2011 SHELF-REGISTRATION DOCUMENT

Preparing for the future

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CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

SHELF-REGISTRATION DOCUMENT

CRÉDIT AGRICOLE CIB

2011

AUTORITÉ
DES MARCHÉS FINANCIERS

Profile

The Crédit Agricole Group is market leader in Universal Customer-Focused Banking in France and one of the largest banks in Europe.

The Crédit Agricole Group seeks to serve the real economy by supporting its clients' projects in all areas of retail banking and associated specialised business lines.

Emphasising its values and its commitment, the Crédit Agricole Group is the bank of common sense. It puts the satisfaction and the interests of its 54 million customers, 160,000 employees, 1.2 million shareholders and 6.5 million cooperative shareholders at the heart of its activities.

Crédit Agricole remains true to its co-operative and mutual origins by pursuing a proactive policy in terms of social and environmental responsibility. As part of this policy, the Group is making continual progress on behalf of its customers, staff and the environment, as proven by quantitative indicators.

www.credit-agricole.com

54 million
clients worldwide

€35.1 billion
revenues

€812 million
net income Group share

160,000
employees

€70.7 billion
shareholders' equity Group share

10.2%
Core Tier One Ratio unfloored

The Group's organisation

6.5 million mutual shareholders form the basis of Crédit Agricole's cooperative organisational structure.

They own the capital of the **2,531 Local Banks** in the form of mutual shares and select their representatives each year. **A total of 32,227 directors** convey their expectations within the Group.

The Local Banks own the major part of the Regional Banks' share capital. The 39 Regional Banks are cooperative Regional Banks that offer their customers a comprehensive range of products and services.

The discussion body for the Regional Banks is the **Fédération Nationale du Crédit Agricole,** where the Group's main directions are discussed.

56.2%

of Crédit Agricole S.A.'s share capital held by the 39 Regional Banks
via holding company SAS Rue La Boétie.

43.5%

of Crédit Agricole S.A.'s share capital held by:
- Institutional investors: 27.9%
- Individual shareholders: 10.8%
- Employees via employee mutual funds: 4.8%

0.3%

treasury shares

CRÉDIT AGRICOLE S.A.

Crédit Agricole S.A. owns 25% of share capital in the Regional Banks (excl. the Regional Bank of Corsica) and manages and consolidates its subsidiaries in France and abroad.

Retail banking

More than 11,600 branches serving 33.5 million clients

39 CRÉDIT AGRICOLE REGIONAL BANKS

Banks for personal customers, farmers, small businesses, companies and public authorities, with a strong local footing. The Crédit Agricole Regional Banks offer the full range of banking and financial products and services

LCL

LCL is a retail banking network with a strong presence in urban areas across France, with four main business lines: retail banking for personal customers, retail banking for small business customers, private banking and corporate banking.

INTERNATIONAL RETAIL BANKING

Crédit Agricole is a first-class partner in Europe, mainly in Italy (with 962 branches) and Poland (with 434 branches). It is also present in Greece, Egypt and Morocco.

Other specialised subsidiaries

- Crédit Agricole Immobilier
- Crédit Agricole Capital Investissement & Finance
- Uni-Éditions

Specialised business lines

Market-leading positions in France and Europe
- A key player in Europe in consumer finance
- Market leader in France in leasing and factoring
- No. 2 in Europe in asset management
- No. 7 in insurance in Europe
- A key player in private banking

Corporate and investment banking

An international network in the main areas in Europe, Americas, Asia and Middle East
- Financing activities
- Investment banking
- Capital markets
- Equity brokerage

The Crédit Agricole Group consists of Crédit Agricole S.A. along with all of the Regional Banks and Local Banks, and together they are developing the Universal Customer-Focused Banking model. Its model is based on synergies between retail banks and its associated specialised business lines.

Contents

1 PRESENTATION OF CRÉDIT AGRICOLE CIB

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, particularly in Greece, extremely volatile financial markets and the liquidity crisis all exacerbated already weak economic growth. They also prompted the banking authorities to speed up the timetable for the application of new capital regulations for banks. To deal with this difficult environment, the banks had to adapt while continuing to finance the economy.

At Crédit Agricole, we shored up our solidity by bolstering our capital through internal resources, while at the same time reducing our dependence on the financial markets. This is the goal of our adaptation plan: in September 2011, the Group announced a structural reduction in its debt by adjusting the size of its balance sheet (€50 billion between June 2011 and December 2012) and in December 2011, it decided to reduce the liquidity requirements of certain activities, including those of its corporate and investment bank, Crédit Agricole CIB.

In terms of its results, after a favourable first half, Crédit Agricole S.A. was hit by the negative environment in the second half: 2011 closed with negative net income Group share of €1,470 million. The results integrated the exceptional effects of the Greek crisis and accounting impairments linked notably to the adaptation plan. But they are not representative of our recurring revenues.

Crédit Agricole CIB's 2011 net income Group share came out at €682 million, while its net income from strategic activities remained above €1 billion. Client revenues fell by just 10% in relation to 2010, notably due to our very limited market risk.

Crédit Agricole CIB adapted very early to the new environment. We decided to implement a new "Distribute to Originate" model designed to maintain substantial origination capacity while reducing the size of our balance sheet. Our revenue generation model now hinges on two key factors: systematically combining market solutions with our credit offerings and selling a significant share of our loans to banks and investors, while strictly complying with our quality criteria. We have sold roughly 10% of our loan portfolio since the fourth quarter of 2011. We now need to double our efforts and envisage sharing loans with new investors, from the point of origination. We have also sold discontinuing assets. By the end of 2011, all of these measures helped to reduce our liquidity consumption by €20 billion and our risk-weighted assets by around €24 billion. Between now and the end of 2013, this will help to absorb a large share of the regulatory impacts.

Finally, we opted to continue prioritising a target client base of 700 strategic corporate clients and 450 financial institutions and to be located in more than thirty countries, representing 85% of global GDP. Our plan is well underway and confidence is starting to build around it.

We are aware that 2011 was a difficult year for our staff. We appreciate the efforts made by everyone and thank them for their confidence and support. Crédit Agricole CIB has identified the drivers that will help it attain its objectives and pursue its mission: accompany the clients in order to serve the real economy.

Jean-Paul CHIFFLET

Chairman of Crédit Agricole CIB
Chief Executive Officer of Crédit Agricole S.A.

Jean-Yves HOCHER

Chief Executive Officer
of Crédit Agricole CIB

2011 Key figures

Income statement highlights

€ million	31.12.2011		31.12.2010	
	Crédit Agricole CIB	Ongoing activities[1]	Crédit Agricole CIB	Ongoing activities[1]
Net banking income	5,886	5,054	5,698	5,586
Gross operating income	1,734	1,762	1,863	2,253
Net income - Group share	682	1,098	1,005	1,518

[1] Restated for "Financial management" (revaluation of debt issue and loan hedges) and restated for impacts of the adjustment plan - see page 84.

Balance sheet

€ billion	31.12.2011	31.12.2010
Total assets	826.0	716.2
Gross loans	172.2	161.5
Assets under management (private banking)	69.1	71.0

Headcount end of December 2011

Full-time equivalent	2011	2010
France	4,938	4,876
International	9,925	9,827
Total[1]	14,863	14,703

[1] Private Banking contributes to 2,340 in 2011 and to 2,258 in 2010.

Financial structure

€ billion or %	31.12.2011	31.12.2010
Shareholder's equity (including income)	16.1	15.3
Tier I capital	16.6	15.3
Basel II risk-weighted assets floored (80% Basel I)	148.3	142.6
Tier I solvency ratio	11.2%	10.7%
Overall solvency ratio	11.8%	11.6%

Ratings

	Short-term	Long-term	Last rating action
Moody's	Prime-1	Aa3 [on review for downgrade]	February, 15th 2012
Standard & Poor's	A-1	A [stable outlook]	January, 23rd 2012
Fitch Ratings	F1+	A+ [stable outlook]	December, 14th 2011

2011 Highlights

2011 was a very difficult year for European CIBs because of the sovereign debts crisis, and more precisely the Euro governance' crisis, which deepened causing a global reluctance, particularly in the United States, to finance European banks.

This distrust goes along with the necessity to comply with Basel 3 regulations, which progressive calendar of implementation shattered and led to a diminution of the size of the CIBs and especially the French ones.

The adjustment plan announced on 28 September 2011 by Credit Agricole Group precisely fits into this scheme. Its outlines were detailled to the market on 14 December 2011.

Concerning the CIB, it defines a new model for Credit Agricole's CIB focusing on distribution and service to major clients.

Crédit Agricole's new CIB model is in line with its objective to reduce its financing needs by 15 to 18 billion euros, of which 9 billion euros by end 2011 and 75% in dollars. The new model is based on a strategy that aims to limit the size of the balance sheet:

- Adaptation towards the model "originate to distribute": origination and structured financing, increase in bond solutions, increased development of syndication and securitisation, creation of early-stage partnerships with investors that could participate in syndications.
- Increased advisory and execution capacity in investment banking and brokerage.

This strategy is designed to serve the development of the Group's major clients, tailored to a new framework of bank disintermediation.

Three ways of adapting have been defined: refocusing on major clients, geographical refocusing, with the closure of operations in 21 countries (CACIB will remain present in 32 countries representing 84% of global GDP) and a withdrawal from certain activities (equity derivatives and commodities).

CACIB will reduce its balance sheet assets, adapt its cost base to the reduction in balance sheet assets and adapt its business model in order to generate revenues in a restrictive environment:

- Reduction in balance sheet assets:
  - Reduction in use of capital of around €18 billion by end-2012, mainly in equity derivatives and financing activities.
  - Reduction in risk-weighted assets of over €30 billion [1] between now and January 2013. This reduction relates to the cutback in operations, transfer of loans and portfolio disposals.
- Adaptation of the cost base and reduction in balance sheet assets: adjustments in target items (13% reduction in the headcount) and an additional plan to cut other costs by 10% (support functions, purchasing).
- Adaptation of the business model to generate revenues in a restrictive environment: support target clients, adapt prices to the new financing framework, increase the weighting of commission income in the revenue mix.

[1] Including regulatory impact of CRD III & IV on disposals and restated for regulatory impact on the rest of the scope

Disclaimer:

This presentation may include prospective information on the Group, supplied as information on trends. This data does not represent forecasts within the meaning of European Regulation 809/2004 of 29 April 2004 (chapter 1, article 2, §10).

This information was developed from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors that could cause actual results to differ from projections.

Likewise, the financial statements are based on estimates, particularly in calculating market value and asset impairment.

Readers must take all these risk factors and uncertainties into consideration before making their own judgement.

The figures shown are not audited.

This document contains information based on work and reviews currently in progress. This information must be used in accordance with the required legal procedures, particularly with regard to employee representative bodies.

In December 2011, Crédit Agricole Corporate and Investment Bank was affiliated by Crédit Agricole S.A. to formalise Crédit Agricole S.A.'s support of Crédit Agricole CIB.

History

1863	Creation of **Crédit Lyonnais**
1875	Creation of **Banque de l'Indochine**
1894	Creation of the first " Sociétés de Crédit Agricole ", later termed Caisses Locales ("Local Banks")
1920	Creation of l'**Office National de Crédit Agricole, devenue la Caisse Nationale de Crédit Agricole** (CNCA) en 1926
1945	**Nationalisation** of Crédit Lyonnais
1959	Creation of **Banque de Suez**
1975	Merger of Banque de Suez and Union des Mines with Banque de l'Indochine to form **Banque Indosuez**
1988	CNCA becomes a public limited company owned by Regional Banks and employees **("mutualisation")**
1996	**Acquisition of Banque Indosuez** by Crédit Agricole one of the world's top 5 banking groups, to create an **international investment banking** arm
1997	Caisse Nationale de Crédit Agricole consolidates within **Crédit Agricole Indosuez** its existing international, capital markets and corporate banking activities
1999	**Privatisation** of Crédit Lyonnais
2001	CNCA changes its name to **Crédit Agricole S.A.** and goes public on 14 December 2001
2003	Successful **takeover bid** for Crédit Lyonnais by Crédit Agricole
2004	Creation of **Calyon**, the new brand and corporate name of the Crédit Agricole Group's financing and investment banking business, through a partial transfer of assets from Crédit Lyonnais to Crédit Agricole Indosuez
6th February 2010	Calyon changes its name and becomes **Crédit Agricole Corporate and Investment Bank**

Simplified organisational chart
of the Crédit Agricole CIB Group's main subsidiaries and investments at 31 December 2011

This diagram groups units according to their main business area, and shows Crédit Agricole CIB Group's ownership in each company.

CORPORATE AND INVESTMENT BANKING

BRANCHES

EUROPE:

Germany, Belgium, Spain, Finland, Hungary, Italy, Luxembourg, Poland, United-Kingdom, Slovakia, Sweden, Tchekia

ASIA:

China, South Korea, Hong-Kong, India, Japan, Malaysia, Philippines, Singapore, Taïwan, Thaïland, Vietnam

AMERICA:

United-States

AFRICA, MIDDLE EAST:

South Africa and the Gulf countries

INTERNATIONAL PRIVATE BANKING (SUBSIDIARIES)

- Crédit Agricole Private Banking and Subsidiaries (100%)
- Crédit Agricole Suisse and Subsidiaries (100%)
- Crédit Agricole Luxembourg and Subsidiaries (100%)
- Crédit Foncier de Monaco "C.F.M." (69%)
- Aguadana (Espagne) (100%)
- Crédit Agricole Brasil DTVM (100%)

SUBSIDIARIES

CORPORATE BANKING

- Crédit Agricole CIB Air Finance S.A. (100%)
- Crédit Agricole Asia Shipfinance Ltd (100%)
- Financière Immobilière Crédit Agricole CIB (100%)
- UBAF - Union de Banques Arabes et Françaises (47%)
- B.S.F. - Banque Saudi Fransi (31%)
- BFT - Banque de Financement et de Trésorerie (100%)

BROKERAGE

- Crédit Agricole Cheuvreux S.A. (100%)
- CLSA (99%)
- Newedge (50%)

OTHER SUBSIDIARIES CORPORATE AND INVESTMENT BANKING

- Crédit Agricole Securities (USA) Inc. (100%)
- Crédit Agricole Securities Asia BV (Tokyo) (100%)
- Calyon Algérie (100%)
- Crédit Agricole CIB Australia Ltd (100%)
- Crédit Agricole CIB China Ltd (100%)
- Crédit Agricole Yatirim Bankasi Turk AS (100%)
- PJSC Crédit Agricole Bank CIB Ukraine (100%)
- Crédit Agricole CIB ZAO Russia (100%)
- Banco Crédit Agricole Brasil (100%)

Business Lines

Business lines of Crédit Agricole CIB are mainly Financing, Capital Markets and Investment Banking, International Private Banking and discontinuing operations.

→ FINANCING

The financing business combines structured financing and commercial banking in France and abroad. Banking syndication is involved in both of these activities.

Global loan syndication

This business line originates, structures, distributes and trades Crédit Agricole CIB's transactions on main global financial markets.

Syndicated loans are an integral part of capital raising processes for large corporate and financial institutions. Crédit Agricole CIB offers to its clients a full range of syndicated products such as Project financing and leveraged financing.

Structured Finance

The structured financing business consists of originating, structuring and financing major export and investment operations in France and abroad, often backed with assets as collateral (aircraft, boats, business property, commodities etc.), along with complex and structured loans.

Transaction commodity finance

Commodity trade financing activities provide financing and secure short-term payment services for goods flows in commodities and semi-finished products.

Our clients are major international producers and traders operating in the commodity markets, particularly energy (oil, derivatives, coal and biofuel), metals, soft and certain agricultural commodities.

Export and Trade Finance

Crédit Agricole provides financing and secure tailored solutions for the international trade transactions for import/export customers.

This business is supported by a commercial dedicated network spanning almost 40 countries and by expert teams covering a full range of products: letters of credit, international guarantees, buybacks/discount of trade notes, credit for buyers or suppliers with hedges granted by public-sector credit insurance companies of exporting countries (Europe, Asia, North America, South Africa), co-financing alongside multilateral financial institutions

Acquisition Financing

The acquisition financing team is the resuit of collaboration between Crédit Agricole CIB's commercial banking and investment banking businesses. It offers private equity funds various tailored services covering ail steps of their development (fund-raising, acquisition of target companies, buying and selling advice, IPOs, interest-rate and foreign-exchange products).

The team operates in Europe (Paris, London, Frankfurt, Milan and Madrid) and in Asia (Tokyo, Hong Kong and Sydney).

Natural resources, infrastructure and power

Crédit Agricole CIB provides financial advice and arranges non-recourse credit for new projects or privatisations. The bank and bond financing that Crédit Agricole CIB arranges involves commercial banks as well as export credit agencies and/or multilateral organisations.

The project finance business operates in natural resources (oil, gas, petrochemicals, mines and metal bashing), electricity generation and distribution, environmental services (water, waste processing) and infrastructure (transport, hospitals, prisons, schools and public services).

The business operates worldwide, with regional excellence centres in Paris, London, Madrid, Milan, New York, Houston, Singapore, Hong Kong, Tokyo, Sydney, Moscow, Sao Paulo and Mumbai.

Real Estate and Hotels

Crédit Agricole CIB's real estate and hotels department operates in 11 countries.

Crédit Agricole CIB provides advice to real estate professionals and to companies and institutional investors that want to optimize the value of their properties.

Shipping Financing

Crédit Agricole CIB has been financing ships for 30 years for French and foreign ship-owners and has built up a strong world -renowned expertise in this field.

This business finances a recent and diversified fleet of more than 1,100 ships for an international ship-owner client base.

Aircraft and rail financing

Crédit Agricole CIB has been operating in the aircraft financing sector for more than 35 years, and has an excellent reputation in the market. We have always taken a long-term view, seeking to establish sustained relationships with major airlines, airports and companies providing air transport services (maintenance, ground services etc.) in order to understand their business priorities and financing requirements.

Crédit Agricole CIB has been operating for several years in the New York and Paris rail sectors, and is continuing to extend its services in Europe.

Commercial Banking in France and abroad

Commercial Banking in France

In France, Crédit Agricole CIB's commercial banking products and services are supported by the expertise of Crédit Agricole CIB's specialist business lines, the Crédit Agricole Group's networks (regional banks and LCL) and specialised financial subsidiaries.

The commercial banking activity provides services including domestic and international cash management, short-and medium-term commercial loans, syndicated loans, leasing, factoring, international trade services (letters of credit, cash collection, export prefinancing, buyer credit, forfeiting etc.), domestic and international guarantees, market guarantees, and currency risk and interest-rate risk management.

International Commercial Banking

Outside France, Crédit Agricole CIB's network covers less than about fifty countries worldwide. It provides Crédit Agricole's corporate customers with a better knowledge of the local environment and easier access to the banking services they need outside France.

As regards Islamic finance, Crédit Agricole CIB solutions in various areas.

Bank Saudi Fransi (BSF)

69.9% of Banque Saudi Fransi is owned by Saudi shareholders and 31.1% by Crédit Agricole CIB. This universal bank mainly operates in Arabia. It has 3 regional centers in Djeddah, Ryad and Al Khobar and 83 branches all around the country, wih a total staff made of 2,626 persons on 31 December 2011. The bank clients are individuals but it has also a recognised expertise on the corporate market with strong positions in trade finance activities, structured finance and capital markets. It has an investment bank branch actively providing equity brokerage, asset management and M&A advisory services.

→ CAPITAL MARKETS AND INVESTMENT BANKING

This business includes capital markets, brokerage and equity derivatives activities, as well as investment banking.

Fixed Income Markets

This business line covers all trading activities and the sale of market products intended for corporates, financial institutions and major issuers. With a network made of around thirty trading floors, Crédit Agricole CIB has strong positions in Europe and Asia, a targeted presence in the USA and the Middle East, and additional entry points into local markets.

Drawing on this global network, the Bank offers its clients 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.

Treasury

The Treasury business line provides liquidity in convertible currencies up to one year.

It acts through five main liquidity centres located in Paris, London, New York, Tokyo and Hong Kong, and is active in 20 other countries.

Liquidity centres control and help to manage the liquidity of branches and subsidiaries in each region. This structure gives Crédit Agricole CIB Consolidated control and oversight over its cash position by providing constant access to the word's money markets.

Crédit Agricole CIB manages local, multi-currency issuance programs, which broaden its investor base. Sharia-compliant products have also been developed.

Foreign exchange

Crédit Agricole CIB has a strong presence in the currencies of Eastern Europe, Asia, Latin America, North Africa and the Middle East, as well as the main international currencies (euro, sterling, yen, Swiss franc, US dollar, Australian dollar and the Nordic currencies).

It offers a wide product range from spot foreign exchange to more complex products such as investment structured forex products, forex risk hedging products and cash liability optimisation tools. Each product can be designed to specific requirements.

Interest - rate derivatives

This business line deals with all interest-rate derivatives including standard products like interest-rate and currency swaps over two years and liquid bonds. It also provides inflation derivatives.

Debt and Credit Markets

This business focuses on credit and debt instruments for issuers (governments, statutory bodies, financial institutions and corporates) and investors worldwide.

It covers all the process from credit origination, sales and trading, securitisation, risks and transactions, to managing securitisations for third parties.

It is located in all major financial centers and has dedicated trading hubs in London, New York, Hong Kong and Tokyo.

Commodities

Crédit Agricole CIB's commodities business has a presence in six major financial centres: Paris, London, Geneva, New York, Houston and Hong Kong. Crédit Agricole CIB operates in energy (oil and refined products), core and precious metals, and also in soft and agricultural assets.

Brokerage and Equity Derivatives

Equity brokerage

CLSA

CLSA is a market-leader in Asian markets, providing equity brokerage, capital markets, M&A and asset management services to large corporations and institutional investors worldwide. It operates from about 15 locations in Asia, but also Dubai, London and New York.

CA Cheuvreux

CA Cheuvreux, Crédit Agricole Group's equity broker, offers to its institutional investors research, sale and execution services. CA Chevreux is made up of 90 analysts and economists and it covers 700 stocks in Western Europe and in emerging markets (Central and Eastern Europe, Middle East, Turkey and Russia). CA Chevreux, which is a major reference in execution services, offers an access to 100 markets.

It provides institutional brokerage services in the main European stock exchanges, along with execution of program trades, electronic brokerage in international markets and intermediation. Its client base includes companies, European private equity funds and Crédit Agricole Group retail customers.

Derivatives brokerage

Newedge

Newedge was created on 2 January 2008 through the merger of Calyon Financial and Fimat (Société Générale group). Its core business consists of brokerage services for listed derivatives. Newedge offers institutional clients a full range of clearing and execution services covering futures and options on financial products and commodities, as well as money market instruments, bonds, foreign exchange, equities, and commodities on OTC markets.

Newedge also provides interbank brokerage, along with a range of more specialized services, including prime brokerage, asset financing, an electronic platform for trading and order routing, cross margining, and the processing and centralized reporting of client portfolios.

Newedge operates across 85 equity and derivatives markets worldwide, with 25 locations in 17 countries.

Equity derivatives

Crédit Agricole CIB's equity derivatives and funds business combines trading, sales and arbitrage of equity derivatives, indexes and funds from standard products like certificates and convertible bonds to more investment solutions like structured products.

The business line operates in Europe and in the main sites of Crédit Agricole CIB.

Investment Banking

Crédit Agricole CIB's investment banking business involves all equity and long-term financing activities for corporate clients, and has three main segments:

Primary equity capital markets

The Equity Capital Markets business line is responsible for the advisory activities related to stocks and securities issuance giving rights to the share capital.

It is notably in charge of capital increases, secondary offerings as well as convertible bonds, exchangeable bonds and other hybrid products issues for the large and mid-cap primary markets.

Corporate Equity Derivates

The Corporate Equity Derivatives business is in charge of structuring and selling transactions involving equity derivatives, in order to help corporate clients to manage their equity and long term financing.

This activity covers leveraged employee savings, share buyback programs, equity financing and stock options or investment securities hedging.

Global Corporate Finance

This business line gathers ail the activities dedicated to mergers and acquisitions, from strategy advisory services to transaction execution.

It assists clients in their development with, advisory mandates for both purchases and disposals, opening up capital to new investors and restructuring, strategic financial advisory services and advisory services for privatisations.

→ INTERNATIONAL PRIVATE BANKING

The international private banking business provides individual investors with a worldwide comprehensive wealth management service range.

This business requires the implementation and rigorous coordination of numerous skills, specially adapted to the level of requirements of this customer segment, particularly as regards assets engineering, asset management, and order execution in ail global financial markets.

International Private Banking has a strong global presence through its Crédit Agricole Suisse, Crédit Agricole Luxembourg, Crédit Foncier de Monaco and Crédit Agricole Brasil DTVM subsidiaries, along with its two branches in Spain and Miami.

In 2011, subsidiaries and branches operating in private banking were unified under a common holding in order to reinforce synergies among the group.

→ DISCONTINUING OPERATIONS

The "discontinuing operations" perimeter has been set up during Crédit Agricole CIB's refocusing and development plan it adopted in the autumn of 2008. It encompasses the operations which were the most impacted by the crisis. The aim is to strictly manage the losses and to reduce the risk profile of the following portfolios:

- Portfolios of the CDO (Collateralized Debt Obligations) and ABS (Asset-Backed Securities) mainly collateralized by American subprime mortgages, commercial real estate mortgages or leveraged loans exposure.
- Structured Credit and "Correlation" products, underlying risk being a corporate credit portfolio represented by a CDS (Credit Default Swaps).
- Exotic equity derivatives products.

➔ INCOME STATEMENT HIGHLIGHTS FOR CRÉDIT AGRICOLE CIB GROUP'S MAIN SUBSIDIARIES AS OF 31 DECEMBER 2011

In contribution to Group consolidated net income

€ million	CA Suisse	Banque Saudi Fransi	CA Luxembourg	Newedge[(1)]	CLSA	CA Cheuvreux
Net banking income	464		145	409	411	164
Gross operating income	185		74	11	(16)	(94)
Net income Group share	134	134[(2)]	62	6	(22)	(70)

(1) 50% share.
(2) Group share accounting under the equity method.

Employee, social and environmental information

→ WORKFORCE INDICATORS

Methodology

Each company of the Crédit Agricole S.A. Group has its own employee relations policy, under the responsibility of a Human Resources Director. Overall consistency is managed by the human resources Department of Crédit Agricole S.A. Group.

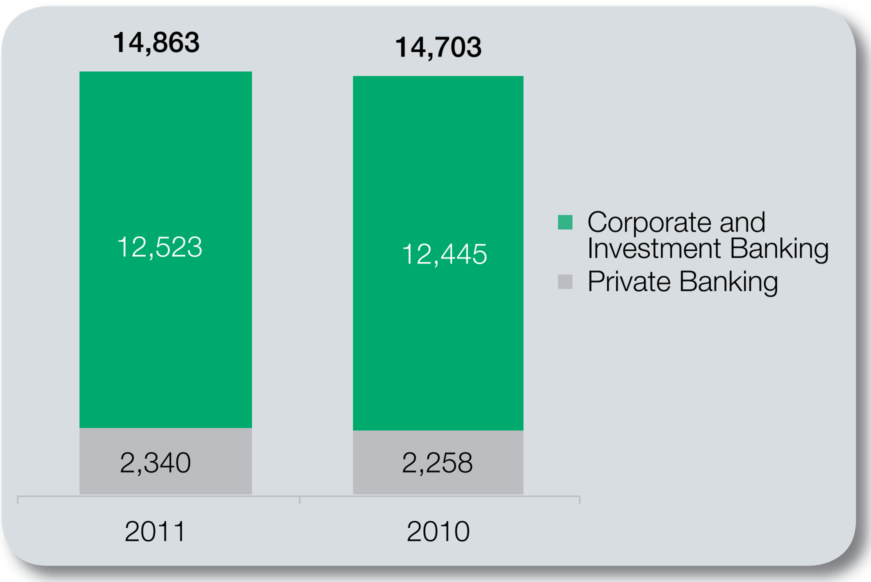
Entities concerned are those with employees that are consolidated either fully or proportionally (figures are reported according to the percentage of the Group's interest in their capital). In many cases,

- data are stated from the employer's side and not from the beneficiary one. The difference relates to employees seconded to one entity by another (with no changes in the employment contract), who report to their host entity from a beneficiary's point of view and to their legal belonging entity from the employer's point of view.
- the population in question is that of "active " employees. "Being active " implies:
  - a legal link in the form of a "standard " permanent or temporary contract of employment (or similar for foreign entities),
  - to be on the payroll and at work the last day of the period concerned,
  - working time of at least 50%.

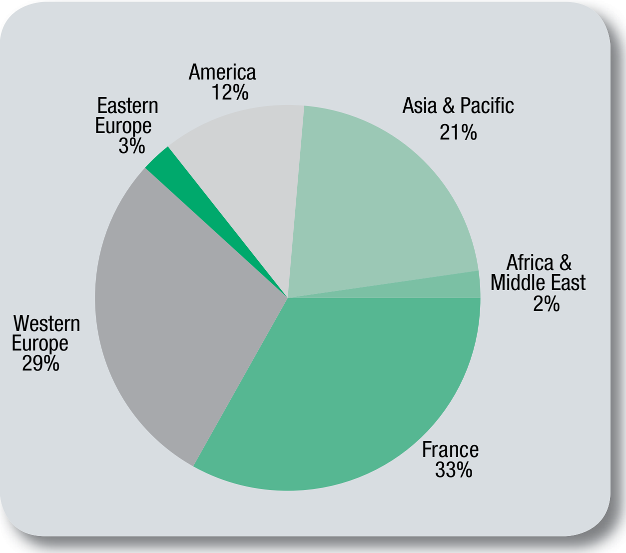
The scope of employees covered (as a percentage of full-time equivalent employees at the end of the year) is presented below for each item or table of this section.

Key figures

Headcount by business line (FTE: Full-Time Equivalent)



Headcount by region



Almost 2/3 of the Crédit Agricole CIB Group's employees are based in Europe.

Outside France (33% of employees), the main contributors are:

- USA (11% of employees)
- Switzerland (10% of employees)
- United Kingdom (9% of employees)
- Hong Kong (7% of employees)

Breakdown by type of contract (FTE: Full-Time Equivalent)

	2011			2010		
	France	International	Total	France	International	Total
Active permanent staff	4,868	9,741	**14,609**	4,812	9,592	**14,404**
Contract staff	70	184	**254**	64	235	**299**
Total active staff	**4,938**	**9,925**	**14,863**	**4,876**	**9,827**	**14,703**
Permanent staff on extended leave of absence	83	ND	**83**	79	ND	**79**
Total Staff	**5,021**	**9,925**	**14,946**	**4,955**	**9,827**	**14,782**

NA: Not available

Recruitment policies

Recruiting talents is one of the main challenges facing Crédit Agricole CIB in relation with its development plan and the growth of its businesses.

Becoming a more attractive employer and pre-recruiting new staff

Crédit Agricole CIB has pursued a pre-recruitment policy as part of its commitment to integrate young people since 2006. Expanding work-study programmes in France and a procedure for identifying talents among trainees, work-study and international voluntary work placements are also part of the policy to form a group of talents.

In 2011, Crédit Agricole CIB recruited almost 950 trainees, including more than 600 in France, along with 160 people on work-study programmes and around 80 on voluntary work placements in its foreign subsidiaries.

Pre-recruitment

Internships and work-based training in France (average monthly Full-Time Equivalent)	2011	2010
Work-based training	214	232
Interns	327	318
% of business scope in France	93%	93%

Relations with schools and universities

Crédit Agricole CIB maintains a strong presence in schools, in particular through the “School Captains ” programme supported by Crédit Agricole Group entities.

Many managers and employees are mobilised to support the HR teams at School Forums in France and abroad in order to share their experiences with students.

Other actions in the form of educational partnerships (case studies, courses, trading games) and participation in admissions panels also take place. Conferences and visits of the company are organised for students as well.

In 2011, the school relations team continued its activities with the finance associations of engineering and business schools in France (for example the Club Finance Paris, Master Probabilités et Finance de l’Université Paris VI).

Besides, Jean-Paul Chifflet was elected sponsor of Dauphine’s Investment and Global Banking Master, cofounded by Crédit Agricole CIB.

Work-study programme

Crédit Agricole CIB has a significant work-study programme.

Apprenticeship Masters are delivered a specific training to assist them in their supporting and developing mission of their apprentice. In 2011, 50 Apprenticeship Masters have thus followed this half-day session entitled “The Apprenticeship Master function”.

In July 2011, Crédit Agricole CIB’s annual work-study event brought together the apprenticeship masters, the program’s members, HR staff and the managers of the Apprentice Training Centre to review the programme and discuss its future role within the company.

Recruitment

Support for managers

A Manager-Recruiter Guide has been designed with the goal of helping managers keep an eye out for the behavioural and managerial skills needed for Crédit Agricole CIB’s performance, and of harmonising the recruitment process. The guide has been distributed to managers in March 2010 both in France and abroad.

In 2011, recruitment training sessions were also held in France and in London.

Number of staff recruited

Number	2011			2010(*)
	CIB	Private Banking	Total	
France	420		420	439
Western Europe	307	169	476	517
Central and Eastern Europe	22		22	40
Africa	2		2	11
Middle East	5		5	23
Asia-Pacific	494		494	628
Americas	138	28	166	129
Total	**1,388**	**197**	**1,585**	**1,787**
% of business scope			91%	91%

(*) In 2010 the number of staff recruited was 1,569 in CIB and 218 in Private Banking.

⅄ Integration and loyalty

Each new recruit is invited to a breakfast meeting with HR staff within three months of arriving at Crédit Agricole CIB. The aim of these meetings is to present the Group, explain the integration process and answer any questions new recruits may have.

Six months after arriving at Crédit Agricole CIB, all new staff must complete a feedback report and meet their HR manager to discuss their experiences and impressions of the company.

Employee development and support policies

The aim of the Group's human resources policy is to ensure that all positions are held by motivated employees whose skills and performance correspond to the requirements and requirements of their role.

⅄ Career management and mobility policy

Crédit Agricole CIB is involved in supporting and developing its talents. The Group's career management policy aims to allow all employees – regardless of their level within the organisation to develop their professional experience in a constructive matter. The Group has worked hard to give staff new internal roles as far as possible. Vacancies are published in the Group's internal job list.

In addition to the usual meetings between staff, managers and HR teams, Crédit Agricole CIB has introduced harmonised, interactive career management into all its worldwide operations, taking into account the international character of its activities and its corporate culture.

It has adopted initiatives in several areas:

Strengthening managers' roles

The work begun at Crédit Agricole CIB in 2009 to strengthen the role of its managers in terms of human resources administration continued throughout 2010 and 2011.

Managers play a central role in the implementation of Crédit Agricole CIB's strategy and in supporting their employees to develop their skill sets and to further their careers.

This is why, at the initiative of the General Management, the HR department of Crédit Agricole CIB has created a "management training programme". This training programme will continue to be rolled out in 2012.

The aim is to provide a foundation for managerial training to be shared by all management level employees at Crédit Agricole CIB. It will allow them to:

- Implement strategic priorities by individual and collective commitment,
- Work together to find solutions to common problems.

Designed to meet the needs of different job categories, the programme comprises four skill sets: management, leadership, change management and personal development. In addition, a manager stress prevention charter has been sent out to all managers in France in the business line with the most employees (Global IT & Operations).

In France, the 300 local managers working for this business line have completed a two-day training course on this topic, or will have done so by April 2012.

Finally, in addition to the existing managerial training programme, Crédit Agricole CIB's HR department is working on its definitions of "Best Managerial Practice". The aim is to provide managers with practical ways of improving their management of certain situations.

Staff appraisals

Annual appraisals are an important part of the dialogue between managers and staff. This process is key for Crédit Agricole CIB's approach to career management and staff mobility.

Crédit Agricole CIB has also consolidated the approach begun in 2009 for setting objectives: qualitative and quantitative objectives are formally set based on precise criteria making it possible to evaluate their achievement. The weight of these criteria in overall assessments depends on each business line. They are defined so as to be consistent with the orientations given by the head of the business lines who apply Executive Management's strategy to their particular business lines.

They are offered training and tools to help set targets for employees and determine how well these are being achieved.

For this purpose, in 2011 all managers benefited from a series of courses taught in two different ways. First, a number of e-learning sessions were designed to help them understand the importance of employee assessments and setting targets, and how to properly customise the key stages of the process. Then workshops on four different topics gave both experienced and new managers alike the chance to discuss any shared problems. 220 managers took part in 2011.

Employee assessments for evaluating performance and skill sets may, in some divisions, be preceded by a cross-feedback campaign. This involves collecting qualitative comments about the cross-divisional work carried out by certain employees.

The aim is to:

- Provide employees feedback about their work with members of other teams,
- Provide the manager in charge of carrying out the assessment a relevant basis for preparing evaluations,
- Promote cross-selling and "cross-divisional" collaboration.

Mobility and career committees

A special workshop on "Skills Administration and Change Management" provided an opportunity to redefine the criteria for identifying key resources and potential, with the aim of defining action plans (development, training and mobility) and preparing succession plans for all members of business-line and support-function committees.

Mobility and career committees, which manage movements of staff between different functions, were strengthened within Crédit Agricole CIB in order to increase mobility between business lines. The committees meet on a monthly basis to contribute to reinforce collaboration and cross-selling in line with the Group's strategy.

Mobility figures* for 2011:

- 345 transfers within business lines
- 293 transfers between business lines
- 167 international transfers over 21 countries
- 56 transfers to Crédit Agricole S.A. Group.

* Scope: Crédit Agricole CIB Group (source Human Resources).

In 2011, approximately 30% of vacancies at Crédit Agricole CIB were filled internally. As part of its FReD corporate responsibility policy, the General Management at Crédit Agricole CIB has set a target for 2012 of 35% of vacancies to be filled internally.

Enhancing employees' sense of belonging and developing the Group culture: PeopleC@re

In the last few years, the Credit Agricole S.A. Group has undergone major changes and expanded in France and abroad. Human resource management and the development of a Group culture are crucial to the success of this strategy.

As a result, the Crédit Agricole S.A. Group has adopted PeopleC@re, a shared career management tool that is being gradually rolled out across all entities.

Training policy

The 2011 training plan sought to support the Crédit Agricole CIB development plan by making certain that the bank had the collective and individual skills necessary to meet the challenges set by its business lines.

Crédit Agricole CIB thus proposed training made up of nearly 280 programmes relating to technical and managerial skills in order to cover its employees' collective and individual needs.

Training in regulations as well as in the fundamentals for performance assessment are provided as e-learning programs in order to provide access to the greatest number of employees.

The main objectives for training in 2011 were:

- Strengthening the feeling of membership among employees at the Crédit Agricole S.A. Group and Crédit Agricole CIB with a new scheme focused on knowledge about the group and an e-learning module about Crédit Agricole CIB's activities;
- Implementation of a Corporate Managerial career path for all managers at Crédit Agricole CIB based on their profile;
- Consolidation of "risk" skills by establishing a "common risk base" as part of our general "risk culture" project;
- Increasing Crédit Agricole CIB's commitment to preventing psychosocial risk by implementing initiatives specifically designed to raise awareness and open up communication channels as regards the stress suffered by GIO managers;
- Supporting senior employees through the second stage of their career with targeted initiatives such as an assessment for the second stage of their career;
- Roll-out of regulatory training via e-learning;
- Creation of an e-learning library with more than 400 modules on banking and finance, all available and accessible via the global e-learning platform.

In 2011, the percentage of personnel costs at Crédit Agricole CIB devoted to training was once again higher than the legal requirement and bears witness to the company's efforts to develop and strengthen its staff's skills.

In France, training costs in 2011 amounted to €7.2 million. Nearly 73% of employees with permanent contracts present at the end of the year received training. On average, employees trained in 2011 received 25 hours of training, roughly the same as they had in 2010 (in France).

	2011 (11 months)*		2010 (11 months)*	
	Number of employees trained	Number of hours training	Number of employees trained	Number of hours training
France	3,643	90,487	3,522	89,183
International	5,556	98,854	7,162	108,008
Total	**9,199**	**189,341**	**10,684**	**197,191**
% of business scope	82%	82%	84%	78%

* Note that December figures are not representative.

