundable advances and accrued interest | | EUR | | | | 2,098 | 1,388 | | | | | |
| **CARRYING AMOUNT** | | | | | | **76,799** | **67,556** | **396,141** | **25,386** | | | |

(1) *Data for 2010.*

(2) *Including refinancing of Emporiki subsidiaries (outside Greece).*

## 6.1 Estimated value of equity investments

| *(in millions of euros)* | 31/12/2011 Carrying amount | 31/12/2011 Estimated value | 31/12/2010 Carrying amount | 31/12/2010 Estimated value |
|---|---|---|---|---|
| **Investments in subsidiaries and affiliates** | | | | |
| Unlisted securities | 57,971 | 66,190 | 56,073 | 74,460 |
| Listed | 4,630 | 765 | 4,578 | 2,129 |
| Fundable advances | 2,012 | 1,304 | 693 | 693 |
| Accrued interest | 1 | | | |
| Impairment | (6,913) | | (3,434) | |
| **NET CARRYING AMOUNT** | **57,701** | **68,260** | **57,910** | **77,282** |
| **Equity investments** | | | | |
| Unlisted securities | 6,948 | 6,970 | 6,906 | 7,011 |
| Listed | 5,068 | 2,765 | 5,298 | 4,067 |
| Fundable advances | 86 | 83 | 95 | 93 |
| Accrued interest | 7 | | 7 | |
| Impairment | (2,255) | | (942) | |
| **Sub-total of equity investments** | **9,854** | **9,818** | **11,364** | **11,171** |
| **Other long-term equity investments** | | | | |
| Unlisted securities | 1 | 1 | 1 | 1 |
| Listed | | | | |
| Fundable advances | | | | |
| Accrued interest | | | | |
| Impairment | | | | |
| **Sub-total of other long-term equity investments** | **1** | **1** | **1** | **1** |
| **NET CARRYING AMOUNT** | **9,855** | **9,819** | **11,365** | **11,172** |
| **TOTAL EQUITY INVESTMENTS** | **67,556** | **78,079** | **69,275** | **88,454** |

*Estimated values include fundable advances and accrued interest. They are determined based on the value in use of the securities, which is not necessarily the market value.*

| *(in millions of euros)* | 31/12/2011 Carrying amount | 31/12/2011 Estimated value | 31/12/2010 Carrying amount | 31/12/2010 Estimated value |
|---|---|---|---|---|
| **Total gross amount** | | | | |
| Unlisted securities | 64,920 | | 62,980 | |
| Listed | 9,699 | | 9,876 | |
| **TOTAL** | **74,619** | | **72,856** | |

## Note 7 Movements in fixed assets

### 7.1 Financial investments

| *(in millions of euros)* | 01/01/2011 | Increases (Acquisitions) | Decreases (disposals) (due date) | Other movements (1) | 31/12/2011 |
|---|---|---|---|---|---|
| **Investments in subsidiaries and affiliates** | | | | | |
| Gross amount | 60,651 | 2,272 | (324) | 2 | 62,601 |
| Fundable advances | 693 | 1,653 | (334) | | 2,012 |
| Accrued interest | | 1 | | | 1 |
| Impairment | (3,434) | (3,550) | 71 | | (6,913) |
| **Net carrying amount** | **57,910** | **376** | **(587)** | **2** | **57,701** |
| **Equity investments** | | | | | |
| Gross amount | 12,204 | 129 | (317) | | 12,016 |
| Fundable advances | 95 | | (9) | | 86 |
| Accrued interest | 6 | 1 | | | 7 |
| Impairment | (941) | (1,367) | 54 | | (2,255) |
| **Sub-total of equity investments** | **11,364** | **(1,238)** | **(272)** | | **9,854** |
| **Other long-term equity investments** | | | | | |
| Gross amount | 1 | | | | 1 |
| Fundable advances | | | | | |
| Accrued interest | | | | | |
| Impairment | | | | | |
| **Sub-total of other long-term equity investments** | **1** | | | | **1** |
| **NET CARRYING AMOUNT** | **11,365** | **(1,238)** | **(273)** | | **9,855** |
| **TOTAL** | **69,275** | **(861)** | **(860)** | **2** | **67,556** |

*(1) Other movements namely include the impact of exchange rate fluctuations on the value of fixed assets accounted for in foreign currencies.*

### 7.2 Intangible assets and property, plant & equipment

| *(in millions of euros)* | 01/01/2011 | Increases (Acquisitions) | Decreases (disposals) (due date) | Other Movements (1) | 31/12/2011 |
|---|---|---|---|---|---|
| **Property, plant and equipment** | | | | | |
| Gross amount | 342 | 3 | | | 345 |
| Depreciation and impairment | (182) | (6) | | 1 | (187) |
| **Net carrying amount** | **160** | **(3)** | | **1** | **158** |
| **Intangible assets** | | | | | |
| Gross amount | 66 | 14 | | (1) | 79 |
| Depreciation and impairment | (31) | (7) | | | (38) |
| **Net carrying amount** | **35** | **7** | | **(1)** | **41** |
| **TOTAL** | **195** | **4** | | | **199** |

*(1) Other movements namely include the impact of exchange rate fluctuations on the value of fixed assets accounted for in foreign currencies.*

## Note 8 Treasury shares

| | 31/12/2011 | | | | 31/12/2010 |
|---|---|---|---|---|---|
| | Trading securities | Available-for-sale securities | Fixed assets | Total | Total |
| Number | 6,080,000 | 889,381 | | 6,969,381 | 9,324,639 |
| *(in millions of euros)* | | | | | |
| Carrying amounts | 26 | 4 | | 30 | 92 |
| Market values | 26 | 4 | | 30 | 89 |

Par value of share: 3.00 euros

## Note 9 Accruals, prepayments and sundry assets

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Other assets** (1) | | |
| Financial options bought | 428 | 598 |
| Inventory accounts and miscellaneous | | |
| Miscellaneous debtors | 5,075 | 3,532 |
| Collective management of Livret développement durable (LDD) savings account securities | | 50 |
| Settlement accounts | | |
| **Net carrying amount** | **5,503** | **4,180** |
| **Due from shareholders – unpaid capital** | | |
| Due from shareholders – unpaid capital | | |
| **Net carrying amount** | | |
| **Accruals and prepayments** | | |
| Items in course of transmission from other banks | 4,993 | 5,941 |
| Adjustment accounts | 10,426 | 7,197 |
| Unrealised losses and deferred losses on financial instruments | 244 | 288 |
| Accrued income on commitments on forward financial instruments | 4,885 | 4,008 |
| Other accrued income | 395 | 278 |
| Prepaid expenses | 680 | 691 |
| Bond issue and redemption premiums | 162 | 142 |
| Deferred charges | 288 | 278 |
| Other accruals and prepayments | 10 | 5 |
| **Net carrying amount** | **22,083** | **18,828** |
| **TOTAL** | **27,586** | **23,008** |

(1) *Amounts including accrued interest.*

## Note 10 Impairment losses deducted from assets

| (in millions of euros) | Outstanding at 01/01/2011 | Depreciation charges | Reversals and utilisations | Accretion | Other movements | Outstanding at 31/12/2011 |
|---|---|---|---|---|---|---|
| Cash, money-market and interbank items | 120 | 679 | (485) | | | 314 |
| Loans and receivables to customers | 3 | | | | | 3 |
| Securities transactions | 154 | 405 | (239) | | 1 | 321 |
| Fixed assets | 4,376 | 4,917 | (125) | | | 9,168 |
| Other assets | 14 | 69 | (14) | | (5) | 64 |
| **TOTAL** | **4,667** | **6,070** | **(863)** | | **(4)** | **9,870** |

## Note 11 Due to credit institutions – analysis by remaining maturity

| (in millions of euros) | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| | ≤ 3 months | > 3 months ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total principal | Accrued interest | Total | Total |
| **Credit institutions** | | | | | | | | |
| Accounts and Overdrafts: | | | | | | | | |
| • demand | 6,717 | | | | 6,717 | 7 | 6,724 | 12,908 |
| • term | 27,394 | 4,841 | 29,899 | 20,246 | 82,380 | 545 | 82,925 | 42,443 |
| Pledged securities | | | 5,490 | 6,519 | 12,009 | 207 | 12,216 | 10,600 |
| Securities sold under repurchase agreements | 23,712 | 527 | 36 | 85 | 24,360 | 27 | 24,387 | 18,022 |
| **CARRYING AMOUNT** | **57,823** | **5,368** | **35,425** | **26,850** | **125,466** | **786** | **126,252** | **83,973** |
| **Crédit Agricole internal transactions** | | | | | | | | |
| Current accounts | 3,162 | | | | 3,162 | 2 | 3,164 | 3,184 |
| Term deposits and advances | 10,603 | 5,978 | 11,937 | 12,831 | 41,349 | 452 | 41,801 | 28,727 |
| Securities bought under repurchase agreements | | | | | | | | |
| **Carrying amount** | **13,765** | **5,978** | **11,937** | **12,831** | **44,511** | **454** | **44,965** | **31,911** |
| **TOTAL** | **71,588** | **11,346** | **47,362** | **39,681** | **169,977** | **1,240** | **171,217** | **115,884** |

## Note 12 Due to customers – analysis by remaining maturity

| *(in millions of euros)* | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| | ≤ 3 months | > 3 months ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total principal | Accrued interest | Total | Total |
| Current accounts in credit | 1,417 | | | | 1,417 | | 1,417 | 1,432 |
| Special savings accounts | 147,647 | 13,843 | 16,871 | 2,601 | 180,962 | | 180,962 | 175,650 |
| ● *demand* | *105,225* | *1* | | | *105,226* | | *105,226* | *99,570* |
| ● *term* | *42,422* | *13,842* | *16,871* | *2,601* | *75,736* | | *75,736* | *76,080* |
| Other amounts due to customers | 5,994 | 5,972 | 11,753 | 1,832 | 25,551 | 641 | 26,192 | 33,348 |
| ● *demand* | *201* | | | | *201* | | *201* | *379* |
| ● *term* | *5,793* | *5,972* | *11,753* | *1,832* | *25,350* | *641* | *25,991* | *32,969* |
| Securities sold under repurchase agreements | 10,229 | 102 | | | 10,331 | 10 | 10,341 | 11,214 |
| **CARRYING AMOUNT** | **165,287** | **19,917** | **28,624** | **4,433** | **218,261** | **651** | **218,912** | **221,644** |

### 12.1 Due to customers – geographic analysis

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| France (including overseas departments and territories) | 215,964 | 216,147 |
| Other European Union countries | 2,184 | 2,508 |
| Rest of Europe | 113 | |
| North America | | 1,160 |
| Central and Latin America | | |
| Africa and Middle East | | 1,123 |
| Asia-Pacific (ex. Japan) | | |
| Japan | | |
| Non allocated and international organisations | | |
| **Total principal** | **218,261** | **220,938** |
| Accrued interest | 651 | 706 |
| **CARRYING AMOUNT** | **218,912** | **221,644** |

### 12.2 Due to customers – analysis by customer type

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Individual customers | 163,435 | 158,839 |
| Farmers | 12,171 | 11,421 |
| Other small businesses | 9,897 | 10,292 |
| Financial institutions | 26,948 | 33,063 |
| Corporates | 3,341 | 5,215 |
| Local authorities | 196 | 109 |
| Other customers | 2,273 | 1,999 |
| **Total principal** | **218,261** | **220,938** |
| Accrued interest | 651 | 706 |
| **CARRYING AMOUNT** | **218,912** | **221,644** |

## Note 13 Debt securities – analysis by remaining maturity

| *(in millions of euros)* | 31/12/2011 ≤ 3 months | > 3 months ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total principal | Accrued interest | Total | 31/12/2010 Total |
|---|---|---|---|---|---|---|---|---|
| Interest bearing notes | | | | | | | | |
| Money-market instruments | | | | | | | | |
| Negotiable debt securities [(1)] | 18,556 | 9,016 | 876 | 159 | 28,607 | 107 | 28,714 | 46,739 |
| Bonds | 1,726 | 8,071 | 22,018 | 20,597 | 52,412 | 1,061 | 53,473 | 45,854 |
| Other debt securities | | | | | | | | |
| **CARRYING AMOUNT** | **20,282** | **17,087** | **22,894** | **20,756** | **81,019** | **1,168** | **82,187** | **92,593** |

(1) *Of which €1,109 million issued abroad.*

### 13.1 Bonds (by currency of issuance)

| *(in millions of euros)* | Residual maturity ≤ 1 year | Residual maturity > 1 year ≤ 5 years | Residual maturity > 5 years | Outstanding 31/12/2011 | Outstanding 31/12/2010 |
|---|---|---|---|---|---|
| **Euro** | **7,766** | **15,528** | **19,888** | **43,182** | **36,789** |
| Fixed-rate | 938 | 8,781 | 16,525 | 26,244 | 23,036 |
| Floating-rate | 6,828 | 6,747 | 3,363 | 16,938 | 13,753 |
| **Other European Union currencies** | **443** | **122** | **299** | **864** | **958** |
| Fixed-rate | | | 299 | 299 | |
| Floating-rate | 443 | 122 | | 565 | 958 |
| **US Dollar** | **1,173** | **2,934** | **31** | **4,137** | **4,232** |
| Fixed-rate | | 1,646 | 31 | 1,677 | 1,250 |
| Floating-rate | 1,173 | 1,287 | | 2,460 | 2,982 |
| **Yen** | **296** | **1,483** | **379** | **2,159** | **1,263** |
| Fixed-rate | 40 | 1,194 | 279 | 1,513 | 920 |
| Floating-rate | 256 | 290 | 100 | 646 | 343 |
| **Other currencies** | **119** | **1,951** | | **2,070** | **1,811** |
| Fixed-rate | 98 | 1,131 | | 1,229 | 1,115 |
| Floating-rate | 21 | 820 | | 841 | 696 |
| **Total principal** | **9,797** | **22,018** | **20,597** | **52,412** | **45,053** |
| Fixed-rate | 1,076 | 12,752 | 17,134 | 30,962 | 26,321 |
| Floating-rate | 8,721 | 9,266 | 3,463 | 21,450 | 18,732 |
| Accrued interest | | | | 1,061 | 801 |
| **CARRYING AMOUNT** | | | | **53,473** | **45,854** |

## Note 14 Accruals, deferred income and sundry liabilities

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Other liabilities** [1] | | |
| Counterparty transactions (trading securities) | | |
| Liabilities relating to stock lending transactions | | 190 |
| Optional instruments sold | 133 | 123 |
| Settlement and negotiation accounts | | |
| Miscellaneous creditors | 4,766 | 1,523 |
| Payments on securities in process | 36 | 104 |
| **CARRYING AMOUNT** | **4,935** | **1,940** |
| **Accruals and deferred income** | | |
| Items in course of transmission from other banks | 6,318 | 5,301 |
| Adjustment accounts | 8,688 | 6,283 |
| Unrealised gains and deferred gains on financial instruments | 194 | 163 |
| Unearned income | 2,304 | 2,240 |
| Accrued expenses on commitments on forward financial instruments | 3,866 | 3,000 |
| Other accrued expenses | 695 | 626 |
| Other accruals prepayments and sundry assets | 51 | 133 |
| **CARRYING AMOUNT** | **22,116** | **17,746** |
| **TOTAL** | **27,051** | **19,686** |

(1) *Amounts including accrued interest.*

## Note 15 Provisions

| *(in millions of euros)* | Outstanding at 01/01/2011 | Increases | Reversals used | Reversals not used | Other movements | Outstanding at 31/12/2011 |
|---|---|---|---|---|---|---|
| **Provisions** | | | | | | |
| Employee retirement and similar benefits | 239 | 7 | (1) | (14) | (6) | 225 |
| Other liabilities to employees | 5 | | (1) | | | 4 |
| Financing commitment execution risks | 79 | 324 | (117) | (76) | (6) | 204 |
| Tax disputes [1] | 52 | 15 | | | | 67 |
| Other litigations | 29 | 5 | | (5) | | 29 |
| Country risk | | | | | | |
| Credit risks | | | | | | |
| Restructuring | | | | | | |
| Income tax charge [2] | 307 | 90 | | (16) | | 381 |
| Equity investments [3] | | 4 | | | | 4 |
| Operational risk | | | | | | |
| Home purchase savings scheme imbalance risks | 343 | 10 | | (70) | | 283 |
| Other provisions [4] | 590 | 944 | (178) | (231) | | 1,125 |
| **CARRYING AMOUNT** | **1,644** | **1,399** | **(297)** | **(412)** | **(12)** | **2,322** |

(1) *Provisions for tax adjustment notices received.*

(2) *Mainly comprises tax liabilities due to subsidiaries under the tax consolidation scheme.*

(3) *Including joint ventures, EIGs, property risks of equity instruments.*

(4) *Including provisions for EIG investment risks.*

## Note 16 Home purchase savings contracts

### DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS ACCOUNTS AND PLANS DURING THE SAVINGS PHASE

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Home purchase savings plans** | | |
| Under four years old | 2,329 | 18,035 |
| Between four and ten years old | 44,439 | 23,875 |
| Over ten years old | 16,331 | 19,772 |
| **Total Home purchase savings plans** | **63,099** | **61,682** |
| **Total Home purchase savings accounts** | **12,199** | **12,408** |
| **TOTAL DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS CONTRACTS** | **75,298** | **74,090** |

### PROVISION FOR HOME PURCHASE SAVINGS ACCOUNTS AND PLANS

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Home purchase savings plans** | | |
| Under four years old | | |
| Between four and ten years old | 37 | 32 |
| Over ten years old | 222 | 280 |
| **Total Home purchase savings plans** | **259** | **312** |
| **Total Home purchase savings accounts** | **24** | **31** |
| **TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS** | **283** | **343** |

### CHANGES IN PROVISIONS

| *(in millions of euros)* | 01/01/2011 | Depreciation charges | Reversals | 31/12/2011 |
|---|---|---|---|---|
| Home purchase savings plans | 312 | 10 | (63) | 259 |
| Home purchase savings accounts | 31 | | (7) | 24 |
| **TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS** | **343** | **10** | **(70)** | **283** |

## Note 17 Liabilities to employees – Post-employment benefits, defined-benefit plans

### CHANGE IN ACTUARIAL LIABILITY

| *(in millions of euros)* | 2011 | 2010 |
|---|---|---|
| **Actuarial liability at 31/12/N-1** | **233** | **271** |
| Service cost over the period | 11 | 16 |
| Interest cost | 9 | 13 |
| Employee contributions | | |
| Benefit plan changes, withdrawals and settlement | | (38) |
| Changes in scope | 1 | 28 |
| Early retirement allowances | | |
| Benefits paid | (15) | (53) |
| Actuarial (gains)/ losses | (22) | (4) |
| **ACTUARIAL LIABILITY AT 31/12/N** | **217** | **233** |

### BREAKDOWN OF CHARGE RECOGNISED IN INCOME STATEMENT

| *(in millions of euros)* | 2011 | 2010 |
|---|---|---|
| Service cost | 11 | 16 |
| Interest cost | 9 | 13 |
| Expected return on assets | (8) | (7) |
| Amortisation of past service cost | | |
| Net actuarial (gains)/losses | (21) | |
| Amortisation of gains/(losses) generated by benefit plan changes, withdrawals and settlement | | |
| Other gains (losses) | | (38) |
| **NET CHARGE RECOGNISED IN INCOME STATEMENT** | **(9)** | **(16)** |

### CHANGES IN FAIR VALUE OF PLAN ASSETS

| *(in millions of euros)* | 2011 | 2010 |
|---|---|---|
| **Fair value of assets/reimbursement rights at 31/12/N-1** | **219** | **191** |
| Expected return on assets | 8 | 7 |
| Actuarial (gains)/losses | (1) | 6 |
| Employer contributions | | 41 |
| Employee contributions | | |
| Benefit plan changes, withdrawals and settlement | | |
| Changes in scope | 1 | 26 |
| Early retirement allowances | | |
| Benefits paid out under the benefit plan | (15) | (52) |
| **FAIR VALUE OF ASSETS/REIMBURSEMENT RIGHTS AT 31/12/N** | **212** | **219** |

### CHANGES IN PROVISIONS

| *(in millions of euros)* | 2011 | 2010 |
|---|---|---|
| **(Provisions)/Assets at 31/12/N-1** | **(14)** | **(79)** |
| Employer contributions | | 41 |
| Changes in scope | | 8 |
| Direct payments made by employer | | |
| Net charge recognised in income statement | 9 | 16 |
| **(PROVISIONS)/ASSETS AT 31/12/N** | **(5)** | **(14)** |

## Note 18 Fund for General Banking Risks

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Fund for general banking risks | 904 | 876 |
| **CARRYING AMOUNT** | **904** | **876** |

## Note 19 Subordinated debt – analysis by remaining maturity

| | 31/12/2011 | | | | | | | 31/12/2010 |
|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 3 months | > 3 months ≤ 1 year | > 1 year ≤ 5 years | > 5 years | Total principal | Accrued interest | Total | Total |
| **Fixed-term subordinated debt** | **612** | **1,103** | **3,188** | **17,409** | **22,312** | **320** | **22,632** | **23,236** |
| Euro | 612 | 1,103 | 3,188 | 15,182 | 20,085 | 299 | 20,384 | 21,110 |
| Other European Union currencies | | | | 538 | 538 | 2 | 540 | 524 |
| US Dollar | | | | 1,689 | 1,689 | 19 | 1,708 | 1,602 |
| Swiss Franc | | | | | | | | |
| Yen | | | | | | | | |
| Other currencies | | | | | | | | |
| **Participating securities and loans** | | | | | | | | |
| **Other subordinated term loans** | | | | | | | | |
| **Perpetual subordinated debt** (1) | | | | **13,749** | **13,749** | **219** | **13,968** | **18,246** |
| Euro | | | | 8,068 | 8,068 | 106 | 8,174 | 12,614 |
| US Dollar | | | | 3,362 | 3,362 | 28 | 3,390 | 3,283 |
| Other currencies | | | | 2,319 | 2,319 | 85 | 2,404 | 2,349 |
| **Blocked current accounts of Local Banks** | | | | | | | | |
| **Mutual security deposits** | | | | | | | | |
| **CARRYING AMOUNT** | **612** | **1,103** | **3,188** | **31,158** | **36,061** | **539** | **36,600** | **41,482** |

*(1) Residual maturity of perpetual subordinated debt placed by default in > five years.*

## Note 20 Changes in equity (before appropriation)

| *(in millions of euros)* | Share capital | Legal reserve | Statutory reserve | Share premiums, reserves and retained earnings | Translation, revaluation adjustments | Regulated provisions and investment subsidies | Net income | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Outstanding at 31/12/2009** | **6,959** | **513** | **1,317** | **26,670** | | **3** | **1,066** | **36,528** |
| Dividends or interest paid on shares in respect of 2009 | | | | (423) | | | | (423) |
| Change in share capital | 246 | | | | | | | 246 |
| Change in share premium and reserves | | 53 | | 477 | | | | 530 |
| Appropriation of 2009 parent company net income | | | | 1,066 | | | (1,066) | |
| Reduction in retained earnings | | | | (669) | | | | (669) |
| Net income for 2010 | | | | | | | (552) | (552) |
| Other changes | | | | | | (1) | | (1) |
| **Outstanding at 31/12/2010** | **7,205** | **566** | **1,317** | **27,121** | | **2** | **(552)** | **35,659** |
| Dividends or interest paid on shares in respect of 2010 (1) | | | | (167) | | | | (167) |
| Change in share capital | 289 | | | | | | | 289 |
| Change in share premium and reserves | | | | 623 | | | | 623 |
| Appropriation of 2010 parent company net income | | | | (552) | | | 552 | |
| Reduction in retained earnings (2) | | | | (914) | | | | (914) |
| Net income for 2011 | | | | | | | (3,656) | (3,656) |
| Other changes | | | | | | 6 | | 6 |
| **OUTSTANDING AT 31/12/2011** | **7,494** | **566** | **1,317** | **26,111** | | **8** | **(3,656)** | **31,840** |

(1) *This amount relates to the payment in cash of the dividend in respect of 2010.*

(2) *The change in retained earnings was -€1,633 million before allocation to the headings: dividends paid (+€167 million), appropriation of 2010 parent company net income (+€552 million).*

## Note 21 Composition of capital

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Equity | 31,840 | 35,659 |
| Fund for general banking risks (FGBR) | 904 | 876 |
| Subordinated debt and participating securities | 36,600 | 41,482 |
| Mutual security deposits | | |
| **TOTAL CAPITAL** | **69,344** | **78,017** |

## Note 22 Transactions with subsidiaries and affiliates, and equity investments

| (in millions of euros) | Outstanding at 31/12/2011 Transactions with subsidiaries and affiliates, and equity investments | Outstanding at 31/12/2010 Transactions with subsidiaries and affiliates, and equity investments |
|---|---|---|
| **Accruals** | **404,730** | **374,870** |
| Credit and other financial institutions | 393,672 | 358,411 |
| Customers | 2,469 | 2,109 |
| Bonds and other fixed-income securities | 8,589 | 14,350 |
| **Debt** | **136,831** | **113,728** |
| Credit and other financial institutions | 127,594 | 83,525 |
| Customers | 803 | 882 |
| Debt securities and subordinated debt | 8,434 | 29,321 |
| **Commitments given** | **58,678** | **52,672** |
| Financing commitments given to credit institutions | 33,292 | 33,045 |
| Financing commitments given to customers | | |
| Guarantees given to credit and other financial institutions | 21,531 | 15,857 |
| Guarantees given to customers | 3,855 | 3,770 |
| Securities acquired with repurchase options | | |
| Other commitments given | | |

## Note 23 Foreign currency denominated transactions

| | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| *(in millions of euros)* | Assets | Liabilities | Assets | Liabilities |
| Euro | 512,664 | 495,089 | 485,595 | 474,081 |
| Other European Union currencies | 3,813 | 4,723 | 3,018 | 4,216 |
| Swiss Franc | 11,778 | 6,262 | 10,369 | 5,302 |
| US Dollar | 26,189 | 35,631 | 12,486 | 24,370 |
| Yen | 536 | 2,194 | 587 | 114 |
| Other currencies | 1,219 | 1,421 | 1,245 | 467 |
| **Gross amount** | **556,199** | **545,320** | **513,300** | **508,550** |
| Accruals, prepayments and sundry assets | 24,922 | 25,713 | 21,012 | 20,919 |
| Impairment | (10,088) | | (4,843) | |
| **TOTAL** | **571,033** | **571,033** | **529,469** | **529,469** |

## Note 24 Foreign exchange transactions, loans and borrowings

| *(in millions of euros)* | 31/12/2011 | | 31/12/2010 | |
|---|---|---|---|---|
| | To be received | To be delivered | To be received | To be delivered |
| Foreign currency | 1,151 | 1,107 | 152 | 164 |
| Euros | 56 | 100 | 54 | 41 |
| **Spot foreign exchange transactions** | **1,207** | **1,207** | **206** | **205** |
| Foreign currency | 26,114 | 17,922 | 40,166 | 11,524 |
| Euros | 8,989 | 16,387 | 2,217 | 30,761 |
| **Forward currency transactions** | **35,103** | **34,309** | **42,383** | **42,285** |
| Foreign currency denominated loans and borrowings | 962 | 429 | 2,830 | 324 |
| **Foreign currency denominated loans and borrowings** | **962** | **429** | **2,830** | **324** |
| **TOTAL** | **37,272** | **35,945** | **45,419** | **42,814** |

