

Annual report on compensation policy and practices for the professionals whose activities may have a material impact on the risk profile of the group (Article 43- 1 of Regulation CRBF n°97- 02)

Incorporation of the European Capital Requirements Directive III (CRD III)

The mechanisms for the attribution and acquisition of variable compensation by risk-taking employees, control functions and members of executive bodies comply with the provisions of CRBF regulation 97-02 as amended by the decree of 13 December 2010 which transposes into French law the European Capital Requirements Directive III (CRD III).

This directive reflects the recommendations of the Financial Stability Council adopted by the G20 member governments at the Pittsburgh summit meeting in September 2009 and the commitments made by the banking profession during the 25 August 2009 meeting with the French president, which included the active participation of Crédit Agricole S.A. representatives.

The variable compensation of these employees is partly deferred for several years and is not fully vested until performance conditions have been met. At least 50% of this variable compensation is paid in Crédit Agricole S.A. shares or equivalent instruments.

Crédit Agricole CIB has extended this deferral mechanism to employees not covered by the above-mentioned provisions of CRBF regulation 97-02 in order to ensure cohesiveness and alignment with the company's overall performance.

Note that the terms of the conditional deferred variable compensation programme put into place in 2010 in compliance with the professional standards of 5 November 2009 remain unchanged.

Quantitative information relating to the employees within the scope of the CRBF regulation 97-02 is detailed in the report below.

This report is published before General Meeting of Crédit Agricole CIB that will rule on 2010 accounts.

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 position 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:

- 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 the regulation CRBF n°97- 02 applicable in French law and with industry standards. The committee consists of the Management Board, along with members of the Executive Committee, as well as the Group Internal Audit and Global Compliance. 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 and approved by the Board of Directors. 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 defined for each business line.
- A deferred variable compensation system, applicable to risk takers, staff engaged in control functions, and members of executives bodies, but also to employees not included in the scope of regulation CRBF n°97- 02, introduced over a specific amount for 2010. 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 (application for performance conditions, deferred variable compensation paid out in the form of shares or share-backed cash amount, etc...) apply to all Crédit Agricole CIB employees working in banking activities. Deferred variable compensation system applicable to risk takers, staff engaged in control functions, and members of executives bodies is calculated according a scale ensuring the minimum deferred ratio of 40% of the variable compensation and a minimum holding period as stated in the regulation.

This deferred variable compensation is granted in the form of Crédit Agricole S.A. shares or Crédit Agricole S.A share-backed cash amount, in three tranches: 1/3 in N+2, 1/3 in N+3 and 1/3 in N+4 compared to the reference year (2010), subject to fulfilment of vesting conditions. For each employee, the system allows deferred 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 13 December 2010, Crédit Agricole CIB complies with transparency principles and reporting obligations regarding the population in the scope of the regulation.

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

- **Compensation awarded with respect to 2010, broken down into fixed and variable compensation for professionals in the scope of the regulation (€m)**

Number of people concerned	Total compensation (in €m)	Fixed (in €m)	Variable (en €m)
837	220	111	109

- **Compensation awarded with respect to 2010, broken down into vested amount (paid or delivered) and conditional deferred amount for professionals in the scope of the regulation and beneficiaries of deferred amounts (€m)**

Vested amount (paid or delivered)	Conditional deferred amount
43 ¹	37

- **Compensation awarded with respect to 2010, broken down between payments in cash, in shares or equivalent instruments within the scope of the regulation and beneficiaries of deferred amounts (€m)**

Payment in cash	Payments in shares or equivalent instruments
37	43

¹ Of which 10% deferred to 6 months

- Amount of unvested deferred variable compensation with respect to 2009 and 2010 granted to professionals within the scope of the regulation (€m)

Unvested deferred variable compensation with respect to 2010	Unvested deferred variable compensation with respect to previous years
37	56

- Amount of deferred variable compensation granted with respect to 2009 and 2010, paid out or reduced after adjustment to results generated by professionals within the scope of the regulation (€m)

Amount of deferred variable compensation paid	Amounts of deferred variable compensation reduced
0	0

- Payments relating to new hirings or redundancy payments made during 2010 and number of professionals within the scope of the regulation 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
6 M€	17	3 M€	45

- Redundancy payment guarantees granted in 2010, number of recipients and largest guarantee amount granted to a single beneficiary

Redundancy payment guarantees granted in 2010	
Total amount	Number of recipients
0	0
Largest guarantee	
0	