The main areas of training in France were as follows:

- Banking and finance were in first place, accounting for 28% of total training hours;
- Languages remained in second place, with 27%;
- Behavioural training was in third place, accounting for 16% of total training hours.

Knowledge area

Number of hours	2011 (11 months)*				2010 (11 months)*	
Themes	Total	%	France	International	Total	%
Knowledge of the Credit Agricole S.A. Group	8,835	4.70%	4,719	4,116	6,677	3.4%
Personnel and business mnagement	6,409	3.40%	2,158	4,251	13,049	6.6%
Banking, law, economics	26,345	13.90%	9,562	16,783	27,108	13.7%
Insurance	251	0.10%	0	251	311	0.2%
Financial management (Accounting, Fiscal policy,,,,)	13,196	7.00%	6,957	6,239	15,960	8.1%
Risks	10,808	5.70%	8,628	2,180	10,466	5.3%
Compliance	8,234	4.30%	852	7,382	8,229	4.2%
Method, organisation, quality	10,132	5.40%	5,501	4,631	10,492	5.3%
Purchasing, Marketing, Distribution	4,369	2.30%	2,381	1,988	3,674	1.9%
IT, Networks, Telecommunications	7,282	3.80%	3,092	4,190	7,445	3.8%
Foreign languages	55,579	29.40%	25,319	30,260	55,431	28.1%
Office systems, business-specific software, new technology	11,247	5.90%	5,197	6,050	14,012	7.1%
Personnel development and communication	21,939	11.60%	13,565	8,374	17,414	8.8%
Health and safety	2,544	1.30%	1,877	667	3,966	2.0%
Human rights and Environment	294	0.20%	85	209	646	0.3%
Human resources	1,877	1.00%	594	1,283	2,310	1.2%
Total	**189,341**	**100%**	**90,487**	**98,854**	**197,191**	**100%**
% of business scope	82%		100%	74%	78%	

* Note that December figures are not representative.

Compensation Policy

The Group strives to offer competitive compensation packages and incentives to motivate its staff, while taking into account the specific characteristics of its business lines, legal entities and local laws.

The compensation policy is designed to reward both individual and team performance, in keeping with the values of fairness, humanism and merit on which the Group has built its success.

Skills and responsibility level are rewarded by basic salary in line with each business's specific conditions and local market, with a view to offering competitive and attractive compensation in each of the markets in which the Group operates. Within Crédit Agricole CIB, variable compensation plans tied to individual and collective performance are applied on the basis of performance targets and the entity's results.

Bases for variable compensation are set taking into account activities' risk profile and all costs including the costs of risk, liquidity and cost of capital. Variable compensation is thus based on the determination of budgets by activity and its individual distribution to employees is decided by the managerial line depending on an overall assessment of individual and collective performances that is consistent with the financial and non-financial objectives that have been defined individually and collectively.

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

Variable compensation policy 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).

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.

The quantitative and qualitative information for the staff referred to by regulation 97-02 will be detailed in a dedicated report in accordance with article 43.2 of this regulation, and published before the 2012 Shareholders' Meeting called to approve the 2011 financial statements.

Compensation policy governance

Crédit Agricole CIB's Compensation Committee ensures the application within its activities of the principles defined by Crédit Agricole S.A.'s Compensation Committee:

- It establishes the proposals submitted to the decision of the Board of Directors relative to compensation policy within the framework of the principles laid down by Crédit Agricole S.A. More specifically in determining variable compensation packages (amounts, allocation) it makes certain that the impact of risks and capital requirements inherent in the activities concerned is taken into account.

- It ensures compliance with regulatory rules and professional standards and in particular those concerning employees subject to regulation 97.02.

- In addition to the compensation of corporate officers, it examines individual situations with respect to employees' variable compensation for the highest amounts (€1 million or more).

Compensation of senior executives

The senior executive compensation policy aims at reconciling the demands of an increasingly competitive market with the expectations of shareholders, employees and customers, and to be consistent with the Group's stature as a leading operator in the banking sector both nationally and internationally.

Direct compensation of Group executives consists of a fixed salary and variable compensation, half of which is based on financial targets, and the other half on non-financial criteria (managerial, customer satisfaction and social value creation targets). In addition, long-term variable remuneration paid in performance-linked shares should stimulate the achievement of social and financial targets. In 2011, the Crédit Agricole S.A. group finalised its new CSR policy ("FReD") which will be put into action as of 2012. Starting from 2012, therefore, the results of FReD will affect one third of the collective variable remuneration paid to management executives.

Finally, management executives also benefit from the Crédit Agricole S.A. Group's supplementary pension scheme.

Employee share ownership

Since 2001, Crédit Agricole S.A. has made regular increases in its share capital reserved for employees in France and around twenty countries internationally. These operations allow employees to become shareholders of Crédit Agricole S.A. for a minimum five-year period by benefiting from a discounted subscription price.

In June 2011, Crédit Agricole S.A. gave Group employees the chance to subscribe to a new capital increase reserved for employees. However, given the significant fall in the share price and particularly high market volatility in the days following the subscription period, Crédit Agricole S.A. decided to allow current or retired employees of the Group who had subscribed to this capital increase to pull out and cancel their subscription.

Free share allocation plan

In order to have all employees as shareholders of the Crédit Agricole S.A. Group, Crédit Agricole S.A. allocated 60 shares to every employee present on 9 November 2011, regardless of the business line, function and country. The inclusive nature of this plan is consistent with the company's desire to increase its social responsibility.

In accordance with the 29th resolution of the General Meeting of Shareholders of Crédit Agricole S.A. on 18 May 2011, the allocated shares will vest:

- Either at the end of a two-year vesting period, in which case the recipients must hold their shares for at least two years;
- Or at the end of a four-year vesting period, with no minimum holding requirement.

The share allocation will be carried out by the issue of new shares at the end of each vesting period up to a maximum of 0.2% of the existing share capital.

Employees from countries where it is not possible or too complicated to allot shares will still benefit under these same terms and conditions from an allocation Plan for a sum equivalent to the Crédit Agricole S.A. share price.

As of the end of 2011, employees and former employees of the Crédit Agricole S.A. Group owned 4.78% of the capital of Crédit Agricole S.A.

Pension fund

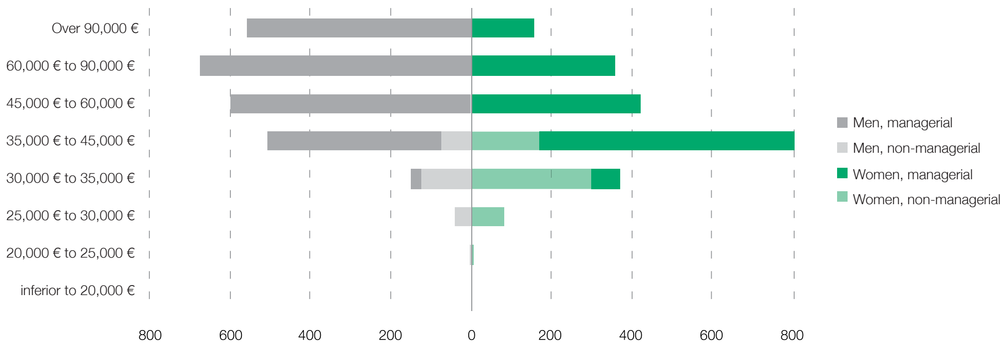
In 2011 Crédit Agricole CIB set up a collective pension scheme (PERCO). This scheme allows employees to save towards their retirement on favourable terms.

Individual salaries in France

Average base monthly salaries for active permanent employees at end of December in France

in €	2011			2010		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Managerial	6,363	4,753	5,689	6,274	4,660	5,618
Non-managerial	2,787	2,764	2,771	2,729	2,708	2,714
Total	**6,028**	**4,252**	**5,201**	**5,923**	**4,115**	**5,088**
% of business scope			96%			93%

Annual fixed remuneration at end-December 2011 for employees in France



% of business scope in France: 96%

The wages presented here are the result of weighted averages taking into account staff structures in 2010 and 2011. They include both joiners and leavers and annual salary reviews.

4.75% of employees in France received a collective pay rise.

Note that in France in 2011, 2,880 employees benefited from individual pay rises.

Collective variable compensation policies: incentive plan and profit-sharing

- Permanent profit-sharing agreement, concluded on 30 June 2004
- Amendments to the Crédit Agricole CIB profit-sharing agreement concluded on 24 June 2010, updating the terms of the profit-sharing agreement concluded on 30 June 2004 as regards the ability to ask for immediat full or part payment of the profit-sharing and the terms of information of beneficiaries,
- Incentive plan agreement for 2010, 2011 and 2012.

Collective variable compensation paid in France in respect of the previous year's results

	2011			2010		
	Gross amount paid *(in '000 €)*	Number of beneficiaries	Average amount *(in €)*	Gross amount paid *(in '000 €))*	Number of beneficiaries	Average amount *(in €)*
Profit-sharing						
Incentive plan	31,767	5,109	6,218			
Employee savings plan top-up[1]	9,717	4,463	2,177	4,151	2,867	1,448
Total	**41,484**			**4,151**		
% of business scope	96%			93%		

[1] The raise of the average amount of employer's additional contribution in 2011 is due to the application on April, 28th 2011 within Credit Agricole CIB of a Corporate Collective Retirement Savings Plan (see note 7.5 Other employee commitments on pages 203 and 204).

Promotions

Number	2011			2010		
	Men	Women	Total	Men	Women	Total
Promotion within non-managerial category	36	85	121	38	66	104
Promotion from non-managerial to managerial	17	50	67	12	35	47
Promotion within managerial category	251	128	379	266	148	414
Total	**304**	**263**	**567**	**316**	**249**	**565**
%	54%	46%	100%	56%	44%	100%
% of business scope	96%			93%		

Development of company-wide agreements

The Crédit Agricole S.A. Group's social policy aims to encourage constructive dialogue and relations with employees within the framework of:

- The development and performance of the Group and its employees;
- A CSR approach (Company Social Responsibility).

Company-wide agreements at Crédit Agricole Group level

These agreements are governed by three bodies: the European Works Council, the Group Works Council and the Consultation Committee.

The Crédit Agricole Group's European Works Council, formed on the basis of an agreement signed in January 2008 does not replace national bodies for dialogue with employees. It is a forum for information and discussion about economy, financial and social issues, which in view of their strategic importance deserve to be tackled on a pan-European level.

The Crédit Agricole S.A. Group Works Council, which does not replace existing works council within Group entities, is made up of both employee representatives and representatives of subsidiaries of the Crédit Agricole S.A. Group and the Regional Banks.

Lastly, the Consultative Committee, set up at the level of the Crédit Agricole S.A. Group, aims to develop discussions with employee representatives, particularly about strategy plans shared by a number of Group entities, cross-functional aspects of the Group's operation and the development strategies of each business line.

These three Crédit Agricole S.A. Group bodies may have jurisdiction for matters concerning the Crédit Agricole CIB Group, but do not replace Crédit Agricole CIB's own bodies.

Dialogue between management and labour within Crédit Agricole CIB entities in France

Within Crédit Agricole CIB, dialogue between management and labour takes place in several ways, involving the Works Council, the Health, Safety and Working Conditions Committee (CHSCT) and staff representatives.

Crédit Agricole CIB's Works Council consists of 12 primary members and 12 alternate members.

The Works Council is informed about and consulted on general issues affecting working conditions, resulting from the organisation of work, technology, working conditions, working time organisation, qualifications and compensation methods. It receives input from the Health, Safety and Working Conditions Committee (CHSCT).

The CHSCT consists of 12 members, and its brief is to help protect the health and safety of workers, and to improve working conditions. At the end of 2011, preparatory works begun for its renewal (beginning of 2012).

Crédit Agricole CIB has two staff delegations, one in Courbevoie and another in Saint Quentin en Yvelines. The Courbevoie delegation has 25 primary members and 25 alternate members, while the Saint Quentin en Yvelines delegation has 8 primary members and 8 alternate members. The role of staff representatives is to present to management any individual or collective complaints relating to pay, the application of employment legislation or statutory provisions relating to social protection, health and safety, and agreements applicable to the company.

Dialogue between management and labour also takes place through talks between unions and the Crédit Agricole CIB Group's management CIB. The electoral process for renewing paid Directors occured in November and December 2011.

In 2011, these talks yielded 15 agreements in France.

Number of company-wide agreements signed in France by theme

	2011	2010
Salary and related	12	6
Training		
Staff representation bodies	4	
Employment		
Working time	1	
Diversity and professional equality		
Other	2	1
Total	**19**	**7**
% of business scope in France	96%	93%

Exercising social and societal responsibility

For several years, in keeping with its historical values, Crédit Agricole S.A. has paid particular attention to its social and societal responsibility.

In line with actions launched in 2010, Crédit Agricole CIB focused in 2011 principally on the problems linked to psycho-social risks.

The analysis of a diagnostic on this subject made it possible to embark upon two areas of reflection: the first oriented towards the collective actions of all employees in France and the second aimed at specific actions for some targeted business lines.

These efforts are conducted by Crédit Agricole CIB through its Consultative Committee bringing together representatives of staff, management and workplace health services.

Non-discrimination policies and integration of minorities

A Manager-Recruiter Guide, published in March 2010, sent to managers and available to all Group employees online on the intranet, has a chapter on avoiding discrimination in the management of the recruitment process. The aim of these guidelines is to raise managers' awareness of anti-discrimination regulations.

In France, Crédit Agricole CIB is a partner of IMS (a French institute for social diversity) and has signed the Diversity Charter. As part of its partnership with the organisation, "Nos Quartiers ont des Talents", more than 30 Crédit Agricole CIB employees are currently mentoring graduates from low-income areas. The Group took part in the organization's national conferences in December 2011.

As part of its FReD project and in order to reflect Crédit Agricole CIB's strong international presence, the group has set itself a target of 20% of its senior management (categories 1 and 2) coming from the international network by the end of 2015.

Equality between men and women in the workplace

The Group is also continuing with its efforts to develop equality between men and women in the workplace. These efforts include:

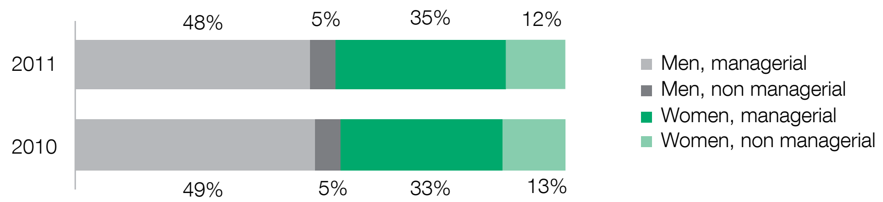
- Gender breakdown of governing bodies:
  - Crédit Agricole CIB's Executive Committee contains 2 women.
  - 6 women sit on the Management Committee.
- Efforts to ensure equality between men and women in the workplace:
  - The Equal Rights Commission for Gender Equality at Work, set up in 2010, brings together elected members of the Works Council and representatives from the Human Resources department. In 2011 research was carried out on the topic of fixed salary and an initial agreement on equality at work is currently being drawn up.
  - As part of its FReD project, Crédit Agricole CIB has set itself the target of 25% of its category 1 and 2 management positions being held by women by the end of 2015. As a first stage, Crédit Agricole CIB wishes to increase the proportion of women in its skills pool to 40% by the end of 2012.
  - Within the framework of 2010 annual negotiations applicable on 2011 fiscal year, the Human Resources department devoted a specific overall budget to the reduction of pay differences between men and women with regard to conventional professional categories. The gross amount has been doubled relative to 2010, and has come to €600,000 for 2011.

In addition, Crédit Agricole CIB supports Financi'Elles, the French federation of networks of female executives in the banking, finance and insurance sectors. Created in 2011, it brings together all the major players in our sector (BNP Paribas, Société Générale, Caisse des Dépôts, BPCE, Axa, HSBC, Barclays) with a view to discussing issues relating to the gender mix.

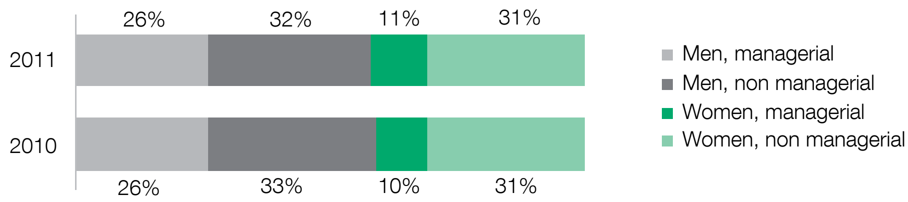
Crédit Agricole CIB's own network of female executives, PotentiElles, which was launched in October 2010 and is sponsored by the General Management, is one of the founding members of this initiative. One of the first things the banks and insurance companies who joined Financi'Elles did, was to take part in September 2011 in a survey of confidence levels among female executives in order to obtain an initial picture of the gender mix within our sector. This survey will be repeated every two years in order to assess changes in perceptions of the gender mix.

As at the end of December 2011, more than 300 female executives were members of PotentiElles and they regularly take part in network events (conferences, Mix'n'Match lunches).

Breakdown of employees in France by gender and category



Breakdown of international employees by gender and category



Proportion of women

%	2011		2010	
	%	Of workforce covered	%	Of workforce covered
Total employees	42.5%	88%	46.3%	91%
Permanent employees	37.9%	88%	35.8%	91%
Group Executive Commitee	2 out of 14	100%	1 out of 12	100%
Management circles 1 & 2(*)	12.7%	100%	12%	100%
Top 10% of highest earning employees in each subsidiary	17.0%	80%	15.7%	80%

(*) Management circles comprise members of executive committees and members of management committees of each entity.

Employment of disabled workers

Several initiatives were undertaken in 2011 to promote the integration of disabled persons in France.

- Implementation of individual support measures:
  - Funding for workstation adjustments (hearing aids, larger screens, voice synthesis),
  - Accessibility audits using deaf volunteers which resulted in the identification of several action points: managerial coaching, communication tools (office communicator), feedback for the telephone provider Tadeo etc.),
  - Additional facilities to improve accessibility of work premises to disabled persons.
  - Travel assistance between the home and workplace, implementation of distance-working tools, funding for vehicles,
  - Funding for training and personalised coaching. (e.g.: French for deaf people), personalised coaching,
  - Implementation of French Sign Language courses for 175 employees (more than 5000 hours of training),
  - Online accessibility of the activity report for the seeing-impaired,
  - Increased use of sign language (conferences, training).

- Awareness-raising:

- Events during the employment for the disabled week: a film on sign language courses (160 participants), photo exhibitions highlighting the work carried out by the disabled sector workshops which are partners of Crédit Agricole CIB, sales of books and greetings cards with proceeds going to a charitable organisation, group quiz,
- Three managers from Crédit Agricole CIB attended a whole day of “handigolf”, a competition for mixed disabled/able-bodied teams,
- Communication via the company’s various media (intranet, welcoming leaflets for interns and work-study programme participants).
- Information for the HR department about the 3rd group agreement,
- “Handicap et Diversité” brochure distributed to managers and HR,
- 55 employees given an insight into disability and the disabled workers sector in particular during three food tasting sessions put on by two workshops from the disabled workers sector.

In addition, in 2011 Crédit Agricole CIB signed a contract with a company from the disabled workers sector for managing its green spaces. The waste management recycling, half of printing work and the sending out of rejections to paper applications are all multi-year services now contracted out to workshops from this sector. On a one-off basis, disabled sector workshops also provided support during 2011 in the fields of communication, assistance work and catering.

As part of its FReD policy, Crédit Agricole CIB’s aim is to grant three new major recurring service contracts to the disabled workers sector by the end of 2013.

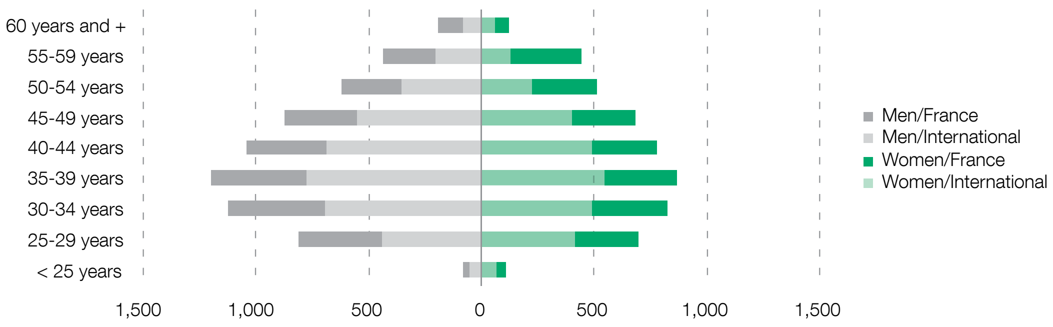
Age management and developing the employability of older staff

A plan of action was implemented about fair conditions for older employees in terms of compensation, promotion, training and mobility. Main initiatives are:

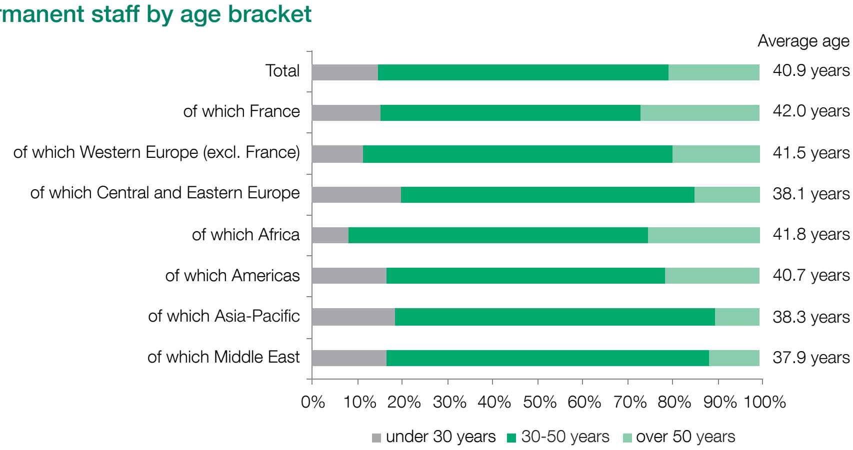
- Advanced career meetings were initiated in 2010 with the goal of covering in three years all employees aged over 45. HR managers followed a specific training module to prepare these meetings.

- Commitment to supporting older employees' professional development in terms of pay and training.
- The implementation of skills reviews for all staff aged over 45. In 2011, skill reviews were offered to 52 employees.
- Funding of a pension review for employees over 58. An agreement for this service was signed with Mondial Assistance.

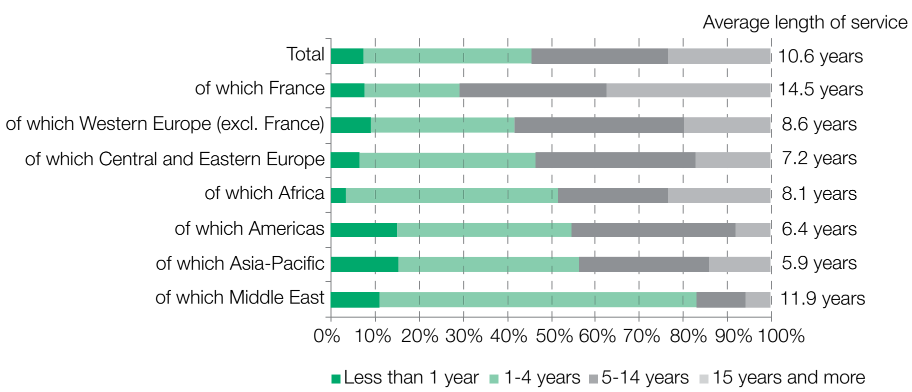
Age structure (at 31.12.11)



Breakdown of permanent staff by age bracket



Breakdown of permanent staff by length of service bracket and region in the Crédit Agricole CIB



Health and safety in the workplace

Prevention and management of psychosocial risks

Throughout 2011, and in line with the framework agreement signed in 2010 for the purposes of negotiating a company agreement on work-related stress, Crédit Agricole CIB continued its work on the problems caused by psychosocial risks, in particular with the assistance of the Joint Management Committee comprising representatives of the Occupational Health and Safety Committee, the occupational medical and social welfare services, and the Human Resources department. Thanks to these proposals it will soon be possible to open negotiations with a view to signing a company agreement on work-related stress.

Following the 2010 survey of employees in France which highlighted several sources of stress and the map of at-risk populations, targeted initiatives were undertaken in 2011, either on the recommendation of the Joint Management Committee or the initiative of certain business lines.

- The training catalogue offers one course for employees and another more specific one for managers. Both of these courses are automatically available to any employee on request.
- The Global IT & Operations Department was keen to have a manager's Charter. A working group of managers with back-office and IT experience, together with the support of the HR Department, drew up a document defining good managerial practices. Launch events were organised in September 2011 in order to share findings and thoughts and to present the results of the working group. Starting in the third quarter of 2011, general courses are now being provided on the mechanisms of stress and ways to combat them, based in particular on the key principles of the good managerial practices charter. The idea is to expand this initiative to the whole of Crédit Agricole CIB, working closely with the steering committee in charge of preventing work-related stress, which was set up in 2009 in collaboration with the Occupational Health and Safety Committee.
- The Occupational Health & Safety Committee instructed the company SECAFI to carry out an assessment of the Global IT business line. The results were presented to the Committee in December 2011.

The programme of active listening and providing advice to people in need for help (freephone) was maintained and new efforts to promote this unit's existence were undertaken.

Health and Safety

Crédit Agricole CIB is currently designing an e-learning module on personal safety that is due to be ready during the first half of 2012.

The educational aims of this module are to:

- Understand the general principles of personal safety,
- Be able to raise the alarm in the event of an accident,
- Know the correct preventive actions for their specific work area and know how to apply them.

For France, the 2010 assessment that was presented to the Occupational Health and Safety Committee in April 2011 confirmed that 3,650 employees had received safety training (including evacuation drills at the Doumer site).

Employee inclusion and participation

Internal inclusion

Since September 2011, employees at Crédit Agricole CIB have been offered courses in French sign language. Assistants, traders, accountants, IT technicians, senior bankers, managers: 175 employees from CACIB are currently taking a 30-hour module to learn French sign language. The initiative has met with great success. A small one-minute video was broadcast internally during the employment for the disabled week.

The level 1 module teaches basic communication signs and level 2 will be available in 2012 for those wishing to continue learning French sign language.

Involvement of employees outside the company

Crédit Agricole CIB has a strong presence in schools and uses various approaches to mobilise managers and employees to promote the Group among target students.

Alongside these pre-recruitment programmes, other methods are used to encourage employees to get involved in "extra-curricular" activities.

In Tokyo in November 2011, Crédit Agricole CIB took part in the 7th Financial Industry in Tokyo (FIT) charity run.

Thanks to sponsorship, participation fees and individual donations, the event raised 68 million yen. The money will be allocated to several local organisations in the Kanto and Tohoku regions in order to finance the reconstruction of areas devastated by the disaster that hit the north of Japan in March 2011.

Crédit Agricole CIB was also involved in the 2011 Financial Community Telethon which took place on 2 December. 110 runners from Crédit Agricole CIB joined by 16 from LCL and CADIF ran just over 900 laps raising €20,000.

Sponsorship

Crédit Agricole CIB is a committed sponsor of programmes to improve access to culture.

In January 2011, Crédit Agricole CIB supported a production of Gioachino Rossini's The Barber of Seville as part of its partnership with the Châtelet Theatre.

From 8 November 2011 to 29 January 2012, Crédit Agricole CIB supported the "Samurai, Armour of the Warrior" exhibition at the Quai Branly Museum in Paris.

Work-life balance and part-time work

	2011			2010		
	Managerial	**Non-managerial**	**Total**	**Managerial**	**Non-managerial**	**Total**
Part-time staff	282	156	438	259	173	432
Part-time staff as % of total	7.1%	19.7%	9.2%	6.9%	21.0%	9.4%
% of business scope in France	96%			93%		

Other indicators

Permanent staff departures

Permanent staff departures by reason	2011				2010			
	France	**International**	**Total**	**%**	**France**	**International**	**Total**	**%**
Resignation	163	724	887	69%	119	919	1,038	74%
Retirement and early retirement	46	42	88	7%	59	25	84	6%
Redundancy	34	186	220	17%	38	173	211	15%
Death	3	4	7	1%	5	2	7	1%
Other reasons	30	54	84	6%	7	50	57	4%
Total	**276**	**1,010**	**1,286**	**100%**	**228**	**1,169**	**1,397**	**100%**
% of business scope	100%	82%	88%		93%	90%	91%	

Retirement

	2011			2010		
	France	**International**	**Total**	**France**	**International**	**Total**
Retirement	**46**	**42**	**88**	**59**	**25**	**84**
Managerial	29			39		
Non-managerial	17			20		
% of business scope	100%	82%	88%	93%	90%	91%

Absenteeism

	2011							2010		
	Managerial		Non managerial				Average number of absence days per employee	Total		Average number of absence days per employee
	Women	Men	Women	Men	Number of days	%		Number of days	%	
Illness	11,696	6,489	9,158	1,721	29,064	42%	6.1	31,961	44%	7
Accident in the workplace and during travel	698	190	106	321	1,315	2%	0.3	1,738	2%	0.4
Maternity/paternity	22,624	1,535	4,565	160	28,884	42%	6	27,214	37%	6
Authorised leave	4,266	1,737	1,548	307	7,858	12%	1.6	8,346	12%	1.8
Other reasons	441	381	626	66	1,514	2%	0.3	3,626	5%	0.8
Total	**39,725**	**10,332**	**16,003**	**2,575**	**68,635**	**100%**	**14.3**	**72,885**	**100%**	**16**
% of business scope in France	96%							93%		

ENVIRONMENTAL INFORMATION

Environmental performance

Crédit Agricole CIB is endeavouring to reduce its carbon footprint by cutting its consumption of energy and paper, implementing company travel procedures and rolling out recycling schemes.

Energy

In Paris, in 2011, the buildings managed by Crédit Agricole CIB cut their energy consumption by 8% compared to 2010, following flat consumption in 2010 versus 2009. This significant reduction, representing nearly 2 GWh, is the result of several factors: optimising building performance, carrying out improvement works (involving in particular a move to LED technology for lighting) and reducing IT demands by relocating the servers.

25% of the head office's electricity (and 17% for the Paris region) was provided from renewable sources.

Efforts to minimise energy consumption also concerned premises which Crédit Agricole CIB rents.

Thus, in 2011, the premises managed by Crédit Agricole CIB cut their energy by 4% in London and 11% in Tokyo.

Paper

Virtually all of the printing paper used by Crédit Agricole CIB in Paris, London and New York is certified by the Forest Stewardship Council (FSC) or the Sustainable Forest Initiative attesting to the fact that it comes from sustainably managed forests. Printers at Crédit Agricole CIB Hong Kong now use print paper with FSC (Forest Stewardship Council) certification.

The New York, Tokyo and London offices also use recycled paper. Paris took the decision to continue using normal paper since it is cheaper than recycled paper, and instead is focusing its efforts on reducing the volumes used. Paper consumption at the head office in Paris fell by 12% in 2011, following a reduction of 3% in 2010, 17% in 2009 and 9% in 2008. This is the result of several company-wide initiatives such as reducing the number of printers by using multi-function machines and using a default setting of printing both sides, in black and white only.

These measures have been adopted in Tokyo, Hong Kong and London and are currently under consideration in New York. Paper consumption at Crédit Agricole CIB London has therefore been reduced by 22% in 2011, and at Crédit Agricole New York by 25% since 2009.

Waste

At the Paris and London offices, spent electronic equipment, batteries, light bulbs and print cartridges are collected and sorted for recycling. Most of Crédit Agricole CIB Paris' PCs are dismantled, then either recycled or sold cheaply to charities by Ateliers du Bocage (a subsidiary of Emmaüs). All collected paper and card is recycled. Paper accounts for 25% of the Paris office's waste by weight. In 2011, Paris extended its recycling efforts to include used pens which are now collected in special bins and recycled by the company TerraCycle.

Special efforts have been made in London to recycle food waste (+69%) and electronic equipment (+91%). Food waste is converted into high quality compost (PAS 100 compliant) and used by farms in the Kent region. Used electronic equipment (monitors, screens, printers etc.) is collected by the company End of Line which guarantees 100% recycling (no landfill and all its vehicles are Carbon Neutral® certified).

Transportation

A Corporate Transport Plan was developed in 2009 for the Greater Paris Area. The goal is to reduce transport emissions by 15% over three years from the average over the period 2005-2007. 80% of the company's transport emissions are due to business travel which is subject to a company travel policy (which states for example that journeys under three hours must be made by train, and which limits the use of taxis). The trends recorded at the end of 2011 were very positive with a fall of over 30% in the number of journeys compared to 2007 and a 20% increase in train usage.

In London, Crédit Agricole CIB maintained in 2011 its "Cycle to Work " programme, which mirrors the UK government's plan to encourage people to use their bicycles to commute to work.

Managing environmental and social impact

Consideration of sustainable development issues

In 2011 Crédit Agricole CIB continued its work in the field of sustainable development especially as regards issues relating to climate change

The Equator Principles

Crédit Agricole CIB is part of the group of banks who implemented the Equator Principles in June 2003. They allow the assessment of the risks relating to the environmental and social impacts of projects of more than $10 million. For the bank this means a process of due diligence and for borrowers it means an obligation to develop projects that comply with the standards set by the International Finance Corporation (IFC). In just a few years these principles have become a market standard for project finance transactions and their influence now extends to other methods of funding too.

Project assessment

Project classification is based on International Finance Corporation (IFC) classification, which comprises three levels: A, B and C.

- A corresponds to a project presenting potentially significant negative social or environmental impacts that are uniform, irreversible or unprecedented;
- B corresponds to a project presenting limited negative social or environmental impacts, generally relating to one site, that are largely reversible and easy to resolve;
- lastly, C corresponds to projects presenting minimal or no negative social or environmental impacts.

Crédit Agricole CIB classifies projects by using a tool to assess their social and environmental impact according to the IFC rating system developed by the bank in 2008. The relevance of this tool is constantly revised on the basis of the past experience. It was decided in 2010 to improve some aspects of the tool.

Implementation of the Equator Principles

The implementation of the EP was developed on the initiative of Crédit Agricole CIB's Project Finance business line. The assessment and management of environmental and social risks is carried out initially by business managers, assisted by a network of local EP correspondents within each Project Finance regional structuring centre in permanent collaboration with a Coordination Unit.

In addition, Crédit Agricole S.A.'s Industry and Sector Research unit provides help and additional insight, adding its skills in environmental and technical issues and helping to refine the analysis and identification of risks depending on the business sector. The co-ordination unit, consisting of operational staff from the project financing business, co-ordinates the practical aspects of implementing the Equator Principles. It manages the network of local correspondents and provides special training for staff concerned.

The CERES Committee, which has replaced the Equator Principles Committee, meets in official sessions at least four times per year and validates the classification of projects into categories A, B or C.

Statistics

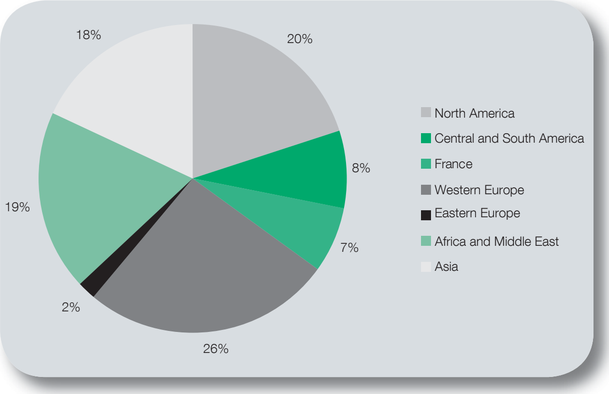
Globally, 358 projects have been rated at 31 December 2011 of which 57 during 2011:

- 24 projects were placed in category A of which 4 during 2011,
- 275 were placed in category B of which 40 during 2011,
- and 59 were placed in category C of which 13 during 2011.

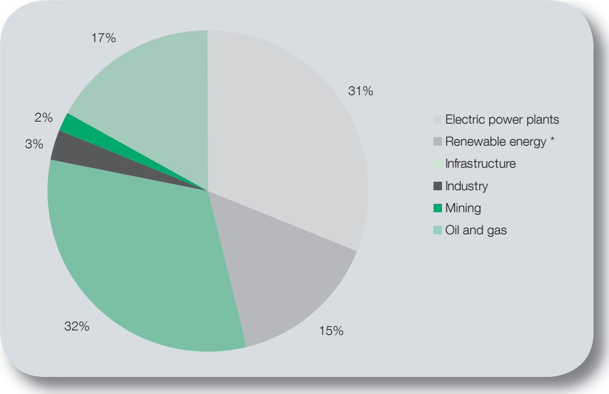
These projects have been analysed under environmental due diligence based on their rating with particular attention paid to A-rated projects which are monitored specifically by the CERES Committee.

The breakdown of ranked project by sector and region is shown below:

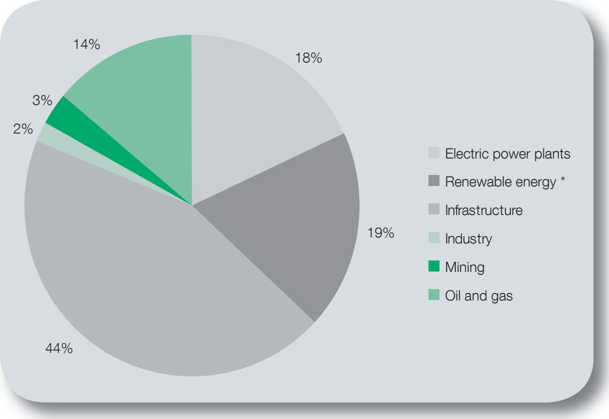
■ Ranked projects at 31 December 2011
Breakdown by region



■ Ranked projects at 31 December 2011
Breakdown by sector



■ New ranked projects at 31 December 2011
Breakdown by sector



* Renewable energy: Wind, solar, biomass and hydraulic

Efforts to extend the Equator Principles

The Equator Principles were developed to be able to deal with the existing constraints and driving forces for project finance in the sense of the Basel Committee on Banking Supervision. Even though they cannot currently be applied as is to other modes of financing, they nevertheless provide a useful methodology framework for identifying and preventing any social and environmental impact whenever the funding is for the construction of a particular industrial asset (e.g. factory, transport infrastructure).

Crédit Agricole CIB has from the outset been actively involved in several of the working groups set up within the group of banks who have adopted the Equator Principles. Crédit Agricole CIB has in particular helped draw up best practice guidelines aimed at promoting the application of these principles to methods of funding other than project finance. In 2011 Crédit Agricole CIB actively took part in discussions on how to expand the Equator Principles.

Nevertheless, Crédit Agricole CIB has been assessing the environmental and social cost of transactions since 2009. An ethics committee for transactions posing an environmental or social risk (called the CERES committee, chaired by the Compliance Manager) makes recommendations upstream of the credit committee with regard to any transaction where it believes careful monitoring of environmental or social aspects is required.

Sustainable Banking Unit

Created at the end of 2009, the Sustainable Banking team advises the Bank's priority clients on any transactions of a social nature. This team meets the increasing demand from Crédit Agricole CIB's clients for financial advice on projects targeting both financial returns and social change (poverty relief, creation of employment in underprivileged areas, minimising the carbon footprint, etc.). This is sometimes called impact investment or double bottom-line investment.

The team helps clients structure these transactions, encourages each business line to be active in this field and collaborates closely with various members of the Crédit Agricole group. Being built on such strong synergies, it represents a centre of expertise for responsible investment within the investment bank.

The Sustainable Banking team is currently working on several investment projects aimed at economically-viable poverty relief. In 2011, it played a key role in setting up the Livelihoods Fund which aims to improve the living conditions of rural populations in developing countries using carbon finance. In addition, as part of France's year for chairing the G20, the team advised the French Development Agency on how to structure solutions for agricultural commodity price hedging in developing countries. These considerations are aimed at reducing the volatility of agricultural prices, which affects food security.

Climate issues and human rights

Efforts to combat global warming

Crédit Agricole CIB is committed to a continuous improvement programme aimed at better controlling the environmental footprint of its credit portfolio. In 2011 work was undertaken to quantify emissions caused by the Bank's financing and investment activities. An initial basic map was produced which will now be used as the basis for designing new sector-based policies. In particular, a range of policies are due to be published in 2012 regarding the energy macro sector.