## Note 25 Forward financial instruments

| (in millions of euros) | 31/12/2011 Hedging transactions | Other | Total | 31/12/2010 Total |
|---|---|---|---|---|
| ***Futures and forwards*** | **806,590** | **577,858** | **1,384,448** | **1,126,768** |
| **Exchange-traded** (1) | | | | **1,048** |
| Interest rate futures | | | | 1,048 |
| Currency futures | | | | |
| Equity and stock index instruments | | | | |
| Other futures | | | | |
| **Over-the-counter** (1) | **806,590** | **577,858** | **1,384,448** | **1,125,720** |
| Interest rate swaps | 804,571 | 577,858 | 1,382,429 | 1,123,507 |
| Other interest rate forwards | | | | |
| Currency futures | | | | |
| FRAs | | | | |
| Equity and stock index instruments | 2,019 | | 2,019 | 2,213 |
| Other futures | | | | |
| ***Options*** | **9,184** | **14,554** | **23,738** | **25,389** |
| **Exchange-traded** | | | | **106** |
| Interest rate futures | | | | |
| • Bought | | | | |
| • Sold | | | | |
| Equity and stock index instruments | | | | |
| • Bought | | | | 53 |
| • Sold | | | | 53 |
| Currency futures | | | | |
| • Bought | | | | |
| • Sold | | | | |
| Other futures | | | | |
| • Bought | | | | |
| • Sold | | | | |
| **Over-the-counter** | **9,184** | **14,554** | **23,738** | **25,283** |
| Interest-rate swap options | | | | |
| • Bought | 499 | 24 | 523 | 650 |
| • Sold | | 24 | 24 | 150 |
| Other interest rate forwards | | | | |
| • Bought | 8,685 | 4,616 | 13,301 | 15,568 |
| • Sold | | 4,616 | 4,616 | 4,438 |
| Currency futures | | | | |
| • Bought | | 2,421 | 2,421 | 1,859 |
| • Sold | | 2,421 | 2,421 | 1,859 |
| Equity and stock index instruments | | | | |
| • Bought | | 432 | 432 | 759 |
| • Sold | | | | |
| Other futures | | | | |
| • Bought | | | | |
| • Sold | | | | |
| ***Credit derivatives*** | | | | **7,878** |
| Credit derivative contracts | | | | |
| • Bought | | | | 927 |
| • Sold | | | | 6,951 |
| **TOTAL** | **815,774** | **592,412** | **1,408,186** | **1,160,035** |

*Commitments in currencies (forward foreign exchange contracts and currency swaps) are not included in this note. The information on these instruments is presented in Notes 25.1 and 25.2.*

(1) *The amounts indicated on the futures and forwards must correspond to aggregate long and short positions (interest rate swaps and interest rate swap options), or to aggregate purchases and sales of contracts (other contracts).*

## 25.1 Forward financial instruments – analysis by remaining maturity

| | Total 31/12/2011 | | | O/w over-the-counter | | | O/w exchange traded and equivalent | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 1 year | from 1 to 5 years | > 5 years | ≤ 1 year | from 1 to 5 years | > 5 years | ≤ 1 year | from 1 to 5 years | > 5 years |
| Futures | | | | | | | | | |
| Currency options | 3,793 | 1,049 | | 3,793 | 1,049 | | | | |
| Interest rate options | | 9 | 538 | | 9 | 538 | | | |
| Currency futures | | | | | | | | | |
| FRAs | | | | | | | | | |
| Interest rate swaps | 803,774 | 277,648 | 301,007 | 803,774 | 277,648 | 301,007 | | | |
| Caps, Floors, Collars | 2,271 | 9,684 | 5,962 | 2,271 | 9,684 | 5,962 | | | |
| Interest rate forwards | | | | | | | | | |
| Equity and equity index futures and forwards | 43 | 120 | 1,856 | 43 | 120 | 1,856 | | | |
| Equity and equity index options | 4 | 64 | 364 | 4 | 64 | 364 | | | |
| Equity, equity index and precious metals derivatives | | | | | | | | | |
| Credit derivatives | | | | | | | | | |
| **Subtotal** | **809,885** | **288,574** | **309,727** | **809,885** | **288,574** | **309,727** | | | |
| Currency swaps | 6,861 | 14,252 | 9,360 | 6,861 | 14,252 | 9,360 | | | |
| Forward currency transactions | 38,082 | 684 | 173 | 38,082 | 684 | 173 | | | |
| **Subtotal** | **44,943** | **14,936** | **9,533** | **44,943** | **14,936** | **9,533** | | | |
| **TOTAL** | **854,828** | **303,510** | **319,260** | **854,828** | **303,510** | **319,260** | | | |

| | Total 31/12/2010 | | | O/w over-the-counter | | | O/w exchange traded and equivalent | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions of euros)* | ≤ 1 year | from 1 to 5 years | > 5 years | ≤ 1 year | from 1 to 5 years | > 5 years | ≤ 1 year | from 1 to 5 years | > 5 years |
| Futures | 1,048 | | | | | | 1,048 | | |
| Currency options | 3,045 | 673 | | 3,045 | 673 | | | | |
| Interest rate options | | 209 | 590 | | 209 | 590 | | | |
| Currency futures | | | | | | | | | |
| FRAs | | | | | | | | | |
| Interest rate swaps | 609,783 | 262,303 | 251,420 | 609,783 | 262,303 | 251,420 | | | |
| Caps, Floors, Collars | 3,938 | 8,624 | 7,446 | 3,938 | 8,624 | 7,446 | | | |
| Interest rate forwards | | | | | | | | | |
| Equity and equity index futures and forwards | 111 | 161 | 1,942 | 111 | 161 | 1,942 | | | |
| Equity and equity index options | 161 | 124 | 580 | 55 | 124 | 580 | 106 | | |
| Equity, equity index and precious metals derivatives | | | | | | | | | |
| Credit derivatives | 6,054 | 668 | 1,155 | 6,054 | 668 | 1,155 | | | |
| **Subtotal** | **624,140** | **272,762** | **263,133** | **622,986** | **272,762** | **263,133** | **1,154** | | |
| Currency swaps | 5,720 | 15,649 | 10,267 | 5,720 | 15,649 | 10,267 | | | |
| Forward currency transactions | 51,949 | 895 | 189 | 51,949 | 895 | 189 | | | |
| **Subtotal** | **57,669** | **16,544** | **10,456** | **57,668** | **16,544** | **10,456** | | | |
| **TOTAL** | **681,809** | **289,306** | **273,589** | **680,654** | **289,306** | **273,589** | **1,154** | | |

## 25.2 Forward financial instruments – fair value

| (in millions of euros) | 31/12/2011 | | | 31/12/2010 | | |
|---|---|---|---|---|---|---|
| | Fair value | | Notional amount | Fair value | | Notional amount |
| | Positive | Negative | | Positive | Negative | |
| Futures | | | | | | 1,048 |
| Currency options | 28 | 28 | 4,843 | 22 | 22 | 3,718 |
| Currency futures | | | | | | |
| Interest rate options | 536 | 402 | 547 | 311 | 261 | 799 |
| FRAs | | | | | | |
| Interest rate swaps | 33,941 | 33,320 | 1,382,428 | 24,275 | 24,290 | 1,123,506 |
| Caps, Floors, Collars | 563 | 484 | 17,917 | 637 | 456 | 20,006 |
| Credit derivatives | | | | 73 | 73 | 7,878 |
| Equity, equity index and precious metals derivatives | 18 | 5 | 2,451 | 155 | 21 | 3,080 |
| **Subtotal** | **35,086** | **34,239** | **1,408,186** | **25,473** | **25,123** | **1,160,035** |
| Currency swaps | 596 | 38 | 30,473 | 541 | 240 | 31,636 |
| Forward currency transactions | 4,453 | 4,273 | 38,939 | 3,683 | 3,992 | 53,033 |
| **Subtotal** | **5,049** | **4,311** | **69,412** | **4,224** | **4,232** | **84,669** |
| **TOTAL** | **40,135** | **38,550** | **1,477,598** | **29,697** | **29,355** | **1,244,704** |

## Note 26 Commitments given and received

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Commitments given** | **61,119** | **55,505** |
| **Financing commitments** | **33,315** | **33,068** |
| Commitments given to credit institutions | 33,296 | 33,049 |
| Commitments given to customers | 19 | 19 |
| Confirmed credit lines | | |
| • Documentary credits | | |
| • Other confirmed credit lines | | |
| Other commitments given to customers | 19 | 19 |
| **Guarantee commitments** | **27,804** | **22,437** |
| Credit institutions | 21,968 | 16,425 |
| Confirmed documentary credit lines | | |
| Other | 21,968 | 16,425 |
| Customers | 5,836 | 6,012 |
| Property guarantees | 54 | 55 |
| Financial guarantees | 5 | 5 |
| Other customer guarantees | 5,777 | 5,952 |
| **Commitments received** | **56,774** | **45,819** |
| **Financing commitments** | **38,823** | **43,118** |
| Commitments received from credit institutions | 38,823 | 43,118 |
| Commitments received from customers | | |
| **Guarantee commitments** | **17,951** | **2,701** |
| Commitments received from credit institutions | 17,896 | 2,648 |
| Commitments received from customers | 55 | 53 |
| Guarantees received from government bodies or similar | 53 | 51 |
| Other guarantees received | 2 | 2 |

## Note 27 Net interest and similar income

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Interbank transactions | 4,194 | 4,284 |
| Crédit Agricole internal transactions | 6,979 | 6,397 |
| Customer transactions | 422 | 392 |
| Bonds and other fixed-income securities | 2,434 | 1,813 |
| Net gains on macro-hedging transactions | | |
| Debt securities | 43 | 40 |
| Other interest income | 20 | 33 |
| **Interest income** | **14,092** | **12,959** |
| Interbank transactions | (4,335) | (3,934) |
| Crédit Agricole internal transactions | (1,185) | (1,102) |
| Customer transactions | (6,331) | (5,970) |
| Bonds and other fixed-income securities | (1,058) | (859) |
| Net losses on macro-hedging transactions | (328) | (310) |
| Debt securities | (2,162) | (1,865) |
| Other interest expense | (8) | (3) |
| **Interest expense** | **(15,407)** | **(14,043)** |
| **NET INTEREST AND SIMILAR INCOME** | **(1,315)** | **(1,084)** |

## Note 28 Income from securities

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Available-for-sale securities | 1,758 | 1,272 |
| Sustainable development passbook account (LDD) | | 2 |
| Held-to-maturity securities | | |
| Other securities transactions | 718 | 539 |
| **Income from fixed-income securities** | **2,476** | **1,813** |
| Investments in associates, equity investments and other long-term equity investments | 3,650 | 2,770 |
| Available-for-sale securities and equity portfolio securities | 19 | 17 |
| Other securities transactions | | |
| **Income from variable-income securities** | **3,669** | **2,787** |
| **TOTAL INCOME FROM SECURITIES** | **6,145** | **4,600** |

## Note 29 Net fee and commission income

| *(in millions of euros)* | 31/12/2011 Income | 31/12/2011 Expense | 31/12/2011 Net | 31/12/2010 Income | 31/12/2010 Expense | 31/12/2010 Net |
|---|---|---|---|---|---|---|
| Interbank transactions | 93 | (19) | 74 | 95 | (10) | 85 |
| Crédit Agricole internal transactions | 428 | (977) | (549) | 492 | (1,075) | (583) |
| Customer transactions | | | | | (3) | (3) |
| Securities transactions | 6 | (21) | (15) | 3 | (11) | (8) |
| Forward financial instruments and other off-balance sheet transactions | | (4) | (4) | | (4) | (4) |
| Financial services | 152 | (150) | 2 | 179 | (216) | (37) |
| Provisions for commission and fee risks | | | | 21 | (18) | 3 |
| **TOTAL NET FEE AND COMMISSION INCOME (EXPENSES)** | **679** | **(1,171)** | **(492)** | **790** | **(1,337)** | **(547)** |

## Note 30 Net gains (losses) on trading book

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Gains (losses) on trading securities | 37 | 50 |
| Gains (losses) on foreign currency transactions and similar financial instruments | 120 | (27) |
| Gains (losses) on other forward financial instruments | (388) | (83) |
| **NET GAINS (LOSSES) ON TRADING BOOK** | **(231)** | **(60)** |

## Note 31 Net gains (losses) on available-for-sale portfolios and similar

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Available-for-sale securities** | | |
| Impairment losses | (1,022) | (341) |
| Reversals of impairment losses | 685 | 132 |
| **Net losses/reversals** | **(337)** | **(209)** |
| Gains on disposals | 18 | 97 |
| Losses on disposals | (79) | (19) |
| **Net gains (losses) on disposals** | **(61)** | **78** |
| **Net gains (losses) on available-for-sale securities** | **(398)** | **(131)** |
| **Equity portfolio securities** | | |
| Impairment losses | (59) | (7) |
| Reversals of impairment losses | 35 | |
| **Net losses/reversals** | **(24)** | **(7)** |
| Gains on disposals | 7 | |
| Losses on disposals | | |
| **Net gains (losses) on disposals** | **7** | |
| **Net gains (losses) on equity portfolio securities** | **(17)** | **(7)** |
| **NET GAINS (LOSSES) ON AVALAIBLE-FOR-SALE PORTFOLIOS** | **(415)** | **(138)** |

## Note 32 Other banking income and expenses

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Other income | 16 | 17 |
| Share of joint ventures | | |
| Charge-backs and expense reclassifications | 43 | 63 |
| Reversals of provisions | | 18 |
| **Other banking income** | **59** | **98** |
| Sundry expenses | (82) | (114) |
| Share of joint ventures | (8) | (5) |
| Charge-backs and expense reclassifications | | |
| Depreciation charges to provisions | | (9) |
| **Other banking expenses** | **(90)** | **(128)** |
| **OTHER BANKING INCOME AND EXPENSES** | **(31)** | **(30)** |

## Note 33 Operating expenses

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Employee expenses** [1] | | |
| Salaries | (242) | (275) |
| Social security expenses | (121) | (167) |
| O/w contributions to defined-contribution post-employment benefit plans | (2) | (3) |
| Profit-sharing and incentive plans | (26) | (29) |
| Payroll-related tax | (33) | (34) |
| **Total employee expenses** | **(422)** | **(505)** |
| Charge-backs and reclassification of employee expenses | 129 | 140 |
| **Net employee expenses** | **(293)** | **(365)** |
| **Administrative expenses** [2] | | |
| Taxes other than on income or payroll-related | (46) | (34) |
| External services and other administrative expenses | (492) | (445) |
| **Total administrative expenses** | **(538)** | **(479)** |
| Charge-backs and reclassification of administrative expenses | 110 | 110 |
| **Net administrative expenses** | **(428)** | **(369)** |
| **OPERATING EXPENSES** | **(721)** | **(734)** |

*(1) At 31 December 2011, the compensation of Executive Board members of Crédit Agricole S.A. Group amounted to €17 million compared with €21 million at 31 December 2010.*

*(2) Information on fees paid to Statutory Auditors is indicated in the notes to the consolidated financial statements of Crédit Agricole S.A. Group.*

## 33.1 Headcount by category

| *(average number of employees)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Managers | 2,799 | 2,791 |
| Non-Managers | 514 | 542 |
| **TOTAL** | **3,313** | **3,333** |
| *O/w: France* | *3,295* | *3,316* |
| *Foreign* | *18* | *17* |
| *O/w: Detached employees* | *1,082* | *1,151* |

### FREE SHARE DISTRIBUTION PLAN FOR EMPLOYEES

On 9 November 2011, Crédit Agricole S.A.'s Board of Directors agreed to implement a free Crédit Agricole S.A. share distribution plan for Company employees. This distribution will be carried out through the issue of new shares. It will become definitive following a vesting period of two years (at the end of this period employees must still be employed by the Company in order to receive their shares); shares must also be held for two years.

This transaction has no impact on Crédit Agricole S.A.'s financial statements except as regards the 10% social contribution calculated on the basis of the advantage given to employees and recognised in the consolidated financial statements under IFRS.

## Note 34 Cost of risk

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Depreciation charges to provisions and impairment** | **(409)** | **(49)** |
| Impairment of doubtful loans and receivables | (3) | |
| Other depreciation charges to provisions and impairment | (406) | (49) |
| **Reversals of provisions and impairment losses** | **276** | **29** |
| Reversals of impairment losses on doubtful loans and receivables | 5 | 1 |
| Other reversals of provisions and impairment losses | 271 | 28 |
| **Change in provisions and impairment** | **(133)** | **(20)** |
| Bad debts written off - not provided for | (46) | |
| Bad debts written off - provided for | (119) | (3) |
| Discount on restructured loans | | |
| Recoveries on bad debts written off | 3 | 6 |
| Other losses | | |
| **COST OF RISK** | **(295)** | **(17)** |

## Note 35 Net income on fixed assets

### FINANCIAL INVESTMENTS

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Impairment losses** | **(4,921)** | **(1,788)** |
| Held-to-maturity securities | | |
| Investments in associates, equity investments and other long-term equity investments | (4,921) | (1,788) |
| **Reversals of impairment losses** | **125** | **157** |
| Held-to-maturity securities | | |
| Investments in associates, equity investments and other long-term equity investments | 125 | 157 |
| **Net losses/reversals** | **(4,796)** | **(1,631)** |
| Held-to-maturity securities | | |
| Investments in associates, equity investments and other long-term equity investments | (4,796) | (1,631) |
| **Gains on disposals** | **71** | **2** |
| Held-to-maturity securities | | |
| Investments in associates, equity investments and other long-term equity investments | 71 | 2 |
| **Losses on disposals** | **(254)** | **(206)** |
| Held-to-maturity securities | | |
| Investments in associates, equity investments and other long-term equity investments | (243) | (203) |
| Losses on receivables from equity investments | (11) | (3) |
| **Net gains (losses) on disposals** | **(183)** | **(204)** |
| Held-to-maturity securities | | |
| Investments in associates, equity investments and other long-term equity investments | (183) | (204) |
| **NET GAINS (LOSSES)** | **(4,979)** | **(1,835)** |

### INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Gains on disposals | | 3 |
| Losses on disposals | | |
| **Net gains (losses)** | | **3** |
| **NET GAINS (LOSSES) ON FIXED ASSETS** | **(4,979)** | **(1,832)** |

## Note 36 Income tax charge

| *(in millions of euros)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Income tax charge [(1)] | 1,290 | 1,177 |
| Net depreciation charge to provisions for taxes under the tax consolidation scheme | (89) | (41) |
| **NET BALANCE** | **1,201** | **1,136** |

*(1) The tax gain mainly consists of the taxes that Crédit Agricole S.A., as head of the tax consolidation group, collected from the subsidiaries included in the tax consolidation scheme.*

## Note 37 Presence in non-cooperative states and territories

The investment and divestment projects carried out by the entities that are controlled directly or indirectly by Crédit Agricole S.A. must comply with its strategic orientations as defined by the Board of Directors of Crédit Agricole S.A. and implemented by the Group's Executive management.

A Group procedure note outlines the intervention scope of both the business lines and the Central Support functions of Crédit Agricole S.A. Under this procedure, the Group Finance department and the Strategy and Development department are consulted in order to ensure that the economic and financial expectations of the transaction are met. They also ensure the appropriateness of the planned transaction and its consistency with the Group's strategic orientations. The Group Risk Management and Permanent Controls function, the Compliance department and the Legal department all play a role by issuing opinions within their respective fields of responsibility.

This principle applies to all subsidiaries, and concerns all new products and activities, under the responsibility of specific committees.

Crédit Agricole S.A. is present, directly and indirectly, in non-cooperative states or territories as defined by Article 238-0 A of the French General Tax Code.

The information at 31 December 2011 concerning these operations is presented as follows:

| Country | Corporate name | Legal form | Nature of the authorisation (if applicable) | Share of capital *in %* | Type of business |
|---|---|---|---|---|---|
| Brunei | Amundi Singapore Limited Brunei Branch | Branch | | 73.62 | Branch |
| Philippines | CLSA (Philippines) Inc. | Incorporated | | 97.77 | Brokerage |
| | CLSA Exchange Capital Inc. | Incorporated | | 58.66 | Investment company |
| | Crédit Agricole CIB Succursale de Manille | Branch | Banking | 97.77 | Branch |
| | Philippine Distressed Assets Asia Pacific (SPV-AMC) 1 Inc. | Incorporated | | 97.77 | Management of impaired loans |
| | Philippine Distressed Assets Asia Pacific (SPV-AMC) 2 Inc. | Incorporated | | 62.57 | Management of impaired loans |

The above entities are within the area of responsibility of Crédit Agricole S.A. Group's Internal Controls department and as such must respect the Group's procedures in terms of prevention and control of non-compliance risk (which include namely the necessary procedures in terms of preventing money laundering and combating terrorism financing), as described in the report of the Chairman of the Board of Directors in the registration document of Crédit Agricole S.A.

*NB: the list of non-cooperative states or territories used in this note is the one issued by decree of the French Minister for the Economy, Industry and Employment on 14 April 2011.*

*Brunei has signed an administrative assistance agreement with France that still hasn't come into force.*

*(French Official Tax Bulletin no. 63, 14 A-7-11 of 26 July 2011).*

# Statutory Auditors' Report on the Parent Company financial statements

*This is a free translation into English of the Statutory Auditors' report issued in French. It is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information required specifically by French law in such reports, whether qualified or not. This information presents below the opinion on the parent company's financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the parent company's financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the parent company's financial statements.*

*This report should be read and construed in accordance with French law and professional auditing standards applicable in France.*

Year ended December 31, 2011

To the shareholders:

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying financial statements of Crédit Agricole S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

## I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform procedures to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2011 and of the results of its operations for the year ended in accordance with French generally accepted accounting principles.

## II. Justification of our assessments

The accounting estimates reflected in the financial statements as at December 31, 2011 were made in a context of uncertainty arising as a result of the sovereign debt crisis of some eurozone countries (most notably Greece) combined with an economic and a liquidity crisis, resulting in a lack of visibility on economic prospects. In that context and in accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de Commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

### Accounting estimates

- As stated in Notes 1.3 and 1.4 to the financial statements, your Company is exposed to the economic crisis in Greece primarily through its subsidiary Emporiki Bank. Based on the information available to date, we have reviewed the processes implemented by management to assess the related risks and assessed the appropriateness of the related accounting estimates as well as the disclosures included in the financial statements.
- As part of its process of preparation of the financial statements, your Company has made accounting estimates, in particular regarding the valuation of investments in non-consolidated companies and participating interests, loans and advances granted, other long-term investments and the pension and future employees' benefits provisions. We have reviewed the assumptions used and verified that these accounting estimates are based on documented methods that comply with the principles set forth in Note 2 to the financial statements.

These assessments were made as part of our audit of the parent company's financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information provided in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information provided in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code *(Code de Commerce)* related to compensations and benefits received by the Directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the main shareholders has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 14, 2012

The Statutory Auditors

| | |
|---|---|
| PricewaterhouseCoopers Audit | ERNST & YOUNG et Autres |
| Catherine Pariset | Valérie Meeus |

# General information

7

# Memorandum and Articles of Association

## Crédit Agricole S.A.

A French company (*"société anonyme"*) with a share capital of €7,494,061,611.
Registered with the Paris Trade and Company Registry under number 784 608 416

Registered office:
91-93, boulevard Pasteur – 75015 Paris – France
Tel: (33) 1 43 23 52 02

## Articles of Association

Updated version of 5 October 2011 integrally reproduced hereunder.

### Article 1 – Form

Crédit Agricole S.A. (the "Company") is a French company, (*"société anonyme"*) with a Board of Directors (*"Conseil d'administration"*) governed by ordinary corporate law, notably Book II of the French Commercial Code.

Crédit Agricole S.A. is also subject to the provisions of the Monetary and Finance Code, in particular Articles L. 512-47 *et seq.,* and those provisions of former Book V of the Rural Code which have not been repealed, and Act No. 88-50 of 18 January 1988 concerning the Reorganisation of the *Caisse Nationale de Crédit Agricole* as a Mutual Company.

Prior to the Extraordinary General Meeting of 29 November 2001, the Company was called "Caisse Nationale de Crédit Agricole", abbreviated "C.N.C.A.".

The Company was born of the transformation of the *Caisse Nationale de Crédit Agricole,* an *"Établissement Public Industriel et Commercial",* following the merger of the Mutual Guarantee Fund of the Caisses Régionales de Crédit Agricole Mutuel (the Regional Banks); it continues to hold all of the rights, obligations, guarantees and security interests of those legal entities prior to their transformation; it exercises all rights relating to mortgages granted in favour of the State.

### Article 2 – Name

The name of the Company is: Crédit Agricole S.A.

In all deeds and documents of the Company that are intended for third parties, the corporate name shall be immediately preceded or followed by the words "*Société Anonyme*" or the initials "S.A.", "*régie par le livre deuxième du Code de commerce et par les dispositions du Code monétaire et financier*" ("governed by Book II of the French Commercial Code and the provisions of the Monetary and Finance Code") and by the amount of the share capital.

### Article 3 – Object

Crédit Agricole S.A. has for object to facilitate and promote the activities and development of the *Caisses Régionales de Crédit Agricole Mutuel* and the Crédit Agricole Group. In furtherance of this purpose:

1. Crédit Agricole S.A. operates as a central financial institution and ensures that the Group acts as a single financial unit in its dealings with third parties with the object of optimising the financial management of funds and, in return, the allocation of the financial resources so collected.

   Crédit Agricole S.A. collects and manages the excess deposits and savings of the Regional Banks, as well as savings collected by such Banks on its behalf.

   Crédit Agricole S.A. grants facilities to the Regional Banks to permit the funding of their medium and long-term loans. It ensures that the transformation risks pertaining to the Company, its subsidiaries and the Regional Banks are assumed. It implements the mechanisms for guaranteeing transactions by the *Caisses Régionales de Crédit Agricole Mutuel*. In its own name and on behalf of the companies in the Crédit Agricole Group, Crédit Agricole S.A. negotiates and enters into domestic and international agreements which may affect the credit of the Group. It executes all nation-wide agreements with the State.

2. In France and abroad, Crédit Agricole S.A. performs all types of banking, financial, credit, investment or securities transactions and related services under the Monetary and Finance Code, guaranty, arbitrage, brokerage and commission transactions, whether for its own account or for the account of others, without infringing on the remit of the *Caisses Régionales de Crédit Agricole Mutuel.*

3. In accordance with the provisions of the Monetary and Finance Code, as the Central Organ of Crédit Agricole Mutuel, Crédit Agricole S.A. ensures the cohesion of the Crédit Agricole Mutuel network, the proper operation of the credit institutions that are a part thereof, and compliance by such institutions with the applicable laws and regulations by exercising administrative, technical and financial supervision thereof; it guarantees the liquidity and solvency of the entire network and all institutions affiliated therewith.

   And, as a general matter, Crédit Agricole S.A. engages in all types of commercial, financial, personal and real property transactions and provides all services directly or indirectly related to its purpose, provided that they are in furtherance thereof.

## Article 4 – Registered office

The registered office of the Company is situated at 91-93, boulevard Pasteur, Paris (75015).

## Article 5 – Duration

The Company, born out of the transformation described in the last paragraph of Article 1 of these Articles of Association, shall terminate on 31 December 2086 unless extended or dissolved in advance by the shareholders at an Extraordinary General Meeting.

## Article 6 – Share capital

The share capital of the Company is €7,494,061,611 divided into 2,498,020,537 Ordinary Shares with a par value of €3, all of them paid up in full.

In accordance with the applicable laws and regulations, non-voting Preferred Shares with the rights defined by these Articles of Association may be created and issued pursuant to Articles L. 228-11 *et seq.* of the French Commercial Code.

Several classes of Preferred Shares may be created with different characteristics, with respect, *inter alia,* to (i) their Issue Date; (ii) their Issue Price; and (iii) their Rate. Consequently, the corporate body that shall decide to issue Preferred Shares shall amend this Article 6, "Share capital", accordingly, in order to specify the designation (A,B,C, etc.) and the characteristics of the class issued in this manner, and in particular, those characteristics referred to in items (i) to (iii) above.

For purposes of these Articles of Association:

- "Ordinary Shares" means the Ordinary Shares of the Company;
- "Preferred Shares" means the non-voting Preferred Shares, regardless of class, that may be issued by the Company and their attached rights, as defined in these Articles of Association;
- "Shares" means Ordinary Shares and Preferred Shares collectively;
- "Meeting" means any General Meeting or Special Meeting;
- "General Meeting" means the General Meeting of Ordinary Shareholders in which preferred shareholders may participate;
- "Extraordinary General Meeting" means the General Meeting convened to vote on extraordinary business;
- "Ordinary General Meeting" means the General Meeting convened to vote on ordinary business;
- "Special Meeting" means the Special Meeting of Holders of a given class of Preferred Shares;
- "Issue Date" means, for a given class of Preferred Shares, the date of issue of the Preferred Shares of the relevant class;
- "Issue Price" means, for a given class of Preferred Shares, the issue price per preferred share in the relevant class, or its par value plus any share premium;
- "Adjusted Issue Price" means, for a given class of Preferred Shares, the issue price, less any amount that may be paid and/or the value of any asset, as determined by an expert appointed by the Board of Directors (or, failing which, by an order of the presiding judge of the Paris Commercial Court ruling in summary proceedings in accordance with Article 1843-4 of the French Civil Code), due for each outstanding preferred share in the given class following a capital reduction not due to losses;
- The "Rate" means the rate set by the relevant corporate body at the time of the issue of Preferred Shares and used as a basis for determining the preferred dividend, it being specified that this shall equal the average of the 10-year Constant Maturity Treasury (CMT) (yield on a 10-year government bond) (or any other index that may be substituted for the 10-year CMT) over the three business days preceding the date of the decision to issue the shares, plus a margin of no more than 12%.

