

Annual report on compensation policy and practices (Article 43-1 of Regulation CRBF n° 97- 02)

Industry standards applying to the compensation of market operators, whose activities are likely to have an impact on risk exposure in credit institutions and investment concerns, have been developed by the industry with the active participation of Crédit Agricole S.A. representatives.

These standards are based on the recommendations of the Financial Stability Council as adopted by G20 member states at the Pittsburgh summit in September 2009, and commitments made by the banking industry at the 25 August 2009 meeting with the French President.

They are based on the order of 3 November 2009 which amend regulation 97-02 relative to the internal control of credit institutions and investment companies.

The present report for the year 2009 describes the compensation policy and practices for financial market professionals, members of staff of Crédit Agricole Corporate and Investment Bank, whose activities could have an effect on the entity's risk exposure.

▲ Compensation policy

Crédit Agricole Corporate and Investment Bank's compensation policy is based on fixed compensation (rewarding the employee's expertise in his or her post while taking into account market conditions), and variable compensation (determined by the employee's performance in the last year relative to goals set at the start of the year and by the company's overall performance).

This policy is based on five main principles, which were reinforced in 2009:

- A solid decision-making process, with strong controlling bodies. A governance committee, in place since July 2009, checks that Crédit Agricole CIB group's compensation policy, submitted to the Compensation committee, is in line with industry standards. The committee consists of the Management Board, along with members of the Executive Committee and the Compliance department. The Compensation committee, after carrying out its analysis, makes recommendations to the Board of Directors regarding the main principles for compensating the Company's employees and the total amount to be spent on this compensation. The Committee provides the Board of Directors with a breakdown of this total for each individual earning more than a threshold set by the Management Board. Crédit Agricole CIB's compensation policy is also presented to the Crédit Agricole S.A. group's Compensation Committee and Board of Directors.
- The calculation of aggregate variable compensation, which must take into account the cost of risk and the cost of capital.
- The individual distribution of variable compensation, which must be based on the attainment of qualitative and quantitative targets for each business line.
- The deferred variable compensation system, introduced over a specific amount for 2009 and calculated using a scale ensuring that 50% of all variable compensation payments are deferred, as required by regulations. This system favours greater employee interest in the medium-term performance of Crédit Agricole CIB and of the Crédit Agricole S.A. group. The main characteristics of this system apply to all Crédit Agricole CIB employees working in banking activities.

Deferred variable compensation is paid out in the form of Crédit Agricole S.A. shares or of instruments backed by shares in two tranches. 50% of deferred compensation is paid three years after the reference year (2009) and 50% four years after the reference year, subject to vesting conditions. For each employee, the system allows variable compensation to be withheld in the event of risky behaviour or exceptional losses in the business line in which the employee worked at the time of grant.

- Authorised guaranteed variable compensation is limited to one year.

▲ Quantitative information relating to financial market professionals

In accordance with the order of 3 November 2009 and industry standards at 5 November 2009, Crédit Agricole CIB complies with transparency principles and reporting obligations regarding financial market professionals whose activities may have a material impact on the company's risk exposure.

Information concerning members of the executive body is available in Crédit Agricole Corporate and Investment Bank's registration document.

- **Compensation awarded with respect to 2009, broken down into fixed and variable compensation for financial market professionals (€ m)**

Number of people concerned	Total compensation 2009	Fixed	Bonus
785	202	84	118

- **Amount and form of variable compensation awarded with respect to 2009, broken down between payments in cash, in shares and in securities backed by shares, to financial market professionals (€ m)**

Number of people concerned	Total variable compensation	Immediate payment in cash	Deferred payment* total	of which deferred payment** in cash	of which deferred payment* in shares
785	118	59	59	39	20

(*) *Value at grant date*

(**) *Cash linked to the Crédit Agricole S.A. share price*

- **Amount of deferred variable compensation granted to financial market professionals with respect to 2009, paid out or reduced, after adjustment to results generated by market professionals (€ m)**

Amount of unvested deferred variable compensation
59*

(*) *The amount of unvested deferred variable compensation corresponds to the total amount of deferred variable compensation, since industry standards apply since 2009.*

- **Payments relating to new hirings or redundancy payments made during 2009, and the number of financial market professionals receiving these payments (€ m)**

Redundancy payments made and number of recipients		Total amount paid for new hirings and number of recipients	
Total amount paid	Number of recipients	Total amount paid	Number of recipients
7	56	2	10

- **Redundancy payment guarantees granted in 2009, number of recipients and largest guarantee amount granted to a single beneficiary**

Redundancy payment guarantees	
Total amount	Number of recipients
0	0
Largest guarantee	
0	