Work on resulting emission quantification in association with Université Paris Dauphine and Ecole Polytechnique Chair of Quantitative Finance and Sustainable Development

Crédit Agricole CIB is a partner of Université Paris Dauphine and Ecole Polytechnique Chair of Quantitative Finance and Sustainable Development.

The specific feature of this project, which has been supported from the outset by Crédit Agricole CIB, is that it brings together quantitative finance specialists, mathematicians and sustainable development specialists. The work is carried out by a team of some 20 experienced researchers in France and North America and is supervised by a high-quality Scientific Committee made up of two professors from the Collège de France, Pierre-Louis Lions and Roger Guesnerie.

It was as part of this programme that work was begun in 2010 to quantify the CO2 emissions caused by the Bank's financing and investment activities. Since there is no established method for financing and investment banks, work first had to be carried out on designing a methodology framework. An initial methodology was designed which breaks down emission levels officially reported by each country as part of the UN Framework Convention on Climate Change into global warming by macro-sector and attributes the emissions of each pairing (sector + country) to the various financial players based on their contribution to financing and investment projects.

Based on the first results, annual emission levels caused are of a general order of approximately 200 Mt CO2 equivalent. This reflects the carbon intensity of the activities financed by Crédit Agricole CIB and shows the active role played by the Bank in funding the global economy. Additional work is scheduled for 2012 in order to take account of recent recommendations published by the GHG Protocol on how to calculate Scope 3 emissions for financial institutions. Even without any changes to the methodology, however, we have determined that two macro-sectors are responsible for the majority of emissions: energy and transport. Sector-based policies will therefore be drawn up in order to establish the procedure for the Bank's involvement in these sectors.

CA Cheuvreux: pioneering the integration of climate issues into financial research

Further to the 2008 signing of the Responsible Investment Principles established under the aegis of the United Nations, Crédit Agricole Cheuvreux has incorporated Environmental, Social and Governance (ESG) considerations into its financial research. Its stock market research publications systematically include ESG analyses.

Thanks to its special expertise in the climate area and its research into the carbon market, in 2011 Crédit Agricole Cheuvreux was chosen as it had been in 2009, and 2010 for the analysis of the Carbon Disclosure Project on the top 300 European stocks.

Financing of renewable energies

Crédit Agricole CIB is one of the leaders in the financing of renewable energies. The bank has been involved in this field since 1997 for about a decade. It financed its first wind farms in 1997, and financed a solar energy project in Spain in 2008. The business line “Project Finance” financed a total of 226 wind farms for a total of 10,000 MW and 21 solar power plants for a total active capacity of 850 MW were financed.

The proportion of funding of energy production projects in this sector has increased constantly over recent years and represented over half of all such transactions in 2011.

Promoting human rights

Crédit Agricole CIB works within the Crédit Agricole Group’s framework of values and particularly of the Human Right Charter adopted by the Group on December 2009.

Policy on financing military and defence equipment

Crédit Agricole CIB defined a sector policy covering the arms industry. This policy in particular provides for gradually phasing out loans to companies manufacturing or marketing anti-personnel mines and cluster bombs. With regard to the financing of military and defence equipment, numerous conditions are imposed concerning the type of transaction, the identity of stakeholders and approval by official organisations.

2 CORPORATE GOVERNANCE

Chairman of the Board of Directors' report

To the Shareholders:

In accordance with article L. 225-37 of the Code de Commerce and the principles and standards in force within Credit Agricole S.A. Group and the Credit Agricole Group as a whole as regards corporate governance, internal control and risk management, this report is presented alongside the management report drawn up by the Board of Directors, in order to provide you with information on the way in which the work done by the Board of Directors is prepared and organised, and on the internal control and risk management procedures implemented by Crédit Agricole Corporate and Investment Bank.

This report has been prepared on the basis:

• of work done by the various staff responsible for periodic controls, permanent controls and compliance, their discussions with the Executive Management and within the Audit and Risks-Committee and the Board of Directors, particularly through the presentation of the internal control report;

• of internal control documentation prepared within the Company;

• and of work done by the Corporate Secretary and the Finance Department.

This report was presented to the Audit and Risks Committee on 20 February 2012 and was approved by the Board of Directors at its meeting of 21 February 2012.

Use of a corporate governance code

The Company uses the AFEP/MEDEF corporate governance code. It is displayed on http://www.code-afep-medef.com.

→ BOARD OF DIRECTORS - EXECUTIVE MANAGEMENT - ATTENDANCE TO THE SHAREHOLDERS' MEETINGS

Additional information concerning the composition of the corporate bodies, the terms of office and compensation of corporate officers is provided in pages 59 to 80 and is incorporated into this section by reference.

The preparation and organisation of work done by the Board of Directors comply with laws and regulations currently in force, the Company's Articles of Association, the Rules of Procedure applying to the Board of Directors and internal directives.

Separation of the functions of Chairman of the Board of Directors and Chief Executive Officer

The function of the Chairman of the Board of Directors is separated from the function of Chief Executive Officer.

Mr. Jean-Paul Chifflet, Chairman of the Board of Directors, and Mr. Jean-Yves Hocher, Chief Executive Officer, have been designated the Responsible Executives within the meaning of banking regulations.

As a Responsible Executive, Mr. Chifflet, in compliance with the orientations, decisions and powers attributed to the Company's corporate bodies and in cooperation with the Chief Executive Officer, disposes of the powers needed to:

• participate in the effective determination of the orientation of the Company's activity;

• ensure compliance with articles L.571-4 to L.571-9 of the Monetary and Financial Code relative to financial and accounting information;

• monitor the correct functioning of internal control;

• participate in the determination of shareholders' equity.

The Board of Directors decided to split the functions of Chairman of the Board and Chief Executive Officer in May 2002, in accordance with article 13 -paragraph 5- of the Company's articles of association and France's New Economic Regulations Act no. 2001-420 of 15 May 2001. The decision followed the shareholders' decision in the May 2002 Shareholders' meeting to change the Company from a société anonyme (public limited company) governed by a Supervisory Board and Management Board to a société anonyme governed by a Board of Directors.

The separation of the two functions fully distinguishes between the roles of the CEO and the Chairman of the Board of Directors. The Chairman's role includes organizing and directing the work done by the Board of Directors, and ensuring that the company's governing bodies are operating properly. The separation of functions also clarifies the roles of the supervisory body and the executive body, and makes them easier to fulfil. These roles are defined by laws and regulations applicable to the company, particularly as regards internal control, including CRBF (Comité de la Réglementation Bancaire et Financière) regulation 97-02.

The decision to separate the functions of Chairman and Chief Executive Officer proved entirely justified in the last three years of financial and economic crisis. In 2008, the Chairman and members of the Board of Directors redefined the Company's strategy in the light of the new challenges, and the Executive Management set up a new arrangement based on the following principles:

- business lines and support functions had to be organised more simply, to provide better service to customers;
- new corporate governance methods were needed to increase collaboration between business lines and support functions.

The evolution of the economic and financial environment during the second semester of 2011 and the acceleration of Basel 3 application calendar forced Crédit Agricole Group to define an adjustment plan, which notably includes a structural cut in the bank's liquidity consumption.

Within this framework, the Board of Directors of the company, who met on 14 December 2011, approved the implementation of a plan which entails not only the reduction of financing needs but also the evolution toward a new model for Corporate and Investment Banking, focusing on distribution and service to major clients. This plan will notably result in a geographical refocusing and the closing of some activities.

General presentation and composition of the Board of Directors

Number of directors

The Company's Articles of Association state that the Board of Directors shall be made up of between six and twenty Directors.

At least six of these directors shall be appointed by shareholders in the General Shareholders' meeting, and two elected by employees.

Number of Directors at 31 December 2011: the Board of Directors is made up of 17 Directors (15 Directors are appointed by shareholders in the Shareholders' meeting, and two Directors are elected by employees).

The Board of Directors also includes one non-voting member.

Terms of office of Directors

In accordance with article 9 of the Articles of Association, a Director's term of office is three years. The age limit for directors is sixty-five, although as an exceptional measure the term of office of a Director who has reached the age limit may be renewed for a maximum of five subsequent one-year periods, provided the total number of Directors aged sixty five or over does not exceed one third of the number of directors in office (article 10 of the Articles of Association).

- At 31 December 2011 the expiry dates of Directors' terms of offices are staggered as follows:

Shareholder's meeting in	2012	2013	2014
Number of Directors			
- Directors appointed by shareholders in the Shareholders' meeting	3[1]	7[1]	9[1]
- Directors elected by employees	-	-	2

[1] Including two terms of office in accordance with article 10 of the Articles of Association, as mentioned above (renewed every year).

Composition of the Board of Directors

Changes in the composition of the Board during 2011:

The appointments and resignations which occurred during 2011 are as follows:

As Director	since
Ms Stéphane Pallez	11 May 2011
Mr Denis Gasquet	11 May 2011

As Non-voting member	since
Mr Philippe Geslin (Director until 11 May 2011)	11 May 2011

Composition of the Board at 31 December 2011:

Directors:

Jean-Paul Chifflet (Chairman),
Edmond Alphandéry
Philippe Brassac
Frank Dangeard
Marc Deschamps
Jean-Frédéric Dreyfus[*]
Denis Gasquet
François Imbault
Marc Kyriacou[*]
Jean Le Vourch
François Macé
Didier Martin
Ms Stéphane Pallez
Jean Philippe
Jean-Louis Roveyaz
François Thibault
François Veverka

Non-voting member

Philippe Geslin

[*] Director representing employees, reelected during the 2011 electoral process.

In 2011, the average age of directors was 58.

■ Independent Directors within the Board with respect to AFEP/MEDEF recommendations

In February 2011 the Board of Directors re-examined the list of Directors classed as independent, (there were four as of 31 December 2010): Mr Alphandéry, Mr Dangeard, Mr Martin and Mr Veverka. It then extended this list during the Board meeting on 11 May 2011 to also include Mrs Stéphane Pallez and Mr Denis Gasquet as independent Directors, both of whom were appointed as Directors at the May 2011 Shareholder's meeting.

As of 31 December 2011, independent Directors (who must make up at least one third of the board for companies whose capital is owned by a majority shareholder; Crédit Agricole S.A. owns more than 97% of the company) made up one third of the Board.

The composition of the Board of Directors reflects the Crédit Agricole group's wish for Chairmen or General Directors of regional branches of Crédit Agricole to be represented on the board of directors of some of the subsidiaries of Crédit Agricole S.A.

31 December 2011	Criterion(1)	Criterion(2)	Criterion(3)	Criterion(4)	Criterion(5)	Criterion(6)	(7) (a) b) not considered by the Company
Mr Alphandéry	X	X	X	X	X	X	Not applicable
Mr Dangeard	X	X	X	X	X	X	Not applicable
Mr Gasquet	X	X	X	X	X	X	Not applicable
Mr Martin	X	X	X	X	X	X	Not applicable
Ms Pallez	X	X	X	X	X	X	
Mr Veverka	- (a)	X	X	X	X	X	(a) - Mr. Veverka is also an Independent Director on the Board of Crédit Agricole S.A.

(1) Is not, and has not been in the last five years, an employee or corporate officer of the company, an employee or corporate officer of the parent company or of a company that consolidates the company.
(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 fi ve years) is a director.
(3) Is not a significant client, supplier, corporate banker or investment banker:
- for the company or its group,
- or whose activities consist significantly of business with the company or its group.
(4) Has no close family relationship with a corporate officer.
(5) Has not been an auditor of the company in the last five years.
(6) Has not been a director of the company for more than 12 years.
(7) a/ Directors representing major shareholders of the company or of the parent company may be considered independent if they do not take part in the control of the company. If the shareholder owns more than 10% of the capital or voting rights, the Board of Directors, based on a report by the appointments committee, shall systematically investigate the director's independence taking into account the company's ownership structure and the existence of a potential conflict of interest.

b/ The Board of Directors may take the view that a director who fulfils the criteria below should not be deemed independent because of his/her particular situation or that of the company, given the company's ownership structure or for any other reason. Conversely, the Board may take the view that a director who does not fulfil the criteria below is nevertheless independent.

Shares held by Directors

Directors must own at least one share in the company, in accordance with the provisions of the articles of association.

Operation of the Board of Directors

Calling Board meetings and frequency of Board meetings

The Articles of Association state that the Board shall meet whenever the interests of the Company so require and that meetings shall be called by the Chairman or by any person authorised to do so by the Board of Directors. If the Board has not met for more than two months, the Chairman may be asked by at least one third of the Board members to call a meeting in order to consider a predetermined agenda. In 2011, the Board of Directors met eight times, including six times in accordance with the scheduled agenda and twice on 9 March and 1 June 2011.

Powers of the Board of Directors

The powers of the Board, as defined in article L.225-35 of the French Commercial Code, are set out in the Board's Rules of Procedure. Under the duties given to it by law and taking into account the powers granted to the Executive Management, the Board of Directors defines the Company's strategies and general policies, and approves - on the basis of proposals by the Chief Executive Officer and/or the Deputy Chief Executive Officers, as applicable - the means, structures and plans designed to implement the strategies and general policies it has defined. The Board makes decisions on all matters concerning the governance of the Company referred to it by the Chairman and the Chief Executive Officer as well as on issues concerning fixed and variable compensation submitted by the Compensation Committee.

In addition to the aforementioned powers and those conferred upon it by law, the Board of Directors takes decisions, on the basis of proposals by the Chief Executive Officer and/or any of the Deputy Chief Executive Officers:

- on any transaction involving:
  - the creation, acquisition or sale of any subsidiaries or holdings;
  - the opening or closure of any branches abroad;
  - the acquisition, disposal, exchange or transfer of business assets,

Liable to result in an investment or divestment in excess of €50 million;

- or the provision of security to guarantee the Company's commitments (including those not relating to transactions on the financial markets), when the security concerns Company assets with a value of more than €50 million.

The Board also approves proposals by the Chief Executive Officer or Deputy Chief Executive Officers relating to the purchase or sale of real estate made in the name or on behalf of the Company, when the amount involved exceeds €30 million.

Board referral, information and intervention procedures

In order to enable the Board Secretary to prepare the Board of Directors meetings, a Company internal directive describes the Board's conditions and methods of intervention. This directive thus provides for the conditions under which head office departments and branches must communicate with the Secretary within the framework of the calendar of Board meetings, the points that may be added to the draft agendas of the meetings and the information documents required. This directive also specifies, depending on the type of information or decision, the process for implementing the decisions of a predominantly legal nature and the elements of their content (in particular summary descriptions of transactions; the amounts at stake for the Company and the Group; advantages and prospects within the framework of the Company's and the Group's strategy, and the text of the proposed resolution). The draft agenda is then sent for approval to the Chairman of the Board of Directors.

The Board of Directors' rules of procedure includes guidelines with respect to the amendments to CRBF regulation no. 97-07 having to do with referrals to the Board of Directors and its Committees. The Rules of Procedure remind the corporate governance principles and best practices that enhance the quality of the work of the Board of Directors, and in particular in obtaining the information needed for a useful intervention of the Directors on the subjects included on the agenda, the confidentiality obligation and obligations and recommendations relative to privileged information and conflict of interests.

"Regulated" related-party agreements: In accordance with articles L. 225-38 and seq. of the Code de Commerce, the Board of Directors authorises "regulated" related-party agreements prior to their signature, the Directors and Managers concerned by the agreement do not take part in the voting. Information relating to these agreements and even to those entered into before 2011 that continued to have an effect in 2011 are sent to the Independent auditors, who will present their special report to the shareholders at the annual Shareholders' meeting. This report is provided in page 262.

Activities of the Board of Directors during 2011

The Board of Directors met on 12 January, 22 February, 11 May, 23 August, 8 November and 14 December 2011, and also on 9 March and 1 June.

Prior to meeting planed by the pre-established calendar and also by the 9 March meeting, documentation was sent to Directors as early as possible to ensure that they were properly informed. For almost all items on the agenda of Board Meetings, supporting documentation is distributed, if possible, several days before the meeting.

Meetings dealt mainly with the following subjects:

- annual, half-yearly and quarterly financial statements;
- the half-year financial report - the parent-company balance sheet - financial report/management report included in the shelf-registration document - the Chairman's report to the Shareholders' meeting;
- reports on work done by the Audit and Risks Committee;
- opinions from the Statutory Auditors;
- main risk and exposure limits (quarterly reports) - risk situation (June and December 2011) - 2010 annual report on internal control and 2010 report by the person in charge of compliance for investment services - status reports on compliance and internal compliance control - information on the appointment of a new Head of Periodic Control in accordance with CRBF n°97-02 regulation; legal risks situation;
- regular status reports on the refocusing and development plan and, in this respect, follow-up on activities and business lines as well as on development projects and discontinuing activities; analysis of notably geographical redeployment projects;
- affiliation to Crédit Agricole's network ;
- status reports on liquidity;
- composition of the Board of Directors and of its committees
- composition of Executive Management;
- minutes of the meetings of the Compensation Committee;
- variable compensation principles and budgets for the Company's employees; the report required by the French Prudential Supervisory Authority presenting the information relative to compensation policy and practices within the Company;
- nomination of a third Deputy CEO - compensation and objectives of members of Executive Management;
- delegations of powers, particularly as regards bond issues;
- approval of regulated agreements - and for 2010: the list of "unregulated" material agreements; (significant conventions dealing with "current operations and concluded under normal conditions") transmitted to Statutory Auditors and at the Shareholders disposal;
- amendments to the Board Rules of Procedure in the light of the new provisions of CRBF 97-02 (details on the Audit Committee's role, which became Audit and Risks Committee, on February 2011).

Assessment of the Board of Directors' performance

Within the framework of the assessment of the Board's performance, the meetings of the Board in November 2010 and November 2011 were provided with a document summarising the main subjects dealt with at the Board meetings held respectively in 2010 and 2011, as well as certain aspects of the Board's organisation. The principles and recommendations relative to the proper functioning of the Board were incorporated into the provisions of its Rules of Procedure.

Since the company's share capital is more than 97%-owned by a majority shareholder, there was no additional formal assessment such as that recommended by the AFEP/MEDEF code which recommends performing an assessment at least every three years. The Board of Directors follows the corporate governance recommendations adopted within the Crédit Agricole Group.

The proposal to nominate two new Directors, Mrs. Pallez et Mr Gasquet, was submitted to the general meeting on May 2011 in order to reinforce both the number of directors qualifed as independent and the proportion of women among the Council.

The meeting attendance rate of the members of the Board of Directors was around 93% in 2011 (96% for meetings planed in the annual calendar).

Presentations of the Company's business lines and sectors to Directors

In 2009 and 2010, the Executive Management invited members of the Board of Directors to attend specific presentations of the Company's business lines ("Business Line monographs") so that they can learn more about these activities and how they are organised and meet key people in the business lines. These meetings involved presentations by the business lines management teams of financing activities and capital markets and investment banking activities. It was completed by a presentation of support functions. The corresponding documents are at Directors' disposal.

Specific Committees and compensation principles and rules

The Board of Directors, when preparing its Rules of Procedure in 2002, set up an Audit and Risks Committee and a Compensation Committee, and outlined their composition, operating procedures and duties in those Rules of Procedure.

The members of these committees are appointed by the Board of Directors in accordance with its Rules of Procedure. Appointment proposals are examined directly by the Board of Directors as part of corporate governance discussions within Crédit Agricole Group entities.

Compensation Committee

General presentation and composition of the Compensation Committee

The Compensation Committee meets as and when required, and at the request of the Chairman of the Board of Directors.

The Committee met five times in 2011.

Responsibilities of the Compensation Committee

The Compensation Committee is principally responsible for issuing recommendations prior to decisions submitted for the approval of the Board of Directors.

Its recommendations concern:

- the ordinary and special compensation as provided for in the Articles of Association that is paid to the members of the Board of Directors and its Chairman, as well as the compensation, benefits in kind and pecuniary rights granted to the Chief Executive Officer and the Deputy Chief Executive Officers. Elements relative to the compensation of the corporate officers mentioned in the management report are part of its responsibility.
- the principles concerning variable compensation (composition, tax base, form and payment date) and the total pool in relation with this compensation.

Some of the Committee's missions also are to :

- proceed with the examination of the repartition of the pool at individual level for the significant amounts;
- report to the Board of Directors its annual review of compensation policy, as well as the verification of its compliance with the CRBF regulation no. 97-02 and its consistency with the applicable professional standards.

Composition of the Compensation Committee

The Rules of Procedure state in particular that at least half of the Compensation Committee shall be made up of independent members, competent to analyse policies and practices in terms of compensation.

The Chairman of the Committee is appointed by the Board of Directors

Changes in the composition during 2011

The designation of members of the Committee was renewed during the Board of Directors after the General meeting on May 2011 for members which office as Director had just been renewed.

Composition of the Compensation Committee at 31 December 2011

At 31 December 2011, the Compensation Committee is made up of four Directors from the Board of Directors, unchanged in 2011:

- Jean-Paul Chifflet, Chairman, appointed on 23 February 2010;
- Frank Dangeard, independent Director, appointed on 14 January 2010.
- Didier Martin, independent Director, appointed on 4 September 2002,
- Jean-Louis Roveyaz, appointed on 24 August 2010.

This committee is chaired by the Chairman of the Board of Directors and comprises four members; two have the status of independent Directors. Within the framework of the harmonisation of the compensation policies of the Crédit Agricole S.A. Group, the head of Group Human Resources is invited to attend the Compensation Committee meetings. In fact, the overall monitoring of the compensation policy applicable to all Crédit Agricole S.A. Group entities has been carried out since 2010 within Crédit Agricole S.A..

This monitoring notably includes proposals for the determination of variable compensation budgets, the examination of the impact of the risks and capital requirements on the activities concerned, and an annual review of compliance with rules and professional standards for compensation.

Compensation Committee actions in 2011

The Compensation Committee met on 10 January, 11 February , 9 May , 25 October and 2 December 2011.

These meetings were primarily devoted to the following points:

- principles for setting the variable compensation with respect to 2010 of the Company's employees and members of Executive Management, including the overall amount of the budget and the systems for deferred payment;
- scope of employees which professional activities have a significant impact on the company's risk profil;
- compensation of corporate officers, including the definition of 2011 objectives; analysis of related regulated agreement;
- part of the management report relative to the compensation of corporate officers for 2010;
- review of the compensation and of the report required by the French Prudential Supervisory Authority presenting information relative to compensation policy and practices within the company; examination of the budget applied at the individual level for the largest amounts;

Items composing the variable compensation due for 2011 were revised and adjusted to the recent economic developments in order to be presented to the Board of Directors on February 2012.

Presentation of compensation principles and rules

Employees' variable compensation

Within Crédit Agricole CIB, variable compensation plans tied to individual and collective performance are put in place depending on the achievement of predefined objectives and the entity's results.

The bases for variable compensation are set taking into account the risk profile of activities and all costs including the costs of risk, liquidity and cost of capital. Variable compensation is thus based on the determination of budgets by activity and whose individual allocation to employees is decided by the managerial line as a function of an overall assessment of individual and collective performance, consistent with the financial and non-financial objectives defined individually and collectively.

Implementation of the European Capital Requirements Directive III (CDR III)

The mechanisms for allocating and vesting compensation for risk-taking employees and 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.

Transparency principle

In compliance with the ministerial decree of 13 December 2010, Crédit Agricole CIB has committed to:

- supply on an annual basis to the French Prudential Supervisory Authority a report on the compensation policy for staff as specified in article 43.1 of CRBF regulation 97-02 relative to the compensation of staff whose activities have a significant impact on the risk profiles of credit institutions and investment companies;
- publish on an annual basis the qualitative and quantitative information requested on the compensation of this staff in compliance with article 43.2 of this regulation. The requested information is detailed in a dedicated report, published before the 2012 Shareholders' meeting called to approve the 2011 financial statements.

Deferred variable compensation for regulated employees

As from the 2009 compensation year, in accordance with the 5 November 2009 professional standards, Crédit Agricole CIB implemented a programme for the deferment of conditional variable compensation.

The application of this principle was renewed and adapted for the 2011 compensation year in compliance with the decree of 13 December 2010 transposing the CRD III directive into French law.

Employees' variable compensation is partially deferred over several years and is not definitively vested except under certain performance conditions. At least 50% of this variable compensation is paid in Crédit Agricole S.A. shares or equivalent instruments.

Crédit Agricole CIB has extended the mechanism of employees' deferred variable compensation that is not subject to the abovementioned provisions of CRBF regulation 97-02 in order to be consistent and in line with the company's overall performance.

Compensation of members of Executive Management

Since 2009 the Board of Directors of Crédit Agricole S.A. has reflected on a new policy for the compensation of the Group's Executive Managers which has been proposed to all Group companies.

Its objective is to reconcile the demands of an increasingly competitive market with the expectations of shareholders, employees and customers so that the Group is able to achieve its ambition to be a leader in the banking market both nationally and internationally. This policy complies with the corporate governance recommendations of the AFEP MEDEF and with the decree of 13 December 2010 transposing the CRD III directive into French law.

Group's Executive Managers has an annual fixed component and a variable component based for half on economic and for the other half on non-economic objectives (managerial, customer satisfaction and corporate value creation objectives), but also a long-term incentive paid in shares of Credit Agricole S.A., and definitively held three years later following a progressive process, provided that three performance objectives are met:

- Crédit Agricole S.A. Group's intrinsic economic performance ;
- Crédit Agricole S.A.'s share relative performance compared with a composite index of European banks;
- Crédit Agricole S.A.'s societal performance mesured by the FReD index ;

and the presence within Crédit Agricole S.A..

At Crédit Agricole S.A. and Crédit Agricole CIB's Compensation Committees instigation, the Board of Directors of both companies defines the different elements of compensation of Crédit Agricole CIB's Executive Management.

Compensation of Jean-Yves Hocher, Chief Executive Officer

Appointed Crédit Agricole CIB Chief Executive Officer on 1 December 2010, he supervised from March 2011 to 14 December 2011, Fixed Income Markets (FIM), Global Internal Audit (GIA), Corporate Secretary (CSE) et Communication (COM). Since 15 December 2011, he is the Head of Group Internal Audit (GIA), Corporate Secretary (CSE) and Communication (COM).

- The fixed component of Mr. Hocher's compensation is set with reference to market practice for CEO compensation.
- In 2011, the variable component was based on two sets of criteria:
  - quantitative criteria: assigned a weight of 50%,
  - qualitative criteria: assigned a weight of 50%.
- A long-term incentive is allocated based on annual performance.

Compensation of Pierre Cambefort, deputy CEO

Appointed deputy CEO of Crédit Agricole CIB on 1 September 2010, he is the Head of Coverage & Investment Banking (CIB), Global Investment Banking (GIB), Equity Brokerage & Derivatives (EBD), Structured Finance (SFI), Transaction & Commercial Banking (TCB) and the international network. He stoped supervising Distressed Assets (DAS) since March 2011.

- The fixed portion of Mr. Cambefort's compensation is set with reference to market practice for deputy CEO compensation.
- In 2011, the variable component was based on two sets of criteria:
  - quantitative criteria: assigned a weight of 50%,
  - qualitative criteria: assigned a weight of 50%.
- A long-term incentive is allocated based on annual performance.

Compensation of Francis Canterini, deputy CEO

He is the Head of Global Compliance (CPL), Human Resources (HRE), Risk & Permanent Control (RPC), Finance (FIN), Global IT & Operations (GIO), Solutions for Process Improvement (SPI), Legal (LGL), Credit Portfolio Management (CPM), Corporate Secretary (CSE). He has been the Head of Distressed Assets (DAS) from March 2011 to 14 December 2011.

- The fixed component of Mr. Canterini compensation is set with reference to market practice for deputy CEO compensation.
- In 2011, the variable component was based on two sets of criteria:
  - quantitative criteria: assigned a weight of 50%,
  - qualitative criteria: assigned a weight of 50%.
- A long-term incentive is allocated based on annual performance.

Compensation of Régis Monfront, deputy CEO

Appointed deputy CEO of Crédit Agricole CIB on 15 December 2011, he is the Head of Fixed Income Markets (FIM), Distressed Assets (DAS), and of a future business line which is about to be created specialized in distribution. He is also in charge of the implementation of the adjustment plan.

- The fixed component of Mr. Monfront compensation is set with reference to market practice for deputy CEO compensation.
- The variable component is based on two sets of criteria:
  - quantitative criteria: assigned a weight of 50%,
  - qualitative criteria: assigned a weight of 50%.
- A long-term incentive is allocated based on annual performance.

Other information

Under the terms of the offices that they hold at Crédit Agricole CIB, Mr. Jean-Yves Hocher, Mr. Francis Canterini, Mr. Pierre Cambefort and Mr. Régis Monfront do not benefit from any severance that is due or may be due in the event of the cessation or change of functions.

Supplementary pension scheme

Crédit Agricole CIB' corporate officers do not benefit from a supplementary pension and forestalling scheme related to the office they hold within Crédit Agricole CIB.

Jean-Yves Hocher, Chief Executive Officer, Pierre Cambefort, Francis Canterini deputy Chief Executive Officers, still benefit from a supplementary pension scheme combining a defined contribution scheme and a supplementary defined benefits scheme. The rights under the supplementary scheme are determined by deducting the income received as part of the defined contribution scheme. Payments into the defined contribution scheme are equal to 8% of gross salary, subject to a maximum of eight times the upper Social security limit (of which 3% must be paid by the beneficiary). Subject to being present at the end of the term, the supplementary rights of the defined benefits scheme are equal, for each year of service and depending on the fixed salary at the time of retirement (the reference salary), to 0.90%-1.20% of the fixed remuneration plus the variable remuneration (subject to a maximum of 40% or 60% of the fixed remuneration). When drawn, the total retirement income from these plans and the compulsory retirement plans will be limited to 23x the Social security's annual upper limit on this date.

Mr Régis Monfront, deputy Chief Executive Officer, retains the benefit of a supplementary pension scheme the rights to which are differential and only acquired once the beneficiary completes his career at the Crédit Agricole CIB group and are expressed as a percentage of a fixed base (the reference salary), which is equal to the average of the last three fixed remuneration payments plus the average of the gross bonuses awarded during the previous 36 months (the average of the bonuses being limited to half of the final fixed salary). The reference salary is furthermore limited to the upper limit of Band D (16 times the Social security's annual upper limit).

These commitments are entirely borne by Crédit Agricole CIB for Mr. Cambefort, Mr. Canterini and Mr Monfront and for 85% for Mr. Hocher, and this during their term of office at Crédit Agricole CIB.

Stock options (grant or exercise) - free share allocation

During 2011, no stock options and no performance shares were granted to corporate officers with respect to their terms of office in Crédit Agricole CIB.

Corporate officers benefited from Crédit Agricole S.A.'s free share allocation plan implemented in 2011 (60 shares) in the same way as all of Crédit Agricole S.A. Group contributors.

Distribution of attendance fees paid to directors in 2011

The Crédit Agricole Corporate and Investment Bank Ordinary Shareholders' meeting set the attendance fees allocated annually to a maximum amount of €600,000.

Attendance fees are distributed among Directors on the basis of their attendance at Board meetings and at Audit and Risks and-Compensation Committee meetings, and a fixed sum is paid to the Chairman of the Board. Attendance fees are set according to the following rules:

- the amount of attendance fees paid by the Company to Members of the Board of Directors is calculated according to their attendance at Board meetings (€3,000 per meeting);
- members of the Compensation Committee and the Audit and Risks Committee receive an annual fee for their participation in these Committees (€4,000 and €15,000 respectively);
- members of the Audit and Risks Committee receive an additional fee of €3,000 per person per meeting attended, with an annual limit of €15,000 per member;
- an annual fee of €20,000 is paid to the Chairman of the Board of Directors in consideration for holding this office.

■ Other information

Remind that elements on Corporate Officers compensation are detailed in the chapter entitled “Governance and Internal Control”, from page 59 to 80.

Audit and Risks Committee

General presentation and composition of the Audit Committee

Pursuant to the Rules of Procedure, the Committee meets as often as it is necessary and at least once every quarter.

Meetings shall be called by the Committee Chairman or by the Chairman of the Board of Directors. In 2011, the Committee met seven times, including one exceptional meeting.

Assignment of the Audit and Risks Committee

The role of the Audit Committee as defined in the Rules of Procedure was clarified on the beginning of 2011 in the light of changes in the relevant provisions of CRBF Regulation 97-02, inter alia. From February 2011, it is no longer called Audit Committee but Audit and Risks Committee.

This Committee has the task of examining and monitoring the internal control and risk management system, to monitor any event of fraud, or any other event whether or not detected by internal control procedures in accordance with the criteria and significance thresholds defined by the Board, to monitor the work done by the statutory auditors and internal control teams, to monitor the process for preparing financial information, to assess the relevance of accounting information, to examine drafts of annual and half-year parent-company and consolidated financial statements, to advise on the renewal or appointment of the statutory auditors and to examine any questions of a financial or accounting nature referred to it by the Chairman or the CEO. It can make recommendations on these matters and can also instruct the Chief Executive Officer to organise internal or independent audits, after informing the Chairman of the Board of Directors. The Chairman of the Committee has the task of presenting summaries of the Committee's work to the Board of Directors.

Composition of the Audit and Risks Committee

The Board of Directors' Rules of Procedure state it shall consist of at least four people, appointed by the Board of Directors from among the voting and non-voting directors, for their full term of office, and shall contain at least two members who have no other ties to the Crédit Agricole Group.

All the members of this Committee have accounting, financial and banking knowledge.

■ Changes in the composition of the Committee in 2011

The appointment of Committee members was renewed during the Board of Directors following the Shareholders' meeting on May 2011 for members whose office had just been renewed.

■ Composition of the Audit Committee at 31 December 2011

The Committee is made up of 5 members, unchanged in 2011:

- François Veverka, appointed independent director on May 13th 2009 and Chairman of the Committee since 11 May 2010;
- Edmond Alphandéry, independent director, appointed on September 2002;
- Jean Philippe appointed on 14 May 2008;
- François Macé appointed on 9 November 2010.
- Philippe Geslin, appointed Director on September 2002, became non-voting member on 11 May 2011 and, at the same time, his office as member of the Audit and Risks Committee was renewed.

Activities and functioning of the Audit and Risks Committee in 2011

The Audit and Risks Committee met on 7 January, 21 February, 19 April, 9 May, 22 August, 7 November 2011 and exceptionnally on 12 December 2011. The attendance rate for this Committee was more than 97% in 2011.

The Committee examined the 2010 annual, half-yearly and quarterly consolidated financial statements before presenting them to the Board: reports on Internal Control and Risks measurement and surveillance which are presented to the Autorité de contrôle prudentiel.

The following items were also included on the Committee's agenda:

- 2011 budget;
- presentation of business activities;
- discontinuing activities;
- situation of liquidity / capital;
- mid-term plan - the adjustment plan;
- 2011 half-year report on internal control;
- synthesis of policy regarding deffered variable compensation;
- report of the Chairman of the Board of Directors to the annual general meeting of May 2011- modifications of the internal rules of procedures related to the Committee;
- presentation of the 2012 audit plan;

and regular updates on internal control and risks relative to:

- periodic control assignments and their summaries,
- the risk situation (in particular annual and half-yearly),
- compliance.

and specific points as regards risk management (legal risks, market risks).

The Statutory Auditors presented to the Committee the results of their work when examining the financial statements. They met with Executive Management, the Chief Financial Officer and the Deputy CFO, along with various persons in charge of internal control (periodic control, Risk Management and Permanent Controls and control of compliance).

Between meetings the Chairman of the Audit and Risks Committee met with members of Executive Management, the main heads of financial management, risks, compliance and internal audit as well as with the Statutory Auditors. He thus took note of some 30 Internal Audit reports and had 14 meetings or other contacts outside Committee meetings: four with Executive Management; four with the Finance function; one with Risks; two with Internal Audit; and three with the Statutory Auditors.

A presentation of the Committee's work was made by the Committee Chairman to the Board of Directors.

The Audit and Risks Committee may at any time make proposals to the Board of Directors relative to the Audit and Risks Committee's organisation and composition.

Composition of the Executive Management

Limits placed by the Board of Directors on the powers of the Chief Executive Officer

Composition of the Executive Management at December 2011

Mr. Jean-Yves Hocher was appointed Chief Executive Officer on the 1 December 2010. Deputy CEO are Mr. Pierre Cambefort, Mr. Francis Canterini, and Mr. Régis Monfront, who became deputy CEO on 15 December 2011.

The limits placed on the powers of the Chief Executive Officer are specified hereinafter as well as in the presentation of the powers of the Board of Directors on page 40.

The Board rules stipulate that in the performance of his duties the Chief Executive Officer is required to comply with the internal control rules that apply within the Crédit Agricole Group, the strategies defined and the decisions taken, as well as the powers conferred by law or Board rules to the Board of Directors or the annual general meeting. They also stipulate that the Chief Executive Officer is required to refer all significant projects concerning the Company's strategic decisions or that may affect or alter its financial structure or scope of activity, to the Board of Directors, requesting instructions. In addition, as mentioned in the "Powers of the Board of Directors" section on page 40 as a purely internal limitation that is not binding on third parties, the Chief Executive Officer is required to obtain prior authorisation from the Board of Directors or its Chairman before entering into certain types of transactions.

Attendance at the Shareholders' meeting

The arrangements for attending Shareholders' meetings are set out in section V of the Company's articles of association. The composition, operating procedures and main powers of the Shareholders' meeting, the description of shareholders' rights and the arrangements for exercising these rights are set out in "Article 19 - Composition and Nature of Meetings", "Article 20 - Meetings", "Article 21 - Ordinary Shareholders' meeting" and "Article 22 - Extraordinary Shareholders' meeting".

SECTION V – Shareholders' meetings

Article 19 – Composition and nature of meetings

Shareholders' meetings may be attended by all shareholders, regardless of the number of shares they own.

Duly constituted Shareholders' meetings represent all shareholders.

Decisions taken in Shareholders' meetings in accordance with laws and regulations in force are binding on all shareholders.

A Shareholders' meeting is deemed extraordinary if any decisions relate to a change in the articles of association. All other meetings are deemed ordinary.

Special Shareholders' meetings convene holders of a particular category of shares, if any such category exists, to make decisions about any changes in the rights of such shares.

These special Shareholders' meetings are convened and take decisions according to the same conditions as Extraordinary Shareholders' meetings.

Article 20 – Meetings

Meetings are convened in accordance with laws and regulations in force.

Meetings take place at the head office or in any other location specified in the notice of meeting.

The Shareholders' meeting is chaired by the Chairman of the Board of Directors or, in his absence, by a Vice-Chairman of the Board of Directors or by a Director designated by the Chairman of the Board of Directors for this purpose. If no such person is available, the persons present shall themselves elect a chairman for that meeting.

The agenda shall be determined by the person convening the meeting. The agenda shall only contain proposals made by the person convening the meeting or by shareholders.

Each member of the ordinary or Extraordinary Shareholders' meeting shall have a number of votes proportional to the portion of the share capital corresponding to the shares that he/she owns or represents, provided that those shares are not deprived of voting rights.

The Board of Directors may decide to treat as present, for the purpose of calculating the quorum and majority, shareholders taking part in the meeting by videoconferencing or a medium that enables them to be identified, the type and terms of use of which are compliant with regulations in force.

Article 21 – Ordinary Shareholders' meeting

The Ordinary Shareholders' meeting takes decisions according to the quorum and majority conditions determined by laws and regulations in force.

Shareholders are invited to attend an ordinary Shareholders' meeting every year.

The ordinary Shareholders' meeting takes note of the reports by the Board of Directors and the Statutory Auditors.

It discusses, approves or adjusts the parent-company financial statements and, if applicable, the consolidated financial statements, and determines the appropriation of income for the year.

It appoints the Statutory Auditors.

It discusses all other proposals on the agenda that do not fall under the remit of the Extraordinary Shareholders' meeting.

Other ordinary Shareholders' meetings may be held in addition to the annual meeting.

Article 22 – Extraordinary Shareholders' meeting

The Extraordinary Shareholders' meeting takes decisions according to the quorum and majority conditions determined by laws and regulations in force.

The Extraordinary Shareholders' meeting may make any changes to the articles of association.