In the event of a stock split or reverse split applying to Ordinary Shares, the split or reverse split shall also apply to the Preferred Shares under the same conditions and their characteristics shall be adjusted automatically. More specifically, the new dividend rights and the new adjusted issue price of the Preferred Shares belonging to a given class shall be the same as the dividend rights and adjusted issue price, as the case may be, of the given class, in effect before the beginning of the transaction multiplied by the ratio obtained by dividing (i) the number of Preferred Shares in the given class included in the share capital before the transaction by (ii) the number of Preferred Shares in the given class included in the share capital after the transaction.

In the event of a bonus issue of Preferred Shares to the holders of Preferred Shares by the capitalisation of any share premiums and/or of the legal reserve, the characteristics of the Preferred Shares shall be adjusted automatically. More specifically, the new dividend rights and the new adjusted issue price of the Preferred Shares of a given class shall be the same as the dividend rights and adjusted issue price, as the case may be, of the given class, in effect before the beginning of the transaction multiplied by the ratio obtained by dividing (i) the number of Preferred Shares in the given class included in the share capital before the transaction by (ii) the number of Preferred Shares in the given class included in the share capital after the transaction. No adjustment shall be made in the event of an increase in the nominal value by capitalisation of any share premiums and/or of the legal reserve.

## Article 7 – Changes in the share capital: capital increases, reductions and redemptions

### A. CAPITAL INCREASES

1. The share capital may be increased by any method and in any manner authorised by law.
2. The Extraordinary General Meeting shall have exclusive authority to decide whether to increase the share capital or to authorise such a decision, pursuant to the applicable laws and regulations and subject to the provisions pertaining to payment of the dividend in shares provided in paragraph 9 of Article 31, “Determination, allocation and distribution of profit” of the Articles of Association.
3. Pursuant to the applicable laws and regulations, holders of Ordinary Shares have a pre-emptive right to subscribe for Shares and securities granting rights to shares in the Company, in proportion to the quantity of Ordinary Shares that they own.

   The Preferred Shares do not have pre-emptive rights to subscribe to any subsequent issue of shares and securities granting a right to shares in accordance with the option provided in Article L. 228-11, paragraph 5 of the French Commercial Code.
4. The holders of Preferred Shares shall not benefit from capital increases resulting from a bonus issue of new shares or by an increase in the nominal amount of Ordinary Shares outstanding resulting from the capitalisation of reserves (other than the legal reserve) or earnings, or the bonus issue of securities granting rights to shares as part of a bonus issue for ordinary shareholders. However, in the event of a capital increase by means of a bonus issue of new shares or by an increase in the nominal amount of outstanding Ordinary Shares through capitalisation of any share premiums or of the legal reserve, the ordinary shareholders and the preferred shareholders shall be entitled to subscribe to the capital increase in proportion to their rights to the notional capital (as defined in Article 31, “Determination, allocation and distribution of profit” of the Articles of Association) and, with respect to the Preferred Shares, up to a maximum of the positive difference between their adjusted issue price and their par value (*i.e.,* the total amount of increases in the nominal value of the Preferred Shares, or the total nominal amount of any new Preferred Shares issued by capitalisation of any share premiums and/or of the legal reserve shall not exceed the product of (i) the positive difference between their adjusted issue price and their par value multiplied by (ii) the number of Preferred Shares outstanding calculated at the date on which the relevant capital increase was effected).If the capital increase is effected by a bonus issue of new shares, the new shares awarded for no consideration shall be of the same class as the shares that entitled the holder to the award of bonus shares.
5. In-kind contributions must be approved by the Extraordinary General Meeting, pursuant to the applicable laws and regulations.

### B. CAPITAL REDUCTIONS

1. Capital reductions are decided or authorised by the Extraordinary General Meeting, which may delegate to the Board of Directors all powers for purposes of carrying out capital reductions. This excludes capital reductions following a preferred share buyback effected under the terms of Article 32 of the Articles of Association, “Repurchases of Preferred Shares by the Company”, paragraph B, “Option to repurchase Preferred Shares at the Company’s initiative”, which may be decided by the Board of Directors.
2. Any capital reduction due to losses is allocated to the share capital among the different shares in proportion to the percentage of share capital they represent.

   Losses shall first be charged against the following accounts, in the following order: 1) retained earnings, 2) distributable reserves, 3) other reserves, 4) statutory reserves, 5) any share premiums, 6) the legal reserve, and 7) equity.
3. The Company may carry out capital reductions for reasons other than losses under the conditions stipulated by laws and regulations, to be allocated among Ordinary Shares and Preferred Shares in the proportions that it shall determine.

### C. REDEMPTION OF THE SHARE CAPITAL

The share capital may be redeemed in accordance with Articles L. 225-198 *et seq.* of the French Commercial Code.

## Article 8 – Form of shares

The Shares may be in registered or bearer form, at the holders’ election, subject to applicable statutory and regulatory provisions.

They shall be registered in shareholders’ accounts on the terms and conditions provided for by law. They may be transferred between accounts.

## Article 9 – Declarations regarding reaching thresholds and shareholder identification

### A. DECLARATIONS REGARDING REACHING THRESHOLDS

Without prejudice to the ownership threshold disclosures provided by law and applicable to Ordinary Shares and Preferred Shares, any person or legal entity, acting solely or with others, who directly or indirectly comes into possession of a number of Ordinary Shares representing 1% of the share capital or voting rights must inform the Company, by recorded delivery with advice of delivery, at its registered office, within five days of the date on which the shares enabling such person to reach or breach said threshold were registered, of the total number of Ordinary Shares and the number of voting rights it owns, as well as the total number of securities which may grant rights to the Company’s equity in the future, any voting rights which may be attached thereto, and the total number of Preferred Shares it owns.

The said declaration must be renewed as set forth above each time that the number of shares or voting rights attains a multiple of a 1% threshold (through either a purchase or sale of shares) of the total shares or voting rights.

If a shareholder has not issued the required declarations as set forth above, he shall lose his right to vote on the Ordinary Shares exceeding the level which should have been reported, as provided for by law, if one or more holders of Ordinary Shares representing at least 2% of the shares or voting rights so request during a General Meeting.

### B. SHAREHOLDER IDENTIFICATION

In accordance with applicable laws and regulations, and in order to identify the holders of bearer securities, the Company shall have the right to request at any time, at its expense, that the central custodian of its securities account provide the name, nationality, year of birth or formation, and the address of the holders of securities which provide a present or future right to vote at its General Meetings and Special Meetings, as well as the number of securities held by each and the restrictions, if any, which may apply to the said securities.

Based on the list provided by the central custodian, and subject to the same terms and conditions, the Company shall have the right to request, either from said central custodian or directly from the persons on the list who the Company feels may be acting as intermediaries on behalf of third party, the information regarding said securities holders set forth in the preceding paragraph.

If they are intermediaries, said persons must disclose the identity of the holders of said securities. The information should be provided directly to the financial intermediary that maintains the account and said entity must then transmit the information to the Company or to the central custodian.

For registered securities, the Company shall also have the right at any time to request that the intermediary that has registered on behalf of third parties disclose the identity of the holders of said securities and the number of securities held by each of them.

For so long as the Company feels that certain holders of securities (whether registered or bearer), the identity of which has been provided to it, are holding said securities on behalf of third parties, it shall have the right to request said holders to disclose the identity of the owners of the securities as set forth above and the number of securities held by each of them.

After the information set forth above has been requested, the Company shall have the right to request any legal entity which holds more than one-fortieth of the share capital or voting rights of the Company to disclose to the Company the identity of the persons who directly or indirectly hold more than one-third of the share capital or voting rights (which are exercised at General Meetings) of the said legal entity.

If a person who has been the subject of a request in accordance with the provisions of the present Article 9.B fails to disclose the requested information within the legally required period or discloses incomplete or incorrect information regarding its capacity or the holders of the securities, or the number of securities held by each of them, the Shares or securities which give rise to present or future rights to the Company's share capital which said person has registered, shall immediately lose their voting rights at any General Meeting or Special Meeting until complete information has been provided. Dividend payments shall also be suspended until that date.

In addition, in the event that the registered person deliberately misconstrues the above provisions, the court which has territorial jurisdiction over the Company's registered office may, at the request of the Company or of one or more shareholders holding at least 5% of the share capital, revoke in whole or in part the voting rights regarding which the information was requested and, possibly, the corresponding dividend payment of the Shares, for a period which may not exceed five years.

## Article 10 – Indivisibility of the shares; rights and obligations attached to the shares

### A. INDIVISIBILITY OF THE SHARES

The shares are indivisible with regard to the Company.

Voting rights attached to the Ordinary Shares are exercised by the beneficial owner at Ordinary General Meetings and by the legal owner at Extraordinary General Meetings.

Voting rights attached to the Preferred Shares are exercised by the legal owner at Special Meetings of holders of the relevant class of Preferred Shares.

The joint owners of indivisible Shares are represented at General Meetings or Special Meetings, as the case may be, by one of them or by a single representative. In the event of a dispute, their representative shall be appointed by the Court at the request of the first joint owner to refer this matter to the Court.

The right to the award of new Shares following the capitalisation of reserves, profits or any share premiums belongs to the legal owner, subject to the rights of the beneficial owner.

### B. RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES

1. Ownership of a Share automatically entails compliance with the Articles of Association and, subject to the stipulations contained in Article 29, "Special Meetings" herein, with resolutions duly adopted by General Meetings.
2. Each Ordinary Share gives the holder the same right of ownership in the Company's assets and profits, as defined in Article 34 "Dissolution – Liquidation" and Article 31 "Determination, allocation and distribution of profit" herein.

Each Ordinary Share gives the holder the right to attend General Meetings and to vote therein, under the conditions set forth by law and by the Articles of Association. Each Ordinary Share shall give the holder the right to cast one vote at General Meetings. An Ordinary Share does not give the holder the right to attend Special Meetings or to vote therein.

3. Each Preferred Share of the same class gives the holder the same rights to the Company's assets and profits, as defined in Article 34 "Dissolution – Liquidation" and Article 31 "Determination, allocation and distribution of profit" herein.

   Preferred Shares do not give their holders the right to vote at General Meetings.

   Each Preferred Share of a given class gives the holder the right to attend General Meetings and to attend and to vote in Special Meetings of the holders of the relevant class of Preferred Shares, under the conditions stipulated by law and by the Articles of Association. Preferred Shares of a given class do not give the holder the right to attend or to vote in Special Meetings of holders of other classes of Preferred Shares.

4. Whenever it is necessary to hold several Shares to exercise a given right, such as in the case of an exchange, consolidation or allocation of Shares, or as a result of an increase or reduction of the share capital regardless of whether this is due to accumulated losses, or in the case of a merger or other corporate transaction, the holders of individual Shares, or those who do not own the required number of Shares, may exercise such rights only if they personally arrange for the consolidation of the Shares and purchase or sell the required number of Shares or fractional Shares, where necessary.

## Article 11 – Board of Directors

1. The Company shall be governed by a Board of Directors composed of between 3 and 21 members, of which:

   - at least 3 and no more than 18 Directors shall be elected by the General Meeting in accordance with the provisions of Article L. 225-18 of the French Commercial Code;
   - one Director representing the professional agricultural organisations, shall be appointed in accordance with the provisions of Article L. 512-49 of the Monetary and Finance Code; and
   - 2 Directors shall be elected by the staff in accordance with Articles L. 225-27 to L. 225-34 of the French Commercial Code.

   The following individuals may also attend Board Meetings in an advisory capacity:

   - non-voting Board Members appointed in accordance with Article 12 of these Articles of Association; and
   - one member of the Works Council designated thereby.

   In the event that one of the positions held by the Directors elected by the staff or by the Director who represents the professional agricultural organisations becomes vacant, the Board Members elected by the General Meeting may validly convene the Board of Directors.

   The age limit for Directors is 65. When a Director reaches the age of 65, he will be deemed to have resigned at the end of the next Ordinary General Meeting of Shareholders.

2. Directors elected by the General Meeting of Shareholders.

   Directors elected by the General Meeting of Shareholders shall be natural persons or legal entities.

   The term of office of Directors is three years. However, a Director appointed to replace another Director whose term of office has not yet expired shall remain in office only for the balance of his predecessor's term.

   Directors who are natural persons may not be elected to more than four consecutive terms of office. However, if a Director is appointed to replace an outgoing Director whose term of office has not yet expired, the Director appointed for the remainder of the outgoing Director's term may seek a fifth term, for a period not exceeding four consecutive terms of office. He will be deemed to have resigned at the end of the next Ordinary General Meeting following the twelfth anniversary of his first appointment.

   A Director's duties shall terminate at the end of the Ordinary General Meeting called to consider the accounts for the previous financial year that is held during the year in which such Director's term expires.

   With the exception of the Directors elected by the staff and the Director who represents the professional agricultural organisations, one third of the seats of the Directors elected by the General Meeting of shareholders (or the nearest whole number, with the last group adjusted as necessary) shall turn over each year at the Ordinary General Meeting of Shareholders so that all seats turn over every three years.

   If the number of elected Directors is increased, lots shall be drawn (if necessary and prior to the first Ordinary General Meeting following the date on which said Directors assume their seats) to determine the order in which said seats will turn over. The partial term of the Directors selected by the drawing of lots shall be disregarded when determining whether they have reached the four-term limit.

3. Director representing the professional agricultural organisations

   The term of office of the Director representing the professional agricultural organisations is three years. He may be re-appointed or removed at any time by the authority that appointed him.

4. Directors elected by the staff.

The status and procedures for the election of the Directors elected by the staff are set out in L. 225-27 *et seq.* of the French Commercial Code in the following provisions:

The term of office of the two Directors elected by the staff is three years. Their duties terminate on the third anniversary of the date of their election and the Company shall take all steps necessary to hold a new election within the three-month period prior to the expiration of the term of said Directors.

They may not be elected to more than four consecutive terms.

One of the Directors is elected by the managerial staff, whilst the other is elected by the other employees of the Company.

In the event that the seat of a Director elected by the staff falls vacant as a result of his death, resignation, removal or the termination of his employment contract, his successor shall take office immediately. If there is no successor able to carry out the Director's duties, a new election shall be held within three months.

The first ballot of the election of Directors by the staff shall be conducted in accordance with the following procedures:

The lists of voters, indicating their respective surnames, given names, dates and places of birth and domiciles, are prepared by the Chief Executive Officer and posted at least five weeks prior to the election date. One list of voters is prepared for each of the two groups. Within fifteen days after the lists are posted, any voter may submit a request to the Chief Executive Officer either that another voter who was omitted be registered, or that another voter who was erroneously registered be removed from the list. Within the same time period, any person whose name was omitted may also submit a request for registration.

The candidates must belong to the Group whose votes they are seeking.

In each group of voters, each announcement of a candidacy must specify not only the name of the candidate, but also the name of any successor.

The Chief Executive Officer closes and posts the lists of candidates at least three weeks prior to the election date.

In the absence of a candidate for a given group, the seat of the Director representing such group shall remain vacant for the entire term for which it would have been filled.

Results are recorded in minutes which shall be posted no later than three days after voting is closed. The Company shall keep a copy of the minutes in its records.

The organisation of elections and their requirements are determined by the Chief Executive Officer and shall be posted no less than five weeks prior to the date of the election.

Voting procedures are determined by Articles L. 225-28 *et seq.* of the French Commercial Code. Any voter may vote either in person at the locations provided for that purpose, or by mail.

If no candidate for a given group obtains a majority of the votes cast on the first ballot, a second ballot shall be held within fifteen days.

## Article 12 – Non-voting Directors

Upon recommendation from the Chairman, the Board of Directors may appoint one or more non-voting Directors.

Non-voting Directors shall be notified of and participate at meetings of the Board of Directors in an advisory capacity.

They are appointed for a term of three years and may not be reappointed for more than four terms. They may be dismissed by the Board at any time.

In consideration of services rendered, they may be remunerated as determined by the Board of Directors.

## Article 13 – Directors' shares

Each Director must own at least one Ordinary Share. If, on the date of his appointment or during his term of office, a Director does not own or no longer owns at least one Ordinary Share and fails to correct this situation within three months, he will be deemed to have resigned.

## Article 14 – Deliberations of the Board of Directors

1. The Board of Directors shall meet as often as the interests of the Company so require, upon notice by its Chairman, by any person authorised for that purpose by the Board of Directors, or by at least one-third of its members to address a specific agenda if the last meeting was held more than two months previously.

   If necessary, the Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors to address a specific agenda.

   Meetings may be held at the registered office or at any other place specified in the notice of the meeting.

   Generally, notice of a meeting shall be given at least three days in advance by letter or by any other means. However, if all of the Directors so agree, notice may be given orally and need not be in advance.

   Notices of meetings shall set forth the principal items of business on the agenda.

2. The physical presence of at least one half of the Directors is required for deliberations to be valid.

   At the Chairman's request, employees in positions of responsibility in the Group may attend Board Meetings.

   A majority of the votes of the Directors present or represented is required for a resolution to pass. Each Director has one vote and is not authorised to represent more than one of his fellow Directors.

The Chairman shall have the casting vote in the event of a tie.

The Directors and any individuals requested to attend the Board of Directors' Meetings must exercise discretion with respect to the Board's deliberations and any confidential information and documents described as such by the Chairman of the Board of Directors.

## Article 15 – Powers of the Board of Directors

The Board of Directors determines and ensures compliance with the business focus of the Company.

Except for the powers expressly reserved to the General Meeting of Shareholders and within the limits established by the Company's purpose, the Board of Directors is responsible for all issues related to the Company's operations and business. In its relations with third parties, the Company may be bound by the acts of the Board of Directors which fall outside the Company's object unless the Company can prove that the said third party knew that the act was *ultra vires* or that it could not have been unaware, in light of the circumstances, that the act was *ultra vires*. The publication of the Articles of Association shall not constitute proof thereof.

The Board of Directors may conduct any inspections or audits that it deems necessary. Each Director shall receive the information necessary to accomplish the Board's duties; management shall furnish to any Director those documents that the said Director deems necessary or appropriate.

The Board may decide to set up various committees to examine issues raised by itself or its Chairman and render an opinion.

The Board shall be responsible for determining the composition and powers of committees which do their work under its authority.

## Article 16 – Chairmanship of the Board of Directors

In accordance with Article L. 512-49 of the Monetary and Finance Code, the Board of Directors shall elect a Chairman from among its members who are Directors of a *Caisse Régionale de Crédit Agricole Mutuel* and shall fix his term of office, which may not exceed his term of office as a Director.

The Board of Directors shall elect one or more Vice-Chairmen whose term shall also be established by the Board, but which may not exceed his (their) term of office as a Director.

The Chairman of the Board of Directors represents the Board of Directors. He organises and directs the activities thereof and reports to the General Meeting on its activities.

He is responsible for the proper operation of the Company's entities, and, in particular, insures that Directors are able to fulfil their duties.

As an exception to the provisions of the last paragraph of Article 11-1, the age limit for serving as Chairman of the Board of Directors is 67. Subject to this age limit, and as an exception to the provisions of Article 11-2, paragraph 3 of the Articles of Association, a serving Chairman may seek a fifth consecutive term of office.

## Article 17 – General Management

### A. CHIEF EXECUTIVE OFFICER

In accordance with Article L. 512-49 of the Monetary and Finance Code, the Board of Directors appoints the Chief Executive Officer of the Company and may terminate his appointment.

The Chief Executive Officer shall enjoy the broadest powers to act in all cases on behalf of the Company. He may exercise his authority within the limits of the Company's object and subject to that authority expressly reserved to General Meetings and to the Board of Directors.

He represents the Company in its relations with third parties.

The Company shall be bound by those actions of the Chief Executive Officer which are *ultra vires* unless the Company can prove that the said third party knew that the act was *ultra vires* or that it could not have been unaware, in light of the circumstances, that the act was *ultra vires*. Publication of the Articles of Association shall not constitute proof thereof.

Provisions of the Articles of Association and decisions of the Board of Directors that limit the Chief Executive Officers' powers are not binding on third parties.

He shall attend the meetings of the Board of Directors.

He shall appoint all employees and fix their compensation.

He may delegate part of his authority to as many individuals as he deems advisable.

### B. DEPUTY CHIEF EXECUTIVE OFFICERS

Upon recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more persons responsible for assisting the Chief Executive Officer who shall have the title "Deputy Chief Executive Officer" (*Directeur général délégué*).

There may not be more than five Deputy Chief Executive Officers.

With the consent of the Chief Executive Officer, the Board of Directors shall determine the scope and term of the authority granted to the Deputy Chief Executive Officers.

Deputy Chief Executive Officers shall have the same authority as the Chief Executive Officer with respect to third parties.

In the event that the Chief Executive Officer ceases or is unable to perform his duties, the Deputy Chief Executive Officers shall continue to perform their duties until the appointment of a new Chief Executive Officer, unless the Board of Directors decides otherwise.

## Article 18 – General provision on age limits

Any officer or Director who reaches the age limit set by the Articles of Association or the law shall be deemed to have resigned at the close of the Annual General Meeting of Shareholders that follows said anniversary date.

## Article 19 – Directors' remuneration

The General Meeting may elect to pay Directors' fees. The Board of Directors shall allocate any such fees as it deems fit.

## Article 20 – Statutory Auditors

Audits of the accounts shall be exercised in accordance with the law by two Statutory Auditors appointed by the Ordinary General Meeting of Shareholders; the Meeting shall also appoint two alternate Statutory Auditors.

The term of office of the Statutory Auditors shall be six financial years.

Statutory Auditors whose term of office expires may be re-appointed.

The Statutory Auditors may act jointly or separately, but must submit a joint report on the Company's accounts. They must submit their report to the Annual Ordinary General Meeting of Shareholders.

## Article 21 – Shareholders' Meetings

Collective resolutions shall be adopted at General Meetings which are either ordinary or extraordinary depending on the decisions they are called upon to take.

Holders of Preferred Shares are entitled to attend General Meetings but do not have the right to vote therein.

All of the shareholders in a single class convene in Special Meetings to vote on any modification to the rights attached in that class.

Subject to the provisions of Article 29, "Special Meetings" hereunder, decisions adopted at General Meetings are binding on all shareholders.

## Article 22 – Notice and venue of Shareholders' Meetings

Meetings of Shareholders shall be convened and shall deliberate in accordance with the applicable laws and regulations.

Meetings of Shareholders may be held at the registered office or at any other place specified in the notice of the meeting.

## Article 23 – Agenda and minutes of meetings

The person calling the Meeting shall draft the agenda for the Meeting in accordance with the applicable laws and regulations.

Minutes must be drawn up and copies or extracts of the deliberations shall be issued and certified in accordance with the law.

## Article 24 – Access to meetings – Proxies

### A. ACCESS TO MEETINGS – PROXIES

Any shareholder, regardless of the number of Shares he owns, has the right to attend General Meetings, either in person or by proxy, subject to the conditions stipulated by law and by the Articles of Association, by showing proof of identity and of title to the securities, provided that the shares have been registered, either in his name or in the name of the intermediary registered on his behalf, by 12 midnight Paris time, on the third business day before the General Meeting:

- holders of registered Shares must register their shares in the registered share accounts kept with the Company's shareholder registers;
- holders of bearer Shares must deposit their Shares in the bearer share accounts held by the authorised intermediary. This entry or filing is evidenced by a certificate of share ownership provided by the intermediary. The certificate may be supplied electronically.

If an ordinary shareholder cannot attend the General Meeting in person or by proxy, he may participate in one of the following two ways:

- cast a vote remotely;

  or,
- forward a proxy to the Company without naming a proxy holder;

in accordance with the applicable laws and regulations.

### B. ACCESS TO SPECIAL MEETINGS – PROXIES

Any holder of Preferred Shares belonging to a given class, regardless of the number of Preferred Shares he owns, has the right to attend Special Meetings of Preferred Shareholders of a given class, either in person or by proxy, subject to the conditions stipulated by law and by the Articles of Association, by showing proof of identity and of title to the securities, provided that the shares have been registered, either in his name or in the name of the intermediary registered on his behalf, by 12 midnight Paris time, on the third business day before the Special Meeting:

- holders of registered Preferred Shares must register their shares in the registered share accounts kept on the Company's books;
- holders of bearer Shares must deposit their Shares in the bearer share accounts held by the authorised intermediary. This entry or filing is evidenced by a certificate of share ownership provided by the intermediary. The certificate may be supplied electronically.

If a holder of Preferred Shares cannot attend a Special Meeting in person or by proxy, he may participate in one of the following two ways:

- cast a vote remotely;

  or,

- forward a proxy to the Company without naming a proxy holder;

in accordance with the applicable laws and regulations.

#### C. PROVISIONS APPLICABLE TO ALL MEETINGS

If the shareholder has requested an admission card or a certificate of share ownership, or has cast his vote remotely or sent a proxy, he may not choose to take part in the Meeting in another manner. However, the shareholder may sell some or all of his shares at any time.

If the sale occurs before 12 midnight CET on the third business day before the Meeting, the Company shall invalidate or make the necessary changes to the remote vote, the proxy, the admission card or the certificate of share ownership, as appropriate. The authorised intermediary acting as account holder shall notify the Company or its agent of such sale and forward the necessary information.

The authorised intermediary shall not issue notification of sales or transactions taking place after 12 midnight CET on the third business day before the Meeting, nor shall the Company take such sales or transactions into consideration.

Owners of Shares in the Company who are not domiciled in France may be registered in an account and represented at Meetings by an intermediary that has been registered on their behalf and given a general power of attorney to manage the shares. On opening its account, however, the intermediary must disclose its status as an intermediary holding shares on behalf of third parties to the Company or the financial intermediary acting as account holder, in accordance with the applicable legal and regulatory provisions.

Based on a decision by the Board of Directors published in the meeting notice and invitation to shareholders, shareholders may participate in Meetings by videoconferencing, or by other means of telecommunication or remote transmission, including the Internet, in accordance with legal and regulatory provisions. The Board of Directors will set the terms governing participation and voting, verifying that the procedures and technologies employed meet the technical criteria required to ensure that the meeting is continuously and simultaneously relayed and that votes are accurately recorded.

Provided they comply with the set deadlines, shareholders who use the electronic voting form provided on the website set up by the entity in charge of the meeting formalities shall be counted as being present or represented at the Meeting. The electronic form may be completed and signed online using any procedure, including a login and password combination, that has been approved by the Board of Directors and complies with the requirements set out in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

A proxy or a vote issued before the Meeting using these electronic means and the subsequent acknowledgement of receipt thereof shall be deemed to be irrevocable instruments that are enforceable against all parties. Note that if shares are sold before 12 midnight CET on the third business day before the Meeting, the Company will invalidate or make the necessary changes to the proxy or vote issued before that time and date, as appropriate.

### Article 25 – Attendance list – Officers of the Meeting

1. An attendance list setting out the information required by law is kept for each Meeting of Shareholders.

   This list, which must be duly initialled by all shareholders present or their proxies, and to which are attached all proxy forms given to each of the proxies and any ballots cast remotely, shall be certified as accurate by the officers of the Meeting.

2. The Chairman of the Board, or in his absence a Vice-Chairman or a Director expressly authorised for that purpose by the Board of Directors, shall chair Meetings of Shareholders.

   If a Meeting of Shareholders is convened at the request of one or more Statutory Auditors, one of the Statutory Auditors shall chair the Meeting.

   Whenever the person entitled or designated to chair is absent, the Meeting of Shareholders shall elect its Chairman.

   The officers of the Meeting appoint a secretary who needs not be a shareholder.

   The officers of the Meeting are in charge of verifying, certifying and signing the attendance list, ensuring that the debate is conducted in good order, resolving problems which may arise during the Meeting, checking the ballots cast and verifying that they are not void, and ensuring that minutes of the Meeting are drawn up.

### Article 26 – Quorum – Voting – Number of votes

The quorum at General Meetings is calculated on the basis of the total number of Ordinary Shares and the quorum at Special Meetings is calculated on the basis of the total number of Preferred Shares in the relevant class, less those shares not entitled to vote in accordance with the provisions of the law or of the Articles of Association.

In the case of remote voting, only ballots received by the Company prior to the Meeting within the time periods and under the conditions prescribed by the applicable laws and regulations shall be counted.

In the event of a proxy vote without naming a proxy holder, the Chairman shall add a vote in favour of the resolutions presented or approved by the Board of Directors and a vote against all other resolutions.