Capital structure

At 31 December 2011, the Company's share capital consisted of 250,935,992 ordinary shares with a par value of €27 each, giving share capital of €6,775,271,784. The shares are more than 97%-owned by Crédit Agricole S.A. and more than 99%-owned by the Crédit Agricole Group.

The Company's shares have not been offered to the public and are not listed for trading on a regulated market.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Definition of the internal control system

Within the Crédit Agricole Group, the internal control system is defined as all procedures aimed at controlling activities and risks of all kinds and enabling transactions to be carried out properly, securely, and efficiently, in accordance with texts referred to below. Crédit Agricole CIB, which is a wholly owned subsidiary of the Crédit Agricole Group, complies with the rules laid down in French and international regulations and with the rules and regulations set by its parent company.

The internal control system and procedures can therefore be classified by their purpose:

- application of instructions and guidance given by the Executive Management,
- a financial performance objective, to ensure effective and proper use of Group assets and resources and protection against the risk of loss,
- access to exhaustive, accurate and timely information for decision-making and risk management purposes,
- a compliance objective, in respect of internal and external rules,
- prevention and detection of fraud and errors,
- an objective to compile accurate and exhaustive accounting records and prepare reliable and timely accounts and financial statements.

However, this system and these procedures have limits, relating in particular to technical problems and staff shortcomings.

Under the systems implemented within this standardised framework, certain resources, tools and reporting documents are made available to the Board, to Executive Management and to other managers so that they can assess the quality of the internal control systems and their adequacy.

Reference documents relating to internal control

Laws and regulations

The internal control procedures implemented by Crédit Agricole CIB comply with the laws and regulations governing French credit institutions and investment companies, and namely with:

- the French Monetary and Financial Code,
- amended 97-02 regulation, relating to the internal control of credit institutions and investment companies,
- all texts relating to the conduct of banking and financial activities (collated by the Banque de France and the C.C.L.R.F.),
- the Autorité des Marchés Financiers' General Regulation.

The Company's internal control system also takes into account the following international reference documents:

- the Basel Committee's recommendations on banking control,
- local applicable laws and regulations in the countries in which the Group operates.

Main internal reference documents

The main internal reference documents are:

- Procedural Memo 2006-11 on "the organisation of internal control within the Crédit Agricole S.A. Group",
- Procedural Memos dealing with the Crédit Agricole S.A. Group's Risk Management and Permanent Controls,
- documents circulated by Crédit Agricole S.A., relating to subjects including accounting (Crédit Agricole chart of accounts), financial management, and risk management and permanent controls,
- the Crédit Agricole Group's Code of Conduct,
- a corpus of texts about governance, published on Crédit Agricole CIB "Corporate Secretary" Intranet database, about notably compliance, risks and permanent control and more precisely texts referenced 3.3.1 on the organisation of internal control in the Crédit Agricole CIB Group, 2.4.7.1 on the organisation of permanent control, 1.5.1 on the supervision of mainly external services, 3.6.2.2 on the organisation of accounting and financial permanent control in Crédit Agricole CIB, the Crédit Agricole CIB compliance manuals, procedures implemented by the various departments of Crédit Agricole CIB, its subsidiaries and its branches, the procedures of the different divisions of Crédit Agricole CIB, of its subsidiaries and branches.

Organisation of the internal control system

Basic principles

The organisational principles and components of Crédit Agricole CIB's internal control systems, which are common to all Crédit Agricole Group entities, are as follows:

- reporting to the decision-making body (risk strategies, limits defi ned and their use, internal control activities and results);
- the direct involvement of the executive body in the organisation and operation of the internal control system;
- complete coverage of activities and risks;
- responsibility of all persons involved;
- clear definition of tasks;
- separation of commitment and control functions;
- formal and up-to-date delegations of powers;
- formal and up-to-date standards and procedures, especially for accounting and information processing.

These principles are supplemented by:

- measurement, supervision and control mechanisms for credit, market, liquidity, financial and operational risks (transaction processing, information systems processes), accounting risk (including quality of financial and accounting information), non-compliance risks and legal risks;
- a control system, forming part of a dynamic and corrective process, that includes permanent controls performed by operating units or dedicated staff, and periodic controls (Group Financial Control, Audit).

The internal control system is also designed to ensure that the compensation policy is consistent with risk management and control objectives, particularly with regard to market operators.

At the beginning of 2009, the Bank initiated a project to review the conditions of the existing system, concurrently with cross-industry work. In keeping with the recommendations of the Fédération Bancaire Française (FBF) and the Rules of Procedure of the Board of Directors , the Bank created the Global Compensation Review Governance Committee, which is chaired by the Chief Executive Officer. Its members include the Deputy Chief Executive Officers and the Heads of the Risk Management and Permanent Controls, Human Resources and Global Compliance Departments. Its role is to insure that proposals submitted to the Compensation Committee are consistent with the principles of the compensation policy (circular sent out in September).The internal control system is also designed to ensure that the corrective measures adopted are applied within a reasonable time.

Monitoring of the system

In order to ensure that the internal control system is consistent and efficient and that the above-mentioned principles are applied by all entities within the scope of Crédit Agricole CIB's internal control system, three separate persons responsible for Periodic Control (Audit-Inspection), Permanent Risk Control and Compliance Control have been appointed. The Internal Control Committee, chaired by the Chief Executive Officer, is responsible for:

- reviewing internal control procedures and the control system implemented ;
- examining the main risks to which Crédit Agricole CIB is exposed and any changes in risk measurement systems;
- deciding on remedial measures to be taken to address weaknesses identified during audits, either in internal control reports or as a result of problems that have occurred;
- monitoring the fulfilment of commitments made following internal and external audits;
- taking any decisions necessary to make up for weaknesses in internal control.

Its members are the Heads of Group Internal Audit, Internal Audit, Corporate Secretary, Finance, Risk Management and Permanent Controls, Compliance and Fraud Prevention, Legal and, depending on the matters under discussion, the heads of other Bank units.

The Committee met four times in 2011.

Local internal control committees have also been set up in several subsidiaries and branches, both in France and abroad.

Role of the supervisory body: Board of Directors

The Board of Directors is kept informed of the organisation, activities and results of internal control and of the main risks faced by the Bank. It approves the general organisation of the bank and of its internal control system.

Within the Board of Directors, the Audit and Risks Committee has the task of examining and monitoring the internal control and risk management system and taking note of the work of the heads of internal control (the description of the Audit and Risks Committee's responsibilities is detailed on page 45 - Responsibilities of the Audit and Risks Committee) and to monitor any event of fraud, or any other event whether or not detected by internal control procedures in accordance with the criteria and significance thresholds defined by the Board.

In addition to regular information given to the Board of Directors mostly on global risk limits and exposures, the following annual reports are systematically submitted to the Audit and Risks Committee:

- a report on the conditions under which internal control is carried out,
- a report on risk measurement and monitoring,
- a report by the person in charge of compliance for investment services on the organisation of this function, its duties and responsibilities, any observations and the measures adopted.

These annual reports relative to 2011 will be presented to the Audit and Risks Committee meeting in April 2012 and to the Board of Directors' meeting in May 2012. The half-yearly report on internal control at 30 June 2011 was examined by the 7 November 2011 Audit Committee meeting.

In 2011, on the first and third quarters, reports on risk management and the main exposures were presented to the Board meetings of 11 May, 8 November 2011. The summaries of the risk situation at 31 December 2010 and 30 June 2011, and then at 31 December 2011 were examined respectively at the Board meetings of 22 February 2011, 23 August 2011 and 21 February 2012 (see page 41 - Activity of the Board of Directors in 2011 and page 46 - Activity and Functioning of the Audit ans Risks Committee in 2011).

In addition the Board is informed of any significant event of fraud or any other event detected by internal control procedures in accordance with the criteria and thresholds that have been set. The system for reporting this information to corporate bodies is described in the company's internal documentation (directive 3.1.12.1 and circular memo no. 3.1.12.3).

Role of the executive body: Executive Management

The executive body is directly involved in the organisation and operation of the internal control system.

It ensures that risk strategies and limits are compatible with the Company's financial situation (level of shareholders' equity, results) and the strategies defined by the governing body.

The executive body defines the Company's general organisation and ensures that it is implemented in an efficient way and by competent individuals.

It clearly assigns roles and responsibilities in the area of internal control and allocates the appropriate resources to the system. It verifies that risk identification and measurement procedures appropriate to the Company's activities and organisation are adopted.

It also verifies that it regularly receives the key information produced by these systems. It ensures that the internal control system is continuously monitored, to verify its suitability and effectiveness.

The Executive Management is informed of the main problems identified by internal control procedures and the remedial measures proposed by the Internal Control Committee, inter alia.

Scope and global organisation of Crédit Agricole CIB's internal control systems

In accordance with the principles applied within the Group, Crédit Agricole CIB's internal control system applies to its branches and subsidiaries in France and other countries, irrespective of whether they are under its sole control or joint control. The system is intended to govern and control activities, and to measure and monitor risks on a consolidated basis.

Each entity within the Crédit Agricole CIB Group applies this principle to its own subsidiaries, thus creating a pyramidal internal control structure and reinforcing consistency between different Group entities.

In this way, Crédit Agricole CIB ensures that it has an adequate system within each of its risk-bearing subsidiaries, and those activities, risks and controls are identified and monitored on a consolidated basis within these subsidiaries, particularly as regards accounting and financial information.

Brief description of internal control and risk management procedures implemented within the Company

Detailed information on credit, market, operational and liquidity risk management is provided in the "Risk factors" section and in the notes to the consolidated financial statements. The internal control system is based on three levels of controls, which distinguish permanent control from periodic control.

Permanent control is carried out as follows:

- first-degree permanent controls are carried out when a transaction is initiated and while the transaction is being validated. They are carried out by the operators themselves, by the hierarchy within the unit or by automated transaction processing systems;
- second-degree, first-level permanent controls are carried out by staff who are separate from those that initiated the transactions and who may perform operational activities;
- second-degree, second-level permanent controls are carried out by staff working exclusively at the final level of specialist permanent control with no authorisation to make commitments involving the taking of risk (credit or market risk control, accounting control, compliance control etc.);
- periodic (third-degree) controls cover occasional onsite audits of accounting records relating to all of the company's activities and functions by Group Internal Audit.

First-degree controls

First-degree controls are carried out by each employee on the transactions he/she handles, by referring to the applicable procedures. They apply to front-office units operating within following business lines: Coverage & Investment Banking, Structured Finance, Equity Brokerage and Derivatives, Fixed Income Markets, Transaction & Commercial Banking, Distressed Assets and International Private Banking. The controls essentially consist of operational checks by operators or account executives on their positions and limits.

They also apply within support functions.

At the local level, the head of the entity is responsible for first-degree controls, while the head of the business line is responsible at central level.

Operating staff are therefore expected to remain vigilant at all times with regard to the transactions they handle. This should take the form of compliance with all procedures introduced to ensure the procedural compliance, security, validity and completeness of transactions. Each line manager must check, for the activities for which he/she has responsibility, that his/her staff are aware of and comply with the rules and internal procedures for processing transactions.

Second-degree, first-level controls

As well as having responsibility for the administrative processing of all transactions, back offices perform checks on the activities of the front offices during the recording and execution of transactions, namely by comparing data in front-office databases with back-office data and information provided by the counterparties.

These controls are coordinated locally by the entity's head, via the Chief Operating Officer or the officer responsible for administration or finance.

Second-degree, second-level controls

These controls are carried out centrally by specialised units:

Risk and Permanent Control Division

Role and responsibilities relating to the risk management

The Risk Management and Permanent Control Division (RPC) is responsible for supervising risks within Crédit Agricole CIB.

The purpose of this division is to control credit risks, country risks, market risks, and operational and accounting risks. However, structural financial risks are managed by the finance department.

To control these risks, it oversees the Group's commercial development in order to minimise risk-related costs relating to the activities of the different business lines, entities or units.

The RPC is also in charge of monitoring the risk management and permanent control system, defined above, for the whole of Crédit Agricole CIB.

The risk management and permanent controls organisation within Crédit Agricole CIB forms part of the risk management and permanent controls function set up within the Crédit Agricole S.A. Group.

Crédit Agricole CIB holds certain powers in managing its risks. Any cases outside the scope of its powers, as well as certain significant risk strategies, are validated by the "Group Risk Management Committee".

Crédit Agricole CIB Head of Risk management and permanent controls reports hierarchically to the Crédit Agricole S.A. Head of Group Risk Management and Permanent Controls and functionally to Crédit Agricole CIB Executive Management. It is part of the bank's executive committee (Comex). The Head of Risk Management and Permanent Controls is responsible for the risks sector and permanent controls within the meaning of CRBF regulation 97-02 as amended.

Within Crédit Agricole CIB, RPC is organised as an independent global business line. It combines all head office risk functions and activities, as well as local and regional officers in the international network. At 31 December 2011, RPC had a worldwide staff of 1,179 (full-time equivalents, including 50% of Newedge).

Crédit Agricole CIB has implemented a set of procedures that determines risk monitoring, risk control and permanent control arrangements. The set of procedures is updated regularly to improve risk measurement and supervision.

Governance

Crédit Agricole CIB governance bodies (Audit and Risks Committee and Board of Directors) receive a report on Risk Management and main exposures quarterly, a report on Risk situation semi-annually and specific monographs when needed.

Activities are managed by the Strategy and Portfolio Committee (CSP). It is in charge of the adequacy of the bank's strategic orientations with its capacity to take risks and define guidelines. Then, they are declined in specific risks strategies which set limits to each significant perimeter (country, business line, sector). The CSP also works on alert and Business Watch topics.

Decision-making process is based on selected cases by dedicated committees:

- Business and geographical Committees are in charge of retail financing within the limit granted to each manager;
- the most significant files are reviewed by the Counterparty Risk Committee (CRC)
- the Market Risk Committee (CRM) monitors market exposures twice a month.

In addition to the Committees in charge of risks (CSP, CRC, CRM), risk management is also presented to the following Executive Management bodies:

- Crédit Agricole CIB Executive Committee (Comex)
- Internal Control Committee
- Faîtier Central Permanent Control Committee which validates the work assigned to permanent controls and reviews the permanent control systems of the business lines, subsidiaries or branches and cross-functional issues.

The Early Warning Committee is in charge of anticipating and identifying the deterioration of sound counterparties. It is also in charge of the Business Watch activity.

Crédit Agricole CIB is part of the Crédit Agricole S.A. risk management process which is structured by the following bodies:

- The Group Risk Management Committee (CRG). Crédit Agricole CIB mainly presents to the committee its approvals, its main limit risk strategies, its budgets by country, the corporate significant outstanding, the sensitive cases as well as the market risk situation;
- The Supervisory Risk Management Committee which reviews counterparties which present signs of deterioration or a need of arbitrage between entities of the Group;
- The Standards and Methodology Committee (CNM) to which Crédit Agricole CIB submits for decision any proposal of methodology as regards to qualification under the Basel Committee before implementation in Crédit Agricole CIB;
- The CIB Business Line Monitoring Committee which reviews Crédit Agricole CIB risk situation as well as the progress of some of these processes.

Risk master plan

The master plan is steered by a team attached to the Risk and Permanent Control department at Crédit Agricole CIB.

The risk master plan was launched in late 2007, in a crisis context, to address the need to adopt a view of the medium term trends in risk management. The aim is to accelerate improvements and to ensure consistency among the main areas for improvement, enabling Crédit Agricole CIB to assess its risks more quickly and with greater precision while taking into account the strategic decisions of Crédit Agricole CIB Group.

It covers three main subject areas: regulatory, applications and organisation. It deals with the major types of risk, namely counterparty risk (including market transactions), market risk and operational risk. It also covers related projects that are not directly related to risk but are crucial for successful risk management.

A steering committee, chaired by a member of the General Management, brings together representatives of all the risk and IT divisions and monitors the twenty or so projects or programmes that have been selected.

The work carried out so far has made it possible to achieve the targets initially established. The risk management department therefore works in a more cross-divisional manner. The procedure for controlling and monitoring market and counterparty risk in market transactions has also been strengthened.

Henceforth the main focus of the master plan will be on, firstly, the BMA project aimed at streamlining the IT system and the procedures for permissions management, and secondly the regulatory requirements of Basel III regarding the liquidity and counterparty risk of market transactions (EPE-CVA project). Anti-fraud measures and steps to increase permanent controls have also been taken.

Programme Marly

The operational risk management programme gets regular backup from the Marly programme. Launched in September 2007, it is a long-term programme for ongoing improvement in the way in which the operational risks arising from the bank's market transactions are controlled. In particular it incorporates the recommendations of the Lagarde report. The work that has been undertaken is aimed at better identifying unusual or fraudulent activity by strengthening the system of controls. The programme has been included in the governance structure of Crédit Agricole CIB by means of a steering committee chaired by a member of the General Management and which has members from both the market front offices and all support functions.

Counterparty risks

Any counterparty or group of counterparties is subject to limitations within the framework of specific procedures.

The decision-making process requires two authorised front-office signatures (one relating to analysis of commitments, the other being that of the Chairman of the relevant Committee), as well as the independent opinion of the RPC.

If the RPC's opinion is negative, the decision-making power is passed on to the Chairman of the Committee immediately above.

Credit decisions are subject to risk strategies that set the main guidelines (target customer base, types of approved products, total budgets and expected unit values etc.), which each geographical unit or business line must apply to its activities.

When a case is considered to be outside the framework of the risk strategy in force, intermediary authorisations do not apply and a decision can only be made by the Executive Management-level committee (CRC).

The RPC also identifies, as soon as possible, assets that may deteriorate and initiates the most suitable measures to protect the Bank's interests.

The process for monitoring receivables is enhanced by a system of portfolio and sub-portfolio analyses on group-wide business line, geographical or sector basis. Analysing concentrations and, if applicable, recommendations for the reorganisation of the portfolio are an integral part of this exercise.

In addition, portfolio reviews are organised periodically for each profit centre in order to verify that the portfolio complies with the risk strategy in force. The rating of certain counterparties under review may be adjusted at this time. Sensitive cases and major risks are monitored every quarter. Other risks are reviewed on an annual basis.

The adequacy of the level of reserves in relation to risk is assessed every quarter by the Executive Management, on the recommendation of the RPC.

This approach also involves stress tests, aimed at assessing the impact of unfavourable macroeconomic assumptions and quantifying the risks to which the bank may be exposed in an unfavourable climate.

Country risks

Country risks are subject to an assessment and monitoring system based on a specific rating methodology. Country ratings that are updated at least quarterly have a direct consequence on the limits applied to each country for the validation of their risk strategy.

Market risk

Upstream market risk management takes place through several committees that assess risks associated with activities, products and strategies before they are introduced or implemented:

- the New Activity and New Product Committees, organised by the business lines' permanent control function, pre-approve business developments for the Market Risk teams;
- the Market Risk Committee co-ordinates the whole market risk management system and approves market risk limitations;
- the Pricer Validation Committee approves the new models used for capital market products before they come into use.

Risk management is carried out using a variety of risk measurements:

- global measurements using Value at Risk (VaR) or stress scenarios; VaR measurements are drawn up with a 1% probability of occurring in any one day; stress scenario measurements include global stress (historical, hypothetical and adverse) and specific stress for each activity;
- specific measurements using sensitivity indicators, measurements of notional amounts and stop-loss limits.

Lastly, the Valuations and Pricing Committees define and monitor the application of portfolio valuation rules for each product range.

Operational risk

Operational risk management relies mainly on a network of Permanent Control correspondents co-coordinated by the RPC.

Operational risks are monitored for each business line and each region, which ensures the reporting of losses and incidents, as well as their analysis by Internal Control Committees.

Each quarter, the RPC produces an operational risk scorecard showing movements in operational risk-related costs and associated key events.

Remedial action following significant incidents is monitored closely, in conjunction with business lines and support functions.

The operational risk map covering all business lines at head office, the international network and subsidiaries is revised every year. Together with the compliance and legal functions, the RPC takes into account non-compliance risks and legal risks.

Outsourced Essential Services

Any service or operational task classed as essential must meet certain monitoring requirements defined as part of a procedure that in particular sets forth the way in which outsourcing decisions are taken, the elements to be included in the contract and the supervision procedures to ensure that all associated risks are managed and that the service runs smoothly.

In addition, a review of all essential services including a report on service quality and contract compliance is presented to the permanent central Audit Committee.

In 2011, the main focus was on a review of model contracts by the Legal department and a strengthening of controls.

Regulatory capital requirements

Within the framework of Basel II regulations, Crédit Agricole CIB uses an approach based on internal models approved by the French Prudential Supervisory Authority for calculating capital requirements with respect to credit risk and also with respect to operational risk. These models are an integral part of Crédit Agricole CIB's risk management system and are regularly monitored to ensure both their performance and their effective use. They are revised as needed.

As regards credit risk, certain credit models are due to be presented to the French prudential supervisory authority (ACP) in 2012. The aim of these changes and the new models is to ensure tighter management of our risk. A Basel II data quality committee is in charge of carrying out regular inspections to ensure the requirements of Basel II are being carried out correctly.

As regards operational risk, Crédit Agricole CIB uses a method based on the Crédit Agricole Group's internal model, which in turn is based on our loss history and also includes a number of risk scenarios, which are reviewed every year.

As regards the new capital requirement regulations in relation to market risk (CRD III), the system set up in 2010/2011 as part of the CAP 2010 project and which underwent a routine audit in 2011 will be inspected by the ACP in 2012. The capital requirement declarations as of 31 December 2011 were made on the basis of this new system.

Furthermore, we are in the process of implementing the new capital requirements of Basel III (CRD IV) regarding market transaction counterparty risk by means of the EPE-CVA project, scheduled for implementation on 1 January 2013. The ACP should be auditing the system in 2012 following an initial inspection by the routine audit department. The key areas are transfer to an internal model for calculating capital requirements for market transaction counterparty risk (EPE) as well as making new calculations for CVA risk.

Finance Division: internal control of accounting and financial information, global interest-rate risk and liquidity risk

Roles and responsibilities relating to the preparation and processing of accounting and financial information

Within the finance division of Crédit Agricole CIB, Group Financial Control is in charge of drawing up the financial statements (the individual accounts of Crédit Agricole CIB Paris, the consolidated financial statements and management reports for the Crédit Agricole CIB group, and regulatory statements for the company and for the group) and for giving Crédit Agricole S.A. all the data needed to prepare the consolidated accounts of the Crédit Agricole Group.

The finance divisions of each of the entities that fall within the scope of consolidation are responsible for drawing up their own financial statements.

In accordance with Group recommendations regarding permanent controls, Crédit Agricole CIB puts in place the resources to ensure that accounting and management information transmitted to the Group for consolidation purposes is reliable. More specifically, it must ensure that data conform to accounting standards and are consistent with the individual accounts approved by its decision-making body, and is responsible for reconciling accounting and management data.

The finance division provides 1st level 2nd degree supervision of the ongoing accounting and financial information auditing system at a global level. For this task it uses a specific team working under the management of the Group Financial Controller at the head office.

Final-level permanent controls on accounting and financial information (Second-degree, second-level controls) is carried out by a dedicated team that reports functionally to Crédit Agricole CIB's Head of Permanent Controls and up the line to the Chief Financial Officer.

A directive relating to the organisation of permanent accounting and financial controls, revised in May 2011, defines the scope of permanent accounting and financial controls and the permanent control system adopted at Group level and within the entities.

Procedures for the preparation and processing of financial information

The organisation of IT procedures and systems used for the preparation and processing of accounting and financial information is provided in procedure manual and in a mapping of accounting risks.

Most financial information published by Crédit Agricole CIB is based on accounting data and on management data.

Accounting data

Crédit Agricole CIB prepares parent-company and consolidated financial statements using the Crédit Agricole Group's accounting standards, which are circulated by Crédit Agricole S.A.'s Accounting and Consolidation department. The accounting treatment of complex instruments and transactions undergoes prior analysis by the Accounting Standards unit of Crédit Agricole CIB's Finance Department.

Each Crédit Agricole CIB Group entity produces a consolidation package, which feeds into the common system of Crédit Agricole Group which is owned by Crédit Agricole S.A. Each quarter, its instructions are disseminated by Group Financial Control to entities' finance divisions, specifying the type of information to be collected, particularly with a view to preparing the notes to the consolidated financial statements.

The September 2011 closing saw the Crédit Agricole group switch to a new statutory and prudential consolidation tool, Arpège. The Group Financial Control department at Crédit Agricole CIB therefore had to adapt its own procedures and systems upstream of the accounting and financial data collection stage in order to provide the data for this new system. Furthermore, the project for overhauling the accounting platform at Crédit Agricole CIB Paris was continued into 2011 and the user testing/acceptance phase is currently underway; this new platform should be operational sometime in 2012.

Management data

All management information published by Crédit Agricole CIB undergoes checks to ensure it has been properly reconciled with all accounting figures, it complies with the management standards established by the executive body and the calculations are reliable.

Each entity reconciles the main items of its management results with the intermediate income statement balances produced from accounting data. Group Financial Control checks that the sum of business-line results equals the sum of entity results, which must in turn be equal to the Crédit Agricole CIB Group's consolidated results. This check is made easier by the fact that the analytical unit (profit centre) is integrated within the entities' accounting information system. Management data are prepared using calculation methods that ensure they are comparable over time. When published data are not extracted directly from accounting information, the sources and definition of calculation methods are generally mentioned to facilitate understanding.

All management information published by Crédit Agricole CIB undergoes checks to ensure it has been properly reconciled with all accounting figures, it complies with the management standards established by the executive body and the calculations are reliable.

Description of the permanent accounting control system

Permanent accounting controls are intended to provide adequate protection against the major accounting risks that may damage the quality of accounting and financial information in terms of:

- compliance of data with laws, regulations and Crédit Agricole Group standards;
- reliability and accuracy of data, allowing a true and fair view of the results and financial position of Crédit Agricole CIB and entities within its scope of consolidation;
- security of data preparation and processing methods, limiting operational risks with respect to Crédit Agricole CIB's commitments regarding published information;
- prevention of fraud and accounting irregularities.

To meet these objectives, Crédit Agricole CIB applied the general recommendations for the deployment of permanent controls in the area of the control of accounting and financial information.

The main significant actions in 2011 dealt with compliance and notably with:

- the reorganization of Group Financial Control accounting and operational risks mapping;
- the implementation of a proactive monitoring of recommendations issued by the regulator and internal audit;
- the adjustment of management reports issued on a quarterly basis.

Final-level accounting control is based on the assessment of risks and controls relating to accounting processes managed by operational departments:

- first-degree accounting controls performed by decentralised accounting centres, reporting to divisions/business lines,
- second-degree, first-level controls performed by the Accounting and Finance Division.

This assessment is designed to enable Crédit Agricole CIB's Head of Permanent Control to define a control plan and any remedial measures needed to strengthen, as necessary, the system for preparing and processing accounting and financial information.

Relations with the Statutory auditors

In accordance with French professional standards, the Statutory auditors perform procedures they deem appropriate on published financial and accounting information:

- audit of the individual accounts and consolidated accounts;
- limited review of half-year consolidated financial statements;
- review of all published financial information.

As part of their statutory assignment, the Statutory auditors submit the conclusions of their work to Crédit Agricole CIB's Board of Directors.

Global interest-rate risk

To measure the global interest-rate risk, Crédit Agricole CIB uses the statistical gap method, by calculating an interest-rate gap, and draws up stress scenarios. The interest-rate gaps and the results of the stress tests are presented to the ALM Committee which decides on the management/hedging measures to be taken.

The main significant points in 2011 notably had to do with the realization of most of the Internal Audit recommendations made during its end-2010 mission, the improvement in the production of conditions for interest-rate gaps in Paris (in terms of automation, reliability and control), and the extension of the scope to around ten entities and to the Treasury activities (Banking Book).

The review of the liquidity flow models of International Private Banking deposits has been treated as a priority in 2011, postponing to 2012 the works regarding the review of the rates flow models.

Liquidity risk

The management of liquidity risk within the Crédit Agricole CIB Group has been placed under the responsibility of the Finance Department's Asset-Liability Management (ALM) department, which reports to the ALM Committee.

Liquidity risk is managed by using the following management indicators:

- forecast stressed liquidity gaps (1 month, 3 months, 1 year), whose results are circulated daily, and the Short-term Limit which attempts to manage the amount of short-term market financing used by Crédit Agricole CIB,
- the 20-year long-term market funding plan and the long-term financing plan,
- the overall medium-/long-term liquidity transformation gap and the ratios of medium-/long-term transformation in non-liquid currencies.

In 2011, the monitoring system notably relied on several controls of key existing processes carried out at different levels. Local ALM Committee meetings were also more closely monitored by the head office in terms of their frequency and the issues addressed.

Within the framework of the 5 May 2009 decree, the Crédit Agricole Group decided to put into place an advanced method for the consolidated Group scope. As one of the entities making up the management scope of the Crédit Agricole Group, Crédit Agricole CIB continued throughout 2011 to apply a project structure dedicated to the implementation of the advanced approach, in conjunction with the Group.

Crédit Agricole CIB's normative Permanent Control system is similar to the Group system. The minimum control indicators are the same and are applied to the major processes in the same manner.

At the time of writing this report, the liquidity risk control environment was in the process of being defined within the framework of the Internal Liquidity Model and the implementation of the advanced approach, and the strengthening of controls will be a key issue for 2012.

The Information Security and Continuity division

The Information Security and Continuity (ISEC) division handles IT security and business continuity issues. It reports to the Corporate Secretary of Crédit Agricole CIB.

In carrying out its permanent control functions, ISEC relies on a network of correspondents in France and internationally.

As regards information security, ISEC defines rules and coordinates efforts to maintain an adequate security level, primarily through a secondary review of information risk analyses. Internet systems and critical internal servers are covered by large-scale specific checks. ISEC also supervises the workflow for granting access authorisations to the Bank's IT applications and coordinates periodic reviews of employee authorisations to access sensitive applications.

The major achievements in 2011 were:

- Continuing to determine the list of key (critical and/or sensitive) applications within the main entities of Crédit Agricole CIB, especially trading floors,
- Continuing to deploy the permissions management workflow (GRANT) at a global level,
- Strengthening IT system security checks (safety audits, permissions management, risk analysis, improving and standardising the IT system security audit plan, etc.),
- Installing a single platform for Paris and London (defining global solutions, governance and a single permanent supervisor).

The major goals for 2012 are to:

- Continue managing and coordinating projects enabling the recommendations of the ACP relating to IT security to be followed withing a single project structure,
- Raise employee awareness of IT system safety issues using e-learning courses,
- Increase our assessment of IT system security within the Crédit Agricole CIB group (updating the annual EASI assessment survey and the RSSI dashboard, increasing the number of safety audits, carrying out penetration tests on the most sensitive applications, etc.),
- Increase the protection of Banking data against information leaks.

There are 23.4 FTE employees in ISEC-ISS: 13.6 based in Paris and 9.8 in London.

As regards business continuity planning, significant resources have been allocated in order to ensure all business can be resumed within the deadlines set by each division in the event of an incident. Annual tests are carried out to check Crédit Agricole CIB's disaster recovery capacity both in France and internationally. A specific Business Continuity Plan has been drawn up to deal with the risks of a pandemic. The aims of this plan are to guarantee employee safety by means of targeted protection measures and to ensure the continuity of core activities at the bank.

Throughout 2011 we:

- Began work on harmonizing BCP procedures in Paris and London (crisis documentation, assessment of requirements by division),
- Raised awareness among employees of the Crédit Agricole CIB group using a compulsory e-learning course,
- Tested the resilience of our crisis management procedures during a number of crisis situations that we had to face,
- Tested our IT back-up procedures (simulating the loss of a data centre) and our user back-up plan (simulating the loss of two sites),
- Carried out two cross-divisional tests involving LCL and Crédit Agricole S.A. (services provided by Crédit Agricole CIB in the event of the loss of a data centre that hosts systems used by these two entities),
- Took part in the national crisis management system test organised by Crédit Agricole S.A.

Our main goals for 2012 will be to:

- Continue standardising the BCP for Paris and London,
- Strengthen our supervision of the Group's BCP using new indicators,
- Improve the resilience of our user back-up systems,
- Monitor the BCPs of essential services outsourcing providers.

There are 6 FTE employees in ISEC-BCP: 4 based in Paris and 2 in London.

An annual assessment is used to check how well the IT system security and business continuity plans are working. The division reports on security levels at Crédit Agricole CIB to a bimonthly committee chaired by a member of the Executive Committee.

Global compliance department

The Global Compliance division is organised as a separate business line within Crédit Agricole CIB.

It helps:

- to ensure that the Bank and its employees comply with professional obligations and with guidance given by the supervisory and executive bodies;
- to detect any risk of non-compliance with legal and regulatory obligations or with professional standards. Its actions mainly involve money laundering, fraud and terrorist financing prevention, protecting investors from insider trading, price manipulation and the dissemination of false information, or any other breach that is liable to be harmful to investors or clients' interests, and to ensure market integrity and effectiveness. Specific measures for the management and monitoring of transactions have been put into place: staff training, the adoption of written Rules of Procedure, obligatory declarations to the responsible authorities, etc.

Crédit Agricole CIB's Chief Compliance Officer reports up the line to Crédit Agricole CIB's Chief Executive Officer and functionally to Crédit Agricole S.A.'s Chief Compliance Officer.

He is assisted by:

- a Financial Security Officer;
- a compliance officer for Capital Market Activities (who has access to a global organisation as part of a Paris-London platform);
- a head of fraud prevention;
- a compliance officer for Coverage and Investment banking activities who is mainly in charge of detecting and preventing conflicts of interest;
- officer of the central team, in charge of Corporate Secretary, compliance controls (a centralised team of permanent controllers), as well as, compliance of Financing and Commercial Banking activities.

The Head of Global Compliance also has functional supervisory authority over the compliance officers of:

- heads of Compliance of Crédit Agricole CIB entities in the international network (LCO, Local Compliance Officers);
- heads of the subsidiaries belonging to Crédit Agricole CIB's scope of internal control.

At the end of 2011, 323 employees (full-time equivalent) worked in Global Compliance (including 50% of Newedge).

The Compliance function systematically attends all meetings of the Internal Control Committees of Crédit Agricole CIB's business lines and of the Permanent Control Committees. It is also involved in the bodies responsible for sustainable development; in this respect its head chairs the ethics committee for transactions presenting an environmental or social risk.

Its main governing body is the Compliance Management Committee, in which the Crédit Agricole CIB legal (LGL), permanent control (RPC), and audit functions participate. Crédit Agricole S.A.'s Compliance Division is also a standing member of this Committee.

The permanent control function within Global Compliance is reinforced by the existence of dedicated Compliance permanent control units, in France, in the USA and in London. Compliance risks are assessed jointly by the compliance officers and business lines included in an annual risk map, which is used in the preparation of compliance control plans.

At a global level, 2011 was marked by:

- Implementation of a regulatory anti-corruption policy,
- Redefinition of steering tools, including, in particular, a global dashboard for non-compliance risk,
- Assumption of responsibility for compliance with the French data privacy authority, CNIL, which was previously ensured by the Bank's General Secretariat,
- Completion of work on the 3rd Directive and roll-out of the review of KYC/KYB procedures,
- Set up of AMF (French financial market authority) certification.

In 2012, the Compliance department will be helping with the Bank's 2012-2014 medium-term plan whilst ensuring a permanent upgrade of the tools that form the compliance system (transaction reporting, detecting conflicts of interest, new products) and continuing to carry out its work, in particular, in the fields of financial security (review of client files especially as regards beneficial ownership), personal data protection, customer protection and the support and training all bank staff in compliance issues and obligations.

Legal Function

Its duties include managing legal risk within Crédit Agricole CIB in accordance with CRBF regulation 97-02 as amended, and providing the necessary support to business lines to enable them to operate with minimal legal risk and cost.

Crédit Agricole CIB's Head of Legal reports up the line to the Deputy Chief Executive Officer of Crédit Agricole CIB.

The Head of Legal has hierarchical or functional authority, as the case may be, over head-office legal officers and the legal officers of Crédit Agricole CIB Group entities, and over local legal officers.

Crédit Agricole CIB's system for the permanent control and management of legal and compliance risks forms part of the framework defi ned by Crédit Agricole S.A.

The Legal Function contributes to ensuring that the Bank's business activities and operations comply with the applicable laws and regulations. It performs permanent controls on legal risks arising from Crédit Agricole CIB's activities, products, services and transactions, along with the operational risks generated by the legal function itself.

It also performs legal consultations to Business Lines, involvement in legal negotiations of transactions, legal watch operations, staff training, standard contract modelling, legal policies and procedures issuing, the collaboration to decision-making bodies and procedures as required by the Bank's governance rules. The Legal function systematically takes part in the process of approving new products and activities and in major lending decisions.

In 2011, the Legal department continued to strengthen its ongoing legal risk management and supervision procedures by putting in place the priority initiatives described in its operational risk map:

- Development of the Paris/London platform has progressed in terms of scope and formalisation, on the one hand, and of governance and reporting on the other;
- The global legal monitoring procedure has been formalised with the publication of a circular and the creation of a dedicated intranet site;
- Management of ongoing supervision procedures has become more international with the creation of Internal Supervision and Ongoing Supervision Committees as well as with the appointment of Regional Ongoing Supervision Correspondents;
- Both the Head Office and the various companies of the Crédit Agricole CIB Group have adopted stricter monitoring of the Bank's (pre-)litigation cases.

In 2012, the Legal department will deploy its operational risk map at an international level and will continue implementing its action plan.

Third degree

Periodic control

Group Internal Audit has responsibility expediting inspections across all Crédit Agricole CIB Group units. It also has direct hierarchical responsibility for all audit units, both local and regional, belonging to both Crédit Agricole CIB and its subsidiaries.

Neither Group Internal Audit nor the audit units have any responsibility or authority over the activities they control.

Crédit Agricole CIB's Internal Audit unit is an integral part of the Crédit Agricole S.A. Group's Audit/Inspection business line. Crédit Agricole CIB's Head of Group Internal Audit, who is in charge of periodic control at Crédit Agricole CIB, reports up the line to Credit Agricole S.A.'s Head of Group Internal Audit and functionally to Crédit Agricole CIB's Chief Executive Officer, to whom he submits his briefs on work and investigations carried out by Internal Audit.

Nearly 219 people work in the Group's internal audit units. Of these, approximately 87 are based at the head office.

To fulfil these missions, Crédit Agricole CIB Internal Audit is organised into two divisions: 1) the Central Audit Team and 2) the regional audit units and subsidiaries' audit units.

Central team

Group Internal Audit has a central team of 70 auditors and has the task of assessing the effectiveness of the internal control system within Crédit Agricole CIB and all its subsidiaries. To achieve this, it conducts assignments within entities. These assignments involve ensuring compliance with external and Rules of Procedure, ensuring the adequacy of arrangements for measuring and supervising risks of all types and checking the quality of accounting information. Assignments also cover the permanent control and compliance control systems.

For this purpose, Group Internal Audit:

- performs global audits of Group entities;
- carries out thematic audits with the aim of evaluating the risk control and monitoring system;
- carries out specific checks on activities organised in the form of international product lines;
- carries out audits on specific issues: frauds and incidents or themes that require the expertise of specialised audit teams.

These audits form part of the annual audit plan. After being approved by Crédit Agricole CIB's Executive Management and Credit Agricole S.A.'s Group Internal Audit, it is presented to Audit and Risks Committee. The conclusions, resulting from studies conducted by Group Internal Audit, are communicated to Crédit Agricole CIB's Executive Management, Credit Agricole S.A.'s Executive Management and Credit Agricole S.A.'s Group Internal Audit.

Internal audit teams

The internal audit units of the Group, including Newedge, comprise 132 people (including 50% of Newedge) at the end of 2011.

Regional or subsidiary audit managers are responsible for coordinating the audit teams in their area. Those managers are hierarchically supervised by a staff member reporting to the Head of Group Internal Audit who is responsible for the integration of local and regional audits into the whole Business Line system.

The local audit units' duties entail:

- auditing the quality of internal control, the quality of processes and the regulatory compliance of operations throughout the entity, according to a three-year audit cycle (it cannot exceed 5 years);
- carrying out occasional audits when requested by the head of the entity and/or by Internal Audit;
- checking that their recommendations and those made by Group Internal Audit or external audit bodies, particularly supervisory bodies, are implemented;
- reporting to Internal Audit on their activities.