Except in the special cases provided for by law, each shareholder at a General Meeting shall have the right to cast as many votes as Ordinary Shares he holds for which all capital calls have been met and each shareholder at a Special Meeting of a given class shall have the right to cast as many votes as Preferred Shares he holds for which all capital calls have been met.

The Company shall have the right to request from an intermediary registered on behalf of a shareholder who is not domiciled in France, but which has a general power of attorney to manage the securities of that shareholder, to provide a list of shareholders which it represents and whose votes will be exercised at a Meeting.

The votes or proxies exercised by an intermediary which has not disclosed that it is acting in that capacity in accordance with applicable laws and regulations or the Articles of Association, or which has not disclosed the identity of the securities holders, shall not be counted.

## Article 27 – Ordinary General Meetings

1. All decisions which do not amend the Articles of Association are taken by the Ordinary General Meeting of Shareholders.

   The Ordinary General Meeting must meet at least once a year within the period prescribed by the applicable laws and regulations to consider and vote on the accounts for the prior financial year.

   Its powers include the following:

   - to approve, modify or reject the accounts submitted to it;
   - to decide on the distribution and allocation of profit in accordance with the Articles of Association;
   - to discharge or refuse to discharge Directors;
   - to appoint and dismiss Directors;
   - to approve or reject temporary appointments of Directors by the Board of Directors;
   - to authorise the purchase of Ordinary Shares or Preferred Shares under share buyback programmes established under the conditions stipulated by Articles L. 225-209 *et seq.* of the French Commercial Code (or equivalent regulations applicable as of the date of the relevant transaction);
   - to appoint the Statutory Auditors;
   - to consider and vote on the special report of the Statutory Auditors concerning transactions subject to prior authorisation by the Board of Directors.

2. The deliberations of the Ordinary General Meeting of Shareholders convened following the first notice shall be valid only if the ordinary shareholders present, represented or voting remotely at the Meeting hold, in the aggregate, at least one fifth of all voting Ordinary Shares.

   There is no quorum requirement for the Meeting following the second notice.

   In order to pass, resolutions require a majority of the votes of the ordinary shareholders present, represented or voting remotely.

## Article 28 – Extraordinary General Meetings

1. The Extraordinary General Meeting of Shareholders shall have exclusive authority to amend any of the provisions of the Articles of Association. However, it shall not increase the obligations of the shareholders other than through transactions, duly authorised and carried out, which are the result of an exchange or consolidation of Shares.

2. The deliberations of the Extraordinary General Meeting of Shareholders convened following the first notice shall be valid only if the holders of Ordinary Shares present, represented or voting remotely at the Meeting hold, in the aggregate, at least one fourth of all voting Ordinary Shares, or one fifth of all voting shares following the second notice. If this last quorum is not met, the second Extraordinary General Meeting may be postponed to a date not later than two months after the date for which it was scheduled.

   In order to pass, resolutions require a two-thirds majority of the votes of the holders of Ordinary Shares present, represented or voting remotely.

3. Notwithstanding the foregoing provisions, and as permitted by law, an Extraordinary General Meeting which approves a capital increase through the capitalisation of reserves, profits or share premiums shall be subject to the same quorum and majority voting requirements as an Ordinary General Meeting.

## Article 29 – Special Meetings

1. All holders of Preferred Shares of the same class are convened in Special Meetings.

   Holders of Ordinary Shares do not have the right to attend Special Meetings and have no voting rights therein.

   In accordance with the law, the deliberations of Special Meetings convened following the first notice shall be valid only if the holders of Preferred Shares belonging to the class for which the Special Meeting is to be held and present or represented hold, in the aggregate, at least one-third, or, following the second notice, one-fifth of all Preferred Shares with voting rights at Special Meetings, and if it is proposed that the rights attached to those shares be amended. If this last quorum is not met, the second Special Meeting may be postponed to a date not later than two months after the date for which it was scheduled.

   In order to pass, resolutions require a two-thirds majority of the votes of the preferred shareholders present or represented.

2. Collective resolutions falling under the authority of Ordinary General Meetings or Extraordinary General Meetings are not subject to approval by Special Meetings.

   However, in accordance with the provisions of Article L. 225-99 of the French Commercial Code, any collective resolutions falling under the authority of Ordinary General Meetings and amending individual rights attached to one or more classes of Preferred

Shares under the Articles of Association shall be final only after they have been approved by the Special Meeting of Preferred Shareholders for each relevant class of Preferred Shares, voting no later than on the date of the General Meeting. Furthermore, in accordance with the provisions of Article L. 228-17 of the French Commercial Code, any proposed merger or demerger of the Company under which the Preferred Shares would not be exchangeable for shares entitling the individual holders to equivalent rights shall be subject to approval by a Special Meeting of such Shareholders.

3. In addition to the aforesaid statutory provisions, the following shall be subject to approval by Special Meetings of the relevant class of Preferred Shareholders:

   - any issue of Shares giving the holders access to securities granting a right of priority payment in the event of a Distribution (as defined in paragraph 4, Article 31 "Determination, allocation and distribution of profit" herein) and/or liquidation dividend over the Preferred Shares of the relevant class and/or appropriation of losses below the proportional share that such securities represent in the share capital in the event of a capital reduction for reasons not due to losses; and,
   - any proposal to reincorporate the Company in another legal form.

   For information, it is duly noted that decisions including but not limited to the following shall not be subject to approval by Special Meetings of holders of existing Preferred Shares:

   - issues of Ordinary Shares, or issues of a new class of Preferred Shares with characteristics identical to those of the Preferred Shares already issued except for the Issue Price, Issue Date and/or Rate and the consequences of these characteristics for the voting rights of Preferred Shares belonging to a given class; and,
   - Share buybacks and/or cancellations under the terms of (i) buybacks of Preferred Shares by the Company pursuant to Article 32 "Repurchases of Preferred Shares by the Company", paragraph B "Option to repurchase Preferred Shares at the Company's initiative" herein; (ii) Share buyback programmes carried out under the terms and conditions provided by Articles L. 225-209 *et seq.* of the French Commercial Code; and (iii) a public offer to buy Ordinary Shares or any class of Preferred Shares.

## Article 30 – Financial year

The financial year shall begin on 1 January and end on 31 December of each year.

## Article 31 – Determination, allocation and distribution of profit

1. Five per cent of the profit for a financial year less any accumulated losses shall be posted to the legal reserve until the reserve reaches one-tenth of the share capital.

2. The balance, increased by retained earnings, if any, shall constitute the distributable profit which the Ordinary General Meeting of Shareholders shall:

   - allocate to one or more ordinary or extraordinary, optional reserve accounts, with or without a specific purpose;
   - distribute to the ordinary shareholders and to the preferred shareholders as a dividend.

   The Ordinary General Meeting may also decide to distribute amounts from reserves distributable by the shareholders.

   Any Distribution (as defined in paragraph 4 hereinafter) shall be effected under the terms and conditions set out in paragraphs 3 to 9 below.

3. Any Ordinary Shareholders and any Preferred Shareholders who provide proof, at the end of a financial year, that their shares have been registered in their name for at least two years and are still registered in their name on the date the dividend distributed for that financial year is paid shall be entitled to the dividend increase awarded to Ordinary Shares and Preferred Shares registered in the aforesaid manner, which will not exceed 10% of the dividend paid to other Shares, including when the dividend is paid in the form of new Ordinary Shares or Preferred Shares. The increased dividend shall be rounded down to the nearest cent if necessary.

   The number of Shares that are eligible for the increased dividend per shareholder cannot exceed 0.5% of the share capital as at the end of the relevant financial year.

   It is specified that in the event a dividend is paid in Shares, the Shares allocated as payment shall be of the same class as the Shares on which the dividend is paid, and that all these Shares shall immediately be fully fungible with the Shares previously held by the Ordinary Shareholder or the Preferred Shareholder as regards entitlement to the dividend increase.

   However, in the event a dividend is paid in Shares and fractional Shares are allocated, Ordinary Shareholders or Preferred Shareholders satisfying the legal requirements may pay the balance in cash to instead obtain one additional Share.

   The foregoing shall apply for the first time to dividend payments for the financial year ended 31 December 2013 (as determined by the ordinary general meeting to be held in 2014).

4. The Ordinary General Meeting or, in the case of an interim dividend, the Board of Directors, may, for a given financial period, decide to pay or not to pay a dividend to the ordinary shareholders and the preferred dividend (as defined in paragraph 6.A of this Article) to the preferred shareholders, in order to comply with the Company's prudential requirements, *inter alia*.

It is hereby specified that in order to pay the preferred dividend to the preferred shareholders, the Ordinary General Meeting must also have decided to make a Distribution, regardless of the amount, to the ordinary shareholders. Preferred shareholders shall, however, have a right of priority under the terms set out in paragraph 5 of this Article.

For purposes of this paragraph 4, any payment made to ordinary shareholders under a share buyback shall be deemed to be a Distribution to ordinary shareholders and therefore give rise to the payment of the full amount of the preferred dividend to the preferred shareholders (even if no dividend is paid to ordinary shareholders), it being specified that the following shall not be deemed to be a distribution to ordinary shareholders (i) purchases of Shares under the terms of share buyback programmes carried out under the conditions stipulated by Articles L. 225-209 *et seq.* of the French Commercial Code (or any equivalent regulations applicable as of the date of the relevant transaction), unless such purchases are effected by means of a public offer to buy shares; and (ii) public offers to buy shares that are tendered to all ordinary shareholders and preferred shareholders in proportion to their ownership of the share capital. In the event of a share buyback that is deemed to be a distribution, the preferred dividend shall be payable on the date on which the relevant event occurred, which shall then be deemed to be a "payment date" as defined in paragraph 9 of this Article.

Should there arise a prudential event affecting the Company, no preferred dividend shall be paid to the preferred shareholders (including in the case covered by the foregoing paragraph) and no dividend (including in the form of an interim dividend) shall be paid to the ordinary shareholders.

For purposes of the foregoing paragraph, a "prudential event" means any one of the following two situations:

**(i)** the Company's capital adequacy ratio on a consolidated basis is below the minimum percentage required by applicable banking regulations;

**(ii)** the Company has received written notification from the SGCB that its financial position will, in the near future, cause its capital adequacy ratio to fall below the minimum percentage cited in paragraph (i).

**5.** Any distribution, regardless of form, approved by the Ordinary General Meeting or Extraordinary General Meeting, or, if in the form of an interim dividend, by the Board of Directors, that is charged against any of the equity accounts (profits, including profits based on an interim balance sheet in the case of an interim dividend; retained earnings; reserves; share premiums; or other accounts) (a "Distribution") shall be allocated as follows:

**(i)** first, to the preferred shareholders, up to the amount of the preferred dividend (as defined in this Article, in paragraph 6.A below); and,

**(ii)** the balance, to the ordinary shareholders.

Consequently, no Distribution shall be paid to the ordinary shareholders in respect of a given financial year if the preferred dividend payable to the preferred shareholders for such year has not been distributed and paid in full.

A distribution is allocated to the financial period in respect of which it is paid, except in the case of interim dividends. An interim dividend paid before the General Meeting convened to vote on the financial statements for Year "n" is allocated to Year "n+1". These rules for allocating distributions apply to all distributions, whether paid out to ordinary shareholders or to preferred shareholders in the form of a preferred dividend.

**6.** If the preferred dividend in respect of a given year is not distributed, the undistributed amount of the preferred dividend shall not be carried forward and the Company shall have no obligation to distribute this amount to the preferred shareholders.

**6.A.** In the event of a distribution under the terms and conditions set out in paragraphs 4 and 5 of this article, the amount of the dividend (the "preferred dividend") payable per preferred share of a given class in respect of each financial year to which it is allocated (other than the first year in which a preferred dividend is payable to preferred shareholders, in the amount determined under the conditions set out in paragraph 6.B below), shall be calculated by multiplying:

**(i)** the rate applicable to the relevant class; by

**(ii)** the ratio obtained by dividing the outstanding amount (as defined in paragraph 6.C) in the given class by the number of Preferred Shares in the given class outstanding as of the date of the decision to distribute the dividend.

For purposes of this calculation, the outstanding amount shall be determined after taking into account the reduction of the outstanding amount or the restitution of the outstanding amount arising, respectively, from the net loss or the net profit (as defined in paragraph 6.C herein) for the year immediately preceding the year in which the preferred dividend is payable.

It is hereby specified that, in the event that a preferred dividend is paid before the date of a Reduction of the outstanding amount or a restitution of the outstanding amount, the preferred dividend shall be deemed to have been determined on a provisional basis (based on the outstanding amount calculated on the basis of the last available certified annual consolidated financial statements). The preferred dividend shall be recalculated immediately following completion of the reduction of the outstanding amount or the restitution of the outstanding amount. in the event that the preferred dividend recalculated in this manner is higher than the dividend already paid, an additional dividend shall be paid to the preferred shareholders on the next date on which a distribution is paid to the ordinary shareholders. Conversely, in the event that the preferred dividend recalculated in this manner is lower than the dividend already paid, the preferred shareholders shall not be required to refund any amounts, notwithstanding any statutory or regulatory provisions to the contrary.

**6.B.** In the event that the Initial Meeting decides to distribute a preferred dividend, the resulting preferred dividend payable per preferred share shall be calculated by applying to the amount obtained by multiplying (i) by (ii) as defined in paragraph 6.A above, the ratio obtained by dividing (a) the number of days elapsed between the period from the date of issue (inclusive) and the payment date (exclusive) by (b) 365;

where "Initial Meeting" means the first General Meeting held after the end of the financial year during which the Preferred Shares are issued and that has approved a distribution to the ordinary shareholders and/or convened to vote on the Company's financial statements for the financial year in which the Preferred Shares are issued.

By exception to the first subparagraph of paragraph 6.B above, in the event of a distribution of one or more interim dividend(s) to the ordinary shareholders before the Initial Meeting, a sum equal to the product of (i) multiplied by (ii) as defined in paragraph 6.A above shall be paid to the preferred shareholders on the date on which the first interim dividend was paid to the ordinary shareholders. If this sum is less than the amount indicated in paragraph 6.B of this Article as calculated on the date of the Initial Meeting and if the Initial Meeting is the Meeting convened to vote on the Company's financial statements for the financial year in which the Preferred Shares are issued and duly noting the payment of one or more interim dividend(s) to the preferred shareholders and ordinary shareholders, an additional amount equal to the difference, if positive, between the amount indicated in paragraph 6.B of this Article paid to the preferred shareholders and the amount of the first interim dividend already paid to the ordinary shareholders shall be paid to the preferred shareholders. The said additional amount shall be paid on the day after the date of the Initial Meeting.

**6.C.** For purposes of these Articles of Association, the "outstanding amount" means the product obtained by multiplying the outstanding number of Preferred Shares in a given class by the adjusted issue price for the given class, (i) less the amount of each Reduction of the outstanding amount (as defined below) applicable to the given class, (ii) plus the amount of each restitution of the outstanding amount (as defined below) applicable to the given class, in each instance from the date of issue of the Preferred Shares in the given class.

If consolidated net income – Group share is negative (the "loss") as reflected in the Company's certified annual consolidated financial statements after taking the exempt amount into account (the "net loss"), the outstanding amount applicable to the given class of Preferred Shares shall be reduced by an amount (the "reduction of the outstanding amount") calculated by multiplying (i) the net loss and (ii) the percentage of the Preferred Shares in the notional capital of the given class (as defined below) determined on the date of publication of the certified consolidated financial statements reflecting the Loss in question. The reduction of the outstanding amount shall be deemed to have been carried out on the date of publication of the certified consolidated financial statements reflecting the loss in question.

For purposes of the foregoing paragraph, "exempt amount" means the difference between (i) the amount of consolidated shareholders' equity – Group share, excluding consolidated equity instruments of the Company to which the Preferred Shares are subordinated, as reflected in the Company's certified annual consolidated financial statements, and (ii) the amount of the notional capital as reflected in the Company's certified annual consolidated financial statements.

If, following a reduction of the outstanding amount, positive consolidated net income – Group share, as reflected in the Company's certified annual consolidated financial statements, is recognised (a "profit"), the outstanding amount applicable to the given class of Preferred Shares shall be increased by an amount (the "restitution of the outstanding amount") calculated by multiplying (i) the profit and (ii) the percentage of Preferred Shares in the notional capital of the given class determined on the date of publication of the certified consolidated financial statements reflecting the profit in question.

The restitution of the outstanding amount shall be deemed to have been carried out on the date of publication of the certified consolidated financial statements reflecting the profit in question after a reduction of the outstanding amount.

Notwithstanding the foregoing, for purposes of calculating the preferred dividend payable in respect of a given financial year, the restitution of the outstanding amount, barring prior approval by the SGCB, shall not be taken into account, as indicated above, unless a preferred dividend (regardless of the amount thereof) was distributed in respect of the previous two financial years.

In any event, the outstanding amount for a given class of Preferred Shares shall be no greater than the product of the outstanding number of Preferred Shares in the given class multiplied by the adjusted issue price for the given class.

The "percentage of Preferred Shares in the notional capital" means, for a given class of Preferred Shares, the ratio obtained by dividing the notional capital of the Preferred Shares in the given class by the notional capital.

Where:

"notional capital" means the share capital composed of Ordinary Shares and Preferred Shares, plus the amount of any share premiums and of the legal reserve, based on the Company's accounts at a given date;

"notional capital of the Preferred Shares" means, for a given class of Preferred Shares, at a given date;

**(i)** the product of the number of Preferred Shares in the given class initially issued multiplied by their issue price;

**(ii)** plus, for each new issue of Preferred Shares of the same class or any increase in the par value of the Preferred Shares effected since their issue, the increase in the nominal amount of the share capital and any increase in any corresponding share premiums of any kind; for information, it is duly noted that any issues of Preferred Shares or increases in the par value of Preferred Shares by the capitalisation of any share premiums and/or of the legal reserve shall have no impact on the notional capital of the Preferred Shares, as the increase in the share capital is offset by a reduction in any share premiums of any kind and/or in the legal reserve;

**(iii)** plus a share of any increase in the legal reserve effected since the issuance of the Preferred Shares in proportion to the percentage of the Preferred Shares in notional capital of the given class determined immediately before the given increase in the legal reserve;

**(iv)** less the sum of any reductions in the notional capital to be allocated to the Preferred Shares in the given class since the issuance of the Preferred Shares in the given class, that is, the sum of the following amounts:

(A) an amount equal to the share of capital reductions due to losses, which is to be allocated to the Preferred Shares in the given class,

(B) an amount equal to the product (x) of any reduction in the amount of any share premiums and/or of the legal reserve effected as part of a capital reduction due to losses or a loss which is allocated to such accounts, and (y) the percentage of Preferred Shares in the notional capital in the given class determined immediately before the given capital reduction due to losses or the allocation of the given loss; and,

(C) for capital reductions for a reason other than losses, an amount equal to:

(x) the amount paid, and/or the value of any asset, as determined by an expert appointed by the Board of Directors (failing which, by an order of the Presiding Judge of the Paris Commercial Court ruling in summary proceedings under the terms of Article 1843-4 of the French Civil Code), owing to preferred shareholders of the given class and charged against the share capital, any share premiums and/or the legal reserve, and,

(y) in the event of a cancellation of Preferred Shares that does not give rise to any payment or allocation of assets to preferred shareholders upon cancellation (in case of cancellation of Preferred Shares held in treasury, *inter alia*), the product of the number of cancelled Preferred Shares in the given class multiplied by their adjusted issue price as of the cancellation date.

**7.** Preferred shares shall be entitled to the dividend on the first day of the financial year in which they are issued. No preferred dividend shall be payable during the said year, except in the event that an interim dividend in respect of the following year is paid to the ordinary shareholders.

**8.** The preferred dividend is payable on the date on which Distributions are made or are deemed (in accordance with the second subparagraph of paragraph 4 above) to be made to the ordinary shareholders (the "payment date").

**9.** The Ordinary General Meeting may offer each ordinary shareholder and each preferred shareholder, up to the limits and under the conditions that it shall determine, the option of receiving all or part of the dividend payment, including payment of any preferred dividend or interim dividend, either in cash or in shares to be issued, where the Shares awarded in this case are of the same class as the Shares that entitled the holder to the dividend, that is, in the form of either Ordinary Shares or preferred Shares of the same class.

## Article 32 – Repurchases of Preferred Shares by the Company

### A. SHARE BUYBACK PROGRAMME AND PUBLIC BUYBACK OFFER

Having regard to Preferred Shares, and subject to prior approval by the General Meeting, the Board of Directors may, with the authority to further delegate such power pursuant to the applicable laws and regulations, and subject to prior approval by the Secretary General of the French Banking Commission (or any supervisory authority that may come to replace it) (the "SGCB") buy back Preferred Shares and/or Ordinary Shares and, if applicable, cancel such shares, in the proportions that it shall determine, under the terms of (i) a share buyback programme carried out under the terms and conditions stipulated by Articles L. 225-209 *et seq.* of the French Commercial Code (or any equivalent regulations applicable as of the date of the relevant transaction) or (ii) any public buyback offer.

### B. OPTION TO REPURCHASE PREFERRED SHARES AT THE COMPANY'S INITIATIVE

#### 1.1. Exercise of the preferred share buyback option

**1.** The Board of Directors may, with the right to further delegate such powers, pursuant to the applicable laws and regulations, buy back Preferred Shares, subject to prior approval by the SGCB, under the terms and conditions set out in this Article in paragraph 1.2, "Cases in which the Company may exercise its option to buy back Preferred Shares".

**2.** Any buyback notice under the terms of this Article 32.B is irrevocable, it being specified that a buyback notice may be contingent upon there being no objection from the Company's creditors.

**3.** If the buyback applies to only part of the Preferred Shares, the Preferred Shares will be repurchased from the holders of Preferred Shares of a given class on a proportional basis. In the event that the number of Preferred Shares to be repurchased proportionately is not a whole number, the number of Preferred Shares effectively bought back from the holder shall be the next lower whole number.

4. All Preferred Shares bought back in this manner shall be cancelled as of the buyback date.
5. The reports of the Board of Directors and of the Statutory Auditors stipulated in Article R. 228-19 of the French Commercial Code shall be made available to the shareholders at the Company's registered office no later than fifteen days following the Board Meeting that carried out the buyback. These reports shall also be brought to the attention of the shareholders at the next General Meeting.

### 1.2. Cases in which the Company may exercise its option to buy back Preferred Shares

Under the conditions set out in paragraph 1.1 "Exercise of the preferred share buyback option" of this Article, the Board of Directors may, with the right to further delegate such powers pursuant to the applicable laws and regulations, subject to prior approval by the SGCB, repurchase the Preferred Shares in the following cases:

(i) subject to providing written notice to the preferred shareholders of the given class in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, the Board of Directors may arrange to repurchase, at any time after the tenth anniversary of the date on which the given Preferred Shares were issued, all or part of the relevant Preferred Shares at the buyback amount (as defined in this Article in paragraph 1.3, "Determination of the buyback amount in the event that the Company exercises its option to buy back the Preferred Shares") on the date stated in the notice, provided that (i) a preferred dividend has been distributed in respect of the last two financial years before the buyback, unless the SGCB waives this condition for the Company, and (ii) the outstanding amount applicable to the given class of Preferred Shares is no less than the product of the adjusted issue price of the given class multiplied by the number of outstanding Preferred Shares of the given class;

(ii) if an issue, conversion, merger or demerger is subject to approval by a Special Meeting of Preferred Shareholders belonging to a given class, and if such Special Meeting does not approve such an issue, exchange, merger or demerger under the quorum and majority requirements provided by these Articles of Association, and subject to providing notice to the preferred shareholders of the given class in writing or by means of a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, the Board of Directors may arrange to repurchase all (and not just part) of the Preferred Shares in the said class at the buyback amount (as defined in this Article in paragraph 1.3, "Determination of the buyback amount in the event that the Company exercises its option to buy back the Preferred Shares") on the date stated in the notice;

(iii) if, due to a change in French law or regulations, or due to a change in the official application or interpretation thereof that may come into effect after the date of issue of the preferred Shares, the proceeds from the issue of the Preferred Shares ceases to fully qualify as core capital (as defined in this Article, in paragraph 1.3, "Determination of the buyback amount in the event that the Company exercises its option to buy back the Preferred Shares") and subject to providing notice to the preferred shareholders of the given class in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, the Board of Directors may arrange to repurchase all (and not just part) of the portion of the Preferred Shares (where each class of Preferred Shares shall receive equal treatment based on its *pro rate* share of the percentage of Preferred Shares in the notional capital applicable thereto) that cease to fully qualify as core capital (as defined in this Article, in paragraph 1.3, "Determination of the buyback amount in the event that the Company exercises its option to buy back the Preferred Shares"), as of a date stated in the notice which shall not be earlier than the date on which the proceeds from the issue of the Preferred Shares cease to fully qualify as core capital (as defined in this Article, in paragraph 1.3, "Determination of the buyback amount in the event that the Company exercises its option to buy back the Preferred Shares");

(iv) if, due to illegality or to a change in French laws or regulations or in the official application or interpretation thereof that may come into effect after the date of issue of Preferred Shares of a given class, and that may result in an unfavourable change in the financial condition of the holders of these Preferred Shares, the Board of Directors may, in order to protect the legitimate interests of the Company and of the holders of such Preferred Shares, and subject to providing notice to the preferred shareholders of the given class in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days in advance, arrange to repurchase all (and not just part) of the relevant Preferred Shares at the buyback amount (as defined in this Article, in paragraph 1.3, "determination of the buyback amount in the event that the Company exercises its option to buy back the Preferred Shares"), as of a date stated in the notice which shall not be earlier than the effective date of the illegality, of the change in French laws or regulations, or in the official application or interpretation thereof, as the case may be.

### 1.3. Determination of the buyback amount in the event that the Company exercises its option to buy back the Preferred Shares

For purposes of this Article 32.B:

- "core capital" means tier one capital (i) as defined in Article 2 of CRBF (*Comité de la réglementation bancaire et financière*) Regulation 90-02 of 23 February 1990, as amended; or (ii) funds qualified as such by the SGCB, without any upper limit;
- "buyback amount" means, for each preferred share of a given class:
  (i) the adjusted issue price applicable to that class,
  (ii) plus an amount calculated by multiplying (a) the ratio obtained by dividing the outstanding amount applicable to

the given class by the number of Preferred Shares of the given class outstanding as of the buyback date, by (b) the rate and (c) the ratio obtained by dividing the number of days elapsed during the calculation period by 365 days;

- "calculation period" means the period between:

**(a)** first,

- the payment date (inclusive) of the preferred dividend paid in respect of Year "n-1" or, if no preferred dividend was paid in respect of that year, the anniversary date of the issue in year "n-1" (inclusive), if:

(x) the Ordinary General Meeting convened to vote on the appropriation of net income for Year "n-1" has not yet been held and a preferred dividend has not been approved for Year "n", or

(y) the Ordinary General Meeting convened to vote on the appropriation of net income for year "n-1" has been held and a preferred dividend has been approved for year "n" and such dividend has not yet been paid and will not have been paid as of the buyback date, or

- the payment date (inclusive) of the Preferred Dividend in respect of year "n" or, if no preferred dividend is paid in respect of that year, the anniversary date of the issue in year "n" (inclusive), if:

(x) a Preferred Dividend has been approved for year "n" and such Dividend has been paid or will be paid as of the buyback date, or

(y) the Ordinary General Meeting convened to vote on the allocation of net income for year "n-1" has been held and a Preferred Dividend was not approved for year "n",

**(b)** second, the buyback date (exclusive), which is deemed to occur during year "n" for purposes of this paragraph.

As an exception to the foregoing, if the last preferred dividend paid in respect of year "n-1" or year "n" was paid when an interim dividend was paid, the calculation period shall be:

**(a)** the period between the date of the Ordinary General Meeting convened to vote on the financial statements for the year in respect of which an interim dividend was paid, if the meeting is held before the buyback date, and the buyback date; or

**(b)** zero, if the Ordinary General Meeting convened to vote on the financial statements for the year in respect of which an interim dividend was paid, is held after the buyback date.

## Article 33 – Conversion of Preferred Shares

**1.** The Board of Directors may, with the right to further delegate such powers pursuant to the applicable laws and regulations, in the cases and under the conditions set out in paragraph 2 of this Article, convert all (and not just part) of the Preferred Shares of a given class into Ordinary Shares, using a conversion ratio (calculated to three decimal points; the fourth decimal point is rounded to the next nearest decimal point and 0.0005 is rounded to the next highest one-thousandth, that is, to 0.001) (the "conversion ratio"), determined for the Ordinary Shares, on the basis of the value of an ordinary share (as defined in paragraph 8 of this Article) and for the Preferred Shares, on the basis of the buyback amount (as defined in paragraph 1.3, "Determination of the buyback amount in the event that the Company exercises its option to buy back the Preferred Shares" of Article 32, "Repurchases of Preferred Shares by the Company" of the Articles of Association).