Each audit unit regularly identifies risk areas, on the basis of which it prepares an annual audit plan as part of a multi-year cycle, which must be approved by Group Internal Audit.

Half-yearly formal follow-ups are carried out by internal audit teams on audits carried out by internal and external internal control bodies (supervisory authorities or audit firms). For each recommendation made as a result of an audit, this system ensures that the planned remedial action is taken in accordance with a predetermined timetable, established according to priority. The results of recommendation follow-up are presented to the Internal Control Committee of Crédit Agricole CIB. If needed, this process leads the Group Internal Auditor to exercise his alert duty vis-à-vis the Board of Directors as provided for in CRBF regulation 97-02 as amended.

In addition, representatives from Internal Audit regularly attend local internal control committee meetings. These committees deal with permanent controls, implementation of the enhanced compliance control program, completed audit assignments, and Audit's monitoring of recommendations made by Group Internal Audit and the supervisory authorities.

Lastly, Crédit Agricole CIB Internal Audit reports to the Audit and Risks Committee on periodic control activities on a regular basis. More specifically, it reports on the completion of the recommendations with the deadlines arising from internal and external audits. It also submits Internal Audit's annual audit plan.

In accordance with organisational arrangements shared with Crédit Agricole Group entities, described above, and with arrangements and procedures within Crédit Agricole CIB, the Board of Directors, the Executive Management and Crédit Agricole CIB's relevant units are given detailed information about internal control and risk exposure, progress in these areas and the implementation of remedial measures, as part of an ongoing improvement approach. This information is contained in the annual report on internal control, risk measurement and risk supervision, but also in regular reporting documents covering business activities, risk and control.

The Chairman of the Board of Directors,

Auditors' report year ended 31 December 2011

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Crédit Agricole CIB and in accordance with article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report of the Chairman of your Company in accordance with article L. 225-37 of the French Commercial Code (Code de commerce) for the year ended 31 December 2011.

It is the Chairman's role to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures used within the company. The report must also contain other information required by articles L.225-37 of the Code de Com¬merce, relating in particular to corporate governance.

It is our responsibility:

- to inform you of our observations based on the information contained in the Chairman's report relating to internal control procedures and the preparation and treatment of accounting and financial information, and
- to state that the report includes the other information required by article L.225-37 of the Code de Commerce, but not to verify the

accuracy of those other information.

We performed our assignment in accordance with the prevailing standards of the profession in France.

Information concerning internal control procedures and risk management relating to the preparation and treatment of accounting and financial information

The prevailing standards of the profession require us to assess the accuracy of information concerning internal control procedures and risk management relating to the preparation and treatment of accounting and financial information in the Chairman's report. This work included:

- familiarising ourselves with internal control procedures and risk management relating to the preparation and processing of the financial and accounting information used to produce the information presented in the Chairman's report, and with existing documentation;
- familiarising ourselves with work done to prepare this information and with existing documentation;
- determining whether any major deficiencies in internal control relating to the preparation and processing of accounting and financial information that we found in our audit are reported appropriately in the Chairman's report.

On the basis of this work, we have no comment to make about the information concerning the company's internal control procedures and risk management as they relate to the preparation and treatment of accounting and financial information contained in the Chairman's report prepared pursuant to the provisions of Article L.225-37 of the Commercial Code.

Further information

We confirm that the report by the Chairman of the Board of Directors contains the other information required by article L.225-37 of the Code de Commerce.

Neuilly-sur-Seine, and Paris-La Defense ,14 March, 2012

Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Catherine Pariset Pierre Clavié	Valérie Meeus

Corporate officers' compensation

→ BOARD OF DIRECTORS

Directors' attendance fees in 2011

The following attendance fees were paid to the members of the Board of Directors of the Company for serving as Directors of Crédit Agricole CIB in 2011:

Attendance fees paid by Crédit Agricole S.A. and Crédit Foncier de Monaco to Directors with respect to their terms of office in these companies are also stated.

Members of the Board of Directors

In €	Attendance fees paid by Crédit Agricole CIB[1]	Attendance fees paid by Crédit Agricole S.A.[5]	Attendance fees and other compensations paid by Crédit Foncier de Monaco	Total 2011	Total 2010
Jean-Paul CHIFFLET (Chairman of the Board of Directors)	48,000			48,000	39,000
Edmond ALPHANDERY	54,000			54,000	45,000
Philipe BRASSAC	21,000	52,800		73,800	63,700
Frank E. DANGEARD	28,000			28,000	22,000
Marc DESCHAMPS	24,000			24,000	
Jean-Frédéric DREYFUS[2]	24,000			24,000	18,000
Denis GASQUET[3]	9,000			9,000	
Philippe GESLIN[4]	54,000		15,245	69,245	53,377
François IMBAULT	18,000			18,000	18,000
Marc KYRIACOU[2]	24,000			24,000	18,000
Jean LE VOURCH	21,000			21,000	18,000
François MACÉ	51,000			51,000	18,000
Didier MARTIN	28,000			28,000	19,000
Stephane PALLEZ[3]	15,000			15,000	
Jean PHILIPPE	54,000			54,000	48,000
Jean-Louis ROVEYAZ[4]	28,000			28,000	13,000
François THIBAULT[4]	18,000			18,000	9,000
François VEVERKA	54,000	79,500		133,500	114,400

(1) 8 meetings of the Board of Directors in 2011 .
(2) Elected by employees.
(3) Director since 11 May 2011.
(4) Director then non-voting Director since 11 May 2011.
(5) Meetings of the Crédit Agricole S.A. Board of Directors give rise to the payment of a fee of €3,300 per meeting for each Director and €2,750 per meeting for the non-voting director, allocated according to their actual attendance at meetings. Additional fees were paid to members of the Committees according to their attendance at meetings of these Committees and to the Chairmen of these Committees.

The Crédit Agricole Corporate and Investment Bank Shareholders' meeting set the maximum amount of attendance fees allocated annually at €600,000.

Attendance fees are distributed among Directors and non-voting Director on the basis of their attendance at Board meetings and at Audit and Risks Committee and Compensation Committee meetings and a fixed sum is paid to the Chairman of the Board.

Attendance fees are set according to the following rules:

- the amount of attendance fees paid by Crédit Agricole CIB to Members of the Board of Directors is calculated according to their attendance at Board meetings (€3,000 per meeting);
- members of the Compensation Committee and the Audit and Risks Committee receive an annual fee for their participation in these Committees (€4,000 and €15,000 respectively);
- members of the Audit and Risks Committee receive an additional fee of €3,000 per person per meeting attended, with an annual limit of €15,000 per member;
- an annual fee of €20,000 is paid to the Chairman of the Board of Directors.

Attendance fees paid by the Company in 2011 to Directors whose term of office expired during the year

There was no term of office during 2011.

Executive Management

Compensation principles

The compensation paid to Management Board members with respect to 2011 includes a fixed component and a variable component.

- The fixed component is determined with reference to market practices;
- The variable component is based on quantitative and/or qualitative criteria:
  - The quantitative criteria are linked to the achievement of earnings objectives of Crédit agricole CIB and Crédit Agricole S.A.
  - The qualitative criteria are linked to corporate governance, procedure and compliance, cross-selling culture and quality of management and team building.
  - Each of these elements has been given a 50% weighting.
- A long-term performance-related bonus is awarded based on performance in the year under consideration. The long-term performance-related bonus is awarded in Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to the achievement of three performance targets:
  - The intrinsic economic performance of the Crédit Agricole S.A. group;
  - The relative performance of the Crédit Agricole S.A. share compared to a composite index of European banks;
  - The social performance of the Crédit Agricole S.A. group, measured using the FReD index;

and subject also to the recipient's presence within the Crédit Agricole S.A. group.

Compensation of Jean-Yves Hocher, Chief Executive Officer

Appointed Crédit Agricole CIB's Chief Executive Officer on 1 December 2010, he supervised from March 2011 to 14 December 2011 the Fixed Income Markets (FIM), Global Internal Audit (GIA), Corporate Secretary (CSE) and Communication (COM) departments. Since 15 December 2011 he has overseen Group Internal Audit (GIA), Corporate Secretary (CSE) and Communication (COM) departments. He continues to hold office as Deputy Chief Executive Officer of Crédit Agricole S.A. and spends 85% of his time working for Crédit Agricole CIB.

- The fixed portion of the CEO's compensation is set with reference to market practice for CEO compensation.
- In 2011, the variable component was based on two sets of criteria:
  - quantitative criteria: assigned a weight of 50%,
  - qualitative criteria: assigned a weight of 50%.
- A long-term incentive is allocated based on annual performance.

Summary of compensation paid to Jean-Yves Hocher, Chief Executive Officer since 1 December 2010

Beginning on 1 January 2011, the costs of the fixed and variable compensation components, pension contributions and benefits in kind will be shared by the two companies. Crédit Agricole CIB is therefore responsible for 85% of the amounts indicated below (not including the variable remuneration paid in 2011).

The salary elements allocated and paid by Crédit Agricole S.A. for 2010 to Mr Hocher, Deputy Chief Executive Officer of Crédit Agricole S.A. are given in the table below in footnote (8). In 2010, Crédit Agricole CIB paid €15,000 to Mr Hocher as attendance fees due in his office of Director of Crédit Agricole CIB from 23 February 2010 to 1 December 2010. He was appointed Chief Executive Officer of Crédit Agricole CIB at the end of the 2010 financial year.

The fixed part of Mr Hocher's remuneration was set at €500,000 following a decision by the Boards of Directors of Crédit Agricole S.A. and Crédit Agricole CIB in 2011.

Jean-Yves Hocher, CEO (in €)	2011	
	Due (including 85% supported by Crédit Agricole CIB)[2]	Paid (including 85% supported by Crédit Agricole CIB)[3]
Fixed compensation[1]	500,000[7]	500,000[7]
Variable compensation[1] [4]	nd	[8]
Variable compensation indexed to Crédit Agricole S.A.' s share value[4]	nd	[8]
Deferred and contingent compensation[5]	nd	-
Exceptional compensation[1]	nd	-
Attendance fees	0	0
Benefits in kind[6]	35,335[7]	35,335[7]
TOTAL	**nd**	**535,335**

[1] Gross before tax
[2] The figures given are those allocated for the term of office and for the year stated. Part of the variable remuneration that was allocated is conditional. At the date of publication of this document, the Boards of Directors of Crédit Agricole S.A. and Crédit Agricole CIB have not yet determined the variable part of Mr Hocher's remuneration for 2011. An announcement will be made as soon as the Board of Directors has deliberated.
[3] All remuneration paid during the year to the company director in respect of his position.
[4] The non-deferred variable remuneration comprises an amount paid since it was allocated in year N+1 plus an amount paid six months later and indexed to the development of the share price over these six months.
[5] The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements.
[6] The benefits in kind relate mainly to the provision of company accommodation.
[7] Crédit Agricole CIB pays 85% of the amounts stated, in proportion with the time spent working for Crédit Agricole CIB.
[8] In 2011 Mr Hocher was not paid any variable remuneration for his position in office at Crédit Agricole CIB. By way of information, in respect of his function within Crédit Agricole S.A., in its meeting on 23 February 2011 the Board of Directors of Crédit Agricole S.A., at the suggestion of the Compensation Committee, granted Mr Hocher variable remuneration of €554,000 for 2010, of which €332,400 was deferred variable remuneration in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group. In 2011, Crédit Agricole S.A. paid him in respect of the office he held at this company during 2010 gross variable remuneration before tax of €166,200 and variable remuneration indexed to the price of the Crédit Agricole S.A. share of €28,254 (see footnote [4]).

Francis Canterini's compensation, deputy Chief Executive Officer

Francis Canterini was appointed Crédit Agricole CIB deputy CEO on 1 December 2010. He supervises Global Compliance (CPL), Human Resources (HRE), Risk & Permanent Control (RPC), Finance (FIN), Global IT & Operations (GIO), Solutions for Process Improvement (SPI), Legal (LGL), Credit Portfolio Management (CPM), Corporate Secretary (CSE). He used to supervise Distressed Assets (DAS) from March 2011 to 14 December 2011.

- The fixed portion of the deputy CEO's compensation is set with reference to market practice for deputy CEO compensation.
- In 2011, the variable component was based on two sets of criteria:

- quantitative criteria: assigned a weight of 50%,
- qualitative criteria: assigned a weight of 50%.

- A long-term incentive is allocated based on annual performance.

■ Summary of compensation paid to Francis Canterini, deputy Chief Executive Officer since 1 December 2010

Mr. Francis Canterini's fixed compensation was set at €450,000 by decision of Credit Agricole CIB's Board of Directors on 12 January 2011 and remains unchanged for 2012.

Salary elements allocated and paid for 2010 are not mentioned due to his late appointment as deputy CEO at end-2010.

Francis Canterini, Deputy CEO (in €)	2011	
	Due [2]	Paid [3]
Fixed compensation[1]	450,000	450,000
Variable compensation[1] [4]	204,000[8]	[7]
Variable compensation indexed to Crédit Agricole S.A.' s share value[4]	36,000[8]	[7]
Deferred and contingent compensation[5]	168,000[8]	[7]
Exceptional compensation[1]	0	5,833
Attendance fees	0	0
Benefits in kind[6]	8,800	8,800
TOTAL	**866,800**	**464,633**

[1] Gross before tax
[2] The figures given are those allocated for the term of office and for the year stated. Part of the variable remuneration that was allocated is conditional.
[3] All remuneration paid during the year to the company director in respect of his position.
[4] The non-deferred variable remuneration comprises an amount paid since it was allocated in year N+1 plus an amount paid six months later and indexed to the development of the share price over these six month.
[5] The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements.
[6] The benefits in kind relate to the provision of company car.
[7] In 2011 Mr Canterini was not paid any variable remuneration for his position in office at Crédit Agricole CIB.
[8] Crédit Agricole CIB, in its meeting on 21 February 2012 the Board of Directors of Crédit Agricole S.A., at the suggestion of the Compensation Committee, granted Mr Francis Canterini variable remuneration of €408,000 for 2011, of which €168,000 was deferred variable remuneration in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.

Pierre Cambefort's compensation, deputy Chief Executive Officer

Appointed deputy CEO of Crédit Agricole CIB on September 1st 2010, he is the Head of Coverage & Investment Banking (CIB), Global Investment Banking (GIB), Equity Brokerage & Derivatives (EBD), Structured Finance (SFI), Transaction & Commercial Banking (TCB) and the international network. He stoped supervising Distressed Assets (DAS) since March 2011.

- The fixed portion of the deputy CEO's compensation is set with reference to market practice for deputy CEO compensation.
- In 2011, the variable component was based on two sets of criteria:

- quantitative criteria: assigned a weight of 50%,
- qualitative criteria: assigned a weight of 50%.

- A long-term incentive is allocated based on annual performance.

■ Summary of compensation paid to Pierre Cambefort, deputy Chief Executive Officer since 1 December 2010

Mr. Pierre Cambefort's fixed compensation was set at €330,000 by decision of Credit Agricole CIB's Board of Directors on 11 May 2011 and remains unchanged for 2012.

Pierre Cambefort, Deputy CEO (in €))	2010		2011	
	Due (2)	Paid (3)	Due (2)	Paid (3)
Fixed compensation (1)	86,667(7)	86,667(7)	303,077	303,077
Variable compensation(1)(4)	182,500(8)	-	176,000(9)	182,500
Variable compensation indexed to Crédit Agricole S.A.' s share value(4)	36,500(8)	-	35,200(9)	18,615
Deferred and contingent compensation(5)	146,000(8)	-	140,800(9)	0
Exceptional compensation(1)	0	0	0	0
Attendance fees	0	0	0	0
Benefits in kind(6)	10,573	10,573	34,146	34,146
TOTAL	**462,240**	**97,240**	**689,223**	**538,338**

(1) Gross before tax.
(2) The figures given are those allocated for the term of office and for the year stated. Part of the variable remuneration that was allocated is conditional.
(3) All remuneration paid during the year to the company director in respect of his position.
(4) The non-deferred variable remuneration comprises an amount paid since it was allocated in year N+1 plus an amount paid six months later and indexed to the development of the share price over these six months.
(5) The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements.
(6) The benefits in kind from 1 September 2010 relate mainly to the provision of company accommodation.
(7) Fixed compensation set and paid to Mr Pierre Cambefort from 1 September 2010, in respect to his position as Deputy CEO.
(8) Crédit Agricole CIB, in its meeting on 9 March 2011 the Board of Directors of Crédit Agricole S.A., at the suggestion of the Compensation Committee, granted Pierre Cambefort variable remuneration of €360,000 for 2010, of which €146,000 was deferred variable remuneration in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.
(9) Crédit Agricole CIB, in its meeting on 21 February 2012 the Board of Directors of Crédit Agricole S.A., at the suggestion of the Compensation Committee, granted Pierre Cambefort variable remuneration of €352,000 for 2010, of which €140,800 was deferred variable remuneration in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.

Régis Monfront's compensation, deputy Chief Executive Officer

Appointed deputy CEO of Crédit Agricole CIB on 15 December 2011, he is the Head of Fixed Income Markets (FIM), Distressed Assets (DAS), and of a future business line which is about to be created specialized in distribution. He is also in charge of the implementation of the adjustment plan.

- The fixed portion of the deputy CEO's compensation is set with reference to market practice for deputy CEO compensation.
- In 2011, the variable component was based on two sets of criteria:

- quantitative criteria: assigned a weight of 50%,
- qualitative criteria: assigned a weight of 50%.

- A long-term incentive is allocated based on annual performance.

From 2012, Mr. Régis Monfront's fixed compensation was set at €350,000 by decision of Crédit Agricole CIB's Board of Directors on 21 February 2012.

No compensation was distributed by Credit Agricole CIB in relation with his position of deputy CEO in 2011.

Compensation due or potentially due as a result of termination or change of office

With respect to their duties within Crédit Agricole CIB, Jean-Yves Hocher, Francis Canterini, Pierre Cambefort and Régis Monfront do not benefit from a severance pay due or potentially due in the event of termination or change of office.

Retirement bonuses for Crédit Agricole S.A.'s Deputy Chief Executive Officers

Mr. Jean-Yves Hocher benefits from the retirement bonus plan provided for all employees in accordance with the Crédit Agricole S.A. collective bargaining agreement, whose amount may equal six months of fixed salary plus variable compensation limited to 4.5% of the fixed salary.

Other compensation paid by Crédit Agricole S.A. for duties performed within that company

Jean-Paul Chifflet, Chairman of the Board of Directors of Crédit Agricole CIB

- **Summary of compensation paid by Crédit Agricole S.A. with respect to Jean-Paul Chifflet's functions as CEO of Crédit Agricole S.A. – Attendance fees paid by Crédit Agricole CIB with respect to Jean-Paul Chifflet's functions as Chairman of Crédit Agricole CIB's Board of directors**

Jean-Paul Chifflet has been a Crédit Agricole S.A. corporate officer since 1 March 2010.

Jean-Paul Chifflet Chairman of the Board of Directors	2010			2011	
	Due (amount awarded)[2]		Paid out[3]	Due (amount awarded)[2]	Paid out[4]
	In proportion to attendance	Annual basis[4]			
Fixed compensation[1]	750,000	900,000	750,000	900,000	900,000
Variable compensation[5]	274,400	329,280	-	nd	274,400
Variable compensation indexed to Crédit Agricole S.A.' share's value[5]	91,600	109,920	-	nd	46,716
Deferred and contingent compensation[6]	550,000	660,000	-	nd	-
Exceptional compensation	0	0	0	nd	0
Attendance fees[7]	39,000	39,000	39,000	48,000	48,000
Benefits in kind[8]	88,731	104,459	88,731	104,459	104,459
TOTAL	**1,793,731**	**2,142,659**	**877,731**	**nd**	**1,373,575**

(1) Gross before tax from 1 March 2010.
(2) The figures given are those allocated for the term of office and for the year stated. Part of the variable remuneration that was allocated is conditional. At the date of publication of this document, the Boards of Directors of Crédit Agricole S.A. has not yet determined the variable part of Jean Paul Chifflet's remuneration for 2011. An announcement will be made as soon as the Board of Directors has deliberated.
(3) All the amounts disclosed are those paid in respect of his position as corporate officer during the indicated year
(4) Given that the office started in the course of the year, 2010 was calculated on an annual basis in order to be more comparable to 2011.
(5) In 2010, Mr Chifflet was not paid any variable remuneration for his position in office at Crédit Agricole CIB. The non-deferred variable remuneration comprises an amount paid since it was allocated in year N+1 plus an amount paid six months later and indexed to the development of the share price over these six months
(6) The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements.
(7) Attendance fees paid by Crédit Agricole CIB in respect to his office as Chairman of the Board of Director of Crédit Agricole CIB.
(8) The benefits in kind relate to the provision of company accommodation.

Supplementary pension plans

Crédit Agricole CIB's corporate officers do not benefit from specific pension and provident plans linked to the offices they hold at Crédit Agricole CIB.

Mr. Jean-Paul Chifflet, Chairman of the Board of Directors of Crédit Agricole CIB, Mr. Jean-Yves Hocher, Chief Executive Officer, and Mr. Pierre Cambefort and Mr. Francis Canterini, deputy Chief Executive Officers, benefit from a supplementary pension scheme combining a defined contribution scheme and a supplementary defined benefits scheme. The rights under the supplementary scheme are determined by deducting the income received as part of the defined contribution scheme. Payments into the defined contribution scheme are equal to 8% of gross salary, subject to a maximum of eight times the upper Social security limit (of which 3% must be paid by the beneficiary). Subject to being present at the end of the term, the supplementary rights of the defined benefits scheme are equal, for each year of service and depending on the fixed salary at the time of retirement (the reference salary), to 0.90%-1.20% of the fixed remuneration plus the variable remuneration (subject to a maximum of 40% or 60% of the fixed remuneration). When drawn, the total retirement income from these plans and the compulsory retirement plans will be limited to 23x the Social security's annual upper limit on this date.

Mr Régis Monfront, deputy Chief Executive Officer, retains the benefit of a supplementary pension scheme the rights to which are differential and only acquired once the beneficiary completes his career at the Crédit Agricole CIB group and are expressed as a percentage of a fixed base (the reference salary), which is equal to the average of the last three fixed remuneration payments plus the average of the gross bonuses awarded during the previous 36 months (the average of the bonuses being limited to half of the final fixed salary). The reference salary is furthermore limited to the upper limit of Band D (16 times the Social security's annual upper limit).

These commitments are entirely borne by Crédit Agricole CIB for Messrs Cambefort, Canterini and Monfront and for 85% for Mr. Hocher, and this during their term of office at Crédit Agricole CIB. Crédit Agricole CIB does not bear the costs for Mr. Chifflet.

Options to subscribe for or to purchase shares – Free share allocation

In 2011, no stock options and no performance shares were allotted to corporate officers of Crédit Agricole CIB.

Corporate officers benefited from Crédit Agricole S.A.'s free share allocation plan implemented in 2011 (60 shares) in the same way as all of Crédit Agricole S.A. Group contributors.

Table of compliance with AFEP/MEDEF's recommendations

Complementary information regarding the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers in office as of 31 December 2011

Executive Corporate officers	Term of office			Employment contract(*)		Complementary pension plan		Compensation or benefits due or potentially due because of termination or a change in function		Compensation relating to a non-compete clause	
	Begins	Ends		Yes	No	Yes	No	Yes	No	Yes	No
Jean-Paul Chifflet Chairman of the Board of Directors	23.02.2010	Term of office : 2013	(1)		✓	✓		✓ (1) with Crédit Agricole S.A.		✓ (1) with Crédit Agricole S.A.	
Jean-Yves Hocher, CEO	01.12 2010	Term of office : 4th quarter of 2013	(2)	✓ (2) with Crédit Agricole S.A. (contract suspended)		✓			✓	✓ (2) with Crédit Agricole S.A.	
Pierre Cambefort, Deputy CEO	01.09.2010	Term of office : 4th quarter of 2013	(3)	✓ (3)		✓			✓		✓
Francis Canterini, Deputy CEO	01.12.2010	Term of office : 4th quarter of 2013	(4)	✓ (4) with Crédit Agricole S.A. (contract suspended)		✓			✓		✓
Régis Monfront, Deputy CEO	15.12.2011	Term of office : 4th quarter of 2013	(5)	✓ (5) with Crédit Agricole S.A. (contract suspended)		✓			✓		✓

(1) Mr. Chifflet was appointed Chairman on 23 February 2010 for his term of office as Director. End of term of office: after the Shareholders' meeting called to approve the financial statements for the year ended 31 December 2012.
Crédit Agricole CIB will not bear the following commitments: in the event that Mr. Chifflet leaves his office as Crédit Agricole S.A. Chief Executive Officer, a severance pay will be paid by Crédit Agricole S.A.. A non-competition commitment at the termination of this term of office, for whatever reason, may be asked by Crédit Agricole S.A..

(2) Mr. Hocher was appointed CEO on 1 December 2010 for a period expiring at the end of the Board of Directors' meeting held in the fourth quarter of 2013 examining the financial statements on 30 September 2013. He was Director of the Company from 23 February 2010 to 1 December 2010.
Crédit Agricole CIB will not bear the following commitments: commitments related to the re-activation terms of his employment contract with Crédit Agricole S.A.. This contract is suspended until the expiration of his term of office as Deputy CEO in Crédit Agricole S.A. In the event of a re-activation of his employment contract, Mr. Hocher will be subject to a non-competition clause with Crédit Agricole S.A. for one year after the termination of his employment contract.

(3) Mr. Cambefort was appointed on 1 September 2010 for a period expiring at the end of the Board of Directors held in the second quarter of 2011 examining the financial statements on 31 March 2011. When the new CEO was appointed, his term of office was renewed for a period expiring at the end of the Board held in the fourth quarter of 2013 examining the financial statements on 30 September 2013. The employment contract of Mr. Cambefort with Crédit Agricole S.A. is suspended during the period of his assignment with Crédit Agricole CIB. At the end of this period, he may rejoin Crédit Agricole S.A. or another Crédit Agricole Group entity.

(4) Mr. Canterini was appointed on 1 December 2010 for a period expiring at the end of the Board of Directors held in the fourth quarter of 2013 examining the financial statements on 30 September 2013.
His employment contract with Crédit Agricole S.A. is suspended during his term of office in Crédit Agricole CIB.

(5) Mr. Monfront was appointed deputy CEO on 1 December 2010 for a period expiring at the end of the Board of Directors held in the fourth quarter of 2013 examining the financial statements on 30 September 2013.
His employment contract with Crédit Agricole CIB is suspended during his term of office in Crédit Agricole CIB.

(*) The Afep/Medef recommendation against a corporate officer also having an employment contract only relates to the roles of Chairman of the Board of Directors and Chief Executive Officer.

Offices held by corporate officers

At 31 December 2011

Executive Management

Jean-Yves HOCHER

Function within the Company **Chief Executive Officer**

Date of first appointment 2010 Term of office 2013 Holds no share

9 Quai du Président Paul Doumer 92920 Paris La Défense cedex - France

FUNCTIONS AT 31 DECEMBER 2011				FUNCTIONS WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
Chairman	Crédit Agricole Private Banking			Crédit Agricole Assurances
				CA Consumer Finance
				FGA Capital S.p.A.
				Sofinco
				Finaref
				Chairman of the Supervisory Board of: - Eurofactor - Unipierre Assurances
CEO	-			Predica
Deputy CEO	Crédit Agricole S.A.		✓	-
Director	Agro Paris Tech (EPCSCP)	✓		Amundi Group (2011)
	Banque de Gestion Privée Indosuez			ASF
	Emporiki Bank (Greece)		✓	Attica
	Newedge Group			Banque de Gestion Privée Indosuez (2008)
				Banco Espirito Santo (Portugal)
				Bespar
				CACEIS
				CACI - (Crédit Agricole Creditor Insurance)
				Camca
				Cedicam
				Crédit Agricole Assurances Italia Holding S.p.A. (Italy)
				Crédit Agricole Corporate and Investment Bank (from 23 February 2010 to 1 December 2010)
				Crédit Agricole Leasing & Factoring
				Fireca
				Médicale de France
Director	CLSA BV			
	CLSA Stichting Foundation			
Vice-Chairman	-			Pacifica
				Predica
Member of the Supervisory Board	-			Deposit guarantee funds
				Korian

Non-voting Director				Crédit Agricole Assurances
Permanent Representative				of Crédit Agricole S.A. : • Director of Pacifica, of Predica, as non-voting director of: • Siparex of Sofinco, as director of: • Creserfi • Gecina
				• Chairman of Groupement français des bancassureurs - Executive committee member of the Fédération française des sociétés d'assurances

Pierre CAMBEFORT

Function within the Company **Deputy Chief Executive Officer**

Date of first appointment 2010 Term of office 2013 Holds no share

9 Quai du Président Paul Doumer 92920 Paris La Défense cedex - France

FUNCTIONS AT 31 DECEMBER 2011				FUNCTIONS WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
Member of the Executive Committee	Crédit Agricole S.A.		✓	
Chairman	-			Calixte Investissement
				Crédit Agricole Création
Chairman and CEO	-			Mescas (12/2011)
Director	Centre d'échanges de données et d'information du Crédit Agricole Mutuel - CEDICAM (GIE)			Deltager S.A.
	Crédit Agricole Cheuvreux			Newedge Group
	Union de Banques Arabes et Françaises (UBAF)			
Managing Director	CLSA B.V.			
	CLSA Stichting Foundation			

Francis CANTERINI

Function within the Company **Deputy Chief Executive Officer**

Date of first appointment 2010 Term of office 2013 Holds no share

9 Quai du Président Paul Doumer 92920 Paris La Défense cedex - France

FUNCTIONS AT 31 DECEMBER 2011				FUNCTIONS WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Member of the Executive Committee	Crédit Agricole S.A.		✓	
Chairman	BFT - Banque de Financement et de Trésorerie Newedge Group			Crédit Lyonnais Europe (SAS) Redcliffe Investments Ltd
Deputy CEO	-			Cariparma e Piacenza SpA (Italy)
Director	-			Banca Popolare Friuladria SpA (Italy) (and member of the Executive Committee) Crédit Agricole Assicurazioni Crédit Agricole Cheuvreux Crédit Logement
Manager	-			CL Verwaltungs (GMBH) (Germany)
				Director of Risk and Permanent Control of group Crédit Agricole

Régis MONFRONT

Function within the Company **Deputy Chief Executive Officer since 15 December 2011**

Date of first appointment 2011 Term of office 2013 Holds no share

9 Quai du Président Paul Doumer 92920 Paris La Défense cedex - France

FUNCTIONS AT 31 DECEMBER 2011				FUNCTIONS WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Director	-			Amundi UK Ltd CA Cheuvreux International Ltd CL Rouse Ltd CLSA (UK) Representative of CLSA (UK), director de Core Nominees Ltd
Executive Director	-			CL Property Broadwalk Crédit Agricole CIB Holdings Limited Ltd
				Crédit Agricole Corporate and Investment Bank : - Senior Country Officer in the uK, - then Head of Internal Audit of the company

Board of Directors

Jean-Paul CHIFFLET

Function within the Company **Chairman of the Board of Directors and Chairman of the Compensation Committee**

Date of first appointment 2004 Term of office 2013 Holds: one share

12, Place des États-Unis - 92120 Montrouge

FUNCTIONS AT 31 DECEMBER 2011				FUNCTIONS WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
CEO	Crédit Agricole S.A.		✓	CRCAM Centre-Est
				Sacam International (SAS)
Chairman	Amundi Group			Carvest
	Crédit Lyonnais (LCL)			Pacifica
				SAS Sacam Développement
Vice-Chairman	-			Crédit Agricole S.A.
				Rue La Boétie (SAS)
				Comité des banques de la région Rhône Alpes
Director				Banque de Gestion Privée Indosuez
				Crédit Agricole Capital Investissement et Finance (CACIF)
				Deltager
				Crédit Agricole Financements (Switzerland) SA
				GIE AMT
				GIE Attica
				Predica
				Sacam (SAS)
				Sacam Participations SAS
				Siparex associés (SA)
				Société Civile Immobilière du Crédit Agricole Mutuel (SCICAM)
Member of the Executive Committee	Fédération bancaire française (FBF) (Association)	✓		Fédération Rhône-Alpes du Crédit Agricole
	-			SAS Sacam Santeffi
Member of the Management Committee	-			ADICAM (SARL) GECAM (GIE)
Permanent Representative	-			of CRCAM Centre-Est : • Director, AMT (GIE) of SAS Sacam Développement • Director, Crédit Lyonnais (LCL) • Director, Lyon Place financière et tertiaire (Association)
Member of the Advisory Committee, Livelihoods Fund Member of the Advisory Council, Paris Europlace				• Corporate Secretary Fédération Nationale du Crédit Agricole (FNCA) • Member of the Conseil économique et social de Paris • Founding Chairman in the Rhône Alpes of IMS, Entreprendre pour la cité

Edmond ALPHANDERY

Function within the Company **Director - Member of the Audit and Risks Committee**

Date of first appointment 2002 Term of office 2012 Holds: one share

4, place Raoul Dautry - 75015 Paris

FUNCTIONS AT 31 DECEMBER 2011				FUNCTIONS WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	CNP Assurances (MEMBER OF THE COMPENSATION AND NOMINATION COMMITTEE AND MEMBER OF THE STRATEGIC COMMITTEE)	✓	✓	
	CNP International	✓		
Director	Caixa Seguros (Brazil)	✓		Icade
	CNP Unicredit Vita (Italy)	✓		
	GDF Suez (CHAIRMAN OF THE ETHIC, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT COMMITTEE AND MEMBER OF THE AUDIT COMMITTEE)	✓	✓	
	NEOVACS	✓		
Member of the European Advisory Panel of Nomura Securities				Member of the European Advisory Board of Lehman Brothers

Philippe BRASSAC

Function within the Company **Director**

Date of first appointment 2010 Term of office 2013 Holds: one share

111 avenue Emile Dechame 06708 Saint Laurent du Var Cedex

FUNCTIONS AT 31 DECEMBER 2011				FUNCTIONS WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	SAS Sacam Développement			AMT (Association de Moyens Technologiques) (GIE)
	SOFIPACA			
	SOFIPACA GESTION (SAS)			
Vice -Chairman	Crédit Agricole S.A. (MEMBER OF THE COMPENSATION AND GOVERNANCE COMMITTEE AND MEMBER OF THE STRATEGIC COMMITTEE)		✓	
	SAS Rue la Boétie			
Chairman and CEO	-			Deltager SA.
CEO	CRCAM Provence Côte d'Azur SACAM INTERNATIONAL			
Director	SACAM Participations (SAS)			Cariparma (Italy)
	Société Civile Immobilière du Crédit Agricole Mutuel (SCICAM) (SCI)			Crédit Foncier de Monaco
Permanent Representative	of SAS SACAM DEVELOPPEMENT : • Administrateur de Crédit Lyonnais (LCL)			
Member of the Management Committee	ADICAM (SARL)			
Member of te Executive Committee	-			SACAM Square Habitat (SAS)
Corporate Secretary	Fédération Nationale du Crédit Agricole (FNCA)			
Corporate Secretary of the Management Committee	GIE GECAM			

Frank DANGEARD

Function within the Company **Director - Member of the Compensation Committee**

Date of first appointment 2005 Term of office 2014 Holds: one share

22, rue Simon Dereure - 75018 Paris

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
Chairman of the Board of Directors	Atari	✓	✓	
	Goldbridge Capital Partners (UK)	✓		
Chairman and CEO	-			Thomson
Chairman of the Strategic Board	PricewaterhouseCoopers (France)	✓		
Managing Partner	Harcourt	✓		
Director	Moser Baer India Limited (MBIL)(India)	✓	✓	Bruegel (Association - Belgium)
	Moser Baer Private Projects (MBPP) (India)	✓		EDF
	Sonaecom (Portugal)	✓	✓	Enerqos France (SAS)
	Symantec (USA)	✓	✓	Orange
	Telenor (Norway)	✓	✓	
Member of the Consultancy Board	Harvard Business School HEC			

Marc DESCHAMPS

Function within the Company **Director**

Date of first appointment 2010 Term of office 2013 Holds: one share

3 Avenue de la Libération - 63000 Clermont-Ferrand

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
CEO	Caisse régionale de Crédit Agricole Mutuel de Centre-France			Caisse régionale de Crédit Agricole Mutuel de Normandie
	Sacam Centre (SAS)			
Chairman and CEO	Banque Chalus			Sofinormandie (SAS)
Chairman	CACF Développement (SAS)			CA Immo Normandie (SAS)
	Square Habitat Crédit Agricole Centre France (SAS)			CA Normandie Immobilier (SAS)
	ADIMMO (SAS)			Sofimanche
Director and Vice-Chairman	ASM Clermont-Auvergne (Association)	✓		Centre d'échanges de données et d'information du Crédit Agricole Mutuel - CEDICAM (GIE)
	CA Consumer Finance			Crédit Lyonnais (LCL)
	Crédit Agricole Leasing & Factoring			Fonds d'Investissement et de Recherche du Crédit Agricole - FIRECA
	Fondation d'entreprise Crédit Agricole Centre France			Pleinchamp (SAS)
	Fondation de l'Université d'Auvergne	✓		Crédit Agricole Services (GIE)
				Crédit Agricole Technologies (GIE)
Permanent Representative	• of SAS Sacam Participations, Director of l'IFCAM • of CRCAM Centre-France, manager of SNC Alli Dômes			of CRCAM de Normandie: • Chairman, Britline (SAS) • Director, Uni Expansion Ouest • Manager, SEP Normandie
• Chairman of Comité régional Auvergne Fédération bancaire française • Member of Conseil économique Social, Environnemental et Régional Auvergne				

Jean-Frédéric DREYFUS

Function within the Company **Director**
(Director representing employees - In charge of mission for the Corporate Secretary - sustainable development)

Date of first appointment 2002 Term of office 2014 Holds: one share

9, quai du Président Paul Doumer - 92920 Paris la Défense cedex

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Grou**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
Director	Université Paris Dauphine	✓		Agence nationale pour la participation des employeurs à l'effort de construction
	Observatoire de la responsabilité sociétale des entreprises (ORSE - Association) (Treasurer)	✓		Astria
	-			Foncière logement
	-			Union d'économie sociale pour le logement
Member	Comité consultatif de l'Autorité des normes comptables	✓		Conseil consultatif du secteur financier
	-			Conseil national du développement durable
Treasurer	Confédération française de l'encadrement-CGC- confederal Tresurer	✓		

Denis GASQUET

Function within the Company **Director**

Date of first appointment 2011 Term of office 2014 Holds: one share

38, Avenue Kléber - 75016 Paris

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
Executive CEO and member of the Executive Committee	Veolia Environment	✓	✓	
CEO	-	✓		Veolia Propreté (10.2011)
Chairman	Veolia Propreté	✓		
	ENGREF (Ecole Nationale du Génie Rural des Eaux et Forêts)	✓		
	Veolia Environnement Informations et Technologies	✓		
	Veolia Environmental Services (Australia)	✓		
	Veolia Environmental Services North America Corp (USA)	✓		
	Veolia ES Holdings (UK) Plc (United Kingdom)	✓		
	Veolia Umweltservice Verwaltungs (Germany) (VORSITZENDER)	✓		
Chairman and CEO	VENAO Inc. (USA)	✓		

Director	COMGEN Australia	✓		• Marius Pedersen/Veolia MiljØservice Holding / • Marius Pedersen A/S (Denmark) (09/2011)
	Dalkia International	✓		Veolia Environmental Services Belgium (Belgium) (08/2011)
	Dalkia North America Holdings Inc. (USA)	✓		Veolia MiljØ (Norway)(03.2011)
	SARP (Société d'assainissement rationnel et de pompage)	✓		Veolia Transport (03.2011)
	SARP Industries	✓		
	VEETRA	✓		
	Veolia Energy North America Holdings Inc. (USA)	✓		
	Veolia Environmental Services (UK) Plc	✓		
Member of the Supervisory Board	DALKIA (ex Dalkia Holdings)	✓		
	SETDN (SCA)	✓		
	Veolia Eau (SCA)	✓		
Representative	Permanent Representative of Veolia Propreté, director of SEDIBEX and of the Institut Veolia Environnement (association)	✓		Director of Fondation d'entreprise Veolia Environnement et Institut Veolia Environnement, Representative of Founding Members (10.2011)
Member of the Executive Committee, Management Committee, Control Board	Paul Grandjouan SACO, Veolia Environnement, Veolia Enrvironnement Recherche et Innovation, Campus Veolia Environnement (SAS)	✓		Veolia Environnement Informations et Technologies (04.2011)

Philippe GESLIN

Function within the Company **Non-voting Director - Member of the Audit and Risks Committee**

Date of first appointment 2011 Term of office 2014 Holds: one share

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
Chairman of the Supervisory Board	-			Etam Développement
Director	Crédit Foncier de Monaco			Crédit Agricole Corporate and Investment Bank (from May 2002 to May 2011)
	Union Financière de France Banque	✓	✓	Gecina
Member of the Supervisory Board	Euro Disney SCA	✓	✓	
	Euro Disney Associés SCA	✓		
Permanent Representative	of Invelios Capital (SAS): • Director, Société sucrière de Pithiviers le Vieil • Director, Société Vermandoise-Industries	✓	✓	
	• Member of the Supervisory Board of Société vermandoise de sucreries	✓	✓	
Manager	Gestion Financière Conseil (SARL)	✓		
Non-voting member	Invelios Capital (SAS)	✓		

François IMBAULT

Function within the Company **Director**

Date of first appointment 2004 Term of office 2013 Holds: one share

26, quai de la Râpée - 75012 Paris

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
Chairman	Caisse régionale de Crédit Agricole Mutuel de Paris et d'Ile de France		✓	
	Domaine de la Sablonnière (SAS)			
Vice-Chairman	AGECIF CAMA (Association agréée par l'Etat)	✓		
Permanent Representative	of CRCAM de Paris et d'Ile de France: • Director, Socadif • Manager, Société Civile Immobilière Agricole de l'Ile de France • Manager, Société Civile Immobilière Bercy- Villiot			
Director	Credit Agricole Private Banking			CADIF Actions (Association)
	Pacifica			

Marc KYRIACOU

Function within the Company **Director (Director representing employees)**

Date of first appointment 2007 Term of office 2014 Holds: one share

9, quai du Président Paul Doumer - 92920 Paris la Défense cedex

NO OTHER OFFICE AT 31 DECEMBER 2011	FUNCTIONS WITHIN THE PAST FIVE YEARS
-	-

Jean LE VOURCH

Function within the Company **Director**

Date of first appointment 2007 Term of office 2014 Holds: one share

7, rue du Loch - 29555 Quimper cedex

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
Chairman	Caisse régionale de Crédit Agricole Mutuel du Finistère			Coopérative laitière de Ploudanel
	Breiz Europe (Association - Belgium)	✓		Sica Ouest Elevage
				Société financière du groupe Even
				Régilait (Chairman of the Supervisory Council)
Vice-Chairman	-			Uclab
Director	Crédit Agricole Assurances			
	Prévoyance Dialogue du Crédit Agricole - Predica			
Member of the Supervisory Board	Crédit Agricole Titres (SNC)			
Permanent Representative	of CRCAM du Finistère: • Chairman, Fédération bretonne du Crédit Agricole • Vice-Chairman, Investir en Finistère (Association) • Member of the Supervisory Council of Crédit Agricole Bretagne Habitat Holding • Director, Cofilmo of Fédération bretonne du Crédit Agricole : • Director, Valorial (Association)	✓ ✓		of Fédération bretonne du Crédit Agricole, as: • Member, Conseil économique et social de Bretagne
- Manager **- Partner**	GFA de Kerveguen GAEC Le Vourch	✓		

François MACÉ

Function within the Company **Director - Member of the Audit and Risks Committee**

Date of first appointment 2008 Term of office 2014 Holds: one share

18, rue Davout BP 29085 - 21085 DIJON CEDEX 9

<table>
<tr><th colspan="4">FUNCTIONS AT 31 DECEMBER 2011</th><th rowspan="2">FUNCTIONS WITHIN THE PAST FIVE YEARS</th></tr>
<tr><th>FUNCTION</th><th>COMPANY</th><th>Entity outside Crédit Agricole Group</th><th>Company whose shares are listed on a regulated mark</th></tr>
<tr><td>CEO</td><td>Caisse régionale de Crédit Agricole Mutuel de Champagne-Bourgogne</td><td></td><td></td><td>Caisse régionale de Crédit Agricole Mutuel de Charente-Périgord</td></tr>
<tr><td rowspan="2">Chairman</td><td>John Deere Financial (ex- John-Deere Credit) (SAS)</td><td>✓</td><td></td><td></td></tr>
<tr><td>SACAM MACHINISME (SAS)</td><td></td><td></td><td></td></tr>
<tr><td rowspan="6">Director</td><td>CA Consumer Finance</td><td></td><td></td><td>Crédit Agricole Technologies (GIE)</td></tr>
<tr><td>CAMCA</td><td></td><td></td><td>Crédit Agricole Services (GIE)</td></tr>
<tr><td>CAMCA Réassurance</td><td></td><td></td><td>Fonds d'investissement et de recherche du Crédit Agricole FIRECA (SAS)</td></tr>
<tr><td>Crédit Agricole Capital Investissement & Finance (CACIF)</td><td></td><td></td><td>Pleinchamp (SAS)</td></tr>
<tr><td>Crédit Agricole Risk Insurance CARI (Luxembourg)</td><td></td><td></td><td></td></tr>
<tr><td>Crédit Agricole Srbija (ex-Meridian Bank) (Serbia)</td><td></td><td></td><td></td></tr>
<tr><td>Member of the Management Board</td><td>Uni Editions (SAS)</td><td></td><td></td><td></td></tr>
<tr><td>Permanent Representative</td><td>of CRCAM de Champagne-Bourgogne :
• Partner, SNC AMT
• Partner, SNC Greencam
• Director, CADINVEST (SAS)</td><td></td><td></td><td>of CRCAM de Charente-Périgord:
• Chairman, GIE Comète
• Director, GIE Greencam, Grand Sud Ouest Capital SA, and Radian</td></tr>
</table>

Didier MARTIN

Function within the Company **Director - Member of the Compensation Committee**

Date of first appointment 2002 Term of office 2014 Holds: one share

130, rue du Faubourg Saint Honoré - 75008 Paris

<table>
<tr><th colspan="4">FUNCTIONS AT 31 DECEMBER 2011</th><th rowspan="2">FUNCTIONS WITHIN THE PAST FIVE YEARS</th></tr>
<tr><th>FUNCTION</th><th>COMPANY</th><th>Entity outside Crédit Agricole Group</th><th>Company whose shares are listed on a regulated market</th></tr>
<tr><td>Partner</td><td>Cabinet Bredin Prat</td><td>✓</td><td></td><td></td></tr>
<tr><td>Chairman of the Supervisory Board</td><td>-</td><td></td><td></td><td>Mondialum (SAS)</td></tr>
<tr><td>Member of the Supervisory Board</td><td>Soparexo (S.C.A.)</td><td>✓</td><td></td><td></td></tr>
<tr><td>Permanent Representative</td><td>-</td><td></td><td></td><td>of Front Line (SAS):
• Member of the Supervisory Board of Europacorp</td></tr>
</table>

Madame Stéphane PALLEZ

Function within the Company **Director**

Date of first appointment 2011 Term of office 2014 Holds: one share

31 rue de Courcelles - 75008 Paris

FUNCTIONS AT 31 DECEMBER 2011				FUNCTIONS WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman and CEO	Caisse centrale de réassurance	✓		
Chairman	-			Orange BNP Paribas Services
	-			Orange Business Participations
Director	CNP Assurances and Chairman of the Audit Committee	✓	✓	FTCD
	PlaNet Finance (Association)	✓		Telekomunikacja Polska SA
				Deputy CFO of France Telecom-Orange

Jean PHILIPPE

Function within the Company **Director - Member of the Audit and Risks Committee**

Date of first appointment 2007 Term of office 2014 Holds: one share

64060 PAU CEDEX 9

FUNCTIONS AT 31 DECEMBER 2011				FUNCTIONS WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
CEO	Caisse régionale de Crédit Agricole Mutuel Pyrénées Gascogne			
Chairman	FIA-NET (France)			
	FIA-NET EUROPE (Luxembourg)			
	Radian			
Director	Crédit Agricole Solidarité et Développement (Association)			Crédit Agricole Cheuvreux
	Fonds d'investissement et de recherche du Crédit Agricole - Fireca			Crédit Agricole Home Loan SFH (ex-Crédit Agricole Covered Bonds)
	SACAM Participations (SAS)			Eurofactor
	Société Civile Immobilière du Crédit Agricole Mutuel (SCICAM)			Foncaris
	CA Services et Technologie (ex-Synergie) (GIE)			GSCO Capital
Permanent Representative	of Caisse régionale de Crédit Agricole Mutuel Pyrénées Gascogne: • Chairman of the Board of Directors, BANKOA SA (Spain) • Director : - Grand Sud Ouest Capital SA - Mercagentes S.A. (Spain) - Mercagestión S.A. (Spain)			
Member of the Management Committee	GIE Gecam			
• Chairman, Comité de Pilotage Nouvelles Relations Clients en multicanal • Member, Comité des partenariats et de la Commission du Développement FNCA • Member, Commission Vie Mutualiste de la FNCA				

Jean-Louis ROVEYAZ

Function within the Company **Director - Member of the Compensation Committee**

Date of first appointment 2010 Term of office 2014 Holds: one share

52, boulevard Pierre Coubertin - 49004 Angers Cedex 01

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
Chairman of the Board of Director	Caisse régionale de Crédit Agricole Mutuel de l'Anjou et du Maine			Pleinchamp (SAS) (Chairman of the Executive Committee)
	Pleinchamp (SAS)			
Chairman of the Supervisory Board	Société d'épargne foncière agricole (SEFA)			
Director	Cariparma (S.p.A) (Italy)			
	Crédit Agricole Home Loan SFH (ex-Crédit Agricole Covered Bonds)			

Chairman, Comité du financement de l'agriculture de la FNCA
Member, Comité Pilotage Agriculture 2020 de la FNCA
Member, Comité d'orientation agro-alimentaire Crédit Agricole S.A.
Member, Comité de Pilotage Domaine d'Excellence agro-alimentaire de la FNCA
Member, Commission Mutualiste de la FNCA

François THIBAULT

Function within the Company **Director**

Date of first appointment 2010 Term of office 2013 Holds: one share

26 rue de la Godde - 45800 Saint Jean de Braye

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
Chairman	Caisse Régionale de Crédit Agricole Mutuel Centre Loire (and of the Caisse locale de Cosne sur Loire)			
	Carcentre (GIE)			
	Centre Loire Expansion (SAS)			
	CAMCA and Luxembourg subsidiaries			
	Association pour le développement local du Crédit Agricole ADELCA			
Director	CNMCCA (Confédération)			Crédit Agricole Titres
	Foncaris			CA Consumer Finance
	Pleinchamp (SAS)			
Member of the Supervisory Board	Crédit Agricole Bank Polska S.A. (ex-Lukas Bank) (Poland)			
Member of the Executive Committee	Sacam Pleinchamp (SAS)			

- Chairman, Comité d'orientation et de la promotion (COP), du Comité de la filière vins et de la Commission Relations Clients 2.0.
- Member, Comité - du Fonds d'investissement et de recherche du Crédit Agricole /Fireca (SAS) - d'Energie et environnement
- Member of the following commissions : Commission nationale de Rémunération des Cadres de Direction; Commission Mutualiste et Commission Passerelle ; Commission des Cadres dirigeants du groupe Crédit Agricole
- Partner of GAEC Thibault, of GFA de Montour and of GFA de Villargeau d'En Haut

François VEVERKA

Function within the Company **Director - Chairman of the Audit and Risks Committee**

Date of first appointment 2009 Term of office 2012 Holds: one share

84 avenue des Pages - 78110 Le Vésinet

FUNCTIONS AT 31 DECEMBER 2011				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTIONS WITHIN THE PAST FIVE YEARS**
Consultant	Banquefinance associés	✓		
Director	Amundi UK (LTD)			
	Crédit Agricole S.A. and Chairman of the Audit and Risks Committee - Member of the Strategic Committee and the Compensation Committee		✓	
	Crédit Lyonnais (LCL); Chairman, Finance and Risk Committee			
Chairman of the Supervisory Board	Octofinances	✓		
CEO	-			Compagnie de Financement Foncier (CEO, then member of the Executive Committee)
Non-voting Director	Amundi Group, member of the Audit Committee			
Professor	• ESCP-EAP • Ecole polytechnique fédérale de Lausanne			Member, Comité financier de la Fondation pour la recherche médicale

Potential conflicts of interest among members of the Board of Directors and Management Board between their private interests or other duties and their duties towards Crédit Agricole CIB

To Crédit Agricole CIB's knowledge, there is no potential conflict of interest between the duties of members of the Board of Directors and Management Board with respect to Crédit Agricole CIB and their private interests.

Crédit Agricole CIB's Board of Directors and Management Board include corporate officers of companies (including Crédit Agricole Group companies) with which Crédit Agricole CIB has commercial relationships. This may be a source of potential conflicts of interest.

The Rules of Procedure of the Board of Directors remind the members of the Board of their obligation to inform the Board about each conflict of interest, including the potential ones, in which they could be involved directly or indirectly and to avoid participating in votes on such matters.

Article L. 621-18-2 of the Code Monétaire et Financier and article 223-26 of the Autorité des Marchés Financiers' General Regulations

The Company shares were not listed on a regulated market, provisions of article L. 621-18-2 of the Code Monétaire et Financier are not applicable to the Company accordingly.

Information on the ownership structure at 31 December 2011 is provided in note 6.15 to the consolidated financial statements on page 198.

Executive Committee

The composition of Crédit Agricole CIB's Executive Committee at 31 December 2011 is as follows:

Jean-Yves HOCHER	Chief Executive Officer
Pierre CAMBEFORT	Deputy Chief Executive Officer
Francis CANTERINI	Deputy Chief Executive Officer
Régis MONTFRONT	Deputy Chief Executive Officer
Jacques PROST	Structured Finance
Thierry SIMON	Coverage & Investment Banking
Jonathan SLONE	Equity Brokerage & Derivatives
Thomas GADENNE	Fixed Income Markets
Alix CAUDRILLER	Global Investment Banking
Daniel PUYO	Risks and Permanent Control
Paul DE LEUSSE	Finance
Eric BAUDSON	Global IT & Operations
Ivana BONNET	Human Resources
Bertrand HUGONET	Corporate Secretary

3 2011 BUSINESS REVIEW AND FINANCIAL INFORMATION

Crédit Agricole CIB Group business review and financial information

PRESENTATION OF THE CRÉDIT AGRICOLE CIB GROUP'S FINANCIAL STATEMENTS

Changes to accounting principles and policies

Pursuant to EC regulation 16.06.2002, the annual consolidated financial statements were prepared in accordance with IAS/IFRS standards and IFRIC interpretations as adopted by the European Union (the "carve-out" version) and uses certain dispensations of IAS 39 as regards macro-hedge accounting.

The standards and interpretations are identical to those used and described in the Group financial statements at 31 December 2010.

They were completed by IFRS norms measures adopted by the European Union on 31 December 2011, and which became mandatory for the first time in 2011. The enforcement of these new measures had no significant impact on the period's results and net situation.

Changes in the scope of consolidation

Changes in the scope of consolidation between 1 January 2011 and 31 December 2011 are described below:

Entries in 2011

The following new created companies were added to the scope of consolidation:

- Crédit Agricole Van Moer Courtens,
- Crédit Agricole Private Banking,
- Banque de Financement et de Trésorerie.

Disposals in 2011

The company LF Investments LP changed of consolidation mode and is removed out of the scope of consolidation.

The following companies went out of the scope of consolidation because:

⇨ their activity became not significant:

- Amundi Ibérica SGIIC SA,
- SNC Shaun.

⇨ they stoped their activity:

- Korea 21st Century Trust.

⇨ of disposal:

- Bletchley Investments Ltd.

The following companies went out of the scope of consolidation because they were dissoluted without being liquidated and their holding was universally transmitted to Agricole CIB in 2011 :

- CAFI Kedros,
- CAI BP Holding,
- Calyon Capital Market International,
- Mescas,
- Crédit Agricole CIB LP.

➔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 moneymarket 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 slowd own 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.

→ BUSINESS REVIEW AND CONSOLIDATED INCOME STATEMENT

Condensed consolidated statement of income

2011

€ million	Ongoing Activities restated for Financial Manage-ment[1]	Financial Manage-ment[1]	Discon-tinuing operations	Impacts of the adjust-ment plan	Total BFI	Private Banking	Pro-prietary Asset Mana-gement and other activities	CACIB	Change 2011/ 2010[2]
Net banking income	**5,054**	**711**	**(182)**	**(269)[3]**	**5,314**	**572**	**0**	**5,886**	**-10%**
Operating expenses	(3,292)		(97)	(335)	(3,724)	(428)	0	(4,152)	-1%
Gross operating income	**1,762**	**711**	**(279)**	**(604)**	**1,590**	**144**	**0**	**1,734**	**-22%**
Cost of risk	(330)		(171)	(4)	(505)	(2)	0	(507)	17%
Income from equity affiliates	133		0		133	0	0	133	-4%
Gain/(losses) on other assets	2		0		2	0	0	2	ns
Goodwill	(1)		0	(294)	(295)	0	0	(295)	ns
Pre-tax income	**1,566**	**711**	**(450)**	**(902)**	**925**	**142**	**0**	**1,067**	**-26%**
Corporate Income tax	(478)	(250)	149	219	(360)	(25)	(2)	(387)	-14%
Net income	**1,088**	**461**	**(301)**	**(683)**	**565**	**117**	**(2)**	**680**	**-30%**
Minority interests	(10)		0	0	(10)	8	0	(2)	ns
Net income, Group Share	**1,098**	**461**	**(301)**	**(683)**	**575**	**109**	**(2)**	**682**	**-28%**

[1] Financial Mangement : revaluation of debt issues and loan hedges.
[2] Ongoing Activities restated for Financial Management.
[3] Including -€11 millions from loans sold during the first three quarters.

2010

€ million	Ongoing Acti-vities restated for Financial Management[1]	Financial Manage-ment [1]	Discon-tinuing opérations	Total BFI	Private Banking	Proprietary Asset Ma-nagement and other activities	CACIB
Net banking income	**5,586**	**(49)**	**(374)**	**5,163**	**541**	**(6)**	5,698
Operating expenses	(3,333)		(108)	(3,441)	(385)	(9)	(3,835)
Gross operating income	**2,253**	**(49)**	**(482)**	**1,722**	**156**	**(15)**	1,863
Cost of risk	(282)		(340)	(622)	(16)	0	(638)
Income from equity affiliates	139		0	139	0	0	139
Gain/(losses) on other assets	(6)		0	(6)	(7)	0	(13)
Pre-tax income	**2,104**	**(49)**	**(822)**	**1,233**	**133**	**(15)**	1,351
Corporate Income tax	(557)	17	265	(275)	(25)	(9)	(309)
Net income	**1,547**	(32)	**(557)**	**958**	**108**	**(24)**	1,042
Minority interests	29		0	29	8	0	37
Net income, Group Share	**1,518**	**(32)**	**(557)**	**929**	**100**	**(24)**	1,005

[1] Financial Mangement : revaluation of debt issues and loan hedges.

Having been hit in 2011 by the European sovereign debt crisis, the drying up of dollar liquidity and an unprecedented regulatory shock (acceleration of the implementation schedule for Basel III and a tightening of regulatory requirements), on 14 December 2011 the Crédit Agricole group announced a plan for adjusting to the new market conditions, which in particular involved a structural reduction in its consumption of liquidity, diversifying its sources of refinancing, strengthening the Group's solvency and streamlining its business portfolios.

This restructuring plan deals with the new state of affairs affecting not just Crédit Agricole CIB but all European corporate and investment banks: economic constraints related to liquidity management and structural constraints due to the massive acceleration in the regulatory calendar.

As announced by the Crédit Agricole group on 14 December 2011, the plan had a significant impact on the bank's performance in 2011, with a negative financial impact of €683 million on the net income, Group share for the financial year, due to both provisions for restructuring costs and deleveraging activities, and provisions for impairment losses on goodwill.

At the same time, high market volatility has meant the results for the period now include a significant amount for financial management (+€461 million compared to -€32 million in 2010), mainly due to the effect of revaluing Crédit Agricole CIB's own financial liabilities at market value.

Despite these difficult circumstances, the net income of the strategic businesses, less these elements, remained over €1 billion in 2011 with revenues reflecting a limited fall of 10% compared to 2010.

Costs have been kept under control but now include the burden of the so-called "systematic" taxes that came into force in 2011.

Although the cost of strategic business risk rose by 17%, indicative of the deteriorating economic climate which was particularly marked towards the end of the year, it is nevertheless down by 21% for the Bank due to the savings made on discontinuing operations.

→ BUSINESS REVIEW AND CONSOLIDATED INCOME STATEMENT BY BUSINESS LINE

Financing

€ million	2011[(1) (2)]	2010[(1)]	Change 2011/2010	Change at constant exchange rate
Net income	**2,521**	**2,673**	-6%	-5%
Operating expenses	(871)	(832)	5%	5%
Gross operating income	**1,650**	**1,841**	-10%	**0%**
Cost of risk	(319)	(164)	95%	
Income from equity affiliates	134	138	-3%	
Gain/(losses) on other assets	2	(6)	ns	
Pre-tax income	**1,467**	**1,809**	-19%	
Corporate Income tax	(480)	(462)	4%	
Net income	**987**	**1,347**	-27%	
Minority interests	(14)	23	ns	
Net income, Group Share	**1,001**	**1,324**	-24%	

(1) Restated for impact of loan hedges on Net banking income for respectively -€16 and +€40 million in 2010 and 2011.
(2) Restated for impact of the adjustment plan.

Financing activities held up well in tough market conditions. After three good first quarters, the various business lines began to feel the financial effects of more expensive liquidity as well as the greater selectivity being applied to new transactions as part of the Bank's adjustment plan.

As regards commercial banking, Crédit Agricole CIB maintained its presence among its key clients by providing support with their cash flow funding and the issuing of guarantees, despite constraints on liquidity.

Structured finance revenues were up 5%, allowing the Bank to retain its leading position.

As regards project finance, Crédit Agricole CIB is rated third amongst international banks in the world and first in the EMEA zone (PFI - 2011). As regards rail finance, Crédit Agricole CIB was named Rail Finance House of the Year 2011 (Jane's Transport Finance - November 2011) for the first time.

In the bank syndication market, Crédit Agricole CIB held its position as France's leading bookrunner and ranked second in the EMEA zone. The Bank is also ranked sixth in the world, excluding the USA (Thomson Reuters and Dealogic, 31.12.2011).

After several quarters during which the cost of risk remained low, the figure once again went up given the difficult macro-economic climate, especially towards the end of the year.

Capital Markets and Investment Banking

€ million	2011[(1)(2)]	2010[(1)]	Change 2011/2010
Net banking income	**2,533**	**2,913**	**-13%**
Operating expenses	(2,421)	(2,501)	-3%
Gross operating income	**112**	**412**	**-73%**
Cost of risk	(11)	(118)	-91%
Income from equity affiliates	(1)	1	ns
Gain/(losses) on other assets	0	0	ns
Goodwill	(1)	0	ns
Pre-tax income	**99**	**295**	**x,0,3**
Corporate Income tax	2	(95)	ns
Net income	**101**	**200**	**x,0,5**
Minority interests	4	6	-33%
Net income, Group Share	**97**	**194**	**-50%**

(1) Restated for revaluation of debt issues on Net banking income for respectively -€33 and +€671 million in 2010 and 2011.
(2) Restated for impact of the adjustment plan.

In investment banking, Crédit Agricole CIB maintained its revenue levels and confirmed its position as a top tier name especially in the property sector, and ranked tenth for announced mergers and acquisitions transactions in France (Thomson Reuters - 2011).

The Equity Capital Markets teams helped clients with their IPO projects in Asia, especially Hong Kong. Crédit Agricole CIB took part in Prada's share launch on the Hong Kong stock market, which was awarded "Asian Equity Deal of the Year" and "Global IPO of the Year" (IFR, December 2011). The Bank is ranked third for Equity Capital Markets bookrunning in France (Thomson Reuters, 2011).

Capital markets activities suffered particularly from a widespread loss of confidence in the markets and persisting uncertainty over when the European sovereign debt crisis will be resolved.

In addition, like other French banks, Crédit Agricole CIB has had to cope with the increasing scarcity and rising cost of liquidity, especially in dollars.

Against this background, the debt and credit markets business sustained only a 4% fall and continued to increase its share of the euro bonds market. Crédit Agricole CIB is therefore ranked fifth bookrunner on the international euro bonds market (Thomson Financial, 2011). Crédit Agricole CIB was also named the second best bank for Covered Bonds at the Cover Awards held by Euroweek in September 2011.

The brokerage business was penalized by a harsh climate and low volumes especially in Europe for Crédit Agricole Cheuvreux.

The 2011 financial year saw the signature of a partnership agreement with CITICS aimed at creating a leading world brokerage with a solid local presence to better serve clients and investors on a worldwide basis. CITICS will therefore become a minority shareholder of CLSA and CA Cheuvreux with stakes of 19.9% in their capital. Implementation of this agreement is subject to obtaining the usual regulatory approvals.

Discontinuing operations

€ million	2011[1]	2010	Change 2011/2010
Net banking income	**(182)**	**(374)**	**-51%**
Operating expenses	(97)	(108)	-10%
Gross operating income	**(279)**	**(482)**	**-42%**
Cost of risk	(171)	(340)	-50%
Pre-tax income	**(450)**	**(822)**	**-45%**
Corporate Income tax	149	265	-44%
Net income, Group Share	**(301)**	**(557)**	**-46%**

[1] Restated for impact of the adjustment plan.

The negative effect of discontinuing operations on profits fell 46% year-on-year.

Exotic equity derivatives showed positive results of €44 million for the year, an increase versus €35 million in 2010.

The performance of the correlation portfolio and risk-tracking indicators continued to comply with the stabilisation plan put in place at the end of 2009, with a negative impact of €118 million on net banking income for 2011 mainly due to counterparty risk.

Impairment losses on CDOs, CLOs and ABSs were -€279 million (in net banking income and in cost of risk) compared to -€608 million in 2010.

These figures include the counterparty risk on monoline guarantees and Credit Derivatives Product Company whose exposures continue to reduce.

Additional information concerning the nature of the main exposures is provided in the section entitled "Sensitive Exposures based on the Financial Stability Board recommendations" page 115.

International Private Banking

€ million	2011	2010	Change 2011/2010	Change at constant exchange rate
Net banking income	**572**	**541**	**6%**	**0%**
Operating expenses	(428)	(385)	11%	6%
Gross operating income	**144**	**156**	**-8%**	
Cost of risk	(2)	(16)	-88%	
Gain/(losses) on other assets	0	(7)	ns	
Pre-tax income	**142**	**133**	**7%**	
Corporate Income tax	(25)	(25)	0%	
Net income	**117**	**108**	**8%**	
Minority interests	8	8	0%	
Net income, Group Share	**109**	**100**	**9%**	

Against a background of extremely volatile and uncertain market conditions, private banking income, at constant exchange rates, remained at the same level as 2010 even though the managed asset base shrunk due to share price fluctuations.

This year we have had to incorporate a number of non-recurring expenses, in particular those related to the creating of a holding company for the private banking arm of Crédit Agricole CIB.

Wealth under management amounted to €69.1 billion at 31 December 2011, compared with €71 billion at 31 December 2010. It has suffered a significant market effect and, to a lesser extent, an outflow of funds, mostly institutional, in light of fears since summer 2011 over banks' solvency.

Proprietary Asset Management and other activities

€ million	2011	2010
Net banking income	**0**	**(6)**
Operating expenses	0	(9)
Gross operating income	**0**	**(15)**
Gain/(losses) on other assets	0	0
Goodwill	0	0
Pre-tax income	**0**	**(15)**
Corporate Income tax	(2)	(9)
Net income	**(2)**	**(24)**
Minority interests	0	0
Net income, Group Share	**(2)**	**(24)**

In 2010, expenditure related to the final year of amortization on Crédit Agricole S.A.'s 2006 stock options plan, from which some employees at Crédit Agricole CIB benefited.

→ CONSOLIDATED BALANCE SHEET OF CRÉDIT AGRICOLE CIB

Assets

€ billion	31.12.2011	31.12.2010
Cash, due from central banks and other banks (excluding repos)	66.0	49.2
Financial assets at fair value (excluding repos)	424.0	334.0
Derivative financial instruments held for hedging	1.6	1.2
Available-for-sale financial assets	14.3	19.1
Loans and advances to customers (excluding repos)	118.3	122.5
Repos	123.4	131.5
Accruals, prepayments and sundry assets	74.6	54.8
Investments in equity affiliates	1.3	1.1
Non-current assets	0.9	0.9
Goodwill	1.6	1.9
TOTAL	**826.0**	**716.2**

Liabilities and shareholders' equity

€ billion	31.12.2011	31.12.2010
Due to central banks and other banks (excluding repos)	74.4	56.8
Financial liabilities at fair value (excluding repos)	430.7	304.9
Derivative financial instruments held for hedging	1.6	1.3
Customer accounts (excluding repos)	99.4	103.3
Repos	106.8	115.8
Debt securities in issue	25.0	61.9
Accruals, deferred income and sundry liabilities	62.4	47.3
Reserves	1.4	0.9
Subordinated debt	8.2	8.7
Minority interests	0.6	0.7
Shareholders' equity, Group share (excluding net income for the year)	14.8	13.6
Net income, Group Share	0.7	1.0
TOTAL	**826.0**	**716.2**

At 31 December 2011, Crédit Agricole CIB had total assets of €826 billion, a rise of €110 billion compared to 31 December 2010. USD variation dragged total assets up by €7 billion and JPY €3 million. The main changes were in the following items:

Interbank transactions

Crédit Agricole CIB has access to all the major global liquidity centres and is particularly active in the largest markets (Paris, New York, London, Hong Kong and Tokyo), allowing it to optimise assets allocation and interbank resources within the group.

Financial assets and liabilities at fair value through profit and loss

Financial assets and liabilities at fair value through profit and loss (excluding repos) rise respectively by €90 and €126 billion over the period. Financial assets consist mainly of the positive fair value of derivative financial instruments and the portfolio of securities held for trading. Financial liabilities consist mainly of the negative fair value of derivatives, negotiable debt instruments held for trading and securities sold short.

The rise in these items arose mainly from the higher mark-to-market value of derivatives (+€123 billion on assets and liabilities), mostly on interest-rate derivatives and credit derivatives.

Securities purchased or sold under repurchase agreements

Repo activities are mainly in Paris, which accounted for 44% of securities purchased and 40% of securities sold under repo agreements. The decrease in securities on the asset side in 2011 mostly resulted from the decrease in treasury trading activities of the Treasury department.

Accruals, prepayments, sundry assets and liabilities

Accrued income and expenses and other assets and liabilities mainly comprise deferred securities and repurchase agreements and guarantee deposits for market and brokerage transactions. The respective increases of €20 billion and €15 billion in assets and liabilities over the period can be explained mainly by changes in repurchase agreements at the end of the year as well as by a rise in guarantee deposits.

Debt securities in issue

Apart from traditional refinancing via interbank borrowings, Crédit Agricole CIB raises liquidity via issuing paper in the main financial markets (particularly in the USA via its US branch and its CACIB Global Partners Inc. subsidiary).

The significant fall of €37 billion can be explained by the reduction in CD's issues taken out with US asset managers.

Shareholders' equity Group share

Shareholders' equity Group share (excluding net income) for the period was €14,8 billion at year-end, a rise of €1,2 billion compared with 31 December 2010. This evolution is mainly due to the €1 billion capital increase during the second quarter of 2011.

→ 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 re–demption 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.

Outlook for Crédit Agricole CIB

In 2012 Crédit Agricole CIB aims to continue to reduce its balance sheet, in line with the adjustment plan decided upon at the end of 2011. At the same time, we will see the first effects of our new "Distribute to Originate" model aimed at speeding up balance sheet rotation.

Crédit Agricole CIB's balance sheet should rapidly adapt to the new environment: the aim is to reduce our business lines' consumption of liquidity by close to 20%, which will help close our transformation gap and reduce our dependency on short-term market resources. In addition, the Bank will endeavour to reduce the impact of the new prudential rules - CRD III and CRD IV - by initiatives aimed at cutting risk-weighted assets, especially for our discontinuing operations.

In these persistently adverse conditions, revenues will nevertheless continue to increase with the implementation of this new model refocused on distribution and services to major accounts: corporate banking revenues should reach a nadir before fully feeling the effects of the refocused distribution generating high levels of origination, while capital markets revenues should continue a healthy recovery having been severely penalized at the end of 2011.

In 2012 it will still be too early to feel the full benefits of actions taken to address costs, which by nature take longer to come into effect, and we should expect an increase in the cost of risk given the economic climate.

2012 should therefore be seen as a year of transition towards our new model which will allow us to achieve or even exceed the revenues recorded in 2010, with liquidity consumption down by 20%.

Information on Crédit Agricole CIB (SA) financial statements

→ CRÉDIT AGRICOLE CIB (SA) CONDENSED BALANCE SHEET

Assets *€ billion*	31.12.2011	31.12.2010	Liabilities and shareholders' Equity *€ billion*	31.12.2011	31.12.2010
Interbank and similar items	135.7	153.7	Interbank and similar items	118.1	113.3
Customer items	136.5	121.8	Customer accounts	127.4	131.7
Securities portfolio	40.2	63.0	Debt securities in issue	48.0	78.3
Accruals, prepayments and sundry assets	437.7	309.3	Accruals, prepayments and sundry liabilities	443.6	311.7
Non-current assets	9.0	8.4	Impairment and subordinated debt	12.1	12.1
			Fund for general banking risks	0.1	0.1
			Shareholders' equity (excl. FRBG)	9.8	9.0
Total assets	**759.1**	**656.2**	**Total liabilities and shareholders' equity**	**759.1**	**656.2**

At 31 December 2011, Crédit Agricole CIB's total assets were €759 billion, an increase of €10 billion relative to the 31 December 2010 figure.

Interbank transactions

Interbank transaction assets fell by €18 billion (-11.7%) the main variations being a €5.7 billion fall in government securities (including -€4 billion from PIIGS) and a €13.4 billion fall in receivables with financial institutions (including a decline of €28 billion in repurchase agreements, an increase of €7 billion in deposits with the Bank of France and an increase of €9 billion in treasury investments with Crédit Agricole S.A.).

Inversely, interbank liabilities rose €4.9 billion including a €14 billion fall in repurchase agreements and a €21 billion rise in borrowings (including a €14 billion increase with Bank of France and a €13 billion increase in cash raised with Crédit Agricole S.A.).

Customer transactions

Assets rose by €14,7 billion (+12,1%), and liabilities slightly decreased by €4,3 billion (-3,2%).

The rise in assets from customer transactions has mainly come from repurchase transactions, with customer accounts and loans remaining relatively stable over the year.

As regards liabilities, although repurchase transactions are also up by €5 billion, customer accounts and loans are down €9 billion: the massive deposit withdrawals from US customers, especially asset managers, from Crédit Agricole CIB USA (of around -€16 billion) has been partially offset by a daily borrowing with the Public Treasury (€6 billion) and by a sharp rise in customer deposits at Crédit Agricole CIB France (€5.5 billion).

Securities transactions and debt securities in issue

Security transactions and debt securities are down by €22.7 billion (-36.2%) and €30.2 billion (-38.7%) respectively.

The fall in assets is mainly due to the 2011 reimbursement of €14.9 billion in debentures issued by Crédit Agricole S.A. and a sharp fall of €4.3 billion in assets held for trading.

On the liabilities side, the fall is the result of a halt in issues by the various branches accounting for -€39 billion over the year (of which -€29 billion for Crédit Agricole CIB USA), which was partially offset by a strong rise in deposit certificates in Paris of €8 billion.

Accruals, prepayments, sundry assets and liabilities

Accruals mainly registered derivatives financial instruments at fair value. These amounts are reported in financial assets and liabilities measured at fair value in the consolidated financial statements.

Accruals and prepayments respectively rise by €118 billion in assets (+51.1%) and €123 billion in liabilities (+54.9%), mainly on interest rates swaps.

"Other assets" and "other liabilities" mostly include premiums on conditional derivative financial instruments, miscellaneous debtors and creditors and trading securities' sales and purchases transactions awaiting settlement.

Crédit Agricole CIB S.A. supplier payment times

Crédit Agricole CIB pays its suppliers within 29-45 days.

Crédit Agricole CIB had outstanding payables of €14 million at 31 December 2011.

→ CRÉDIT AGRICOLE CIB (SA) CONDENSED INCOME STATEMENT

€ million	2011	2010
Net banking income	3,470	3,339
Operating expenses	(2,456)	(2,201)
Gross operating income	**1,014**	**1,138**
Cost of risk	(486)	(594)
Net operating income	**528**	**544**
Net gain/(loss) on disposal of non-current assets	(531)	(335)
Pre-tax income	**(3)**	**209**
Net extraordinary items	**1**	**(2)**
Corporate Income tax	703	1,176
Net allocation to the FGBR and regulated reserves	(4)	5
Net income/(loss)	**696**	**1,388**

Revenues at Crédit Agricole CIB (SA) for 2011 were €3.5 billion, a slight rise of €131 million versus the previous year (3.9%). In an extremely volatile and uncertain market, marked by widespread mistrust and sovereign debt crisis, the year was particularly difficult for capital markets businesses. On the other hand, despite these adverse conditions, financing activities performed well, especially as regards structured finance which recorded a slight increase. The burden of discontinuing operations on the profit and loss account continued to decrease compared to previous years. They had only a limited effect on revenues for the year.

General operating expenses were up €261 million (12.3%). €275 million of this sharp rise is due to provisions for restructuring costs needed as part of the plan announced on 14 December. Excluding these provisions, general operating expenses were in fact down €14 million (-0.7%).

Gross operating income was €1 billion in 2011.

The cost of risk was -€0.5 billion for 2011 (compared to -€0.6 billion for 2010). After three good quarters, the cost of risk for ongoing activities rose sharply at the end of the year due to the economic climate. This increase was however offset by the falling cost of discontinuing activities.

The item “corporate income tax” is positive in 2011 (+€0,7 billion) due to the purchase by Crédit Agricole S.A. of previous carry forward tax deficits according to the tax consolidation group (impact of +€0,8 billion versus €1,4 billion in 2010).

Crédit Agricole CIB is part of the Crédit Agricole S.A. tax consolidation group. The tax consolidation agreement between Crédit Agricole S.A. and Crédit Agricole CIB enables Crédit Agricole CIB to sell its tax deficits.

Crédit Agricole CIB (SA) generated a net income of €696 million in 2011 as opposed to a €1,388 million gain in 2010. Crédit Agricole CIB France accounted for +€110 million of this profit, while its branches accounted for +€586 million.

→ FIVE-YEAR FINANCIAL SUMMARY

Items	2007	2008	2009	2010	2011
Share capital at year-end (€)	3,714,724,584	3,714,724,584	6,055,504,839	6,055,504,839	6,775,271,784
Number of shares issued	137,582,392	137,582,392	224,277,957	224,277,957	250,935,992
Total result of realized transaction (€)					
Gross revenue (excl. Tax)	367,761,333,633	488,353,038,936	447,272,516,791	292,137,398,707	246,992,539,983
Profit before tax, depreciation, amortization and reserves	(2,237,246,750)	(2,936,075,816)	1,519,217,173	110,543,984	921,066,991
Corporate income tax	(12,205,109)	135,098,156	(27,584,540)	(1,178,684,864)	(702,820,535)
Profit after tax, depreciation, amortization and reserves	(2,855,358,688)	(4,153,939,642)	719,761,962	1,388,131,633	696,612,698
Amounts of dividends paid				955,424,097	647,414,859
Earning per share (€)					
Profit after tax but before depreciation, amortization and reserves	(1) (16.17)	(2) (22.32)	(3) 6.90	(4) 5.75	(5) 6.47
Profit after tax, depreciation, amortization and reserves	(1) (20.75)	(2) (30.19)	(3) 3.21	(4) 6.19	(5) 2.78
Dividend per share	0.00	0.00	0.00	4.26	2.58
Staff					
Number of employees	(6) 8,363	(6) 7,695	(6) 7,415	(6) 7,455	(6) 7,633
Wages and salaries paid during the financial year	1,011,387,894	855,077,555	826,742,162	888,153,068	940,878,858
Employee benefits and social contributions	323,470,829	339,015,389	294,878,902	304,213,017	333,650,719
Payroll taxes	29,752,164	33,903,795	33,192,628	32,772,179	30,312,716

(1) Calculation based on number of shares issue excluding treasury stock at end-2007, i.e. 137,582,392.
(2) Calculation based on number of shares issue excluding treasury stock at end-2008, i.e. 137,582,392.
(3) Calculation based on number of shares issue excluding treasury stock at end-2009, i.e. 224,277,957.
(4) Calculation based on number of shares issue excluding treasury stock at end-2010, i.e. 224,277,957.
(5) Calculation based on number of shares issue excluding treasury stock at end-2011, i.e. 250,935,992.
(6) Average headcount.