**2.** The conversion procedure shall be implemented only if the following two events occur:

- in the case of a merger or demerger requiring approval by a Special Meeting of a given class of preferred shareholders, if the Special Meeting does not approve the merger or demerger under the quorum and majority requirements stipulated herein; and
- if the Company has filed for prior SGCB approval of the proposed transaction and not secured such approval in time to carry out the buyback of the given class of Preferred Shares in accordance with subparagraph (ii) of paragraph 1.2, "Cases in which the Company may exercise its option to buy back Preferred Shares" and Article 32 "Repurchases of Preferred Shares by the Company", and inasmuch as the terms and conditions set forth below are met as of the conversion date:

(i) the Extraordinary General Meeting has approved or authorised the conversion, and

(ii) approval for the conversion has been secured from the SGCB.

**3.** When carrying out the conversion procedure, the Company shall undertake to identify a reasonable way, under then-prevailing market conditions, to enable those preferred shareholders who wish to do so to reclassify the Ordinary Shares to which the conversion of their Preferred Shares will entitle them.

**4.** The holders of the Preferred Shares in the given class shall be notified of the decision to convert their Shares in writing or by a notice published in a daily business and financial news publication with a wide circulation in Paris at least 30 calendar days and no more than 60 calendar days before the effective date of conversion.

**5.** If the total number of Ordinary Shares to be received by a preferred shareholder obtained by applying the conversion ratio to the number of Preferred Shares held by the shareholder is not a whole number, such shareholder shall receive the next lowest number of Ordinary Shares; in this case, the Shareholder shall receive a sum equal to the fractional value of the fractional ordinary share.

**6.** Any notice of conversion under the terms of these provisions shall be irrevocable, it being specified that a conversion notice may be subject to certain conditions.

**7.** All Preferred Shares converted in this manner shall be fully fungible with the Ordinary Shares as of their conversion date.

8. For purposes of this Article, "value of an ordinary share" means the greater of the following two values:
   (a) the volume-weighted average quoted price of an ordinary share on Euronext Paris (or any other exchange that may come to replace it) over the last fifteen trading days following but not including the date of publication of the notice indicated in paragraph 4 above (failing which, the date on which the written notices indicated paragraph 4 above are sent); and
   (b) 95% of the volume-weighted average quoted price of the Ordinary Shares on Euronext Paris (or any other exchange that may come to replace it) over the last fifteen trading days preceding but not including the date of publication of the notice indicated in paragraph 4 above (failing which, the date on which the written notices indicated in paragraph 4 above are sent).
9. The Board of Directors' reports and Statutory Auditors' reports provided by Article R. 228-18 of the French Commercial Code shall be made available to the shareholders at the Company's registered office (i) if the Extraordinary General Meeting approves the conversion, no later than the date on which that meeting is convened; or (ii) if the Extraordinary General Meeting delegates its powers to carry out the conversion to the Board of Directors, no later than fifteen days after the meeting at which the Board uses the authority granted to it by the Extraordinary General Meeting. These reports shall also be brought to the attention of the shareholders at the next General Meeting.

## Article 34 – Dissolution – Liquidation

1. The Company shall be in liquidation as from the time that it is dissolved, for any reason whatsoever. Its legal personality shall subsist for purposes of such liquidation and until completion thereof.

   The shares may continue to be traded until liquidation has been completed.

   Dissolution of the Company shall be effective as against third parties only as from the date on which the notice of dissolution is published in the Paris Trade and Company Registry.

   At the end of the life of the Company or if it is dissolved in advance by an Extraordinary General Meeting, said Meeting shall fix the rules governing liquidation. Voting in accordance with the quorum and majority voting requirements applicable to Ordinary General Meetings of Shareholders, it shall appoint one or more liquidators whose powers it shall determine, and who shall carry out their responsibilities in accordance with the law. Upon appointment of the liquidators, the functions of the Directors, the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers shall cease.

   Throughout the duration of liquidation, the General Meeting and the Special Meetings of Shareholders shall continue to exercise the same powers as they did during the life of the Company.
2. The liquidator shall represent the Company. He shall be vested with the broadest powers to dispose of its assets, even informally. He is authorised to pay creditors and distribute the remaining balance.

   The General Meeting may authorise the liquidator to continue pending business or to undertake new business for the purpose of the liquidation.
3. In the event of the Company's liquidation, the Preferred Shares shall rank *pari pasu* amongst themselves and with the Ordinary Shares as set forth below.

   After all of the Company's liabilities have been settled, the Preferred Shares and the Ordinary Shares shall have identical rights to the net assets, proportional to the percentage of notional capital represented by each class of shares, and, with respect to the Preferred Shares in each class, up to the amount of their adjusted issue price (as defined in Article 6, "Share capital" of the Articles of Association).

   The par value of the Ordinary Shares and of the Preferred Shares shall be reimbursed proportional to their share of the Company's share capital, and any liquidation dividend shall be distributed, such that the principle set out in the foregoing paragraph is observed, and, for all of the foregoing, and with respect to the Preferred Shares, up to the adjusted issue price.

## Article 35 – Disputes

Courts having jurisdiction under Ordinary law shall resolve any dispute which may arise during the life of the Company or during liquidation following dissolution, either among the shareholders, the managing and governing bodies and the Company, or among the shareholders themselves, in connection with corporate business or compliance with the provisions of the Articles of Association.

# Information on the Company

## ACQUISITIONS MADE BY CRÉDIT AGRICOLE S.A. OVER THE PAST THREE YEARS

Since 2009, Crédit Agricole S.A. has pursued its development mainly by way of organic growth, as announced at the occasion of the capital increase in 2008. This strategy has been reiterated in the Medium-Term Plan "Commitment 2014", announced in March 2011.

### Completed acquisitions

| Date | Investments | Financing |
|---|---|---|
| 05/05/2009 | Crédit Agricole S.A. subscribes to **the share capital increase of Emporiki Bank of Greece S.A.** by acquiring 140,112,586 new shares for a total consideration of €771 million, thus lifting its holding to 82.5% (72.9% prior to the share capital increase). | Acquisitions made in 2009 were financed by Crédit Agricole S.A. subordinated and non-subordinated medium-term notes and by Tier 1 capital generated and retained during the year. |
| 30/06/2009 | Crédit Agricole S.A. finalises **the acquisition of 35% of the capital and voting rights of CACEIS SAS** from Natixis for a total consideration of €595 million. | |
| 26/10/2009 | HSBC France and CACEIS sign an agreement on **the sale to CACEIS of the fund servicing activities of HSBC France** including its subsidiary, HSS France. The transaction relates to €39 billion of assets under custody and €56 billion of assets under management. The transaction was finalised in 2010. | |
| 11/12/2009 | Crédit Agricole S.A. announces the finalisation of **the acquisition of the office real estate complex EVERGREEN,** in Montrouge (Hauts-de-Seine) from Carlyle Europe Real Estate Partners I. | |
| 14/12/2009 | Crédit Agricole S.A. confirms its intention to participate in the share capital increase of €989 million voted by the Extraordinary General Assembly of **Emporiki Bank of Greece S.A.** on 14 December 2009 in accordance with its shareholding and to guarantee the full subscription of the transaction. | |
| 31/12/2009 | **Transfer of the shareholdings of Emporiki Bank of Greece S.A.** in Emporiki Leasing S.A. (80%) to Crédit Agricole Leasing for €43.5 million, in Emporiki Asset management M.F.M.C. (73.1%) to CAAM for €13.5 million, in Emporiki Credicom S.A. (50%) to Sofinco S.A. for €25.0 million, in Emporiki Life Insurance Company S.A. (50%) to CAA for €30.7 million, and in Emporiki Insurance Hellenic Insurance Company S.A. (50%) to CAA for €10.4 million. | |
| 18/02/2010 | Crédit Agricole S.A. announces the signing of an agreement with Intesa Sanpaolo S.A. pertaining to the sale by Intesa Sanpaolo group of **a network of 150 to 200 branches in Italy** wholly or partially composed of a subsidiary of Intesa Sanpaolo group. The transaction was finalised in 2011. | Acquisitions made in 2010 were financed by Crédit Agricole S.A. subordinated and non-subordinated medium-term notes and by Tier 1 capital generated and retained during the year. |
| 01/07/2010 | **Pacifica and Crédit Agricole Nord de France finalise the agreements signed in 2002 in the field of property and casualty insurance.** In 2004, Pacifica acquired from Crédit Agricole Nord de France a 20% stake in MRA CA, a regional casualty and property insurance company, a stake which was increased to 40% in 2008. Pacifica will acquire all remaining shares in MRA CA, which are mainly held by Crédit Agricole Nord de France. The transaction was finalised in 2011. | |
| 02/08/2010 | Crédit Agricole Luxembourg has finalised an agreement pertaining to **the acquisition of a majority stake in Dresdner Van Moer Courtens (DVMC),** a Belgian stockbroking company specialising in wealth management. DVMC will be renamed Crédit Agricole Van Moer Courtens. | |
| 29/12/2010 | Crédit Agricole Assurances finalises **the acquisition of Axeria Vie and its subsidiaries** as announced on 8 September 2010. At the end of 2009, Axeria Vie reported €187 million in new inflows, €251 million in underwriting reserves and 27 employees. April Patrimoine, a subsidiary of Axeria Vie, reported at the end of 2009 €10.3 million in commission income, €180 million in new inflows, €991 million in underwriting reserves and 36 employees. | |
| 11/01/2011 | Crédit Agricole S.A. has successfully carried out its expansion strategy in Italy. In accordance with the agreement signed on 17 February 2010 with Intesa Sanpaolo, Cariparma acquired a 79.9% stake in Cassa di Risparmio della Spezia. This process was recently completed when Intesa Sanpaolo contributed 96 branches to Cariparma. | Acquisitions made in 2011 were financed by Crédit Agricole S.A. subordinated and non-subordinated medium-term notes and by Tier 1 capital generated and retained during the year. |
| 09/09/2011 | Crédit Agricole S.A. successfully acquired the free float of **Emporiki Bank of Greece S.A.**, after a voluntary bid for all outstanding shares launched in concert with Sacam International. It then carried out a squeeze-out of the Greek bank's shares. | |

*N.B.: we cannot disclose certain information about investment amounts without violating confidentiality agreements or revealing information to our rivals that could be detrimental to us.*

## Acquisitions in progress

No new acquisitions were announced after the end of 2011 and for which the management bodies have already made firm commitments.

# NEW PRODUCTS AND SERVICES

The entities of the Group regularly offer new products and services to customers. Information is available on the Group's websites, especially through press releases on the website www.credit-agricole.com.

# MATERIAL CONTRACTS

In 2001, ahead of Crédit Agricole S.A.'s initial public offering, CNCA (which subsequently became Crédit Agricole S.A.) entered into an agreement with the Regional Banks governing internal relations within the Crédit Agricole Group. The main provisions of this agreement are set out in Chapter III of the registration document filed by Crédit Agricole S.A. with the *Commission des opérations de Bourse* on 22 October 2001 under number R. 01-453. The agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any of the affiliates experiencing difficulties. To allow for changes in the way the FRBLS worked after Crédit Agricole CIB affiliated to the Crédit Agricole network, Crédit Agricole S.A. approved new regulations at its 13 December 2011 Board meeting, which set new rules for the contributions paid by Crédit Agricole S.A.

The fund was initially provisioned with €609.8 million. At 31 December 2011 it totalled €904.1 million, having been increased by €28.1 million in the course of the year.

Furthermore, since CNCA's reorganisation as a mutual company in 1988, the Regional Banks have committed to making up any shortfall suffered by creditors should Crédit Agricole S.A. become insolvent or experience similar financial difficulties. The Regional Banks' commitment under this guarantee is equal to the sum of their share capital and reserves.

### "Switch" guarantee

The "Switch" mechanism was implemented on 23 December 2011 as part of the financial relationship framework between Crédit Agricole S.A., as central body, and the mutual network of Crédit Agricole Regional Banks.

It enables the transfer of prudential requirements in respect of Crédit Agricole's interests in the Regional Banks, which are accounted for according to the equity method in Crédit Agricole S.A.'s consolidated financial statements. This transfer of risk to the Regional banks is realised through a guarantee mechanism whereby the Regional Banks grant a guarantee to Crédit Agricole S.A. based on a contractual floor value of the equity-accounted CCI/CCA issued by the Regional Banks. This value was fixed when the guarantee was initially set-up.

The effectiveness of the mechanism is secured by a cash deposit paid by the Regional Banks to Crédit Agricole S.A.

This contract can be analysed in substance as a complementary right attached to the 25% stake held by Crédit Agricole S.A. in the CCI/CCA of Regional Banks. As such, it is related to the significant influence that Crédit Agricole S.A. exercises over the Regional Banks.

As structured, the mechanism protects Crédit Agricole S.A. from a decline in the overall equity-accounted value of the Regional Banks. Indeed, as soon as a drop in value is observed, the guarantee mechanism is activated and Crédit Agricole S.A. receives compensation drawn from the cash security deposit. If the overall equity-accounted value later recovers, Crédit Agricole S.A. returns previously paid compensation in accordance with a financial recovery clause.

The term of the guarantee is 15 years and can be extended by tacit consent. The guarantee can be cancelled by anticipation, under certain conditions and with the prior approval of the ACP.

The guarantee deposit is remunerated at a fixed rate based on conditions prevailing for long-term liquidity. The guarantee attracts a fixed remuneration covering the present value of the risk and cost of capital of the Regional Banks.

### Crédit Agricole Home Loan SFH (ex-Crédit Agricole Covered Bonds)

To increase and diversify Crédit Agricole Group's sources of funds, Crédit Agricole S.A. created a wholly-owned financial company, Crédit Agricole Covered Bonds, whose sole corporate purpose was to issue covered bonds and to make "mirror loans" to Crédit Agricole S.A. On 12 April 2011, the Company changed its name to Crédit Agricole Home Loan SFH (CA HL SFH), adopting the newly created legal form of a *"Société de Financement de l'Habitat"* or Home Financing Company, which confers, among other advantages, legal priority to the claims of CA HL SFH bondholders.

Repayment of amounts owed by Crédit Agricole S.A. to CA HL SFH for mirror loans is covered by a financial guarantee granted by the Regional Banks and LCL consisting of amounts receivable on residential loans.

Each loan granted by CA HL SFH to Crédit Agricole S.A. is redistributed in the form of advances to the Regional Banks and to LCL in proportion to their contributions to the guarantee.

The receivables pledged as guarantees by the Regional Banks and LCL continue to be managed by these institutions and remain on their balance sheet, unless the guarantee is called. Prior to calling the guarantee, protection mechanisms are provided for CA HL SFH, based on Crédit Agricole S.A.'s ratings. An interest rate hedging instrument was also put in place at the start of 2012, following the downgrade of Crédit Agricole S.A.'s long-term rating by Fitch Ratings on 14 December 2011.

The **contractual legal framework** for implementing this mechanism is based on a series of agreements. The main ones are a **financial guarantee agreement** setting out the terms and conditions for constituting the loan repayment guarantees provided by each Regional Bank and LCL in favour of CA HL SFH, as payment surety for any amount due by Crédit Agricole S.A. in its capacity as borrower from CA HL SFH and an **advance agreement**, the purpose of which is to set out the terms and conditions for granting and managing intra-group advances and to define the allocation key for the volume of receivables to be provided as collateral by each Regional Bank and LCL.

The first issue was launched in January 2009. At 31 December 2011, €22 billion have been raised.

### Arrangement relating to Intesa Sanpaolo

On 17 February 2010, Crédit Agricole S.A. signed an agreement with Intesa Sanpaolo S.p.A. concerning, *inter alia,* its equity investment in the latter. The terms of the agreement were reproduced in a decision issued by the Italian Competition Authority on 18 February 2010. Under this agreement, Crédit Agricole S.A. agreed to exercise the voting rights attached to its equity investment as part of the plan submitted to the Italian Competition Authority, and to reduce this investment (i) to less than 5% by 31 July 2010; (ii) to less than 2% by a fixed date, provided that the sale is able to take place under certain economic conditions, or to freeze, at that date, the investment exceeding 2% of the capital of ISP by transferring it to a frozen securities account.

Following the meeting of the Crédit Agricole S.A. Board of Directors of 16 December, 2010, Crédit Agricole S.A. announced the end of its representation at the Intesa Sanpaolo S.p.A. Supervisory Board. This decision led to a reclassification of Crédit Agricole S.A.'s participation in Intesa Sanpaolo S.p.A., from investments in equity-accounted entities to available-for-sale financial assets.

## SIGNIFICANT CHANGES

The financial statements at 31 December 2011 were approved by the Board of Directors at its meeting of 22 February 2012. Since this date, there have been no significant changes in the financial position or business operations of Crédit Agricole S.A. parent company and Group.

## DOCUMENTS ON DISPLAY

This document is available on the websites of Crédit Agricole S.A. (http://www.credit-agricole.com/en/Finance-and-Shareholders) and of the *Autorité des marchés financiers* (www.amf-france.org).

All regulated information as defined by the AMF (in Title II of Book II of the AMF General Regulation) is available on the Company's website (http://www.credit-agricole.com/en/Finance-and-Shareholders under "Financial reporting > Regulated Information"). The full text of the Articles of Association of Crédit Agricole S.A. is reproduced in this document.

# CRÉDIT AGRICOLE S.A. PUBLICATIONS

The annual information report below lists information that Crédit Agricole S.A. has published or disclosed over the past 12 months to fulfil legal or regulatory disclosure obligations applying to financial instruments, issuers of financial instruments and financial instrument markets as required by Article L. 451-1-1 of the *Code monétaire et financier* and Article 222-7 of the AMF General Regulation.

## 1. Registration document and updates

- Available on Crédit Agricole S.A.'s website www.credit-agricole.com under Finance and Shareholders > Financial reporting > Crédit Agricole S.A. financial results and on the *Autorité des marchés financiers* website www.amf-france.org:

| Date of publication | Document description |
|---|---|
| 18/03/2011 | Registration document – AMF registration No. D. 11-0146 |
| 28/03/2011 | Update of the registration document – AMF registration No. D. 11-0146-A01 |
| 16/05/2011 | Update of the registration document – AMF registration No. D. 11-0146-A02 |
| 26/08/2011 | Update of the registration document – AMF registration No. D. 11-0146-A03 |
| 15/11/2011 | Update of the registration document – AMF registration No. D. 11-0146-A04 |

## 2. Issues, prospectuses and offering memorandums

- Published on Crédit Agricole S.A.'s website www.credit-agricole.com under Finance et actionnaires > Dette > Émissions - institutionnels – and on the *Autorité des marchés financiers* website www.amf-france.org:

| Date of publication | Document description |
|---|---|
| 17/05/2011 | Base Prospectus of the 2011 EMTN programme |
| 25/05/2011 | Supplement No. 1 to the 2011 EMTN programme Base Prospectus |
| 10/06/2011 | Issue and admission of fixed-rate bonds – maturity 10/07/2015 |
| 14/06/2011 | Issue and admission of fixed-rate bonds – maturity 14/01/2022 |
| 20/06/2011 | Supplement No. 2 to the 2011 EMTN programme Base Prospectus |
| 30/06/2011 | Issue and admission of floating-rate notes – maturity 23/06/2014 |
| 08/07/2011 | Issue and admission of fixed-rate bonds – maturity 10/07/2015 |
| 15/07/2011 | Issue and admission of fixed-rate bonds – maturity 15/01/2016 |
| 25/07/2011 | Issue and admission of floating-rate notes – maturity 25/07/2013 |
| 03/08/2011 | Supplement No. 3 to the 2011 EMTN programme Base Prospectus |
| 12/08/2011 | Issue and admission of floating-rate notes – maturity 12/08/2013 |
| 30/08/2011 | Supplement No. 4 to the 2011 EMTN programme Base Prospectus |
| 07/09/2011 | Issue and admission of floating-rate notes – maturity 07/09/2014 |
| 12/09/2011 | Issue and admission of floating-rate notes – maturity 31/08/2015 |
| 16/09/2011 | Supplement No. 5 to the 2011 EMTN programme Base Prospectus |
| 28/09/2011 | Issue and admission of floating-rate notes – maturity 06/09/2019 |
| 29/09/2011 | Issue and admission of fixed-rate bonds – maturity 29/09/2021 |
| 04/10/2011 | Supplement No. 6 to the 2011 EMTN programme Base Prospectus |
| 18/10/2011 | Supplement No. 7 to the 2011 EMTN programme Base Prospectus |
| 17/11/2011 | Supplement No. 8 to the 2011 EMTN programme Base Prospectus |
| 25/11/2011 | Issue and admission of floating-rate notes – maturity 25/11/2013 |
| 06/12/2011 | Issue and admission of fixed-rate bonds – maturity 06/12/2021 |
| 20/12/2011 | Supplement No. 9 to the 2011 EMTN programme Base Prospectus |

| Date of publication | Document description |
|---|---|
| 01/02/2012 | Supplement No. 10 to the 2011 EMTN programme Base Prospectus |
| 13/02/2012 | Issue and admission of floating-rate notes – maturity 13/02/2019 |
| 07/03/2012 | Supplement No. 11 to the 2011 EMTN programme Base Prospectus |

- Filed with the CSSF or Luxembourg Stock Exchange (www.bourse.lu):

| Date of publication[(1)] | Document description |
|---|---|
| 23/03/2011 | Supplement No. 7 to the 2010 EMTN programme Base Prospectus |
| 31/03/2011 | Supplement No. 8 to the 2010 EMTN programme Base Prospectus |
| 08/04/2011 | Issue and admission of currency-linked notes – maturity 08/04/2013 |
| 18/04/2011 | Issue and admission of fixed-rate bonds – maturity 18/04/2023 |
| 21/04/2011 | Issue and admission of floating-rate notes – maturity 21/04/2012 |

*(1) i.e. CSSF approval date of the update of the EMTN programme or issue settlement date.*

Crédit Agricole S.A. EMTN (Euro Medium Term Notes) programme, which until now was controlled by the *Commission de Surveillance du Secteur Financier au Luxembourg* (Luxembourg commission for the supervision of the financial sector) is now supervised by the AMF, as from its update in 2011. The transfer was finalised on 17 May 2011, the date on which the Base Prospectus for Crédit Agricole S.A. EMTN programme was approved by the AMF.

- Published on Crédit Agricole S.A.'s website www.credit-agricole.com under Finance et actionnaires > Dette > Émissions – réseau France – and on the *Autorité des marchés financiers* website www.amf-france.org:

| Date of publication | Document description | AMF approval No. |
|---|---|---|
| 04/01/2011 | Zero-coupon bonds linked to the performance of the Euro Stoxx 50® February 2011/2019 | AMF approval No. 11-001 |
| 06/01/2011 | Fixed-rate 4.25% bonds paying interest quarterly February 2011/2023 | AMF approval No. 11-003 |
| 23/03/2011 | Fixed-rate 4.15% bonds paying interest quarterly April 2011/2019 | AMF approval No. 11-080 |
| 20/05/2011 | Zero-coupon bonds June 2011/2019 | AMF approval No. 11-166 |
| 08/06/2011 | Fixed-rate 4.25% bonds paying interest quarterly July 2011/2021 | AMF approval No. 11-211 |
| 15/06/2011 | Zero-coupon bonds linked to the performance of the Euro Stoxx 50® July 2011/2019 | AMF approval No. 11-224 |
| 05/07/2011 | Fixed-rate 4.10% bonds paying interest quarterly July 2011/2018 | AMF approval No. 11-292 |
| 08/09/2011 | Fixed-rate 4.50% bonds paying interest quarterly September 2011/2021 | AMF approval No. 11-397 |
| 19/09/2011 | Zero-coupon bonds October 2011/2019 | AMF approval No. 11-418 |
| 24/11/2011 | Zero-coupon bonds assimilable to issue of zero-coupon bonds October 2011/2019 | AMF approval No. 11-545 |
| 03/01/2012 | Zero-coupon bonds February 2012/2020 | AMF approval No. 12-001 |
| 04/01/2012 | Zero-coupon bonds linked to the performance of the Euro Stoxx 50® February 2012/2020 | AMF approval No. 12-004 |
| 16/01/2012 | Fixed-rate 4.55% bonds paying interest quarterly February 2012/2022 | AMF approval No. 12-023 |

- Published on Crédit Agricole S.A.'s website www.credit-agricole.com – under Finance and Shareholders > Debt > Covered bonds:

| Date of publication | Document description |
|---|---|
| 12/01/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 12/01/2021 |
| 28/01/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 28/01/2014 |
| 07/02/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 07/02/2014 |
| 11/03/2011 | Issue and admission of floating-rate *Covered bonds* – maturity 19/02/2013 |
| 13/04/2011 | Base prospectus for 2011 *Covered bonds* programme |
| 21/04/2011 | Issue and admission of floating-rate *Covered bonds* – maturity 21/07/2014 |

| Date of publication | Document description |
|---|---|
| 28/04/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 12/01/2021 |
| 11/05/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 16/07/2025 |
| 30/05/2011 | Supplement No. 1 to the 2011 *Covered bonds* programme Base Prospectus |
| 10/06/2011 | Issue and admission of floating-rate *Covered bonds* – maturity 27/05/2019 |
| 14/06/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 14/06/2018 |
| 24/06/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 24/06/2015 |
| 27/06/2011 | Issue and admission of floating-rate *Covered bonds* – maturity 21/07/2014 |
| 27/07/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 27/07/2017 |
| 09/09/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 09/09/2016 |
| 21/09/2011 | Supplement No. 2 to the 2011 *Covered bonds* programme Base Prospectus |
| 19/10/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 12/01/2021 |
| 20/10/2011 | Issue and admission of floating-rate *Covered bonds* – maturity 26/01/2015 |
| 28/10/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 28/04/2016 |
| 28/10/2011 | Issue and admission of floating-rate *Covered bonds* – maturity 26/01/2016 |
| 19/12/2011 | Supplement No. 3 to the 2011 *Covered bonds* programme Base Prospectus |
| 23/12/2011 | Issue and admission of fixed-rate *Covered bonds* – maturity 23/03/2017 |
| 26/12/2011 | Supplement No. 4 to the 2011 *Covered bonds* programme Base Prospectus |
| 17/01/2012 | Issue and admission of fixed-rate *Covered bonds* – maturity 17/01/2022 |
| 27/01/2012 | Supplement No. 5 to the 2011 *Covered bonds* programme Base Prospectus |
| 16/02/2012 | Issue and admission of *Covered bonds* – maturity 14/06/2018 |
| 16/02/2012 | Issue and admission of *Covered bonds* – maturity 23/03/2017 |

## 3. Disclosures

- **Disclosures of trading in the Company's shares by Executive Officers and Directors:**

  Disclosures are available on Crédit Agricole S.A.'s website (http://www.credit-agricole.com/en/Finance-and-Shareholders – under "Corporate governance") and are published on the *Autorité des marchés financiers* website (www.amf-france.org).

- **Disclosure of trading in the Company's own shares:**

  Monthly summaries and weekly disclosures of the trading in the Company's own shares are published on Crédit Agricole S.A.'s website (http://www.credit-agricole.com/en/Finance-and-Shareholders – under "Financial reporting > Regulated Information").

- **Disclosure of number of shares and voting rights:**

  Declarations concerning the total number of shares and voting rights are published on Crédit Agricole S.A.'s website (http://www.credit-agricole.com/en/Finance-and-Shareholders – under "Financial reporting > Regulated Information". The last publication dates from 12 October 2011.

## 4. Press releases

- Published on Crédit Agricole S.A.'s website www.credit-agricole.com – under Finance and Shareholders > Press releases:

| Date of publication | Press releases |
|---|---|
| 09/05/2011 | Amundi ETF enters the UK market |
| 13/05/2011 | 2011 First Quarter Results – A good performance underpinned by solid momentum across all Group business lines and reduced cost of risk |
| 18/05/2011 | Crédit Agricole S.A. General Meeting of Shareholders |
| 19/05/2011 | UBP selects CACEIS for fund administration services |
| 20/05/2011 | Ordinary and Extraordinary General Meeting of 18 May 2011: Terms and conditions applying to payment of the dividend in shares or in cash |
| 24/05/2011 | Press release |
| 24/05/2011 | Appointment |
| 06/06/2011 | Jean-Christophe Kiren appointed Head of Payment Systems and Services |
| 09/06/2011 | Announcement of a partnership in global equity business |
| 09/06/2011 | "Kwixo": the first secure banking solution combining online payments and money transfers |
| 20/06/2011 | Close to 85% of Crédit Agricole S.A. shareholders opt for the payment of dividends in shares |
| 24/06/2011 | Crédit Agricole CIB and CLSA acted for the IPO of Prada S.p.A. on the HKSE |
| 28/06/2011 | Announcement of the approval of the offering circular relating to the voluntary public offer for the shares of Emporiki Bank of Greece S.A. |
| 30/06/2011 | CACEIS Bank Luxembourg and Fastnet Luxembourg become single entity |
| 01/07/2011 | Pierre Minor appointed Head of Legal and Compliance at Crédit Agricole S.A. |
| 05/07/2011 | Appointment |
| 11/07/2011 | Julien Fontaine joins Crédit Agricole S.A. as Strategy Director |
| 15/07/2011 | Results of the 2011 EBA EU-wide stress test |
| 28/07/2011 | Crédit Agricole S.A. draws conclusions from the deteriorated economic condition in Greece during the 2nd quarter 2011 |
| 29/07/2011 | Announcement of results regarding the voluntary Public Offer for the shares of Emporiki Bank of Greece S.A. |
| 03/08/2011 | Crédit Agricole Leasing & Factoring sells Eurofactor UK to GE Capital |
| 09/08/2011 | Approval of the squeeze-out for the shares of Emporiki Bank of Greece S.A. |
| 24/08/2011 | First half and second quarter 2011: Solid results in line with 2014 Commitment targets |
| 09/09/2011 | Emporiki Bank's announcement concerning the completion of the squeeze-out |
| 14/09/2011 | Information |
| 22/09/2011 | Appointment: Stanislas Pottier joins Crédit Agricole S.A. as Head of Sustainable Development |
| 23/09/2011 | Sofinco celebrates 60th birthday (French only) |
| 28/09/2011 | Crédit Agricole: adapting to the new environment |
| 03/10/2011 | Appointment |
| 10/10/2011 | Press release |
| 25/10/2011 | Announcement |
| 27/10/2011 | EBA tests on the capital and term funding needs for European banks: Preliminary results for the French banks |
| 10/11/2011 | Third quarter and first nine months of 2011: Good results and strong capacity at Group level to weather the sovereign debt crisis |
| 08/12/2011 | EBA test on European banks' capital requirements: Results for French banks |
| 14/12/2011 | Crédit Agricole: meeting the challenge |
| 16/12/2011 | Crédit Agricole S.A. and Coller Capital announce an agreement for the sale of Crédit Agricole Private Equity |
| 23/02/2012 | Crédit Agricole performed well in 2011 against an adverse business environment |

## 5. Investor presentations

- Prepared for conferences, investor days or corporate events, available on Crédit Agricole S.A.'s website (http://www.credit-agricole.com/en/Finance-and-Shareholders – under "Financial Reporting > Investor presentations"):

| Dates | Presentations |
|---|---|
| 17/03/2011 | Commitment 2014: Presentation of the Medium Term Plan of Crédit Agricole S.A. Group |
| 30/03/2011 | Morgan Stanley conference – London (English only) |
| 16/05/2011 | Cheuvreux Pan-Europe Forum conference, 2011 – London |
| 07/06/2011 | Deutsche Bank conference (English only) – New York |
| 09/06/2011 | Goldman Sachs conference (English only) – Paris |
| 28/09/2011 | Cheuvreux conference – Paris |
| 04/10/2011 | Bank of America Merrill Lynch conference (English only) – London |
| 30/11/2011 | SG Premium conference (English only) – Paris |
| 14/12/2011 | "Crédit Agricole: meeting the challenge" conference – Paris |

## 6. Information published in the "BALO" on the Annual General Meeting and on periodical publications

- Published on the BALO website www.journal-officiel.gouv.fr/balo/Company: Crédit Agricole S.A., No. 784 608 416 RCS PARIS

| Date of publication | Document description | BALO No. |
|---|---|---|
| 02/05/2011 | Meetings of shareholders and holders of participating notes | BALO No. 52 |
| 27/05/2011 | Various notices – Notice to holders of TSDIs | BALO No. 63 |

## 7. Filings with the Clerk of the Paris Tribunal de Commerce

- Available from the Clerk of the Paris Tribunal de Commerce de Paris, listed on the website www.infogreffe.com.Company: Crédit Agricole S.A., No. 784 608 416 RCS PARIS

| Dates | Document description and decisions | Registration No. |
|---|---|---|
| 15/04/2011 | Statutory Auditors' report | Registration No. 58449 of 17/06/2011 |
| 18/05/2011 | Extract of minutes – Authorisation to increase the share capital | Registration No. 58449 of 17/06/2011 |
| 18/05/2011 | Extract of minutes – Change of Board member(s) | Registration No. 57607 of 16/06/2011 |
| 17/06/2011 | Decision of the Chairman – Update of Articles of Association – Capital increase – Change(s) in the Articles of Association | Registration No. 62049 of 29/06/2011 |

# Information concerning the share capital

## INFORMATION CONCERNING THE SHARE CAPITAL AND MAJOR SHAREHOLDERS

There are currently no shareholders' agreements.

Crédit Agricole S.A. has not issued any securities giving rights to the share capital other than those described in the paragraph entitled "Changes in share capital over the past five years" on page 177 of this registration document, or any securities giving rights to the potential share capital or shares carrying double voting rights. Nor has it pledged any of its shares as collateral.

To the knowledge of Crédit Agricole S.A., no shareholder other than SAS Rue La Boétie owns 5% or more of the share capital or voting rights.

In addition to the Director appointed by joint decree by the Minister of Finance and the Minister of Agriculture, five seats are allocated to outside Directors. These five outside Directors are considered to be independent Directors in accordance with corporate governance guidelines (AFEP/MEDEF Code of Corporate Governance for Listed Companies). The outside Directors play an extremely important role on the Board. Three are chairmen of the Board's special Committees (Audit and Risks, Remuneration, and Appointments and Governance).

There are no agreements of which the implementation could, at a subsequent date, result in a change in the Group's control.

### Control over the issuer

The shareholder relationships between Crédit Agricole S.A. and the Regional Banks are described in the notes to the financial statements under "General framework" of this document.

Control over Crédit Agricole S.A. is described in chapter II, "Corporate governance", of this registration document.

The rules governing the composition of the Board of Directors are set out in Article 11 of the Articles of Association.

The Crédit Agricole Regional Bank representatives hold a majority of the seats on the Board. The composition of the Board illustrates the willingness of Crédit Agricole S.A.'s largest shareholder (SAS Rue La Boétie, which held 56.41% of the voting rights at 31 December 2011) to give the Regional Banks a majority representation on the Board.

### Dividend policy

The dividend policy is determined by the Board of Directors of Crédit Agricole S.A. This policy may *inter alia* take account of Company earnings and financial condition, as well as the dividend policy practices of leading French and international companies in the sector. Crédit Agricole S.A. gives no guarantee as to the amount of the dividend which will be paid in any given year.

As Crédit Agricole S.A.'s net income Group share for 2011 was negative, the Board of Directors has decided not to propose to pay a dividend at the General Meeting of Shareholders of 22 May 2012.

As part of the measures to achieve the CET 1 (Common Equity Tier 1) ratio target by end-2013 for the Crédit Agricole Group, Crédit Agricole S.A. will propose that dividends be paid in stock from 2012.

## DESCRIPTION OF CREDIT AGRICOLE S.A. SHARE BUYBACK PROGRAMME

Pursuant to Article L. 241-2 of the *Autorité des marchés financiers* General Regulation, this document constitutes the description of the share buyback programme to be approved by the Combined General Meeting of 22 May 2012.

*It is hereby specified that the expression "Ordinary Shares" as used in this document refers to the shares that make up the Company's share capital at this time, as opposed to Preferred Shares which issue is authorised by the Articles of Association.*

## I. Number of shares and percentage of share capital directly owned by Crédit Agricole S.A.

At 8 March 2012, Crédit Agricole S.A. directly owned 7,915,533 shares, representing 0.32% of the share capital.

## II. Breakdown of targets by equity securities held

At 8 March 2012, the shares held by Crédit Agricole S.A. were broken down as follows:

- 177,878 shares used to cover undertakings to employees under stock option plans;
- 1,637,655 shares used to cover undertakings to employees on deferred compensation in the form of performance shares;
- 6,100,000 shares held as part of a share liquidity agreement to stimulate the market in the share.

## III. Purpose of share buyback programme

The authority to be granted by the shareholders at the Combined Ordinary and Extraordinary General Meeting of Shareholders of 22 May 2012 is designed to allow Crédit Agricole S.A. to trade in its own shares either on the market or over the counter for any purpose permitted or to be permitted by applicable laws or regulations, and more particularly:

1. to grant stock options to some or all of the Company's employees and/or to some or all of its eligible Executive and non-Executive Corporate Officers of the Company or the companies or groupings affiliated with it, now or in the future, as defined by Article L. 225-180 of the French Commercial Code;
2. to allot ordinary shares to eligible Executive and non-Executive Corporate Officers, employees and former employees of the Company or of the Group, or to certain categories thereof, as part of an employee profit-sharing or share ownership plan, as provided for by law;
3. to allot bonus shares under a bonus share plan as provided by Articles L. 225-197-1 *et seq.* of the French Commercial Code to some or all categories of eligible employees and Executive and non-Executive Corporate Officers of the Company, and/or to companies and economic interest groupings affiliated therewith under the conditions set out in Article L. 225-197-2 of the French Commercial Code, and, more generally, to allot ordinary shares in the Company to such employees and Executive and non-Executive Corporate Officers, notably under variable compensation plans for employees who are financial market professionals and whose activities have a material impact on the Company's risk exposure, in which case such allotments are contingent upon such employees meeting performance targets;
4. to hold the shares purchased with a view subsequently to exchanging them or using them to pay for a potential acquisition, in compliance with the market practice accepted by the *Autorité des marchés financiers*;
5. to ensure coverage of securities giving access to the Company's ordinary shares;
6. to ensure that liquidity is provided for the shares on the equity market by an investment services provider under a share liquidity agreement that complies with the AMAFI (the French Association of "Financial Market Professionals") Code of Conduct, in compliance with the market practice accepted by the *Autorité des marchés financiers,* it being specified that, for purposes of calculating the 10% limit set forth in paragraph 4-1 above, the number of ordinary shares purchased in this respect shall be the number of ordinary shares purchased less the number of ordinary shares sold during the term of this authorisation;
7. to retire the purchased shares.

## IV. Maximum percentage of share capital, maximum number and characteristics of shares that may be bought back and maximum purchase price

### 1. Maximum percentage of share capital to be bought back by Crédit Agricole S.A.

Crédit Agricole S.A. is authorised to acquire up to 10% of the total number of shares forming its share capital as of the date of settlement of the purchases. However, the number of shares purchased by the Company for the purpose of holding the shares purchased with a view subsequently to exchanging them or using them to pay for a potential merger, spin-off or asset transfer shall not exceed 5% of the Company's share capital.

In addition, the total cost of all such share purchases made during the term of the share buyback programme is €1.25 billion.

**The Board of Directors will ensure that these buybacks are executed according to the regulatory requirements as set by law and the *Autorité de contrôle prudentiel*.**

### 2. Characteristics of the shares covered

Class of shares: shares listed on Euronext Paris (Compartment A)

Name: Crédit Agricole S.A.

ISIN code: FR 0000045072

### 3. Maximum purchase price

The purchase price for Crédit Agricole S.A. shares under the buyback programme may not exceed €10 per share.

## V. Duration of programme

In accordance with Article L. 225-209 of the French Commercial Code and with the 20th resolution to be adopted by the Combined Ordinary and Extraordinary General Meeting of Shareholders of 22 May 2012, this share buyback programme replaces the unused portion of the programme approved at the Ordinary General Meeting of Shareholders of 18 May 2011, and may be implemented until it is renewed by a future General Meeting of Shareholders, and in any event, for a maximum term of 18 months as from the date of the Combined Ordinary and Extraordinary General Meeting of Shareholders, that is, until 21 November 2013 at the latest.

# Statutory Auditors' special report on related party agreements and commitments

*This is a free translation into English of a report issued in French. It is provided solely for the convenience of English speaking users.*

*This report should be read and construed in accordance with French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on the agreements and commitments with related parties.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French commercial code *(Code de commerce),* to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code *(Code de commerce)* on the implementation, during the year, of agreements and commitments previously approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body *(Compagnie Nationale des Commissaires aux Comptes)* relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

## Agreements and commitments submitted for approval by the General Meeting of Shareholders

### Agreements and commitments authorised during the year

In accordance with Article L. 225-40 of the French commercial code *(Code de commerce)*, we have been advised of the following related parties' agreements and commitments which were previously authorised by your Board of Directors.

#### 1. WITH MR JEAN-YVES HOCHER, DEPUTY CHIEF EXECUTIVE OFFICER

**Nature and purpose**

At its meeting of July 19, 2011, the Board of Directors authorised, Mr. Jean-Yves Hocher, Deputy Chief Executive Officer, to receive a compensation in case of termination of his work contract, with the same conditions than those authorised by the Board of Directors at its meeting of February 24, 2010 and approved by the General Meeting of Shareholders on May 19, 2010 for Mr Michel Mathieu and Bruno de Laage, Deputy Chief Executive Officers.

**Conditions**

In case of termination of his work contract, he will receive a compensation based on twice the amount of the total gross annual wages received during the 12 months preceding the termination of the work contract (excluding fringe benefits), including all other indemnity, in particular the conventional compensation for dismissal and the compensation for the non-competition clause. If he becomes eligible for post employment benefits, no compensation (except legal and conventional compensations) will be paid.

**2. WITH THE CAISSES RÉGIONALES ALSACE VOSGES, PROVENCE-CÔTE D'AZUR, DE LA TOURAINE ET DU POITOU, TOULOUSE 31, BRIE PICARDIE, CHARENTE-MARITIME DEUX-SÈVRES, CENTRE EST, NORD MIDI PYRÉNÉES, MORBIHAN AND VAL DE FRANCE.**

**Persons concerned**

MM. Sander, Brassac, Dupuy, Cazals, Clavelou, Mme Flachaire, MM. Henry, Lepot, Talgorn, Lefèbvre, Presidents, Directors or Chief Executive Officers of Caisses régionales.

**Nature and purpose**

The Board of Directors at its meeting of November 9, 2011, authorised the implementation of "Switch" mechanism which is a part of internal financial mechanisms within Crédit Agricole S.A., as a central body and the mutual network of Crédit Agricole Regional Banks.

This scheme allows the transfer of prudential requirements related to the shares of Regional Banks held by Crédit Agricole S.A. This mechanism consists of guarantees provided to Crédit Agricole S.A. by the Regional Banks on the equity-accounted value of the Regional Banks in Crédit Agricole S.A.'s consolidated financial Statements. As soon as a decline in the combined equity-accounted value of the Regional Banks is identified, the guarantee mechanism kicks in and Crédit Agricole receives an indemnity. If the combined equity-accounted value of the Regional Banks should subsequently recover, Crédit Agricole S.A., returns the amounts received under the terms of the contract.

The guarantee is in place for 15 years, tacitly renewable. The guarantee itself is subject to a fee covering both the risk and the cost of the Regional Banks' capital requirement.

Settlement of the guarantee is ensured through a cash deposit paid by the Regional Banks to Crédit Agricole S.A. The deposit is paid based on long-term liquidity conditions.

**Conditions**

The "Switch" mechanism has been implemented on December 23, 2011. The guarantee pledged by the Regional Banks mentioned above amounts to €4,122.3 million and their cash deposit to €1,389.9 million. Besides, the remuneration to be paid by your company to these Regional Banks in respect of 2011 amounts to €3.2 million.

## Agreements and commitments previously approved by the General Meeting of Shareholders

### Agreements and commitments approved in prior years whose implementation continued during the year

In accordance with Article R. 225-30 of the French commercial code *(Code de commerce),* we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

**1. WITH CRÉDIT AGRICOLE REGIONAL BANKS**

**Nature and purpose**

At the time of Crédit Agricole S.A.'s initial public offering, the Board of Directors authorized during its meeting of October 31, 2001 the Chairman and Chief Executive Officer to sign the "Protocol Agreement" on behalf of the Caisse Nationale de Crédit Agricole (which became Crédit Agricole S.A.), together with all its appendices and all associated undertakings required to implement the agreement. The provisions of the "Protocol Agreement" notably required the establishment of a fund for liquidity and solvency banking risks.

The Regional Banks contributed to setting up this fund, which totals €609.8 million. The aim of the fund is to enable your Company to operate the internal solidarity mechanism within the Crédit Agricole Group and to fulfill its duties as a central body, by providing assistance to Regional Banks facing difficulties.

This agreement continued to take effect until December 13, 2011, when it was replaced by the regulation of the fund for liquidity and solvency banking risks, following the decision of the Board of Directors authorising the affiliation of Crédit Agricole CIB to the network of Crédit Agricole.

### Conditions

Crédit Agricole S.A. has contributed €457.4 million to the fund, representing 75% of the total amount of €609.8 million. The Regional Banks together contributed €152.4 million on the same quota basis as for the Deposit Guarantee Fund set up under Article L. 312-4 of the financial and monetary Code *(Code monétaire et financier).*

No drawing was made on the fund in 2011 in favor of a Regional Bank having a director in common with your Company. In accordance with the terms and conditions of the Protocol Agreement, an additional sum of €28.1 million has been allocated to the fund in 2011.

## 2. WITH CRÉDIT AGRICOLE CIB

### Nature and purpose

Following the link-up between the corporate and investment banking businesses of Crédit Agricole S.A. and Crédit Lyonnais, Crédit Lyonnais made a partial asset transfer to Crédit Agricole Indosuez (which became Calyon and then Crédit Agricole CIB).

In view of the above transaction, it was deemed necessary to increase Crédit Agricole CIB's shareholders' equity. At its meeting of 9 March 2004, the Board of Directors authorised Crédit Agricole S.A. to carry out a series of transactions aimed at increasing Calyon's shareholders equity by a total amount of up to €3 billion.

### Conditions

In accordance with this authorisation, Crédit Agricole S.A. notably subscribed in 2004 to an issue of deeply subordinated notes for an amount of US$1,730 million. An amount of US$106.7 million in interest with respect to these notes will be charged to your Company during the 2011 financial year.

## 3. WITH CRÉDIT AGRICOLE COVERED BONDS (WHICH BECAME CRÉDIT AGRICOLE HOME LOAN SFH)

### Nature and purpose

To increase and diversify the Crédit Agricole Group's sources of funds, your Company's Board of Directors at its meeting of May 23, 2007 authorised a programme to issue covered bonds and the creation of a 99.99%-owned financial company, (Crédit Agricole Covered Bonds which became Crédit Agricole Home Loan SFH – "CAHL-SFH" in March 2011). CAHL-SFH's sole corporate purpose is to issue covered bonds and to make "mirror advances" to Crédit Agricole S.A. Reimbursement of any amounts due by Crédit Agricole S.A. to CAHL-SFH with respect to the mirror advances is covered by a financial guarantee granted by the Regional Banks and LCL and consisting of amounts receivable on residential mortgage loans. Each advance granted by CAHL-SFH to Crédit Agricole S.A. is redistributed in the form of advances to each Regional Bank and to LCL based on their respective contributions to the guarantee.

The receivables pledged as guarantees by each Regional Bank and LCL will continue to be managed by these institutions and will remain on their balance sheet, unless the guarantee is called. Prior to calling the guarantee, protection mechanisms are provided for CAHL-SFH, based on Crédit Agricole S.A.'s credit ratings.

### Conditions

During 2011, CAHL-SFH issued for a total amount of €12.1 billion. The mirror advances given to your company, were totally redistributed to the Regional Banks and LCL in the form of advances based on their respective contributions to the guarantee.

## 4. WITH FOUNDATION FOR WORLD AGRICULTURE AND RURAL LIFE (FARM)

### Nature and purpose

At its meeting of July 17, 2007, the Board of Directors authorised the signature of a sponsorship agreement between your Company and the Foundation for World Agriculture and Rural Life (FARM), of which it is a founding member. The purpose of this not-for-profit foundation is to encourage society to work towards international solidarity to promote agricultural and rural development. FARM helps to promote the interests of farmers and agri-business in developing countries.

Under the terms of this agreement, your Company will make available to FARM the use of premises, IT support, technological assistance and personnel for a five-year period.

### Conditions

The estimated value of the resources made available free of charge in 2011 is estimated at €571,476.

### 5. WITH THE CAISSES RÉGIONALES ALSACE-VOSGES, PROVENCE-CÔTE D'AZUR, DE LA TOURAINE ET DU POITOU, TOULOUSE 31, BRIE PICARDIE, NORD DE FRANCE, CHARENTE-MARITIME DEUX-SÈVRES, VAL DE FRANCE, ÎLE-DE-FRANCE, NORD MIDI PYRÉNÉES, CHAMPAGNE BOURGOGNE, WITH THE CAISSES LOCALES CINTEGABBELLE AND ALSACE, AND WITH S.A.S RUE LA BOÉTIE, SACAM DÉVELOPPEMENT, SACAM INTERNATIONAL AND SACAM AVENIR.

**Nature and purpose**

The Board of Directors authorized the extension of Crédit Agricole S.A.'s tax group in accordance with Article 223 A alinea 3 of French Tax code *(Code Général des Impôts)*. This extension is mandatory for all Regional and Local Banks subject to corporate income tax at the normal rate, and compulsory for their subsidiaries. It is controlled by an agreement between the central body and each entity thereby included in this tax group.

These agreements, signed as at April 21, 2010, imply in particular that half of tax saving on dividends received by SAS Rue La Boétie and the SACAM should be reallocated to them and that both savings made by Crédit Agricole S.A. on distribution received from Regional Banks and by Regional Banks on distribution received should be shared equally between Crédit Agricole S.A. and Regional Banks.

**Conditions**

Total tax saving paid in respect of these agreements binding Crédit Agricole S.A. and companies mentioned above amounts to €32.7 million in 2011.

Neuilly-sur-Seine and Paris-La Défense, 14 March 2012

The Statutory Auditors

PricewaterhouseCoopers Audit
Catherine Pariset

ERNST & YOUNG et Autres
Valérie Meeus

# Fees paid to Statutory Auditors(1)

## Board of Auditors of Crédit Agricole S.A.(2)

| (in thousands of euros) | Ernst&Young Amount (excl. VAT) 2011 | Ernst&Young Amount (excl. VAT) 2010 | Ernst&Young % 2011 | Ernst&Young % 2010 | PricewaterhouseCoopers Amount (excl. VAT) 2011 | PricewaterhouseCoopers Amount (excl. VAT) 2010 | PricewaterhouseCoopers % 2011 | PricewaterhouseCoopers % 2010 |
|---|---|---|---|---|---|---|---|---|
| *Independent audit, certification, review of parent company and consolidated financial statements* | | | | | | | | |
| Issuer | 2,180 | 2,251 | 10.2% | 9.7% | 2,145 | 2,205 | 9.7% | 10.8% |
| Fully consolidated subsidiaries | 13,194 | 13,501 | 61.8% | 58.3% | 12,956 | 12,259 | 58.4% | 59.9% |
| *Ancillary assignments and services directly linked to the Statutory Auditors' mission (3)* | | | | | | | | |
| Issuer | 767 | 487 | 3.6% | 2.1% | 783 | 375 | 3.5% | 1.8% |
| Fully consolidated subsidiaries | 3,830 | 5,888 | 17.9% | 25.4% | 4,262 | 4,045 | 19.2% | 19.8% |
| **Subtotal** | **19,971** | **22,127** | **93.5%** | **95.5%** | **20,146** | **18,884** | **90.8%** | **92.3%** |
| *Other services* | | | | | | | | |
| Legal, tax and employee-related | 66 | 80 | 0.3% | 0.4% | 517 | 457 | 2.3% | 2.2% |
| Other | 1,330 | 951 | 6.2% | 4.1% | 1,532 | 1,117 | 6.9% | 5.5% |
| **Subtotal** | **1,396** | **1,031** | **6.5%** | **4.5%** | **2,049** | **1,574** | **9.2%** | **7.7%** |
| **TOTAL** | **21,367** | **23,158** | **100%** | **100%** | **22,195** | **20,458** | **100%** | **100%** |

The fees paid for the services directly related to the mission of the Statutory Auditors mostly covers the work performed for the acquisition or disposal of companies and the performance of agreed procedures under the terms of the refinancing programmes of Crédit Agricole S.A. or its subsidiaries.

## Other Statutory Auditors engaged in the audit of fully consolidated Crédit Agricole S.A. Group subsidiaries

| (in thousands of euros) | Mazars Amount (excl. VAT) 2011 | Mazars Amount (excl. VAT) 2010 | Mazars % 2011 | Mazars % 2010 | KPMG Amount (excl. VAT) 2011 | KPMG Amount (excl. VAT) 2010 | KPMG % 2011 | KPMG % 2010 | Deloitte Amount (excl. VAT) 2011 | Deloitte Amount (excl. VAT) 2010 | Deloitte % 2011 | Deloitte % 2010 | Other Amount (excl. VAT) 2011 | Other Amount (excl. VAT) 2010 | Other % 2011 | Other % 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Audit* | | | | | | | | | | | | | | | | |
| Independent audit, certification, review of parent company and consolidated financial statements | 1,954 | 2,013 | 86.6% | 85.5% | 319 | 523 | 91.9% | 99.0% | 210 | 280 | 79.5% | 88.6% | 812 | 1,089 | 99.9% | 100.0% |
| Ancillary assignments and services directly linked to the Statutory Auditors' mission (3) | 303 | 341 | 13.4% | 14.5% | 28 | 5 | 8.1% | 1.0% | 54 | 36 | 20.5% | 11.4% | 1 | 0 | 0.1% | 0.0% |
| **TOTAL** | **2,257** | **2,354** | **100%** | **100%** | **347** | **528** | **100%** | **100%** | **264** | **316** | **100%** | **100%** | **813** | **1,089** | **100%** | **100%** |

*(1) These figures include the annual cost of Statutory Auditors' fees.*
*In accordance with article 222-8 of the General rules issued by the AMF, this table encompasses fully consolidated subsidiaries. Companies consolidated by proportionate or equity method are excluded.*

*(2) Including Crédit Agricole S.A. fully consolidated subsidiaries audited by the Board of Auditors.*

*(3) According to AMF instruction 2006-10.*

# General Meeting of Shareholders of 22 May 2012

## AGENDA

### Ordinary General Meeting of Shareholders

- Approval of the parent company's financial statements for the 2011 financial year;
- Approval of the consolidated financial statements for the 2011 financial year;
- Appropriation of net income of the parent company's financial statements for the 2011 financial year;
- Approval of agreements covered by Articles L. 225-38 *et seq*. of the French Commercial Code;
- Ratification of the cooptation of a Director;
- Appointment of new Directors;
- Renewal of Directors' terms of office;
- Renewal of term of the Statutory Auditors;
- Renewal of term of the Alternate Statutory Auditor;
- Appointment of a new Alternate Statutory Auditor;
- Directors' fees;
- Authorisation to be granted to the Board of Directors to buyback the Company's ordinary shares;
- Ratification of the decision to transfer the registered office.

### Extraordinary General Meeting of Shareholders

- Authorisation to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting rights to ordinary shares, with pre-emptive rights;
- Authorisation to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive rights, in other than public offerings cases;
- Authorisation to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive subscription rights, as part of a public offering;
- Authorisation to be granted to the Board of Directors to increase the amount of the initial issue, in the event of an issue of ordinary shares or securities granting rights to ordinary shares with or without pre-emptive rights, approved pursuant to the twenty-second, twenty-third, twenty-fourth, twenty-sixth, twenty-seventh, thirty-first and thirty-second resolutions;
- Authorisation to the Board of Directors to issue ordinary shares or any securities granting rights to ordinary shares, as consideration for in-kind contributions to the Company and consisting of equity or securities granting rights to the share capital, in situations other than public exchange offers;
- Authorisation to be granted to the Board of Directors to determine the issue price of ordinary shares or securities granting rights to ordinary shares, where the pre-emptive right is waived, up to an annual limit of 5% of the share capital;
- Combined ceiling on authorisations to issue securities with or without pre-emptive subscription rights;
- Authorisation to the Board of Directors to issue securities granting rights to debt securities;
- Authorisation to the Board of Directors to increase the share capital by capitalisation of reserves, earnings, share premiums or other items;
- Authorisation to be granted to the Board of Directors to effect capital increases by issuing ordinary shares reserved for employees of Crédit Agricole Group enrolled in an employee share ownership plan;
- Authorisation to be granted to the Board of Directors to effect capital increases by issuing ordinary shares reserved for Crédit Agricole International Employees;
- Authorisation to be granted to the Board of Directors to reduce share capital by cancelling ordinary shares;
- Powers to complete formalities.