→ RECENT CHANGES IN SHARE CAPITAL

The table below shows changes in Crédit Agricole CIB's share capital over the last five years.

Date and type of transaction	Amount of share capital (€)	Number of shares
Share capital at 31 December 2006	**3,435,953,121**	**127,257,523**
Scrip dividend payment	278,771,463	10,324,869
Share capital at 31 December 2007	**3,714,724,584**	**137,582,392**
Share capital at 31 December 2008	**3,714,724,584**	**137,582,392**
28.01.2009		
Capital increase (share issuance)	2,340,780,255	86,695,565
28.08.2009 Capital increase (issuance premiums and increase in the par value of existing shares) Capital decrease (appropriation of 2008 retained earnings and decrease of the par value of existinf shares)	2,357,161,328 (2,357,161,328)	
Share capital at 31 December 2009	**6,055,504,839**	**224,277,957**
Share capital at 31 December 2010	**6,055,504,839**	**224,277,957**
21.06.2011		
Capital increase (dividend paid in shares)	719,766,945	26,658,035
Share capital at 31 December 2011	**6,775,271,784**	**250,935,992**

Authorisations to effect capital increases

Information required by article L.225-100 of the Code de commerce:

Crédit Agricole CIB has no authorization validated, granted by the Shareholders' meeting to the Board of Directors, to proceed to capital increases.

→ INFORMATIONS ON CORPORATE OFFICERS

Information relating to the compensation, terms of office and functions of corporate officers as required by article L.225-102-1 of the Code de Commerce is provided in the "Corporate Governance" chapter on pages 59 to 80.

Trading in the Company's shares by corporate officers: information that could be required by article L.621-18-2 of the Code Monétaire et Financier and article 223-26 of the Autorité des Marchés Financiers' general regulations is provided in page 80 of this document.

4 RISKS FACTORS AND PILLAR 3

Risk factors

→ ORGANISATION OF THE RISK FUNCTION

The Risk Management and Permanent Controls (RPC) division is in charge of the supervision and permanent control of risks across the whole of the Crédit Agricole CIB Group's scope of internal control. It carries out second-level supervision and permanent control of credit, market and operational risks. It also supervises units in charge of financial internal control, along with those in charge of information continuity and security.

Crédit Agricole CIB 's Risk Management and Permanent Controls organisation is integrated into the Crédit Agricole S.A. Group's Risk Management and Permanent Controls business line. Risk management is delegated to Crédit Agricole CIB under formally adopted subsidiarity and delegation principles. Within this framework, the RPC regularly reports its major risks to Crédit Agricole S.A.'s Group Risk Management Division, and has Crédit Agricole S.A.'s Group Risk Management Committee (CRG) approve those cases which exceed its authorised limits as well as substantial risk strategies at the Crédit Agricole S.A. Group level.

A worldwide organisation

The RPC is a worldwide organisation with the following attributes:

- all risk management tasks and business lines, whatever their nature or location, are grouped together within the division. The RPC has seven departments:
  - "Corporate" Individual Counterparty Risks,
  - "Financial Institutions" Individual Counterparty Risks,
  - Organisation, projects and operational management of Counterparty Risks,
  - Counterparty risks on market transactions,
  - Country and Portfolio Risks,
  - Market Risks,
  - Permanent Controls and Operational Risks, and Corporate Secretariat of RPC;

and specialised units (Risk culture, central management and sensitive cases);

- all of Crédit Agricole CIB's local and regional RPC managers within the international network report directly to the RPC's managers at Head Office;
- internal financial control officers and information continuity and security officers report functionally to the head of the Permanent Controls and Operational Risks department;
- Crédit Agricole CIB's head of Risk Management and Permanent Controls reports hierarchically to Crédit Agricole S.A.'s head of Group Risk Management;
- Crédit Agricole CIB's head of Risk Management and Permanent Control reports functionally to Crédit Agricole CIB's Management Board and is a member of Crédit Agricole CIB's Executive Committee.

Governance and global management of the activities

Information of Crédit Agricole CIB governance bodies

The Crédit Agricole CIB Audit and Risks Committee and Board of Directors receive a report on Risk Management and main exposures quarterly, a report on Risk situation semi-annually and specific monographs when needed that are realised periodically or on request.

Global management of the activities

Definition of risk profile and Strategic Risk Management

A member of the Executive Management is at the head of the Strategy and Portfolio Committee (CSP). Its main missions are:

- to ensure that the bank global strategy is consistent with its capacity of taking risks to set guidelines that will come in specific operational rules, notably such as risks strategies and analyses alert or Business Watch topics.
- the CSP also oversees each location/country, each business line/ important subsidiary within a specific risks strategy giving the main development guidelines for each business; it also decides on the main risk budgets in the global portfolio.

Decision-making process

The decision-making process within Crédit Agricole CIB is ensured by dedicated committees for decision-making process:

- Business and geographical Committees are in charge of retail financing within the limit granted to each manager;
- the most significant files are reviewed by the Counterparty Risk Committee (CRC) which is chaired by a member of Executive Management. The Crédit Agricole S.A. Group Risk Management Division (DRG) is systematically a member of this committee and receives all the files. The cases with an amount higher than the limits granted to Crédit Agricole CIB are presented for decision to the Crédit Agricole S.A. Executive Management, after approval by the Group Risk Management Division;
- the Market Risk Committee (CRM), which is also chaired by a member of Executive Management, monitors market exposures twice a month. The CRM sets the limits and does controls on compliance accordingly.

Anticipation

The two following institutions are in charge of anticipating the potential deterioration of counterparties:

- The Early Warning Committee which goal is to identify signals of potential deterioration of non doubtful counterparties. After analysing collected informations, it decides whether or not to maintain the relationship and can decide to take measures in order to protect the bank interests;
- the Business Watch activity is now attached to the Country and Portfolio Risks department.

Sensitive cases follow up

The control of sensitive cases is ensured by a dedicated team. Debts that are under special supervision or classified as in default are revised quarterly.

Operational management bodies

On addition to the Committees in charge of risks (CRC and CRM), risk management reports are also regularly presented to the following Executive Management bodies:

- Crédit Agricole CIB Executive Committee, with debates and discussions dedicated to risk management;
- Internal Control Committee which is responsible for monitoring market and counterparty limits as well as the recommendations of internal and external audit bodies;
- Faîtier Central Permanent Control Committee which validates the work assigned to Permanent Control and reviews the permanent control systems of the Business Lines or branches and cross-functional issues.

Crédit Agricole S.A. risk management process

Crédit Agricole CIB is part of the Crédit Agricole S.A. Risk process which is structured by the following bodies:

- The Group Risk Management Committee is chaired by the Crédit Agricole S.A. CEO. Crédit Agricole CIB mainly presents to the committee its approvals, its main limit risk strategies, its budgets by country, the corporate significant outstanding, the sensitive cases as well as the market risk situation;
- The Supervisory Risk Management Committee which belongs to the CRG. Chaired by the Crédit Agricole S.A. CEO, this committee reviews counterparties which present signs of deterioration or a need of arbitrage between entities of the Group;
- The Standards and Methodology Committee (CNM) is chaired by the Crédit Agricole S.A. Head of Risk Management and Permanent Controls to which Crédit Agricole CIB submits for decision any proposal of new or existing methodology as regards to measurement or qualification under the Basel Committee before implementation in Crédit Agricole CIB;
- The CIB Business Line Monitoring Committee is chaired by the Crédit Agricole S.A. Head of Risk Management and Permanent Controls in the presence of the Crédit Agricole CIB Deputy CEO in charge of the support functions and of the Crédit Agricole CIB Risk Management Division. This committee reviews Crédit Agricole CIB risk situation as well as the progress of some of these processes.

→ CREDIT RISKS

A credit risk occurs when a counterparty is unable to fulfil its obligations and when the book value of these obligations in the bank's records is positive. The counterparty may be a bank, an industrial or commercial corporate, a government or government entity, an investment fund or a natural person.

The exposure may be a loan, debt security, deed of property, performance exchange contract, guarantee 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.

Objectives and policy

Risk-taking in Crédit Agricole CIB must be done through the risk strategy definition approved by the Strategy and Portfolio Committee (CSP), chaired by Executive Management. The risk strategies are set for each entity or business line carrying a risk within the scope of control of Crédit Agricole CIB. The strategies define the boundaries within which each business line or geographical entity must conduct its activities: industrial sectors included (or excluded), type of counterparty, nature and duration of transactions and products authorised, category or intensity of risks incurred, existence and value of guarantees, overall portfolio volume, definition of individual and overall risk level, diversification criteria.

The definition of a risk strategy on each significant scope, sector, business line or geographic entity allows Crédit Agricole CIB to require quality criteria on the commitments that are taken. It also prevents from excessive concentrations not expected by Crédit Agricole CIB and it leads to a risk diversification of the portfolio profile.

Concentration risks are managed by using specific indicators that are taken into account for granting loans (concentration model, capital allocation in the RAROC). Then, concentrations are monitored a posteriori for the entire portfolio by analysing the quantitative measure allocated to this use and based on the Bank's internal model.

Finally, an active portfolio management is done within Crédit Agricole CIB to reduce main concentration risks and also to optimize its uses of shareholders' equity. The CPM uses market instruments such as credit derivatives or securitisation mechanisms to reduce and diversify counterparty risks. The credit syndication from external banks as well as a hedging policy (credit-insurance, derivatives, etc) are other ways to limit possible concentrations.

Credit risk management

General principles of risk-taking

Credit decisions depend on the upstream risk strategies that are defined above.

Limits are set for all counterparties and groups of counterparties, in order to control the amount of commitments, whatever the type of counterparty (corporate, sovereign, banks, financial institutions, local authorities, SPEs, etc.). Authorisations vary according to the quality of the risk, assessed by an internal rating of the counterparty. The credit decision must form part of the formally approved risk strategies.

Second-level controls on compliance with limits are performed by the RPC, supplemented by a process for monitoring individual risks and portfolio risks, in order to detect any possible deterioration in the quality of the counterparty and Crédit Agricole CIB's commitments as far ahead as possible.

Where the risk is substantiated, a collective and specific impairment policy is put into effect.

New transactions are approved according to a decision-making process based on two front-office signatures, one by a commitment analysis unit, the other by a front-office manager as signing officer.

The decision is supported by an independent opinion by the RPC and must take Basel II parameters into account, including the internal rating of the counterparty and the predictive Loss Given Default (LGD) attributed to the proposed transactions; a calculation of ex-ante profitability (RAROC) must also be included in the credit file. In the event that the risk management team's opinion is negative, the decision-making power is passed up to the chairman of the higher committee.

Risk measurement methods and systems

Internal rating system

The internal rating system covers all methods, procedures and controls used to calculate credit risk, borrower ratings and loss given default figures for all of our exposures.

In 2007, Crédit Agricole CIB received authorisation from the Autorité de Contrôle Prudentiel (ex-Commission Bancaire) to use its internal credit risk rating system to calculate regulatory capital requirements.

The methods used cover all types of counterparty and combine quantitative and qualitative criteria.

They are devised using the expertise of the various financing activities within Crédit Agricole CIB, or within the Crédit Agricole Group if they cover customers shared by the whole Group. The rating scale has 15 notches. It 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 under 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	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

All the methods are presented and validated by Crédit Agricole S.A.'s Standards and Methodology Committee, which ensures that they are consistent with the Group's other methods.

The internal ratings of corporate customers are monitored using a system deployed across the whole Crédit Agricole Group, known as "FRANE" (corporate rating regulatory support functions), which ensures that uniform ratings are applied throughout the group and organises back-testing work on shared customers.

Crédit Agricole CIB has ensured that the risk parameters required by Basel II, allowing the calculation of capital requirements, are used as part of the Bank's internal management. They are used by all people involved in the process of granting loans and measuring and monitoring credit risks.

Data used for granting loans and determining ratings are monitored every two months by a data quality committee. This committee is coordinated by the Risk Management Department, and representatives of all business lines take part in it. The committee monitors a set of indicators concerning the quality of data used for rating purposes, as well as the calculation of other Basel II parameters when granting loans, such as loss given default (LGD), credit conversion factor (CCF) and risk reduction factor (RRF). The committee helps business lines apply Basel II requirements and, if necessary, to take remedial action when discrepancies arise. It provides important help in checking that the Basel II system is used properly by the business lines.

Credit risk measurement

The measurement of credit risk exposures includes both drawn facilities and confirmed unutilized facilities. To measure counterparty risk on capital markets transactions, Crédit Agricole CIB uses an internal method for estimating the underlying risk of derivative financial instruments such as swaps and structured products.

The counterparty risk on markets transactions is subject to the recognition of potential risk arising from the change in market value of derivatives instruments during their residual lifespan. When the netting and collateralization agreements with the counterparty allow, counterparty risk is measured for the portfolio net of eligible collateral. The corporate and investment 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 capital adequacy ratios or for reporting major risks.

To reduce exposure to counterparty risks, the corporate and investment business enters into netting and collateralization agreements with its counterparties (cf. paragraph 4. below: "Credit risk mitigation mechanism").

Information on credit risks are provided on page 106 of the "Risk factors and Pillar 3" section as well as in note 3 of the notes to the consolidated financial statements.

Portfolio and concentration risks

Decision-making and individual risk monitoring within Crédit Agricole CIB are backed up by a portfolio risk monitoring system that enables the group to assess counterparty risks for its overall portfolio and for each of the constituent sub-portfolios, according to a breakdown by business line, sector, geographic zone, or any delineation that brings out specific risk characteristics in the overall portfolio.

Portfolio reviews are conducted periodically at each profit centre in order to check that the portfolio is consistent with the risk strategy in force, to assess the various segments of the portfolio against one another and against any aspects of the operating environment or external impacts that may be influencing them, and finally to reassess the internal rating of the counterparties under review.

Different tools were implemented to detect any concentration deemed to be excessive for the entire portfolio, sub-portfolios or at a unit level:

- Unit concentration scales were implemented to give reference points according to the nature, the size, the rating and the geographic area of the counterparty. They are used in the loan-granting process and are periodically implemented to the entire portfolio to detect concentrations that seem to be excessive a posteriori.
- The concentrations by sector or by geographic area are regularly the subject of supervision, ad hoc analysis and when needed, of recommendations for action. In all cases, concentration risks are taken into account in the risk strategy analysis of each business line or geographic entity.

Crédit Agricole CIB employs credit risk modelling tools and in particular uses an internal portfolio model that calculates (average) expected loss, average loss volatility and unexpected loss, allowing it to estimate the economic capital required to conduct its business. Average loss and volatility figures enable Crédit Agricole CIB to anticipate the average risk-related cost in its portfolio, and changes therein. Economic capital is an additional measurement of Basel II regulatory capital, to the extent that it allows a more detailed view of the portfolio using a correlation model and parameters calibrated using internal databases.

The internal portfolio model also takes into account the positive impact of protection (Credit Default Swaps, securitisations) purchased by Crédit Agricole CIB's Credit Portfolio Management unit. Finally, it measures the effects of excessive concentration or diversification within our portfolio. These effects are studied based on individual and geo-sectorial criteria.

Stress scenarios are the final type of counterparty risk assessment tool. They are regularly produced to estimate the impact of extreme shocks on some or all of the portfolio.

Sector risks

Crédit Agricole CIB's portfolio is analysed by major industrial sector at regular intervals, at least once a quarter. Risks within each sector in terms of commitments, level of risk (expected loss, economic capital) and concentration are examined.

Concentration is assessed on two levels: idiosyncratic and geo-sectorial. Those analysis can be more or less deepened according to the analyst's needs.

At the same time, the economic and financial risks of each significant sector are analysed and leading indicators of deterioration are monitored. These analysis are prepared with Crédit Agricole S.A's specialists teams.

Stress scenarios are also prepared where necessary or during the strategic review of an entity of the bank.

In the light of these various analyses, measures to diversify or protect sectors at risk of deterioration are recommended.

Country risks

Country risk is the risk that economic, financial, political or social conditions in a foreign country will affect the bank's financial interests. It does not differ in nature from "elementary" risks (credit, market and operational risks). It constitutes a set of risks resulting from the bank's vulnerability to a specific political, macroeconomic and financial environment.

The system for assessing and monitoring country risk within Crédit Agricole CIB is based on an internal rating model. Internal country ratings are based on criteria relating to the economy's structural solidity, 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 set by procedures. It has been decided on 2011 fourth quarter – to be applied in 2012 - to extend the notion of limit to every country, following terms that are more or less restrictive depending on the country's quality.

In addition, the Bank performs scenario analyses to test adverse macroeconomic and financial assumptions, which give an integrated overview 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 portfolio's vulnerability to country risk. This 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 this 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 Risk Management Committee (CRG).
- Country risk is evaluated on a regular basis through the production and quarterly updating of ratings on each country to which the Group is exposed. These ratings are produced using an internal country rating model based on various criteria (structural solidity, governance, political stability and ability/desire 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 country risk intensity may potentially 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 specific and regular reports on all country risk exposures.

Counterparty risks on capital market activities

Derivatives and repo transactions carried out by Crédit Agricole CIB as part of its capital market activities generate a risk of default by the transaction counterparties. Crédit Agricole CIB uses internal methods to estimate the current and potential risk inherent in derivative financial instruments, taking a net portfolio approach for each client:

- the current risk is the amount that would be due by the counterparty in the event of immediate default;
- the risk of variation is the estimated maximum amount of our exposure over the residual life of the transaction, at a given confidence interval.

The methods used are based on Monte Carlo simulations to measure the risk of change in the market value of a portfolio of derivatives over the residual life of the portfolio, based on a statistical observation of movements in the underlying variables.

The model also takes into account various risk mitigation factors, linked to set-off and collateralisation contracts negotiated with counterparties during the pre-transaction documentation phase.

The risk of variation calculated using the internal model is used to manage limits assigned to counterparties and to calculate economic capital under Pillar 2 of Basel II, by calculating the "Expected Positive Exposure", which corresponds to an average risk profile in a global portfolio approach.

For regulatory purposes, Crédit Agricole CIB uses the standard approach to calculate the benchmark Exposure At Default (mark-to-market + regulatory add-on [potential credit risk] after factoring in portfolio effects). See note 3.1 to the consolidated financial statements: "Derivative financial instruments - Counterparty Risk" on page 175.

Commitments Monitoring system

Monitoring system

First-degree controls on compliance with the conditions that accompany a credit decision are carried out by the front office. The Risk Management and Permanent Controls division is in charge of second-level controls.

Commitments are supervised for this purpose, and portfolio business is monitored constantly in order to identify at an early stage any assets that could deteriorate. The aim is to adopt practical initiatives as early as possible so as to protect the Bank's interests.

Commitments monitoring methods

The main methods used in this monitoring are:

- enhanced day-to-day controls on capital markets transactions and implementation of committees on market transactions that meet twice a month. Possible excesses are monitored on different risk parameters (in particular risk of variation and settlement risk), and lead to corrective actions and dedicated follow-ups with the business lines. A monthly summary of control is given to the Management Board.
- Control Committees which meet monthly to examine deviations and exceptions (arrears, excess drawings and breaches of limits, ongoing syndications, flawed legal documentation, review frequency etc.). These committees lead to readjustment decisions that are taken by the business lines or by the individual risk departments.

A permanent monitoring of portfolio

Several bodies ensure a permanent monitoring of portfolio businesses to detect any possible deterioration or any problem of concentration as early as possible:

- Early Warning Committees, which meet monthly and endeavour, by various means, to identify early signs of potential deterioration in loans which are healthy but deemed sensitive, in order to reduce or cover the risk exposure;
- quarterly reviews of major risks regardless of the quality of borrowers concerned;
- a regular search for excessive concentrations with respect to the amount of economic capital employed and the amount of existing commitments, carried out on a quarterly basis;
- mappings are carried out monthly for counterparty risks on market transactions (risk of variation), issuer risks, risks relating to repurchase agreements and lending-borrowing assets, guarantor risks. These mappings are presented and analysed in the committees dedicated to such matters.

These steps lead to:

- changes in internal ratings of counterparties which are, when needed, classified as sensitive;
- practical decisions to reduce or cover commitments at risk;
- possible transfers of assets to the specialised recovery unit.

Monitoring of sensitive items and impairment

Sensitive items, whether performing debts on the watch list or doubtful or bad debts, are managed on a daily basis within the entities, and enhanced surveillance is carried out on a quarterly basis:

- sensitive items review committees are held locally every quarter, to provide an update of the scope and changes in impairment for each entity.
- Central committees are also convened under the chairmanship of the Risk Management and Permanent Controls division, in order to proceed with a joint examination of these loans' classification as Doubtful or Sensitive Items.

These committees propose specific impairment decisions which are then validated by the Management Board.

The definition of default complies with the required Basel II definition; rigorous default identification procedures have been introduced on this basis.

Stress scenarios

Credit stress scenarios are devised to assess Crédit Agricole CIB's risk of loss in the event of a serious deterioration in the economic and financial environment.

There are two types of stress scenario:

- the first aims to reflect the impact of a macroeconomic deterioration affecting the whole portfolio in terms of Basel II regulatory capital and revenues;
- the second focuses on a sector or geographical zone that constitutes a homogeneous set of risks.

These scenarios have different uses:

- stress scenarios on targeted portfolios are used as part of the risk strategies and allow to quantify the loss in the event of a sudden deterioration of the environment on a given portfolio either for an economic sector or for a country risk; thus the adopted strategy and allocated amounts can be challenged quantitatively based on the credit quality of the portfolio and the extreme economic situations that it may endure.
- stress scenarios covering the entire portfolio and all the risk categories are used for granting requests about reinforced prudential supervision, and for the implementation of prudential requests under Pillar 2 of Basel II. In 2011, CACIB has contributed on its scope to calculate stress scenarios in accordance with EBA. Results were published at the Crédit Agricole S.A Group level.
- these latter scenarios, at a global level, are used for financial management, and particularly for the budget process and for capital funds oversight.

Credit risk mitigation mechanism

Guarantees and collaterals received

Crédit Agricole CIB requires guarantees and collateral from a significant number of its counterparties to reduce its risks, either for financial transactions or market transactions.

The principles for accepting under Basel II, taking into account and managing guarantees and collateral are defined by the Crédit Agricole Group's Standards and Methodology Committee.

This common framework ensures a consistent approach across the Group's various entities. The Committee documents aspects including the conditions for prudential use, valuation and revaluation methods and all credit risk mitigation techniques used within the Crédit Agricole CIB Group.

Crédit Agricole CIB then devises its own operational procedures and arrangements for the detailed management of these guarantees and collateral.

Commitments given and received are presented in note 8 to the consolidated financial statements.

Use of netting contracts

If a "framework" contract has been signed with the counterparty, Crédit Agricole CIB applies netting to the counterparty's exposures. Crédit Agricole CIB also uses collateralisation techniques (deposits of cash or securities).

A policy of netting and collateral regulates the internal rules that take into account such agreements, in accordance with the prudential requirements. It relies on a detailed analysis of the application or non-application of the agreements of netting and collateral by type of contract and by country. Decisions for its implementation are taken into a Committee "Netting and collateral policy".

The "Netting and collateral coordination" unit, created within RPC in 2010, facilitates the implementation of the policy and reinforces the supervision of its proper implementation.

Use of credit derivatives

The Bank uses credit derivatives and a range of risk transfer instruments, including securitisation, in managing its banking book (cf. Basel II Pillar 3 disclosures).

Outstanding nominal amounts of protection purchased in the form of credit derivatives came to €11,4 billion at end-2011. The notional amount of sell positions totalled €965 million.

Exposures

Maximum exposure to credit risk

Crédit Agricole CIB's maximum exposure to credit risk is the net book value of loans and advances, debt instruments and derivative instruments before the effect of unrecognised netting agreements and collateral.

€ million	Notes	2011	2010
Financial assets at fair value through profit and loss (excluding variable-income securities and assets backing unit-linked contracts)	6.2	452,742	371,651
Derivative financial instruments held for hedging	3.4	1,639	1,184
Available-for-sale assets (excluding variable-income securities)	6.4	13,033	17,728
Due from banks (excluding internal transactions)	6.5	79,570	71,581
Loans and advances to customers	6.5	168,216	157,667
Exposure to on-balance-sheet commitments (net of impairment)		**715,200**	**619,811**
Financing commitments given	8	110,579	115,736
Financial guarantee commitments given	8	43,168	43,900
Reserves - Financing commitments	6.14	(20)	(13)
Exposure to off-balance sheet commitments (net of reserves)		**153,727**	**159,623**
Total net exposure		**868,927**	**779,434**

Concentrations

Breakdown of counterparty risks by geographical zone (including bank counterparties)

At 31 December 2011, loans granted by Crédit Agricole CIB (€293 billion versus €300 billion at 31 December 2010) broken down by geographical zone as follows:

in %	31.12.2011	31.12.2010
Rest of Western European countries	27.2%	28.5%
France	25.7%	22.3%
North America	18.1%	17.4%
Asia (excluding Japan)	11.6%	12.6%
Africa and Middle-East	7.1%	8.0%
Rest of Europe	4.5%	4.4%
Latin America	3.3%	3.4%
Japan	2.4%	3.3%
Other	0.1%	0.1%

Source: Risk data (on- and off-balance sheet of customer and central banks commercial commitments).

Due from banks, loans and receivables to customers as well as commitments to customers and banks is provided in note 3.1 to the consolidated financial statements.

The sensible rise of France and North America to the detriment of Asia and Africa results from a progressive retargeting of the commercial development toward zones that are more in accordance with the bank's new strategy.

Breakdown of risks by economic sector (including bank counterparties)

At 31 December 2011, loans granted by Crédit Agricole CIB (€293 billion versus €300 billion at 31 December 2010) broken down by economic sector as follows:

in %	31.12.2011	31.12.2010
Central banks	20.1%	17.9%
Energy	16.0%	16.6%
Miscellaneous	11.2%	11.5%
Shipping	6.5%	6.2%
Aerospace	5.0%	5.1%
Real estate	4.9%	4.7%
Heavy industry	4.2%	4.2%
Construction	4.0%	4.0%
Telecoms	3.2%	3.9%
Production and distribution of consumer goods	2.9%	3.0%
Automobile	2.9%	3.0%
Insurance	2.6%	2.8%
Other financial (non-banks)	2.4%	2.8%
Other transport	2.3%	2.5%
Non-commercial services/Public sector/local authorities	2.2%	2.1%
Other industry	2.1%	1.9%
Food	1.8%	1.7%
Tourism, hotels and restaurants	1.5%	1.5%
Healthcare and pharmaceuticals	1.5%	1.4%
IT and technology	1.0%	1.0%
Media and publishing	0.8%	0.9%
Wood, paper and packaging	0.4%	0.9%
Utilities	0.4%	0.4%

Source : Risk data (on- and off-balance sheet of customer and central banks commercial commitments).

Loans to customers and central banks amounted to €293 billion at 31 December 2011, a decrease of €7 billion compared to 2010. It illustrates the cautious and selective rise in our commitments in order to comply with the Bank's new adjustment plan.

Global balance of the portfolio between the different businesses remains steady in 2011, despite some changes described below:

Banks outstandings have been increasing since December 2010. Energy remains the first non-financial sector representing 16% of the portfolio, slightly decreasing but consistent with the overall contribution of the Energy sector in the global economy. This sector is moreover well diversified across types of underlyings, borrowers and financing facilities, most of them are secured by assets.

The sector "miscellaneous", the third one, is securitisation (mainly liquidity lines granted to securitisation programs funded via Crédit Agricole CIB's conduits), as well as commitments for well diversified customers (wealth or financial holdings principally).

The proportion of transportation sectors (aerospace, shipping, automotive) is rather stable, with a pro-active policy of limiting risk in this very troubled sectors. The shipping sector contribution results from the expertise and the position of Crédit Agricole CIB in the asset financing to ship-owners. Shipping transportation has been facing a reversal in the market since end-2008, however our portfolio is relatively protected by the quality of the financing structures. Exposures in shipping sector are in most cases secured by financed assets which are young and well diversified. Aerospace exposures concern either high quality assets or large car manufacturers among the worldwide leaders or airports generally with a leading position. Automotive portfolio is voluntarily concentrated on large manufacturers, mainly European ones with a restricted development in the USA and on equipment manufacturers.

Real estate exposure, after a significant drop in 2008 and more slightly in 2009, has increased slightly in 2011 due the strong policy of limiting and mitigating our risks. The quality of our commitments on real estate improves noticeably and is still supervised very closely.

Heavy industry sector mostly includes global steel companies, metal and chemistry sectors. Some of these global groups have suffered from the decrease of demand. The evolution of our risks on this sector remained quite favourable during the year.

The Telecom business line gives commitments to operators and equipment manufacturers mainly located in Europe and to a lesser extent in Asia. This business line is involved in several LBO but mainly provides corporate financings.

The production and distribution of consumer goods mostly concerns large French distributors based worldwide. Despite the competitive environment, they still have a good-quality rating.

Exposure to loans and receivables by type of borrower

Exposure by type of borrower to loans and receivables and commitments to credit institutions and customers is provided in note 3.1 to the consolidated financial statements.
Gross loans and receivables (€252 billion at 31 December 2011 versus €233 billion at 31 December 2010) increased by 8% in 2011. It includes corporate clients, credit institutions and non-bank institutions (41%, 24% and 23% respectively at 31 December 2011 versus 47%, 26% and 16% respectively at 31 December 2010).
Financing commitments given to customers mostly concern large companies (74%) and non-bank institutions (21%) compared with 79 % and 16% respectively at 31 December 2010.

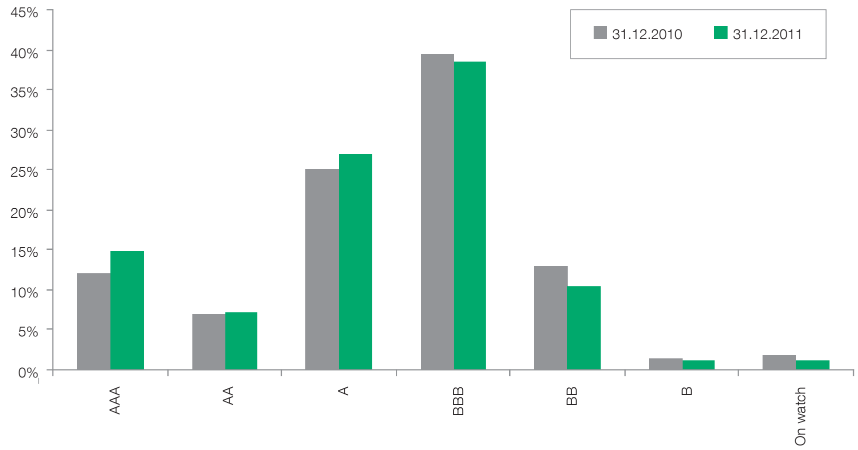
Exposure to the top ten counterparties (corporates)

The top ten made up 14.1% of total client exposure at 31 December 2011.

Quality of exposure

Quality of the portfolio exposed to credit risk

At 31 December 2011, loans granted to performing clients amount to €289 billion. Credit rating breakdowns as follows:



The quality of the portfolio improved in 2011, investment grade ratings representing 86% at the end of December 2011, versus 82% in 2010. This improvement of the quality of the portfolio shows its good resilience.

Impairment and risk policy

The policy covering loan loss risks is based on two kinds of impairment allowances:

- Individual impairment allowances intended to cover probable losses on impaired receivables;
- Collective impairment allowances under IAS 39, recognized when objective indications of impairment are identified on one or more homogeneous subgroups within the credit risk portfolio.

Impaired financial assets

The breakdown of impaired loans and receivables due from credit institutions and customers by type of borrower and geographic area is presented in note 3.1 to the financial statements. The statements provide details of impairment allowances on financial assets on bad and doubtful debts.

Collective reserves

In accordance with IAS 39, collective reserves are set aside when objective indications of impairment are identified:

- assets that already show increased risk: impairment is based on statistics relating to expected losses until maturity of the transactions;
- sectors and countries under supervision: impairment is intended to cover estimated sector or geographical risks for which there is statistical or historical risk of partial non-recovery.

At the end of 2011, sub-portfolios where sector reserves existed are selected LBO, real-estate (in certain geographical areas), some segment of shipping, the car industry and to a lesser extent tourism.

Risky countries on which collective impairment exists are those whose ratings are below a certain threshold in our internal rating scale, giving them the status of countries under supervision.

An exceptional provision related to the risk of the Middle East area was booked in 2011 in order to take into account incertainty about the geopolitical context.

Collective impairments amount to €1,426 million at 31 December 2011 for Crédit Agricole CIB ongoing activities.

Country risk policy

From the first half, 2011 was marked by three major events, which had a negative impact on global growth rates, and which could continue to have effects in 2012: a major socio-political crisis in North Africa and the Middle East, the nuclear disaster in Japan and growing tension over the sovereign debt situation in several European countries. These events were aggravated by heightened awareness on the financial markets of the extent of the public deficit and sovereign debt being faced by several developed economies, making their refinancing more uncertain. Although hopes in 2010 were of a more sustainable recovery, 2011 did not bring any visibility or any immediate solutions to the European debt crisis.

Faced with these uncertain conditions, emerging countries displayed greater resilience and managed to sustain an overall growth rate of more than 6%, which is however down on 2010 (7.3%) but is in stark contrast with the weak growth achieved by developed countries (<2%).

2012 Outlook

We were still faced with huge uncertainty as we entered 2012, marked by a clear downturn in the global economy and major economic, financial and political weaknesses that are unlikely to disperse quickly: huge public deficits, sovereign debt problems, significant falls in capital flows to emerging countries, the credit crunch risk and a considerable contraction in global trade. These factors suggest weak global growth in 2012 (2.5%), but there are nevertheless hopes for improvement, albeit modest, in the second half of the year. These problems are compounded by the unstable political situation in the Middle East and North Africa (with political tension remaining persistently high) which could potentially have serious repercussions on world oil supplies. The outlook for emerging countries is however better than in 2011 but not as good as 2010, in particular thanks to growth in their domestic markets.

Given these many sources of uncertainty, in 2011 Crédit Agricole CIB decided to adopt a pro-active asset reduction policy in emerging countries and to close many entities in its international network so that it can focus its attention on a smaller number of countries and counterparties. The portfolio therefore remains highly concentrated on a select customer base mainly located in Investment Grade countries. This new policy has been accompanied by regular assessments of country credit ratings and country portfolios as well as outstandings and limits for all emerging countries.

Finally, we decided to set a limit that would henceforth be applied to all countries, including developed countries.

Changes in emerging country risk exposure

Crédit Agricole CIB's risk exposures on emerging countries at 31 December 2011, amounted to €36.2 billion (including stake in UBAF), which means a 14% decrease compared to 2010, due to important balance sheet deleveraging and to a lesser extent currency effect Euro/Dollar over the period.

Emerging-market exposure (excluding UBAF) remains significant: 33 countries made up 95% of Crédit Agricole CIB's emerging-market portfolio, of which 12 countries accounted for 73%.

In 2011, the risk profile of the portfolio is almost stable compared with 2010. Investment-grade exposure in emerging-market countries amounted to 70% of the total, and exposure to sensitive countries remained low at 5,6%.

Most of Emerging-market exposure was in two geographical areas: Asia, Middle East and to a lesser extent Eastern Europe

In the difficult economic and financial climate of 2011 and the lack of visibility for 2012, which is aggravated by the implementation of new prudential rules, the company decided to adopt a global asset reduction policy. This has resulted in a clear fall in outstandings with emerging countries, in particular from the second half of 2011 onwards.

Asia

Asia remains the first area of emerging-market commercial exposure (32%, €11.6 billion). Activity is mainly concentrated in two countries: India and China.

Middle East and North Africa

Middle East and North Africa accounts for the second portion of emerging-market exposure (28.2%, €10,2 billion). This amount shows a net decrease compared with late 2010, due to impacts of the "Arab Spring". The main exposures are in the United Arab Emirates and Saudi Arabia.

Eastern Europe

Eastern Europe region makes up 18.7% of the emerging-market total (€6,7 billion), mainly concentrated in Russia and Poland.

Latin America

This region makes up 14.6% of Crédit Agricole CIB's emerging market exposure (€5.3 billion). This amount is stable compared with 2010. The main exposures are in Brazil and Mexico.

Sub-Saharan Africa

At the end of 2011, exposure to this region was 6.6% of Crédit Agricole CIB's emerging-market exposure (€2.3 billion), which represents a net decrease compared with end-2010, mainly because of the closing of our entity in progress in South Africa.

➔ MARKET RISKS

Market risk is the risk of a negative impact on the income statement or balance sheet caused by adverse fluctuations in the value of financial instruments following changes in market parameters:

- 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 the interest rate;
- exchange rates: currency risk is the risk of a change in the fair value of a financial instrument due to a change in an exchange rate;
- price: price risk is the risk of a change in the fair value of a financial instrument resulting from a change in the price of commodities or equities, or other associated products, such as baskets of equities or equity indices;
- credit risks: credit risk is the risk of a change in the fair value of a financial instrument due to a change in the credit spreads of indexes or issuers;
- other market variables: volatility and correlation risks are the risk of a change in the fair value of financial instruments resulting from a change in the volatility of these variables or a change in their correlation.

Objectives and policy

Crédit Agricole CIB has a well-developed process to manage market risks, comprising an independent Risk Management organisation, robust and consistent control and reporting procedures and a reliable and exhaustive assessment system.

Work undertaken to consolidate the process has led, on most of Crédit Agricole CIB's activities, to the internal model being validated by the regulatory authorities. The internal model applies mainly to the trading book portfolios which are fair valued (including discontinuing activities) and to Treasury operations.

Following regulatory changes in capital requirements for credit institutions, Crédit Agricole CIB has put in place certain additional measures as part of the new European CRD III Directive:

- An assessment of stressed value-at-risk: stressed VaR will be determined using a historical method; the results will be tested using a sensitivity calculation in line with a procedure already used for current VaR. The one-year reference period is calibrated every year using historical series dating back to mid-2007, in order to maximise the calculation. As when calculating current VaR, the liquidity horizon will be one day which will then be extrapolated to ten days;
- An assessment of Incremental Risk Charge (IRC), for the trading of simple credit products; it will use the same procedures as those used to calculate the economic capital as part of the credit risk in relation to Pillar 2. It will involve a Monte Carlo simulation (99.9%, 1 year) and a mark-to-model approach. The "constant level of risk" hypothesis will be used for all transactions. Beyond stock checks and ensuring consistency of results, the IRC figure will be validated using an Asymptotic Single-Risk Factor (ASRF) model applied to long positions on the one hand, and short positions on the other;
- A Comprehensive Risk Measure (CRM): it concerns correlation trading activities which are on run-off. This will involve a Monte Carlo simulation (99.9%, 1 year) using a historic generation of defaults and migrations in line with IRB-A probabilities, as well as a diffusion model for market risk factors (mainly spreads and base correlation). The "constant level of risk" hypothesis will be used for all positions. Indicator validation will comprise mainly a comparison of the valuations and stress-tests produced in a CRM environment with those produced using third-party systems or even a portfolio percentile analysis (number of defaults, migrations, market scenarios);
- In order to determine the floor using a standard method applied to the CRM calculation, the capital charge of securitisations is calculated using the SFA method of the IRB-A;
- Finally, the capital charge of positions on ABS and ABS CDOs as part of the prudential trading book is worked out by applying the RBA method of the IRB-A.