# DRAFT RESOLUTIONS PRESENTED BY THE BOARD OF DIRECTORS TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS ON TUESDAY 22 MAY 2012

## At the Ordinary General Meeting of Shareholders

### First resolution

*(Approval of the parent company's financial statements for the 2011 financial year)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, having reviewed the Board of Directors' report, the Board of Directors' management report and the Statutory Auditors' report on the parent company's financial statements, approves the aforesaid reports and financial statements for the financial year ended 31 December 2011, as presented.

It approves the transactions reflected in those financial statements or summarised in the said reports, as well as the Board's management during the past financial year.

Pursuant to Article 223 *quater* of the French General Tax Code, the General Meeting of Shareholders approves the total costs and expenses referred to in Article 39-4 of the French General Tax Code that are not deductible from taxable profits, *i.e.* €155,037 for the financial year ended 31 December 2011, as well as the tax payable by the Company as a result of these disallowed deductions, which amounts to €53,379.

### Second resolution

*(Approval of the consolidated financial statements for the 2011 financial year)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, having reviewed the Board of Directors' report, the Board of Directors' management report and the Statutory Auditors' report on the consolidated financial statements, approves the aforesaid reports and consolidated financial statements for the financial year ended 31 December 2011, as presented.

It approves the transactions reflected in those financial statements or summarised in the said reports.

### Third resolution

*(Appropriation of net income of the parent company's financial statements for the 2011 financial year)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, having reviewed the Board of Directors' report, duly notes that the net income for the 2011 financial year is negative, amounting to €3,656,381,773.88.

Consequently, the General Meeting of Shareholders, on the proposal of the Board of Directors, decides to carry forward the net income for the 2011 financial year.

After allocation of the net income for the 2011 financial year, the amount in the carry forward account will decrease from €2,715,121,958.43 to -€941,259,815.45.

The dividends, distributed earnings eligible for the allowance and distributed earnings not eligible for the allowance for the three previous financial years are set out below.

| Year | Dividend | Distributed earnings eligible for the 40% allowance | Distributed earnings not eligible for the 40% allowance |
|---|---|---|---|
| 2008 | €0.45 | €0.45 | None |
| 2009 | €0.45 | €0.45 | None |
| 2010 | €0.45 | €0.45 | None |

### Fourth resolution

*(Master agreement to guarantee equity-accounted value between Crédit Agricole S.A. and the Regional Banks)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, having reviewed the Statutory Auditors' special report on the agreements referred to in Articles L. 225-38 *et seq*. of the French Commercial Code, approves the master agreement relating to the guarantee of equity-accounted value between Crédit Agricole S.A. and the Regional Banks.

### Fifth resolution

*(Approval of commitments with related parties referred to in Article L. 225-42-1 of the French Commercial Code made for Mr Jean-Yves Hocher)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, having reviewed the Statutory Auditors' special report, duly notes the findings of that report and approves the regulated commitments referred to in Article L. 225-42-1 of the French Commercial Code made for Mr Jean-Yves Hocher.

### Sixth resolution

*(Ratification of the cooptation of a Director)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, ratifies the appointment as Director of Mr Jean-Louis Delorme, who was co-opted by the Board of Directors at its meeting on 22 February 2011 to replace Mr Claude Henry for the remainder of his term, which was to expire at the close of the Ordinary General Meeting of Shareholders held in 2014 and called to approve the financial statements for the financial year ending 31 December 2013.

### Seventh Resolution

*(Appointment of a Director)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, appoints Mr Jean-Louis Roveyaz as Director to replace Mr Noël Dupuy, whose term of office expires on this day, for a period of three years expiring at the close of the Ordinary General Meeting of Shareholders held in 2015 and called to approve the financial statements for the financial year ending 31 December 2014.

### Eighth Resolution

*(Appointment of a Director)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, appoints Mr Marc Pouzet as Director to replace Mr Gérard Cazals, whose term of office expires on this day, for a period of three years expiring at the close of the Ordinary General Meeting of Shareholders held in 2015 and called to approve the financial statements for the financial year ending 31 December 2014.

### Ninth Resolution

*(Appointment of a Director)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, appoints Mrs Françoise Gri as Director to replace Mr Xavier Fontanet, who is resigning, for the remainder of his term, which was to expire at the close of the Ordinary General Meeting of Shareholders held in 2014 and called to approve the financial statements for the financial year ending 31 December 2013.

### Tenth Resolution

*(Appointment of a Director)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, appoints Mr Jean-Claude Rigaud as Director to replace Mr Michel Michaut, who has reached the age limit set forth in the Articles of Association, for the remainder of his term, which was to expire at the close of the Ordinary General Meeting of Shareholders held in 2014 and called to approve the financial statements for the financial year ending 31 December 2013.

### Eleventh Resolution

*(Renewal of a Director's term of office)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, duly notes that the term of office of Mr Patrick Clavelou as Director expires on this day and renews the said term for a period of three years expiring at the close of the Ordinary General Meeting of Shareholders held in 2015 and called to approve the financial statements for the financial year ending 31 December 2014.

### Twelfth Resolution

*(Renewal of a Director's term of office)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, duly notes that the term of office of Mrs Carole Giraud as Director expires on this day and renews the said term for a period of three years expiring at the close of the Ordinary General Meeting of Shareholders held in 2015 and called to approve the financial statements for the financial year ending 31 December 2014.

### Thirteenth Resolution

*(Renewal of a Director's term of office)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, duly notes that the term of office of Mrs Monica Mondardini as Director expires on this day and renews the said term for a period of three years expiring at the close of the Ordinary General Meeting of Shareholders held in 2015 and called to approve the financial statements for the financial year ending 31 December 2014.

### Fourteenth Resolution

*(Renewal of a Director's term of office)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, duly notes that the term of office of SAS Rue la Boétie as Director expires on this day and renews the said term for a period of three years expiring at the close of the Ordinary General Meeting of Shareholders held in 2015 and called to approve the financial statements for the financial year ending 31 December 2014.

### Fifteenth resolution

*(Renewal of term of the Statutory Auditors)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, duly notes that the term of Statutory

Auditor Ernst & Young et Autres, whose registered office is located at Tour First – 1, place des Saisons – 92400 Courbevoie, expires on this day and renews the said term for a period of six years expiring at the close of the Ordinary General Meeting of Shareholders held in 2018 and called to approve the financial statements for the financial year ending 31 December 2017.

## Sixteenth resolution

*(Renewal of term of the Statutory Auditor)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, duly notes that the term of Statutory Auditor PricewaterhouseCoopers Audit, whose registered office is located at 63, rue de Villiers – 92208 Neuilly Sur Seine Cedex, expires on this day and renews the said term for a period of six years expiring at the close of the Ordinary General Meeting of Shareholders held in 2018 and called to approve the financial statements for the financial year ending 31 December 2017.

## Seventeenth resolution

*(Renewal of term of an Alternate Statutory Auditor)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, duly notes that the term of Picarle et Associés, whose registered office is located at Tour First – TSA 14444 – 92037 Paris la Défense Cedex, Alternate Statutory Auditor for Ernst & Young et Autres, expires on this day and renews the said term for a period of six years expiring at the close of the Ordinary General Meeting of Shareholders held in 2018 and called to approve the financial statements for the financial year ending 31 December 2017.

## Eighteenth resolution

*(Appointment of a new Alternate Statutory Auditor)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, duly notes that the term of Mr Pierre Coll, Alternate Statutory Auditor, expires on this day and appoints Mr Etienne Boris, residing at 63, rue de Villiers – 92208 Neuilly Sur Seine Cedex, Alternate Statutory Auditor for PricewaterhouseCoopers Audit, for a period of six years expiring at the close of the Ordinary General Meeting of Shareholders held in 2018 and called to approve the financial statements for the financial year ending 31 December 2017.

## Nineteenth resolution

*(Directors' fees)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, pursuant to Article L. 225-45 of the French Commercial Code, sets at €1,050,000 the total annual sum allocated to members of the Board of Directors in consideration for their offices.

## Twentieth resolution

*(Authorisation to be granted to the Board of Directors to purchase the Company's ordinary shares)*

1. The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, having reviewed the Board of Directors' report, authorises the Board of Directors, which may further delegate such authority as provided by law, to buy back the Company's ordinary shares in accordance with the provisions of the General Regulations of the *Autorité des marchés financiers* (AMF) and of Articles L. 225-209 *et seq*. of the French Commercial Code;
2. This authorisation, which supersedes the unused portion of the authorisation granted by the sixteenth resolution adopted at the Ordinary General Meeting of Shareholders of 18 May 2011, is granted to the Board of Directors until renewed at a future Ordinary General Meeting of Shareholders and, in all circumstances, for a maximum period of eighteen (18) months from the date of this General Meeting of Shareholders.
3. The purchases of the Company's ordinary shares carried out by the Board of Directors pursuant to this authorisation may not, under any circumstances, result in the Company holding more than ten per cent (10%) of the ordinary shares representing its share capital;
4. Trading in the Company's shares under the ordinary share buyback programme established by the Company may be effected in one or more transactions and by any means authorised by the applicable regulations, including on-market or off-market, over the counter notably by block purchases or sales, or *via* derivative instruments traded on regulated exchanges or over the counter (such as put and call options or any combination thereof), or warrants or, more generally, securities giving rights to ordinary shares of the Company, under the conditions permitted by the relevant market authorities and at such times as the Board of Directors or the person acting pursuant to powers delegated by the Board of Directors shall determine. It should be noted that the entire ordinary share buyback programme may be carried out through block purchases of ordinary shares;
5. The number of ordinary shares purchased may not exceed 10% of the total number of ordinary shares as of the date on which the said purchases are carried out. However, the number of ordinary shares purchased by the Company to be held and delivered at a later date either as payment or in exchange for other securities in a merger, spin-off or asset transfer may not exceed 5% of the Company's ordinary shares;

   The Board of Directors shall ensure that these buybacks are carried out in accordance with regulatory requirements as set by law and the French Prudential Supervisory Authority (ACP, *Autorité de contrôle prudentiel*);
6. Such shares may not be purchased at a price higher than €10. However, in the event of capital transactions and, more particularly, capital increases with pre-emptive subscription rights or capital increases carried out by capitalisation of reserves, profits or share premiums followed by the creation and award of free ordinary

shares, or a split or reverse split of ordinary shares, the Board of Directors may adjust the aforesaid maximum purchase price in order to factor in the effect of such transactions on the value of the ordinary share.

In any event, the Company is only authorised to use a maximum of €1.25 billion to buy back ordinary shares under this resolution;

7. This authorisation is intended to allow the Company to buy back ordinary shares for any purpose that has been authorised or may be authorised under applicable laws and regulations. In particular, the Company may use this authorisation:

   a. to grant stock options to some or all of the Company's employees and/or to some or all of its eligible Executive and non-Executive Corporate Officers of the Company or the companies or groupings of entities affiliated with it, now or in the future, as defined by Article L. 225-180 of the French Commercial Code,

   b. to allot ordinary shares to eligible Executive and non-Executive Corporate Officers, employees and former employees of the Company or of the Group, or to certain categories thereof, as part of an employee profit-sharing or employee saving scheme, as provided for by law,

   c. to allot free shares under a free share plan as provided by Articles L. 225-197-1 *et seq*. of the French Commercial Code to some or all categories of eligible employees and Executive and non-Executive Corporate Officers of the Company, and/or to companies and economic interest groupings affiliated therewith under the conditions set out in Article L. 225-197-2 of the French Commercial Code, and, more generally, to allot ordinary shares in the Company to such employees and Executive and non-Executive Corporate Officers, notably under variable compensation plans for employees who are financial market professionals and whose activities have a material impact on the Company's risk exposure, in which case such allotments are contingent upon such employees meeting performance targets,

   d. to hold the shares purchased with a view subsequently to exchanging them or using them to pay for a potential acquisition, in compliance with the market practice accepted by the *Autorité des marchés financiers*,

   e. to ensure coverage of securities giving access to the Company's ordinary shares,

   f. to ensure that liquidity is provided for the shares on the equity market by an investment services provider under a share liquidity agreement that complies with the AMAFI (the French Association of "Financial Market Professionals») Code of Conduct, in compliance with the market practice accepted by the *Autorité des marchés financiers*, it being specified that, for purposes of calculating the 10% limit set forth in paragraph 5 above, the number of ordinary shares purchased in this respect shall be the number of ordinary shares purchased less the number of ordinary shares sold during the term of this authorisation,

   g. to cancel all or part of the ordinary shares purchased, providing that the Board of Directors holds a valid authorisation from the General Meeting of Shareholders, duly convened to conduct extraordinary business, to reduce the share capital by cancelling the ordinary shares purchased under the terms of an ordinary share buyback programme.

   While the share buyback programme is in effect, the Board of Directors may effect transactions at any time, except during a public offer for the Company, under the authorisation hereby granted.

   The Company may also use this resolution and carry out its buyback programme in accordance with the law and regulations, including in particular the provisions of Articles 231-1 *et seq*. of the General Regulations of the *Autorité des marchés financiers* (AMF), during a tender or exchange offer initiated by the Company.

The General Meeting of Shareholders fully empowers the Board of Directors, with the right to further delegate such powers as permitted by law, for the purpose of implementing this authorisation and determining the relevant terms and conditions, pursuant to the law and the terms of this resolution, including placing stock orders, signing all documents, entering into all agreements, filing all reports and carrying out all formalities, including with the French Prudential Supervisory Authority (ACP) and the *Autorité des marchés financiers* (AMF), and, more generally, to do all that is necessary.

### Twenty-first resolution

*(Ratification of the decision to transfer the registered office)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, having reviewed the Board of Directors' report, hereby ratifies the decision made by the Board of Directors, at its meeting of 22 February 2012, to transfer the Company's registered office from 91/93, boulevard Pasteur, Paris (75015), to 12, place des États-Unis, Montrouge (92120).

## At the Extraordinary General Meeting of Shareholders

### Twenty-second resolution

*(Authorisation to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting rights to ordinary shares, with pre-emptive subscription rights)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of

Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129-2, L. 225-132, L. 225-134, L. 228-91 and L. 228-92 of the French Commercial Code:

1. empowers the Board of Directors, with the authority to further delegate as provided by law, to effect one or more capital increases, in France or abroad, by issuing ordinary shares and/or securities granting rights, by any means, immediately and/or in the future, to ordinary shares in the Company, which may be subscribed for in cash or by offsetting claims against the Company, with pre-emptive rights for ordinary shareholders;
2. resolves that the nominal amount of immediate and/or future capital increases effected under the authority hereby granted shall not exceed €3.75 billion, not including the par value of the shares to be issued, in accordance with the law and with any contractual stipulations providing for other cases requiring adjustment, to safeguard the rights of holders of securities granting rights to equity in the Company, holders of share purchase or subscription options, or holders of rights to bonus shares;
3. resolves that the securities granting rights to equity in the Company issued under the terms hereof may consist, *inter alia* of debt securities or securities to be issued together with debt securities, or allow for the issue of such securities as intermediate securities. They may be in the form of notes, subordinated or unsubordinated, dated or undated (perpetual), and may be issued in euros, in other currencies, or in any monetary unit pegged to a basket of currencies, it being specified that the nominal amount of debt securities issued in this manner shall not exceed €7.5 billion or the equivalent in foreign currencies. This ceiling applies to all debt securities that may be issued under the terms of this resolution and under the twenty-third, twenty-fourth and twenty-sixth resolutions; it is independent of the amount of securities granting rights to the award of debt securities that may be issued under the terms of the twenty-ninth resolution below, and of the amount of debt securities that the Board of Directors may decide to issue or authorise in accordance with Article L. 228-40 of the French Commercial Code;
4. resolves that ordinary shareholders shall have a pre-emptive subscription right, as provided by law, to subscribe for ordinary shares and any securities that may be issued under this resolution, in proportion to the number of shares they hold, and that the Board may further grant ordinary shareholders a preferential right to subscribe for any securities not taken up under those pre-emptive subscription rights, in proportion to their pre-emptive rights and within the limits of their application. If the shareholders' applications under their pre-emptive and, where applicable, their preferential rights, do not take up an entire issue of ordinary shares or securities, the Board shall be entitled to make use of some or all of the options allowed by Article L. 225-134 of the French Commercial Code, in the order it shall choose, and namely to offer all or part of the unsubscribed securities for sale to the public;
5. duly notes that this resolution entails the waiver by the ordinary shareholders of their pre-emptive subscription rights to any ordinary shares to which the securities that may be issued under this authorisation may grant rights;
6. fully empowers the Board of Directors, with the right to further delegate such powers as permitted by law, for, but not limited to, the following purposes:
    a. to determine the form, nature and characteristics of securities to be issued, as well as the offering dates, timetables and other terms and conditions of issue,
    b. to set the offering price, amounts and dividend entitlement date, which may be retroactive, of the securities to be issued,
    c. to determine the payment method for the ordinary shares and/or securities,
    d. to determine, where applicable, the conditions under which the Company shall have the right to purchase or exchange the securities issued or to be issued, on-market or off-market, at any time or during a specified period of time,
    e. subsequent to the issue of ordinary shares and/or securities granting rights to ordinary shares, to take all necessary measures to safeguard the rights of holders of securities granting rights to equity in the Company, holders of share purchase or subscription options, or holders of rights to free shares, in accordance with the law and regulations and with any contractual stipulations providing for other cases requiring adjustments, and, if applicable, to suspend the exercise of rights attached to such securities in accordance with the applicable laws and regulations,
    f. at its sole discretion and as it deems appropriate, to allocate issue-related costs, duties and fees to the corresponding share premiums and to deduct from said premiums the amounts necessary to raise the legal reserve to one-tenth of the new share capital after each issue,
    g. if applicable, to arrange for the ordinary shares or securities to be issued to be listed on a regulated exchange,
    h. and in general, to take all steps, to enter into all agreements and to attend to all necessary formalities in order to carry out the planned issues, to formally record the resulting capital increases, and to amend the Articles of Association accordingly,
    i. in the event of an issue of debt securities, to notably decide whether or not such securities shall be subordinated, to set their interest rate, their maturity, the fixed or variable redemption price, with or without a premium, the terms and conditions governing their redemption and the conditions under which such securities shall grant rights to ordinary shares in the Company;

7. resolves that the authority hereby granted, which supersedes and replaces the unused portion of that granted by the eighteenth resolution of the Extraordinary General Meeting of Shareholders of 18 May 2011, shall be valid for a period of twenty-six (26) months from the date of this General Meeting of Shareholders.

## Twenty-third resolution

*(Authorisation to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive subscription rights, in situations other than public offerings)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 and L. 228-92 of the French Commercial Code:

1. empowers the Board of Directors, with the authority to further delegate as provided by law, to effect one or more capital increases, in France or abroad, by issuing ordinary shares and/or securities granting rights, by any means, immediately and/or in the future, to ordinary shares in the Company with the same characteristics as those described in the twenty-second resolution, which may be subscribed for in cash or by offsetting claims against the Company, without pre-emptive rights for ordinary shareholders;
2. further resolves that:
   a. the total nominal amount of immediate and/or future capital increases effected under the authority hereby granted shall not exceed €1.125 billion, it being specified that this amount shall count towards the ceiling on the nominal amount of capital increases as provided in the twenty-second resolution, not including the par value of the shares to be issued, in accordance with the law and with any contractual stipulations providing for other cases requiring adjustment, to safeguard the rights of holders of securities giving the right to equity in the Company, of share purchase or subscription options, or of rights to free shares,
   b. the nominal amount of debt securities that may be issued under the authorisation hereby granted shall not exceed €5 billion or the equivalent foreign currency value, it being specified that this amount shall count towards the ceiling on the nominal amount of debt securities set by the twenty-second resolution;
3. resolves to waive ordinary shareholders' pre-emptive subscription rights to the ordinary shares or securities giving right to ordinary shares issued under the terms of this resolution and to offer such securities as part of an offering covered by Article L. 411-2 of the French Monetary and Financial Code, subject to the conditions and maximum limitations authorised by law and regulation, with the understanding that the Board of Directors may grant the ordinary shareholders a priority right to subscribe for some or all of the shares issued or, if applicable, for excess shares, in proportion to the shares held by each ordinary shareholder, subject to such time limits and terms and conditions as it may decide, in accordance with legal and regulatory provisions; this priority right shall not result in the creation of negotiable rights;
4. resolves that, if the number of applications received is not sufficient to take up the entire issue of ordinary shares or securities granting rights to equity in the Company, the Board of Directors shall be entitled to do one or both of the following, in the order it shall choose:
   a. limit the issue to the amount of applications received, provided that they amount to at least three-quarters of the approved issue,
   b. freely distribute all or part of the unsubscribed securities;
5. duly notes that this resolution entails the waiver by the ordinary shareholders of their pre-emptive subscription rights to any ordinary shares to which the securities that may be issued under this authorisation may grant rights;
6. further resolves that (i) the issue price of the ordinary shares shall not be less than the minimum price permitted by the laws and regulations applicable as of the date on which this authorisation is used, adjusted to reflect any difference in the dividend entitlement date; and (ii) the issue price of the securities shall be such that the amount received immediately by the Company, plus any amount that may in the future be received by the Company for each ordinary share issued as a result of the issuance of such securities, shall be no less than the amount indicated in item (i) above, adjusted for any difference in the dividend entitlement date;
7. fully empowers the Board of Directors, with the right to further delegate such powers as permitted by law, for, but not limited to, the following purposes:
   a. to determine the form, nature and characteristics of securities to be issued, as well as the offering dates, timetables and other terms and conditions of issue,
   b. to set the offering prices, amounts and dividend entitlement date, which may be retroactive, of the securities to be issued,
   c. to determine the payment method for the ordinary shares and/or securities,
   d. to determine, where applicable, the conditions under which the Company shall have the right to purchase or exchange, on-market or off-market, any ordinary shares or securities granting rights to ordinary shares that have been or will be issued, at any time or during specific periods,
   e. subsequent to the issue of ordinary shares and/or securities granting rights to ordinary shares, to take all necessary measures to safeguard the rights of holders of securities

granting rights to equity in the Company, holders of share purchase or subscription options, or holders of rights to free shares, in accordance with the law and regulations and with any contractual stipulations providing for other cases requiring adjustments, and, if applicable, to suspend the exercise of rights attached to such securities in accordance with the applicable laws and regulations,

f. at its sole discretion and as it deems appropriate, to allocate issue-related costs, duties and fees to the corresponding share premiums and to deduct from said premiums the amounts necessary to raise the legal reserve to one-tenth of the new share capital after each issue,

g. if applicable, to arrange for the ordinary shares or securities to be issued to be listed on a regulated market, and in general, to take all steps, to enter into all agreements and to attend to all necessary formalities in order to carry out the planned issues, to formally record the resulting capital increases, and to amend the Articles of Association accordingly,

h. in the event of an issue of debt securities, to notably decide whether or not such securities shall be subordinated, to set their interest rate, their maturity, the fixed or variable redemption price, with or without a premium, the terms and conditions governing their redemption and the conditions under which such securities shall grant rights to ordinary shares in the Company;

8. resolves that the authorisation hereby granted, which supersedes and replaces the unused portion of that granted by the nineteenth resolution of the Extraordinary General Meeting of Shareholders of 18 May 2011, shall be valid for a period of twenty-six (26) months from the date of this General Meeting of Shareholders.

## Twenty-fourth resolution

*(Authorisation to the Board of Directors to increase the share capital, by issuing ordinary shares and/or securities granting rights to ordinary shares, without pre-emptive subscription rights, as part of a public offering)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 and L. 228-92 of the French Commercial Code:

1. empowers the Board of Directors, with the authority to further delegate as provided by law, to effect one or more capital increases, in France or abroad, by issuing ordinary shares and/or securities granting rights, by any means, immediately and/or in the future, to ordinary shares in the Company with the same characteristics as those described in the twenty-second resolution, which may be subscribed for in cash or by offsetting claims against the Company, without pre-emptive rights for ordinary shareholders;

2. further resolves that:

   a. the total nominal amount of immediate and/or future capital increases effected under the authority hereby granted shall not exceed €1.125 billion, it being specified that this amount shall count towards the ceiling on the nominal amount of capital increases as provided in the twenty-second resolution, not including the par value of the shares to be issued, in accordance with the law and with any contractual stipulations providing for other cases requiring adjustment, to safeguard the rights of holders of securities giving the right to equity in the Company, of share purchase or subscription options, or of rights to bonus shares,

   b. the nominal amount of debt securities that may be issued under the authority hereby granted shall not exceed €5 billion or the equivalent foreign currency value, it being specified that this amount shall count towards the ceiling on the nominal amount of debt securities set by the twenty-second resolution;

3. resolves to waive ordinary shareholders' pre-emptive rights to the ordinary shares or securities giving right to ordinary shares issued under the terms of this resolution and to offer such securities as part of a public offering, subject to the conditions and maximum limitations authorised by law and regulation, with the understanding that the Board of Directors may grant the ordinary shareholders a priority right to subscribe for some or all of the shares issued or, if applicable, for excess shares, in proportion to the shares held by each ordinary shareholder, subject to such time limits and terms and conditions as it may decide, in accordance with legal and regulatory provisions; this priority right shall not result in the creation of negotiable rights;

4. resolves that, if the number of applications received is not sufficient to take up the entire issue of ordinary shares or securities granting rights to equity in the Company, the Board of Directors shall be entitled to do one or both of the following, in the order it shall choose:

   a. limit the issue to the amount of applications received, provided that they amount to at least three-quarters of the approved issue,

   b. freely distribute all or part of the unsubscribed securities;

5. duly notes that this resolution entails the waiver by the ordinary shareholders of their pre-emptive subscription rights to any ordinary shares to which the securities that may be issued under this authorisation may grant rights;

6. further resolves that (i) the issue price of the ordinary shares shall not be less than the minimum price permitted by the laws and regulations applicable as of the date on which this authorisation is used, adjusted, if needed, to reflect any difference in the dividend entitlement date; and (ii) the issue price of the securities shall be such that the amount received immediately by the Company, plus any amount that may in the future be received by the Company for each ordinary share issued as a result of the issuance of such securities, shall be no less than the amount indicated in item (i) above, adjusted, if needed, for any difference in the dividend entitlement date;

7. empowers the Board of Directors, within the limits of the combined ceiling on capital increases referred to in paragraph 2 above, to increase the share capital by issuing ordinary shares or securities granting rights to ordinary shares of the Company, in France or abroad, in accordance with local regulations, in exchange for the in-kind contribution of securities tendered pursuant to a public exchange offer or a cash-and-shares offer (by way of a main, secondary or alternative offer) made by the Company for the shares of another publicly traded Company, subject to the terms, conditions and restrictions of Article L. 225-148 of the French Commercial Code, and resolves that the ordinary shareholders shall, if necessary, waive their pre-emptive subscription rights to such ordinary shares or securities to be issued in favour of their holders, and fully empowers the Board, in addition to granting the powers required to carry out this authorisation, for the following purposes:(i) to draw up the list and number of securities to be tendered in the exchange, (ii) to determine the dates, issue terms and conditions, the exchange ratio and, if applicable, any cash payment to be paid, and (iii) to determine the terms and conditions of issue;
8. fully empowers the Board of Directors, with the right to further delegate such powers as permitted by law, for, but not limited to, the following purposes:
   a. to determine the form, nature and characteristics of securities to be issued, as well as the offering dates, timetables and other terms and conditions of issue,
   b. to set the offering prices, amounts and dividend entitlement date, which may be retroactive, of the securities to be issued,
   c. to determine the payment method for the ordinary shares and/or securities,
   d. to determine, where applicable, the conditions under which the Company shall have the right to purchase or exchange, on-market or off-market, any ordinary shares or securities granting rights to ordinary shares that have been or will be issued, at any time or during specific periods,
   e. subsequent to the issue of ordinary shares and/or securities granting rights to ordinary shares, to take all necessary measures to safeguard the rights of holders of securities granting rights to equity in the Company, holders of share purchase or subscription options, or holders of rights to free shares, in accordance with the law and regulations and with any contractual stipulations providing for other cases requiring adjustments, and, if applicable, to suspend the exercise of rights attached to such securities in accordance with the applicable laws and regulations,
   f. at its sole discretion and as it deems appropriate, to allocate issue-related costs, duties and fees to the corresponding share premiums and to deduct from said premiums the amounts necessary to raise the legal reserve to one-tenth of the new share capital after each issue,
   g. if applicable, to arrange for the ordinary shares or securities to be issued to be listed on a regulated market, and in general, to take all steps, to enter into all agreements and to attend to all necessary formalities in order to carry out the planned issues, to formally record the resulting capital increases, and to amend the Articles of Association accordingly,
   h. in the event of an issue of debt securities, to notably decide whether or not such securities shall be subordinated, to set their interest rate, their maturity, the fixed or variable redemption price, with or without a premium, the terms and conditions governing their redemption and the conditions under which such securities shall grant rights to ordinary shares in the Company;
9. resolves that the authorisation hereby granted, which supersedes and replaces the unused portion of that granted by the twentieth resolution of the Extraordinary General Meeting of Shareholders of 18 May 2011, shall be valid for a period of twenty-six (26) months from the date of this General Meeting of Shareholders.

## Twenty-fifth resolution

*(Authorisation to be granted to the Board of Directors to increase the amount of the initial issue, in the event of an issue of ordinary shares or securities granting rights to ordinary shares with or without pre-emptive subscription rights, approved pursuant to the twenty-second, twenty-third, twenty-fourth, twenty-sixth, twenty-seventh, thirty-first and thirty-second resolutions)*

The General Meeting, acting in accordance with the conditions of quorum and majority requirements applicable to Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code:

1. authorises the Board of Directors to decide, when the Board finds there is surplus demand, the authorisation to increase the number of ordinary shares and/or securities granting rights to ordinary shares to be issued pursuant to the twenty-second, twenty-third, twenty-fourth, twenty-sixth, twenty-seventh, thirty-first and thirty-second resolutions submitted to this General Meeting of Shareholders for approval, under the conditions provided by law and by regulations, with the authority to further delegate as provided by law, and namely in order to grant an over-allotment option in accordance with market practices, up to the ceilings provided under the twenty-second, twenty-third, twenty-fourth, twenty-sixth, twenty-seventh, thirty-first and thirty-second resolutions, respectively;

2. resolves that the authorisation hereby granted, which supersedes the unused portion of that granted by the twenty-first resolution of the Extraordinary General Meeting of Shareholders of 18 May 2011, shall be valid for a period of twenty-six (26) months from the date of this General Meeting of Shareholders.

## Twenty-sixth resolution

*(Authorisation to the Board of Directors to issue ordinary shares or any securities granting rights to ordinary shares, as consideration for in-kind contributions to the Company and consisting of equity or securities granting rights to the share capital, in situations other than public exchange offers)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129-2 and L. 225-147 of the French Commercial Code:

1. gives authorisation to the Board of Directors, with the authorisation to further delegate it as provided by law, to increase the share capital by a maximum of 10% in one or more transactions by issuing ordinary shares and/or securities granting rights to ordinary shares in the Company by any means, now and/or in the future, in exchange for the in-kind contribution of securities tendered to the Company and consisting of equity or other securities granting rights to the share capital, in cases where the provisions of Article L. 225-148 of the French Commercial Code are not applicable;

2. resolves to exclude the ordinary shareholders' pre-emptive rights to the ordinary shares or securities granting rights to ordinary shares issued in this manner in favour of the holders of the shares or securities received as consideration for in-kind contributions, and duly notes that this resolution entails the waiver by the ordinary shareholders of their pre-emptive subscription rights to ordinary shares in the Company to which the securities that may be issued under this authorisation may grant rights;

3. grants full powers to the Board of Directors with the right to further delegate such powers as permitted by law, to implement this resolution and, more specifically, to approve the assessed value of assets transferred, based on the report of the merger Auditors referred to in Article L. 225-147, paragraphs 1 and 2, of the French Commercial Code, to determine the amount of the issues and their form, to set the dividend entitlement date, which may be retroactive, of the securities to be issued, to determine, where applicable, the procedures required to protect the rights of holders of securities granting rights to equity, in accordance with the applicable laws and regulations, and, where applicable, with any contractual stipulations providing for other cases requiring adjustments, to duly record completion of the capital increase in consideration for the in-kind contribution, to arrange for the listing of securities to be issued, to deduct, at its sole discretion where it deems appropriate, all expenses connected with the issue from the premium generated by such issues and to deduct from the said premium the sums required to raise the legal reserve to one-tenth of the new share capital following each new issue, and to amend the Articles of Association accordingly;

4. resolves that the total nominal amount of capital increases which may be effected under this authorisation, which shall not exceed 10% of the issued capital, shall count towards the combined ceiling on such increases as provided in the twenty-third and twenty-fourth resolutions submitted to this Extraordinary General Meeting of Shareholders;

5. resolves that the authorisation hereby granted, which supersedes the unused portion of that granted by the twenty-second resolution of the Extraordinary General Meeting of Shareholders of 18 May 2011, shall be valid for a period of twenty-six (26) months from the date of this General Meeting of Shareholders.

## Twenty-seventh resolution

*(Authorisation to be granted to the Board of Directors to determine the issue price of ordinary shares or any securities granting rights to ordinary shares, where the pre-emptive subscription right is waived, up to an annual limit of 5% of the share capital)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Article L. 225-136 of the French Commercial Code, authorises the Board of Directors, with the authority to further delegate as provided by law, in the event of an issue of ordinary shares and/or securities granting rights to ordinary shares in the Company, without pre-emptive subscription rights, under the conditions set out in the twenty-third and twenty-fourth resolutions, and particularly those pertaining to amounts, to make exceptions to the conditions for setting prices as provided by the twenty-second, twenty-third, twenty-fourth and twenty-fifth resolutions and to determine the offering price of ordinary shares or any securities granting rights to ordinary shares:(i) for ordinary shares, not less than the weighted average price quoted on the corresponding organised exchange over the three trading days before the issue price of the shares is set, with the possibility of applying a discount of up to 10%; (ii) for securities giving rights to ordinary shares, such that the amount received immediately by the Company, plus any amount that may in the future be received by the Company for each ordinary share issued as a result of the issuance of such securities, is not less than the amount indicated in item (i) above, adjusted, if needed, for any difference in the dividend entitlement date.

The total nominal amount of capital increases that may be effected under the authorisation granted hereunder shall not exceed 5% of the issued capital over any 12 month period or the total aggregate ceiling as provided in the twenty-eighth resolution, and that it shall count towards this ceiling.

The authorisation hereby granted, which supersedes and replaces the unused portion of that granted by the twenty-third resolution approved by the Extraordinary General Meeting of Shareholders of 18 May 2011, shall be valid for a period of twenty-six (26) months from the date of this Meeting.

## Twenty-eighth resolution

*(Combined ceiling on authorisations to issue securities with or without pre-emptive subscription rights*)

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of Directors' report, and subsequent to the adoption of the twenty-second to twenty-sixth resolutions above, resolves to set the maximum total nominal amount of immediate and/or future capital increases effected pursuant to the aforesaid resolutions at €3.75 billion, it being specified that, where applicable, this amount shall be increased by the par value of the shares to be issued in order to safeguard the rights of holders of securities granting rights to equity in the Company, holders of share purchase or subscription options, or holders of rights to bonus shares, in accordance with the law and with any contractual stipulations providing for other cases requiring adjustments.

## Twenty-ninth resolution

*(Authority for the Board of Directors to issue securities giving entitlement to the allotment of debt securities)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129-2, L. 228-91 and L. 228-92 of the French Commercial Code:

1. grants authority to the Board of Directors to carry out one or more issues, in France or abroad and/or in the international market, in euros, in other currencies, or in any monetary unit pegged to a basket of currencies, of bonds with bond warrants and, more generally, securities granting rights, immediately and/or in the future, to debt securities such as bonds, similar securities, subordinated notes, whether dated or undated (perpetual), and any other securities in a given issue granting the same rights against the Company.

   The nominal amount of all securities to be issued as mentioned above shall not exceed €5 billion or the equivalent value thereof in foreign currency or in any monetary unit pegged to a basket of currencies, it being specified that this amount is independent from the amount of debt securities that may be issued under the terms of the twenty-second to twenty-sixth resolutions, and that this amount shall be increased by the amount of any redemption premium over par;

2. grants full powers to the Board of Directors, with the right to further delegate such powers as permitted by law, in the event that use is made of the authorisation hereby granted, for the purpose of, but not limited to, the following:

   - to carry out the said issues within the limits set out above, and determine the date, form, amounts and currency of such issues,
   - to determine the characteristics of the securities to be issued and of the debt securities to which the securities grant rights, by way of award or subscription, and more specifically, their par value and dividend entitlement date, which may be retroactive, their issue price, including any premium, their interest rate, whether fixed and/or variable, and the interest payment date, or, in the case of floating-rate securities, the terms and conditions for determining their interest rate, or the conditions for capitalising interest, for amortisation and/or early redemption of the securities to be issued and the debt securities to which the securities would grant rights, by way of award or subscription, including any premium, whether fixed or floating, or the conditions for their repurchase by the Company,
   - if appropriate, to decide to provide a guarantee or surety for the securities to be issued, as well as for any debt securities to which such securities may grant rights, and to determine the form and characteristics of such guarantee or surety,
   - in general, to determine all terms and conditions of each issue, to sign all contracts, to enter into all agreements with banks and any other institutions, to take all necessary steps and to attend to all required formalities, and, more generally, to do all that is necessary.

The authorisation hereby granted, which supersedes and replaces the unused portion of that granted by the twenty-fifth resolution approved by the Extraordinary General Meeting of Shareholders of 18 May 2011, shall be valid for a period of twenty-six (26) months from the date of this Meeting.

## Thirtieth resolution

*(Authorisation to the Board of Directors to increase the share capital by capitalisation of reserves, earnings, share premiums or other items)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, having reviewed the Board of Directors' report and in accordance with the provisions of Articles L. 225-129-2, L. 225-130 and L. 228-11 *et seq*. of the French Commercial Code:

1. grants authorisation to the Board of Directors, with the authorisationto further delegate as provided by law, to carry out one or more capital increases, in such proportions and at such times as the Board may deem appropriate, by capitalisation of share premiums, reserves, profits or other items as permitted by law or by the Articles of Association, by distributing new free ordinary shares or by increasing the par value of ordinary shares outstanding, or by a combination of both;

2. resolves that the nominal amount of the capital increases that may be effected hereunder, plus the amount required in accordance with the law to safeguard the rights of holders of securities granting rights to equity in the Company, shall not exceed €1 billion; this ceiling is independent and separate from the ceilings set on capital increases arising from issues of ordinary shares or securities granting rights to the Company's equity authorised under the other resolutions submitted to this General Meeting of Shareholders for approval;

3. grants full powers to the Board of Directors, with the right to further delegate such powers as permitted by law, in the event that use is made of the authority hereby granted, as permitted by law, for purposes including, but not limited to, the following:

   a. to determine the amount and the type of monies to be incorporated in the share capital, to determine the number of new ordinary shares to be issued or the amount by which the par value of existing ordinary shares will be increased, to set the date, which may be a retroactive date, from which the new ordinary shares will be entitled to dividends or from which the increase in par value will be effective,

   b. in the event of an award of ordinary free shares, to determine that fractional rights will not be negotiable and that the corresponding ordinary shares will be sold; proceeds from the sale shall be awarded to the rights holders no later than 30 days following the date on which the whole number of ordinary shares awarded has been recorded in their account,

   c. to make any adjustments required by law and regulations, by any contractual stipulation or by the Articles of Association providing for other cases of adjustment,

   d. to duly record completion of each capital increase and amend the Articles of Association accordingly,

   e. to take all necessary measures and to enter into all agreements to ensure the proper completion of the transactions and, more generally, to do all that is necessary, to accomplish all actions and attend to all formalities required to finalise the capital increase(s) carried out pursuant to the authority granted hereunder;

4. resolves that the authority hereby granted, which supersedes the unused portion of that granted by the twenty-sixth resolution of the Extraordinary General Meeting of Shareholders of 18 May 2011, shall be valid for a period of twenty-six (26) months from the date of this General Meeting of Shareholders.

### Thirty-first resolution

*(Authorisation to be granted to the Board of Directors to effect capital increases by issuing ordinary shares reserved for employees of Crédit Agricole Group enrolled in an employee share ownership plan)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 *et seq*., L. 225-138 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-1 *et seq*. of the French Labour Code:

1. authorises the Board of Directors, with the authority to further delegate as provided by law, to carry out capital increases, in one or more transactions and at its sole discretion, at the times and in the manner it shall decide, by issuing ordinary shares in the Company reserved for employees enrolled in an employee share ownership plan (hereinafter referred to as the "Beneficiaries") of one of the legal entities of Crédit Agricole Group, which in this resolution means Crédit Agricole S.A., the companies or groupings included in the scope of consolidation of Crédit Agricole S.A. (including companies added to the scope of consolidation of Crédit Agricole S.A. no later than on the day before the opening date of the subscription period, or the opening date of the reservation period, if any), the Crédit Agricole Regional Banks and their subsidiaries and entities or groupings controlled by Crédit Agricole S.A. and/or the Crédit Agricole Regional Banks pursuant to Article L. 225-180 of the French Commercial Code and Articles L. 3344-1 and L. 3344-2 of the French Labour Code;

2. resolves to exclude the ordinary shareholders' pre-emptive subscription rights to subscribe for the ordinary shares to be issued and, if applicable, to be awarded for no consideration, in favour of the aforesaid Beneficiaries under the terms of this authorisation;

3. resolves to set the maximum nominal amount of any capital increase(s) that may be effected under this authorisation at €200 million, it being specified that this ceiling is independent and separate from the ceilings set on capital increases arising from issues of ordinary shares or securities granting rights to the Company's equity authorised under the other resolutions submitted to this General Meeting of Shareholders for approval, and does not include the par value of the shares to be issued, in accordance with the law and with any contractual stipulations providing for other cases requiring adjustment, to safeguard the rights of holders of securities granting rights to equity in the Company, holders of share purchase or subscription options, or holders of rights to bonus shares;

4. resolves that the issue price of the Crédit Agricole S.A. ordinary shares to be issued under the terms hereof shall not be more than the average price quoted on Euronext Paris during the 20 trading days preceding the date of the decision made by the Board of Directors or the Chief Executive Officer, or by one or more Deputy Chief Executive Officers with the Chief Executive Officer's approval, fixing the opening date of the issue, nor more than 20% lower than this average. When making use of the authorisation hereby granted, the Board of Directors may reduce or eliminate the aforesaid discount on a case-by-case basis in order to comply with law and regulations, including tax-related, accounting or social security restrictions in effect in any country where Crédit Agricole Group companies or groups of entities taking part in the capital increase are located;

5. authorises the Board of Directors to award ordinary shares to be issued or that have been issued or any other securities that have been or will be issued to subscribers for no consideration, it being specified that the total benefit resulting from such award and the discount mentioned in paragraph 4 above, if any, shall not exceed regulatory limits or those in the Articles of Association;
6. resolves that the new authorisation will supersede and replace the unused portion of the authorisation granted by the twenty-seventh resolution of the Extraordinary General Meeting of Shareholders of 18 May 2011;
7. resolves that the new authorisation shall be valid for a period of twenty-six (26) months from the date of this General Meeting of Shareholders.

   The General Meeting of Shareholders grants full powers to the Board of Directors, with the right to further delegate such powers as permitted by law, for the purpose of setting the terms and conditions of the capital increase(s) carried out under the authorisation hereby granted, including, but not limited to, the following:

   a. to set the criteria that legal entities consolidated within Crédit Agricole Group shall meet in order for Beneficiaries to be entitled to subscribe for shares issued under the authorisation hereby granted;
   b. to set the conditions which Beneficiaries entitled to subscribe for new ordinary shares must satisfy, including whether shares may be subscribed for directly by Beneficiaries of an employee share ownership plan, or through a company investment fund (FCPE – *Fonds commun de placement d'entreprise*) or another qualified entity under applicable laws and regulations;
   c. to determine the characteristics, terms, amount, terms and conditions of share issues carried out under the authorisation hereby granted, including, for each issue, deciding the number of ordinary shares to be issued, the offering price and the rules for scaling back in case the issue is over-subscribed by the Beneficiaries;
   d. to set the dates on which offering periods start and expire, subscription terms and procedures, the pre-subscription reservation period, payment and delivery procedures, as well as the date from which new ordinary shares will be entitled to dividends;
   e. to decide to replace all or part of the discount on the ordinary share price with an award of bonus ordinary shares issued or to be issued, pursuant to the terms and limits set in Article L. 3332-21 of the French Labour Code;
   f. to record or arrange for the recording of capital increase(s) corresponding to the number of ordinary shares subscribed for;
   g. to charge the cost of capital increase(s) against the corresponding share premiums and to deduct from such proceeds the sums necessary to bring the legal reserve to one-tenth of share capital after each increase;
   h. to amend the Articles of Association accordingly; and
   i. more generally, to do all that is necessary and take all actions to complete the capital increase(s), enter into all agreements, attend to all necessary formalities subsequent to the aforesaid capital increase(s), and, where applicable, arrange for the listing of the ordinary shares to be issued on a regulated exchange and for the financial servicing of the ordinary shares issued under the terms hereof as well as for exercising the rights attached thereto.

## Thirty-second resolution

*(Authorisation to be granted to the Board of Directors to effect capital increases by issuing ordinary shares reserved for Crédit Agricole International Employees)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129 *et seq*. and L. 225-138 of the French Commercial Code:

1. duly notes that, in order to ensure that Crédit Agricole Group employees (as defined below) residing in certain countries and who are enrolled in an employee share ownership plan offered by a legal entity belonging to Crédit Agricole Group receive benefits as similar as possible to those that may be granted to other Crédit Agricole Group employees under the terms of the thirty-first resolution, taking account of any local financial, legal and/or tax restrictions, that it is appropriate to authorise "Crédit Agricole International Employees", a French Public Limited Company ("*société anonyme*") with a share capital of €40,000, with its registered office located in Courbevoie (92400), at 9, quai du Président Paul Doumer, registered with the Nanterre Trade and Companies Registry under SIREN number 422 549 022, hereinafter the "Beneficiary", to subscribe for a capital increase of Crédit Agricole S.A.;
2. duly notes that, in this resolution, the term "Crédit Agricole Group" refers to Crédit Agricole S.A., companies or groupings included in the scope of consolidation of Crédit Agricole S.A. (including companies added to the scope of consolidation of Crédit Agricole S.A. no later than on the day before the opening date of the subscription period, or the opening date of the reservation period, if any), the Crédit Agricole Regional Banks and their subsidiaries and entities or groupings controlled by Crédit Agricole S.A. and/or the Crédit Agricole Regional Banks pursuant to Article L. 225-180 of the French Commercial Code and Articles L. 3344-1 and L. 3344-2 of the French Labour Code;
3. authorises the Board of Directors, with the right to further delegate such powers as permitted by law, to carry out capital increases, in one or more transactions, in the proportions and at the times it shall deem appropriate, by issuing ordinary shares reserved for the Beneficiary;

4. resolves to exclude the ordinary shareholders' pre-emptive subscription rights to subscribe for any ordinary shares issued under the authority hereby granted, in favour of the Beneficiary;
5. resolves that the issue price of the ordinary shares subscribed by the Beneficiary pursuant to this authorisation shall, in any event, be the same as the price at which the ordinary shares will be offered to employees residing in France who are enrolled in one of the Company retirement plans of a Crédit Agricole Group entity pursuant to the authority granted under the thirty-first resolution submitted to this General Meeting of Shareholders;
6. resolves that the authorisation hereby granted, which supersedes and replaces the unused portion of that granted by the twenty-eighth resolution of the Extraordinary General Meeting of Shareholders of 18 May 2011, shall be valid for a period of eighteen (18) months from the date of this General Meeting of Shareholders;
7. resolves to set the maximum nominal amount of any capital increase(s) that may be decided and effected under this authorisation at €50 million, it being specified that this ceiling is independent and separate from the ceilings set on capital increases arising from issues of ordinary shares or securities granting rights to the Company's equity authorised under the other resolutions submitted to this General Meeting of Shareholders for approval, and does not include the par value of the shares to be issued, in accordance with the law and with any contractual stipulations providing for other cases requiring adjustment, to safeguard the rights of holders of securities granting rights to equity in the Company, holders of share purchase or subscription options, or holders of rights to bonus shares.

   The General Meeting of Shareholders grants full powers to the Board of Directors, with the right to further delegate such powers as permitted by law, for the purpose of setting the terms and conditions of the capital increase(s) carried out under the authority hereby granted, including, but not limited to, the following:

   a. to determine the maximum number of ordinary shares to be issued, within the limits set by this resolution, and officially record or arrange for the recording of the final amount of each capital increase;
   b. to set the issue price, dates and all other terms and conditions of issues carried out under the authority hereby granted;
   c. to charge the cost of the capital increase(s) against the corresponding share premiums and to deduct from such proceeds the sums necessary to bring the legal reserve to one-tenth of share capital after each increase;
   d. to amend the Articles of Association accordingly;
   e. more generally, to do all that is necessary and take all actions to complete the capital increase(s), to enter into all agreements, and to attend to all necessary formalities subsequent to the aforesaid capital increase(s), and, where applicable, to arrange for the listing of the ordinary shares to be issued on a regulated exchange and for financial servicing of the ordinary shares issued under the terms hereof as well as for exercising the rights attached thereto.

## Thirty-third resolution

*(Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling ordinary shares)*

The General Meeting of Shareholders, acting in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with Article L. 225-209 *et seq*. of the French Commercial Code, authorises the Board of Directors:

1. to cancel, in one or more transactions and at its sole discretion, at the times and in the manner it shall decide, some or all of the ordinary shares purchased by the Company under the authorisation to buy back shares granted to it by the twentieth resolution or any subsequent authorisations, up to a limit of 10% of the share capital in any twenty-four (24) month period, as from this General Meeting of Shareholders;
2. to reduce the share capital accordingly by deducting the difference between the redemption value of the cancelled ordinary shares and their par value from the distributable share premium or reserve accounts of its choice.

Effective from this day, the authorisation hereby granted supersedes and replaces that granted by the thirtieth resolution adopted at the Extraordinary General Meeting of Shareholders of 18 May 2011, and is granted for a period of twenty-four (24) months to the Board of Directors, which may further delegate such authority, for the purpose of carrying out all measures, formalities or registrations required to cancel shares, finalise the capital reduction(s), record such reduction(s), amend the Articles of Association accordingly and, in general, to do all that is necessary.

## Thirty-fourth resolution

*(Powers to accomplish formalities)*

The General Meeting of Shareholders hereby grants full powers to the bearer of an original, copy or excerpt of the minutes of this Combined Ordinary and Extraordinary General Meeting of Shareholders to complete any legal filing or publication formalities relating to or resulting from the decisions taken in the aforementioned resolutions and/or any additional resolutions.

# Persons responsible for the registration document

**Mr Jean-Paul Chifflet,** Chief Executive Officer of Crédit Agricole S.A.

## RESPONSIBILITY STATEMENT

I hereby certify that, to my knowledge and after all due diligence, the information contained in this registration document is true and accurate and contains no omissions likely to affect the import thereof.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and results of the Company and all entities included in the consolidated group, and that the management report herewith provides a true and fair view of the business trends, results and financial condition of the Company data and all entities included in the consolidated group, together with a description of the main risks and uncertainties that they face.

I have obtained a letter from the Statutory Auditors, PricewaterhouseCoopers Audit and Ernst & Young et Autres, upon completion of their work, in which they state that they have verified the information relating to the financial situation and financial statements provided in this registration document and read the document as a whole.

The Statutory Auditors have issued reports on the historical financial information provided in this document:

- for the year ended 31 December 2009, they had one observation regarding respectively the consolidated financial statements and the parent company's financial statements of Crédit Agricole S.A.;
- for the year ended 31 December 2010, they had one observation regarding respectively the consolidated financial statements and the parent company's financial statements of Crédit Agricole S.A.;
- for the year ended 31 December 2011, shown on pages 383 and 435 of this registration document, regarding respectively the consolidated financial statements and the parent company's financial statements of Crédit Agricole S.A.

Executed in Paris on 15 March 2012

**The Chief Executive Officer of Crédit Agricole S.A.**

Jean-Paul CHIFFLET

# STATUTORY AUDITORS

## Statutory Auditors

**Ernst & Young et Autres**

Represented by Valérie Meeus

1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1

Statutory Auditors, member, *Compagnie Régionale des Commissaires aux comptes de Versailles*

**PricewaterhouseCoopers Audit**

Represented by Catherine Pariset

63, rue de Villiers
92200 Neuilly-sur-Seine

Statutory Auditors, member, *Compagnie Régionale des Commissaires aux comptes de Versailles*

## Alternate Auditors

**Picarle et Associés**

Represented by Denis Picarle

1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1

Statutory Auditors, member, *Compagnie Régionale des Commissaires aux comptes de Versailles*

**Pierre Coll**

63, rue de Villiers
92200 Neuilly-sur-Seine

Statutory Auditors, member, *Compagnie Régionale des Commissaires aux comptes de Versailles*

**Barbier, Frinault et Autres** was appointed Statutory Auditor at the Ordinary General Meeting of Shareholders of 31 May 1994 for a term of six years, which was renewed for six years at the Ordinary General Meeting of Shareholders of 25 May 2000. This term of office was renewed for a further six years at the Combined Ordinary and Extraordinary General Meeting of Shareholders of 17 May 2006.

The Company has been a member of the Ernst & Young network since 5 September 2002.

It changed its name to **Ernst & Young et Autres** on 1 July 2006.

Ernst & Young et Autres is represented by Valérie Meeus.

**Alain Grosmann** was appointed Alternate Statutory Auditor at the Ordinary General Meeting of Shareholders of 31 May 1994 for a term of six years, which was renewed for six years at the Ordinary General Meeting of Shareholders of 25 May 2000. His term of office expired at the end of the Combined Ordinary and Extraordinary General Meeting of Shareholders of 17 May 2006.

**Picarle et Associés** was appointed Alternate Statutory Auditor for Ernst & Young et Autres for a term of six years at the Combined Ordinary and Extraordinary General Meeting of Shareholders of 17 May 2006.

**PricewaterhouseCoopers Audit** was appointed Statutory Auditor at the Ordinary General Meeting of Shareholders of 19 May 2004. This term of office was renewed for a further six years at the Combined Ordinary and Extraordinary General Meeting of Shareholders of 17 May 2006.

PricewaterhouseCoopers Audit is represented by Catherine Pariset.

**Pierre Coll** was appointed Alternate Statutory Auditor for PricewaterhouseCoopers Audit at the Ordinary General Meeting of Shareholders of 19 May 2004. This term of office was renewed for a further six years at the Combined Ordinary and Extraordinary General Meeting of Shareholders of 17 May 2006.

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*N.A.: not applicable.*

(1) In accordance with Article 28 of EC Regulation 809/2004 and Article 212–11 of the AMF's General Regulations, the following are incorporated by reference:

- the parent company and consolidated financial statements for the year ended 31 December 2009 and the corresponding Statutory Auditors' Reports, and the Group's Management report, appearing on pages 368 to 415 and 242 to 365, on pages 416 to 417 and 366 to 367 and on pages 101 to 239 of the Crédit Agricole S.A. Registration Document 2009 registered by the AMF on 12 March 2010 under number D.10-0108.
- the parent company and consolidated financial statements for the year ended 31 December 2010 and the corresponding Statutory Auditors' Reports, and the Group's Management report, appearing on pages 370 to 417 and 246 to 366, on pages 418 to 419 and 367 to 368 and on pages 141 to 244 of the Crédit Agricole S.A. Registration Document 2010 registered by the AMF on 18 March 2011 under number D.11-0146.

The sections of the registration documents number D. 10–0108 and number D. 11–0146 not referred to above are either not applicable to investors or are covered in another part of this Registration Document.

## Regulated information within the meaning of the AMF's General Regulations contained in this Registration document can be found on the pages shown in the correspondence table below

This Registration document, which is published in the form of an Annual Report, includes all components of the 2011 Annual Financial Report referred to in paragraph I of Article L. 451–1–2 of the French Monetary and Financial Code as well as in Article 222–3 of the AMF's General Regulations:

### Annual financial report



Pursuant to Articles 212–13 and 221–1 of the AMF's General Regulations, this Registration document also contains the following regulatory information:

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