Market risk monitoring organisation

Decision-making and risk monitoring committees

The entire system falls under the authority of the Market Risk Committee. The Committee is chaired by a member of Crédit Agricole CIB's Management Board and meets twice a month. It monitors and analyses market risks and their evolution. It ensures compliance with supervision indicators, specific management rules and defined limits. It sets limits for the operational units within the overall limit fixed by the Strategy and Portfolio Committee and overall limits determined by the Group Risk Management Committee (Crédit Agricole S.A.).

The Market Risk Committee includes members of Crédit Agricole CIB's Executive Committee, a representative of Crédit Agricole S.A. Group Risk Management Division, heads of Market Risk Management, officers in charge of capital markets activities and a representative of the Crédit Agricole CIB Finance Division.

Minutes from committee meetings are sent to Crédit Agricole CIB's CEO, who is also informed about the situation in terms of risks, strategies and outlook as part of Strategy & Portfolio Committee meetings.

Finally, Internal Audit carries out regular audits to ensure compliance with the internal control standards.

Risk control

Market risk control forms an independent global function within the Risk Management and Permanent Controls division, which is based on three teams.

- Quantitative analysis, which duties are:
  - validating valuation and risk-measurement models;
  - identifying and quantifying modelling risks;
  - making recommendations of reserves arising from model-related uncertainty.
- The Activity Monitoring Team is in charge of producing management results data and risk indicators for all activities subject to market risk limits. Activity Monitoring is also in charge of checking and validating market parameters used to produce earnings and risk indicators. Lastly, it works with the Finance Department in reconciling income for management purposes with income for accounting purposes.
- At the global level, Risk Management monitors, controls and reports on market risks for all product lines. Its duties include:
  - proposing sets of limits (approval by the Market Risk Committee) and monitoring compliance with these limits; limit breaches and significant variations in results are reported to the Market Risk Committee;
  - analysing market portfolio risks;
  - validating risks and results;

Cross-company teams supplement this system and their tasks include international consolidation, ensuring the consistency of market parameters (used for the valuation of positions and risk measurement) and monitoring the quality of the internal model.

Internal model-base for measuring and managing market risks

Market risk monitoring indicators

Market risk management involves various indicators at different levels of aggregation. By defining limits, Crédit Agricole CIB aims to cover all risk factors.

Value at Risk (VaR)

VaR is the central plank of the risk measurement system. The regulatory authorities' validation of the internal model supports the use of VaR in the operational monitoring of market risks.

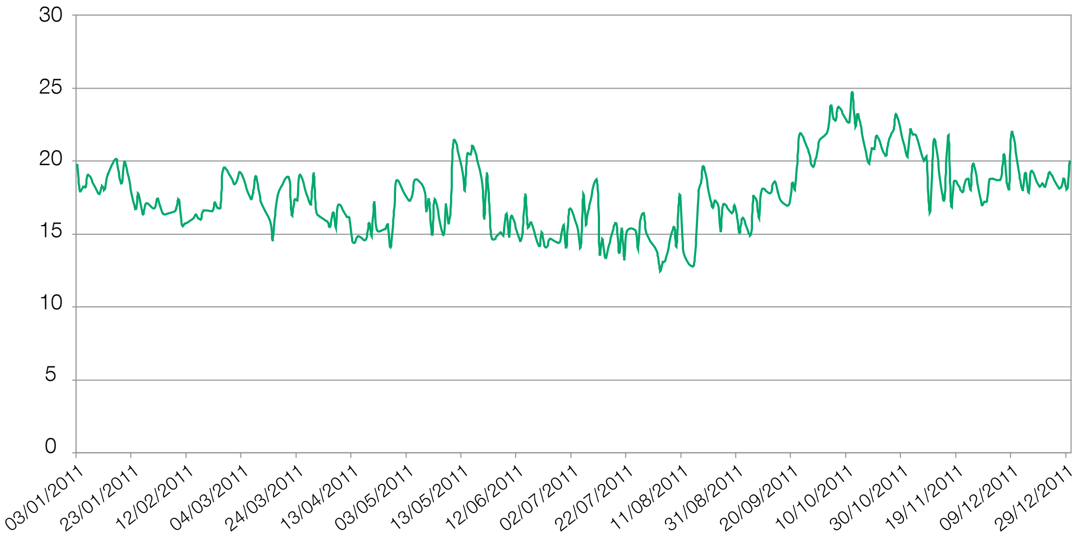
VaR is a measure of the potential loss that Crédit Agricole CIB's portfolio could suffer in the event of adverse movements in market parameters over a one-day period and with a confidence interval of 99%, based on one year of historical data. This allows the day-to-day monitoring of market risks incurred by the Group in its trading activities. The method quantifies the loss regarded as the maximum in 99 cases out of 100, after calculating various risk factors (interest rates, exchange rates, asset prices etc.). The correlation between risk factors influences the maximum loss figure. Netting is defined as the difference between total VaR and the sum of VaR figures for each type of risk. It represents the netting effect on the various risk factors caused by simultaneously held positions.

Crédit Agricole CIB's internal model is based on an historic VaR model, except for a part of commodities. Precious Metal and Gas & Power are based on an historic VaR in end of 2011 whereas a Monte Carlo model is applied for Energy and Core Metal. A standardised approach is used for certain exotic products in accordance with regulations.

The VaR method undergoes constant improvement and adjustment to take account the relevance of methods to new market conditions. For example, efforts are made to integrate new risk factors and to achieve greater detail on existing.

Evolution of the regulatory VaR in 2011:

Crédit Agricole CIB regulatory VaR in 2011 *(€ million)*



Crédit Agricole CIB's regulatory VaR profile remained virtually stable throughout 2011 and is at a generally low level. This can be explained mainly by the company's strategy for maintaining a prudent risk profile. The increase seen at the start of the fourth quarter was caused by a slightly higher contribution from several product lines. The correlation book still contributes significantly to the regulatory VaR but for amounts well below those seen in the past.

Regulatory VaR figures for each business line in 2011 are set out in the table below:

	Commodities	Forex	Interest rate	Credit	Equities	Netting	Crédit Agricole CIB
Max 2011	6	8	17	17	5	(18)	**25**
Min 2011	2	2	5	6	2	(7)	**12**
Average 2011	2	4	9	10	3	(13)	**18**

Regulatory VaR was €20 million at 31 December 2011 compared with €19 million at 31 December 2010.

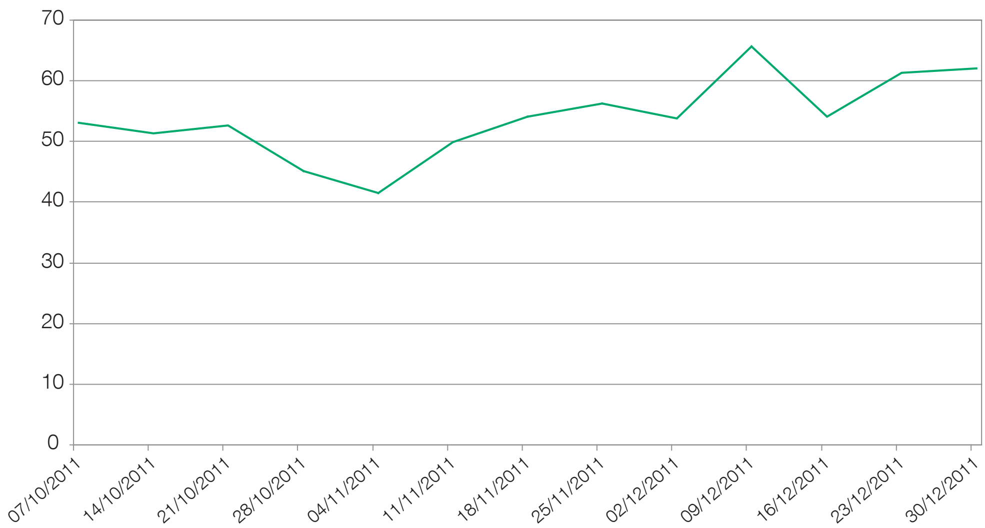
The regulatory VaR is mainly fed by two sources of risk - rate risk and credit risk.

Rate activities had an average VaR of €9 million in 2011, much lower than that of the previous year. The risk comes partly from rate derivative transactions. Their risk profile was reduced in the second half of the year and their contribution by the end of the year was small. Cash transactions (repo or trading books) completed this contribution. Their risk profile was also reduced given the market conditions during the second half of the year.

Credit activities had an average VaR of €10 million in 2011, much lower than the €21 million recorded for 2010. This can be explained mainly by the contribution of the correlation book. Discontinuing this activity has over time made it possible to reduce its risk profile. During the last quarter of 2011, the very clear rise in credit spreads again pushed up this portfolio's VaR (average contribution of €14 million in the final quarter vs. €8 million over the first nine months of the year).

Eventually, due to the new CRD III measures, Crédit Agricole CIB implemented a stressed VaR measurement. The objective of the measurement is to increase the historical depth of VaR measurement, to reduce their pro-cyclic form and to keep the most unfavourable one-year period of the past years. This measurement was implemented in June 2010. At the end of 2011, the selected period goes from February 2008 to February 2009, including the end of 2008 (Lehman crisis).

Since Octobre 2011, stressed regulatory VaR evolved as described below:



Backtesting

Backtesting allows permanent comparisons between VaR and the daily results of product lines, calculated both on the basis of real positions and assuming unchanged positions. By building an internal model, a daily loss should only exceed the calculated VaR two or three times a year. Just one single exception was recorded in 2011. It was due mainly to high results with the correlation book. They rose given the very high volatility of credit spreads (August 2011).

Stress scenarios

To complement VaR measurements, Crédit Agricole CIB applies stress scenarios to its market activities in order to assess the impact of extreme market turbulence on its book values. These scenarios are based on four complementary approaches:

- historical approaches, which replicate the impact of past crisis on the current portfolio. The historical scenarios relate to 1994 (bond crisis), 1998 (credit market crisis, falling equity markets, sharp rise in interest rates and declining emerging-market currencies) and 1987 (stock-market crash) and October 2008 (liquidity and credit crisis). This new scenario was added during the last quarter of 2011.

- hypothetical scenarios anticipating plausible shocks, which are developed in conjunction with economists. Hypothetical scenarios are those of an economic recovery (rally in equity and commodity markets, increase of short term rates, stronger USD and tighter credit spreads) and a tightening in liquidity (increase of short term rates, widening credit spreads, falling equity markets);

  A new hypothetical stress was added in 2011 to reflect a scenario of rising international tension. The following assumptions were used: an increase in volatility and a fall in prices on the stock markets, a fall in futures prices and greater volatility in commodity markets, a flattening of yield curves, a fall in the US dollar against other currencies and a widening of credit spreads;
- an "adverse" approach, assessing the impact of large adverse market movements on all business lines. Losses measured by this scenario are managed using a limit;
- an "extreme" approach to measure the impact of market shocks even more important, that does not take into account the possible effects of offsetting between the different risk factors. A limit is also set for this indicator in agreement with Crédit Agricole S.A.

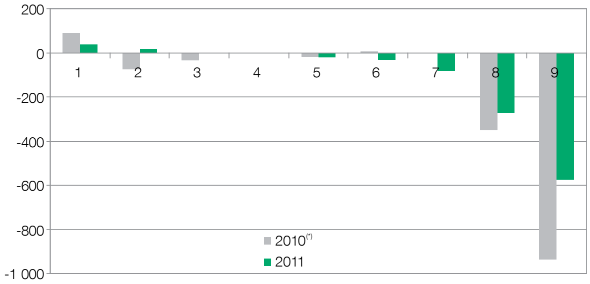
Global stresses are calculated on a weekly basis, and are presented to Crédit Agricole CIB's Market Risk Committee twice a month.

At the same time, specific stress scenarios are developed for each business line, and are produced with a frequency ranging mostly once per week. These specific scenarios add precision to the analysis of risks relating to the various business lines.

At the end of 2011, the risk levels assessed using the nine global stress scenarios are as follows (for strategic activities):

■ losses associated with stress scenarios

(€ million)



(*) Data 2010 based on nine stress scenarios

1 : Crisis 1987
2: Economic Recovery
3 : Liquidity Tightening
4 : International Tension
5 : Crisis 1994
6 : Crisis 1998
7 : Crisis 2008
8 : Adverse
9 : Extreme

We observe a strong decrease of stress risks, particularly for the most intense ones.

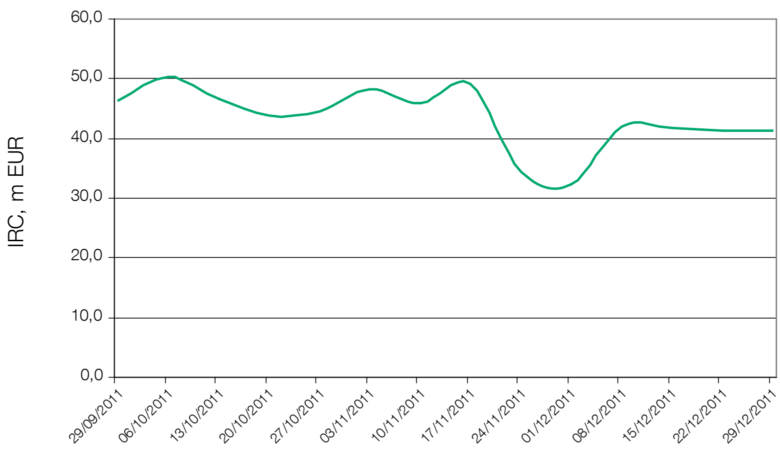
Other indicators

VaR measurement is associated with a set of complementary and explanatory indicators, most of which are subject to limits:

- the set of limits provides for precise risk management. Applied by business activity and by desk, tighter risk management is achieved by adopting sets of limits on a range of indicators. These indicators are calculated for each activity and specify the products authorized and the maximum time to maturity. They also include a system of loss alerts and stop losses;
- analytical indicators are used by Risk Management for explanatory purposes. They primarily mainly include notional indicators that are designed to reveal atypical transactions.

As for CRD III, Crédit Agricole CIB implemented the "IRC" risk measure. It indicates the incremental losses related to the change in the credit quality of a portfolio.

Since October 2011, the IRC evolved as described below:



The IRC remains stable during the last quarter of 2011.

Following the entry into force of the CRD III on 31 December 2011, Crédit Agricole CIB implemented the CRM (Comprehensive Risk Measure). This indicator relates to the correlation portfolio and has been fully integrated into the bank's capital calculations. At the end of 2011, the level of the CRM was €632 million.

The final measurement required by the supervisory authorities is the Standard Method which calculates capital requirements across the scope of other securitisation portfolios. As at 29 December 2011 this figure was €256 million.

Use of credit derivatives

Within the capital markets business, Crédit Agricole CIB runs a credit products business (trading, structuring and selling products) in which credit derivatives are used. Actively traded products are simple products (credit default swaps) in which credit spreads are the main risk factor. The structured and complex product business is being wound down.

All the positions are measured at fair value with deductions for model and data uncertainties.

These activities are managed through a system of market-risk indicators accompanied by limits designed to cover all risk factors.

These indicators are:

- VaR (historical, 99%, daily, including credit spread and correlation risk);
- credit sensitivity;
- sensitivity to correlation;
- sensitivity to interest rates.

Independent teams belonging to the Risk Management and Permanent Controls division are responsible for valuing positions, calculating risk indicators, setting limits (with the Market Risk Committee approval) and validating models.

Equity risks

Crédit Agricole CIB's equity risk results mainly from trading and arbitrage transactions involving equities, carried out as part of capital markets activities involving equity derivatives and funds. It also results, to a lesser extent, from CA Cheuvreux and CLSA's equity brokerage activities.

Equity risk arising from trading and arbitrage activities is monitored using a 99% "Value at Risk" (VaR) method. This measures the greatest risk, based on a number of parameters and scenarios, once the most adverse 1% of occurrences have been eliminated. Average, minimum and maximum VaR figures and the VaR figure are analysed by risk factor - and equity risk in particular - in the "Market risks" section of the "Risk factors and Pillar 3" chapter (see above).

➔ SENSITIVE EXPOSURES BASED ON THE FINANCIAL STABILITY BOARD RECOMMENDATIONS

The following disclosures are made in accordance with the recommendations of the Financial Stability Forum. They form an integral part of Crédit Agricole CIB ‘s consolidated financial statements for the period ended 31 December 2011 and are covered by the Statutory auditors’ report on 2011 financial information.

Summary table of exposures

€ million	Assets under loans and receivables				Accounting category	Assets at fair value			Accounting category
	Gross exposure	Discount	Collective reserve	Net exposure		Gross exposure	Discount	Net exposure	
RMBS	799	(165)	(82)	552	(1)	311	(197)	114	(3)
CMBS	178	(7)	(11)	160	(1)	12	(3)	9	(3)
Unhedged super senior CDOs	3,396	(1,352)	(754)	1,290	(2)	5,682	(4,707)	975	(3)
Unhedged mezzanine CDOs					(2)	1,063	(1,063)	0	(3)
Unhedged CLOs	1,061	(51)	(9)	1,001	(2)	513	(40)	473	(3)
Protections purchased from monolines						312	(193)	119	(4)
Protections purchased from CDPC						1,145	(160)	985	(4)

(1) Loans and receivables to credit institutions and to customers - securities not traded in an active market (see note 6.5 to the consolidated financial statements).
(2) Loans and receivables to customers - securities not traded in 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 statements).

Mortage ABS

€ million	United States		United Kingdom		Spain	
RMBS	**31.12.2010**	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**	**31.12.2011**
Recognised under loans and receivables						
Gross exposure	1,009	430	301	197	198	172
Discount[1]	(344)	(132)	(60)	(68)	(26)	(47)
Net exposure in millions of euros	**665**	**298**	**241**	**129**	**172**	**125**
Recognised under assets measured at fair value						
Gross exposure	389	214	80	66	35	31
Discount	(344)	(185)	(5)	(7)	(3)	(5)
Net exposure in millions of euros	**45**	**29**	**75**	**59**	**32**	**26**
% underlying subprime on net exposure	**95%**	**98%**				
Breakdown of gross exposure, by rating						
AAA	5%	5%	48%	7%	65%	34%
AA	4%	2%	35%	34%	9%	19%
A	1%	7%	6%	41%	26%	19%
BBB	3%	3%	1%			
BB	4%	1%	10%	18%		3%
B	4%	4%				25%
CCC	23%	21%				
CC	14%	9%				
C	36%	28%				
Not rated	6%	20%				

€ million	United States		United Kingdom		Others	
CMBS	**31.12.2010**	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**	**31.12.2011**
Recognised under loans and receivables						
Net exposure[1]			73	63	122	97
Recognised under assets measured at fair value						
Net exposure			12	5	5	4

[1] of which €93m of collective reserves on RMBS and CMBS at 31 December 2011 compared with €31m at December 2010.

Purchases of RMBS and CMBS credit protections measured at fair value:

- 31 December 2011: gross exposure = €320 million, fair value = €87 million;
- 31 December 2010: gross exposure = €589 million, fair value = €175 million.

Real-estate ABS measured at fair value are valued on the basis of data from external contributors.

Method used to measure super senior CDOs with US residential mortgages underlyings

Super senior CDOs measured at fair value

Discounts were calculated by applying a credit scenario to the underlying (mainly residential mortgages) of the ABSs making up each CDO.

Final loss rates on continuing loans are adjusted based on:

- the quality and origination date of each loan;
- past performance (early redemptions, repayments, actual losses).

As from late March 2011, 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 remaining in the balance sheet of the Bank.

	Loss rated on subprime produced		
Closing date	**2005**	**2006**	**2007**
31.12.2010	32%	42%	50%
31.12.2011	50%	60%	60%

Information on the sensitivity to variables used in the models is provided in note 10.2 to the consolidated financial statements at 31 December 2011.

Super senior CDOs measured at amortised cost

These are impaired if there is an identified credit risk.

Unhedged super senior CDOs with US residential mortgages underlying

At 31 December 2011, Crédit Agricole CIB net exposure on unhedged super senior CDOs with US residential mortgages underlying was €2,3 billion (after a collective reserve of €754 billion).

Breakdown of super senior CDOs

€ million	Assets at fair value	Assets in loans and receivables
Nominal	**5,682**	**3,396**
Discount	4,707	1,352
Collective reserves		754
Net value	**975**	**1,290**
Net value (31.12.2010)	*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

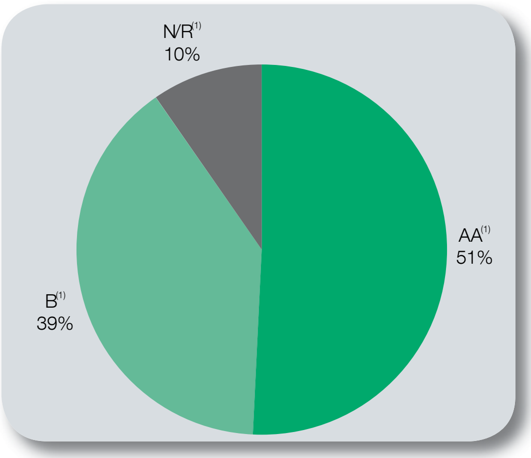
Other exposure at 31 December 2011

€ million	Nominal	Discount	Collective reserves	Net
Unhedged CLOs measured at fair value	513	(40)		**473**
Unhedged CLOs recognised as loans and receivables	1,061	(51)	(9)	**1,001**
Unhedged mezzanine CDOs	1,063	(1,063)		**0**

Protections on monolines at 31 December 2011

€ million	Monolines to hedge				Total protections acquired from monolines
	US residential CDOs	Corporate CDOs	CLOs	Other under-lyings	
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**

Breakdown of net exposure to monolines at 31 December 2011



AA : Assured Guaranted
B : Radian and MBIA
N/R : CIFG

(1) Lowest rating issued by Standards & Poor's or Moody's at 31 December 2011.

Protections purchased from CDPC (Credit Derivative Product Companies)

At 31 December 2011, net exposure to CDPC was €985 million (compared to €672 million at 31 December 2010) mainly on corporate CDOs after a discount of €160 million (compared with €108 million at 31 December 2010).

➔ ASSET AND LIABILITY MANAGEMENT - STRUCTURAL FINANCIAL RISKS

Financial Management policies of Crédit Agricole CIB are defined by the Asset and Liability Management Committee in close coordination with Crédit Agricole S.A.

This Committee is chaired by the Deputy Chief Executive Officer in charge of Finance. The Committee includes the members of the Executive Committee, the Heads of Finance, of Treasury, a representative of the Crédit Agricole S.A. Finance Division and representatives of the Crédit Agricole S.A. and Crédit Agricole CIB Market Risk Management.

This Committee is led by the Crédit Agricole CIB Head of Asset and Liability Management and Credit Portfolio Management.

This Committee meets quarterly and it is the decision-making body for the Group asset and liability management policy. It intervenes either in direct management or in supervision and in general coordination for the areas of Asset-Liability Management that are formally delegated to foreign branches and subsidiaries.

Finance Division (via Asset and Liability Management) is responsible for implementing the decisions taken by the Asset and Liability Management Committee.

Financial Risk Management includes the monitoring and the supervision of interest-rate risks (excluding trading activities), structural and operational exchange-rate risks and liquidity risks of Crédit Agricole CIB in France and abroad. It particularly includes direct management of equity and long-term financing positions.

Global interest-rate risk

Objectives and policy

Global interest-rate risk management aims to protect commercial margins against rate variations and to ensure a better stability over time of the equity and long-term financing components' intrinsic value.

The intrinsic value and the interest margin are linked to the sensitivity in the interest-rate variation of the net present value and in cash flow variation of the financial instruments in the on and off balance sheet. This sensitivity arises when assets and liabilities have different maturities and dates for interest-rate re-fixing.

Risk management

Each operating entity manages its exposure under the control of its own Asset-Liability Management Committee in charge of ensuring compliance with the Group limits and standards.

The Asset-Liability Management of the head office -within the framework of its mission of coordination and supervision-and the Market Risk Management which attends the Local Committees ensure the harmonization of the methods and the practices within the Group as well as the monitoring of the limits assigned to each entity.

The Group global interest-rate exposure is disclosed to the Crédit Agricole CIB Asset-Liability Management Committee which:

- Examines consolidated exposures determined at the end of each quarter;
- Ensures compliance with Crédit Agricole CIB limits which are set during the Crédit Agricole S.A. Group Risk Management Committee;
- Decides on management measures on the basis of the proposals made by the Asset-Liability Management.

Method

Crédit Agricole CIB uses the gap method (fixed rate) to measure its global interest-rate risk.

This consists of determining maturity schedules and interest rates for all assets, liabilities and hedging derivatives at fixed or adjustable interest rates:

- until the adjustment date for adjustable-rate items,
- until the contractual date for fixed-rate items,
- and using model-based conventions for items without a contractual maturity.

The gap measurement includes the rate hedging effect on fair value and cash flow hedges.

Exposure

Crédit Agricole CIB risk exposure to interest rate risk on retail operations is limited because of the rate backing rule on each client financing by market teams and because of the reduced volume of non-interest bearing deposits.

The interest rate risk mainly comes from capital and investments and from maturities under one year of the banking book's Treasury activities.

The Group is mainly exposed to the Euro zone and, to a lesser extent US dollar, interest rate variation.

Crédit Agricole CIB manages its interest rate risk exposure within a range defined by Credit Agricole S.A.: €14.9 billion up to two years, €1.5 billion on average between 3 and 8 years, and €0.9 billion up to 10 years.

Interest-rate gaps measure the surplus or deficit of fixed-rate resources. Conventionally, a positive gap represents an exposure to a risk of falling interest rates during the period.

The results of these measurements at 31 December 2011 reflect that Crédit Agricole CIB is exposed to a fall in interest rates:

€ billion	0-1 year	1-5 years	5-10 years
Average gap Dollar US	-0.7	+0.5	+0.2
Average gap Euro and other currencies	-0.7	+0.6	+0.6

In terms of net banking income sensitivity for the first year (2012) Crédit Agricole CIB could earn €51 million of revenues in case of a long-lasting 200-basis-point decrease in the interest rates, that is to say a 0.9% sensitivity for a reference net banking income of €5,886 million in 2011.

Based on these same sensitivity calculations, the net present value of the loss incurred in the next ten years in the event of an adverse 200-basis-point movement in the yield curve equals less than 0.95% of the Group's prudential capital.

In addition, the income impacts of five stress scenarios (three historical and two hypothetical) regarding the interest rate gap are measured on a quarterly basis and reported to the ALM Committee.

The scenarios are those used by Crédit Agricole CIB's Treasury department:

- The historical scenarios are: a major equity market crash (Black Monday in 1987); a surge in interest rates (bond crash in 1994); a sharp increase in issuer spreads (rise in credit spreads in 1998).
- Hypothetical scenarios: one is based on the assumption of an economic recovery (rise of the equity market, of rates in general, of the USD spot, of oil and decrease of issuer spreads) and the other on a liquidity crisis following the Central Bank decision to increase its key rates.

Simulations are made using the sensitivity of Crédit Agricole CIB's interest-rate mismatch. Sensitivity is defined as the gain or loss arising from a 2% change in interest rates. This sensitivity is calculated in EUR and USD. The calculation is based on average outstandings over a rolling 1-year period.

The shocks contained in these scenarios are calculated on a 10-day basis, according to Crédit Agricole CIB's stress scenario methodology. Sensitivity is "shocked" in various ways. The result of a stress test corresponds to the net present value of changes in the scenario's characteristics.

These stress scenarios show relatively limited impacts, since the net present value of the maximum potential loss equalled 0.51% of prudential capital and 1.39% of net banking income at 31 December 2011.

Liquidity and financing risk

The Crédit Agricole CIB Group is, like all credit institutions, exposed to the risk of not having sufficient funds to honour its commitments. This risk could for example be realised in the event of a mass withdrawal of customer or investor deposits or during a confidence crisis, or even a general liquidity crisis in the market (access to interbank, monetary and bond markets).

Aims and policy

Crédit Agricole CIB's first goal in terms of managing its liquidity is to always be able to cope with any prolonged, high-intensity liquidity crises.

The Crédit Agricole CIB Group is part of the Crédit Agricole group's scope when it comes to liquidity risk management and uses a system for measuring and containing its liquidity risk that involves maintaining liquidity reserves, organising its funding activities (limitations on short-term funding, staggered scheduling of long-term funding, diversifying sources of funding) and balanced growth in the assets and liabilities sides of its balance sheet.
A set of limits, indicators and procedures aims to ensure that this system works correctly.

This internal approach includes ensuring we stick to the liquidity coefficient established by the Ministerial Decree of 5 May 2009 on identifying, measuring, managing and controlling liquidity risk, with which the group's credit institutions must comply.

Risk management

Within Crédit Agricole CIB, the responsibility for liquidity risk management is spread across a number of departments: Finance/Asset & Liability Management (ALM) in charge of medium- and long-term funding management; Fixed Income Markets/Treasury responsible for the operational management of short-term liquidity funding under the delegation of the ALM; and the Risk Department which is in charge of validating the system and ensuring all rules and limits are observed.

Decisional steering

The ALM committee at the Crédit Agricole CIB Group sets and tracks its Assets/Liabilities Management policy. Together with the Management Committee, it makes up the executive governance body and sets all the operational limits for Crédit Agricole CIB. It is a decision-making body for all major issues especially tracking the raising of MLT funds and monitoring short- and long-term limits.

If any tensions arise on the funding markets, joint monitoring committees may be set up involving the General Management, the Risk Department, the Finance Division and the Treasury in order to monitor the Group's liquidity status as closely as possible. Such committees have in fact been meeting regularly since July 2011, given the adverse market conditions and the liquidity constraints imposed on Crédit Agricole CIB.

Operational steering

From an operational viewpoint, roles are broken down as follows:

- Steering and monitoring short-term liquidity, up to two years inclusive, is the responsibility of the ALM, which delegates the task to the Treasury Department;
- The task of medium/long-term liquidity management has been allocated to the ALM.

In terms of steering short-term liquidity, the Treasury business line is responsible for the operational management of short-term liquidity funding on a global level. It is in charge of daily global management tasks for the short-term funding of the Crédit Agricole CIB Group, coordinating spreads on issue and managing the Treasury's liquid assets portfolio. Within each cost centre, the Treasurer is locally responsible for managing funding activities within allocated limits. He reports to the Crédit Agricole CIB Treasurer and the local Assets/Liabilities committee. He is also responsible for ensuring compliance with all local regulations applicable to short-term liquidity.

In terms of medium- and long-term funding management, this is the responsibility of the Finance Department/ALM which is in charge of measuring and monitoring medium/long-term liquidity risk, of tracking any long-term liquidity funding that is raised by the Bank's market desks, of planning and tracking issue programmes, of ensuring issue price consistency and of invoicing liquidity to the consuming business lines.

2011 Funding conditions

In addition to the traditional sources of short-term liquidity, Crédit Agricole CIB follows a pro-active policy for diversifying its sources of funding, which can be seen in particular in the implementation of a structured issues programme specific to the US market, a domestic commercial paper issue programme in Japan and a programme of CDs based in London intended for sale on the Asian market.

Crédit Agricole CIB's long-term liquidity comes from customer deposits, interbank loans and the issue of various types of debt security (Certificates of Deposit, BMTNs, EMTNs). It should be noted that because of the continuance of the liquidity crisis, Crédit Agricole CIB has intensified its issues of option products for liquidity (callable or puttable EMTNs at the request of the investor), especially in recent months.

Crédit Agricole CIB is making good use of its Euro Medium Term Note (EMTN) programmes: as at 31 December 2011, the amounts issued as part of the EMTN programme were around €22 billion under English law and €8 billion under French law.

Without exception, the issues made as part of these programmes in order to meet the needs of Crédit Agricole CIB's international and domestic clients are "structured" issues, i.e. the coupon that is paid and/or the amount that is reimbursed upon maturity includes a component that is linked to one or more market indices (share, interest rate, exchange rate or commodities). Likewise, some issues are known as credit linked notes i.e. the reimbursement is reduced in the event of third-party default, defined contractually at the time of the issue.

A liquidity crisis in 2011

The difficulties encountered by certain eurozone countries when trying to finance their debt, together with the acceleration of the financial crisis led to new tensions appearing on the funding markets from the middle of 2011. Over this period, Crédit Agricole CIB, like all financial institutions, suffered the consequences of a clear rise in long-term spreads on its issues, a fall in available volumes especially for short-term maturities and problems in obtaining dollar funding.

Since May 2011, Crédit Agricole CIB has had to cope with a combination of events that made tensions on the liquidity market run even higher than during the post-Lehman period in 2008.

Crédit Agricole CIB, working in coordination with Crédit Agricole S.A., decided to put in place a number of measures, starting in July, aimed at securing its liquidity position and in anticipation of worsening market conditions. These included in particular:

- Initiatives aimed at securing liquidity by limiting the impact on client activity (reducing the positions of the Global Equity Derivatives trading business, reorganising Treasury portfolios);
- The adoption of stricter measures with a strategic or commercial impact (targets for reducing liquidity consumption for each business line at Crédit Agricole CIB; implementation of a loan disposal programme) and setting additional reduction targets for certain business lines and constraints on outstandings for securitisation activities.

Since autumn, these measures form part of the wider scope of the Crédit Agricole S.A group's adjustment plan.

Methods

The system for managing and monitoring Crédit Agricole CIB's liquidity is built around a number of risk indicators:

- Short-term indicators comprising mainly crisis scenario simulations, the aim of which is to manage maturities and the volume of short-term funding based on liquidity reserves, to monitor short-term gross and net debt and to measure static and dynamic gaps in varying conditions;
- Long-term indicators for measuring medium- and long-term liquidity risk, mainly through monitoring the concentration of long-term funding maturity dates, producing a one-year overall maturity mismatch gap, tracking specific one-year transformation limits set by currency, and using MLT diversification indicators to limit any concentration of funding sources.

The definition of these indicators and the way they are to be tracked is established in a set of rules which have been examined and validated by Crédit Agricole CIB and the Crédit Agricole Group.

Operationally, the liquidity management and supervision system relies on an internal tool that measures and analyses the indicators described in the rules and which makes it possible to track liquidity and ensure all limits are being respected.

In addition, regulatory liquidity ratio measurements have been used to help track risk (measurement, forecasts, management). In this respect, liquidity ratios (the Liquidity Coverage Ratio (LCR) for one-month liquidity and the Net Stable Funding Ratio (NSFR) have undergone preliminary analysis and simulations.

Exposure

French credit institutions are governed by a standard coefficient that was defined in the Ministerial Decree of 5 May 2009 and which came into force in June 2010. This liquidity coefficient reflects the ratio between cash and cash equivalents with short-term maturities, on the one hand, and short-term liabilities, on the other. It is calculated monthly, on a stand alone basis, with the minimum threshold being 100%.

As at 31 December 2011, Crédit Agricole CIB S.A.'s liquidity coefficient was 114% (vs. 125% as at 31 December 2010).

As an entity that forms part of the Crédit Agricole group's management scope, throughout 2011 Crédit Agricole CIB continued its gradual implementation of its advanced approach, in collaboration with the Group.

Crédit Agricole CIB's standard permanent control procedure is similar to that of the Group. The minimum control indicators are the same and apply to all major processes in the same way. In 2011, the liquidity risk monitoring system relied in particular on a number of tests carried out at various levels involving existing key processes.

Exchange-rate risk

Currency risk is assessed mainly by measuring net residual exposure, taking into account gross foreign exchange positions and hedging.

Structural exchange-rate risk

The Group's structural exchange-rate risk results from its other than temporary investments in assets denominated in foreign currencies, mainly the equity of its foreign operating entities, whether they result from acquisitions, transfers of funds from Head Office or the capitalisation of local earnings.

In most cases, the Group's policy is to borrow the currency in which the investment is made in order to immunise that investment from currency risk. These borrowings are documented as investment hedging instruments. In some cases, particularly for illiquid currencies, the investment gives rise to purchases of the local currency. Currency risk is then hedged, if possible, through forward transactions.

The Group's main gross structural foreign exchange positions are denominated in US dollar, in US dollar-linked currencies (mainly Middle Eastern and some Asian currencies), in sterling and in Swiss franc.

The Group's policy for managing structural foreign exchange positions aims at achieving two main goals:

- first, to protect assets by reducing the risk of a fall in value in the assets under consideration;
- second, to protect prudential ratios by neutralizing the Group's solvency ratio from currency fluctuations; unhedged structural currency positions will be scaled so as to equal the proportion of risk-weighted assets denominated in the currencies concerned and unhedged by other types of equity in the same currency.

Hedging of structural currency risk is managed centrally and arranged following decisions by the Bank's Asset and Liability Management Committee.

Crédit Agricole CIB's structural currency positions are also included with those of Crédit Agricole S.A., which are presented five times a year to its Asset and Liability Management Committee, chaired by its CEO.

Operational exchange-rate risk

The Bank is further exposed to operational exchange-rate positions on its foreign-currency income and expenses, both at Head Office and in its foreign operations.

The Group's general policy is to limit net operational exchange rate positions as far as possible by periodically hedging them, usually without prior hedging of earnings not yet generated except if they have a high probability and a high risk of impairment.

Rules and authorisations applicable to the management of operational positions are put in place by decision of the Crédit Agricole CIB Asset-Liability Management Committee.

Rate and change risks hedging

In managing its financial risks, Crédit Agricole CIB uses interest rate swaps and forex transactions, as hedging operations as regards the intention for which they are undertaken.

The note 3.4 to the Group consolidated financial statements presents the market values and notional amounts of derivative financial instruments held for hedging.

Fair value hedges

The aim is to protect the intrinsic value of fixed-rate financial assets and liabilities that are sensitive to changes in interest rates, by hedging them with instruments that are also at fixed rate. When hedging takes place through derivatives (swaps), the derivatives are termed fair value hedging derivatives.

Hedging carried out in this respect by Asset-Liability Management relates to non-interest-bearing private-banking customer deposits, which are analyzed as fixed-rate financial liabilities.

Cash flow hedges

The second aim is to protect interest margin so that interest flows generated by variable-rate assets financed by fixed-rate liabilities (working capital in particular) are not affected by the future fixing of interest rates on these items.

When the required neutralisation takes place through derivatives (swaps), these derivatives are termed cash flow hedging derivatives.

According to IFRS 7, future interests related to balance sheet items under cash flow hedge strategy are detailed, by maturity, in the table below:

	31.12.2011			
€ million	**0 to 1 year**	**1 to 5 years**	**Over 5 ans**	**Total**
Hedged cash flows to receive	80	424	265	**768**
Hedged cash flows to pay	(2)	(5)	0	**(7)**

- Documentation under IFRS of fair value and cash flows hedges

As regards macro-hedges managed by Asset-Liability Management, hedge relationships are documented from inception and checked quarterly through forward-and backward-looking tests.

For this purpose, hedged items are classified by maturity, using the characteristics of contracts or, for items without contractual maturities (such as demand deposits), runoff models based on each product’s behaviour. The comparison between this maturity schedule and that of the derivative instrument allows efficiency of hedging to be assessed.

Hedging of net investments in foreign currencies

The instruments used to manage structural exchange-rate risk are classified as hedges of net investments in foreign currencies. The effectiveness of these hedges is documented every quarter.

→ OPERATIONAL RISK

Operational risk is the risk of loss resulting from shortcomings in internal procedures or information systems, human error or external events that are not linked to a credit, market or liquidity risk.

Management of operational risks

The Risk Management and Permanent Controls division is responsible for supervising the system, and it is overseen by the Management Board through the operational risk section of Crédit Agricole CIB's Internal Control committee.

Governance

Operational risk management specifically relies on a network of permanent controllers, who also perform the functions of operational risk managers, covering all Group subsidiaries and business lines, and who are supervised by the Risk Management and Permanent Controls division (this system is described in the Report by the Chairman of the Board to the shareholders' meeting on page 52 to 53).

The system is monitored by internal control committees under the authority of each entity's management. Head office control functions are invited to the meetings of these committees.

Risk identification and qualitative assessments

In accordance with principles in force within the Credit Agricole S.A. Group, Crédit Agricole CIB's Risk and Permanent Control Department implemented a qualitative and quantitative system designed to identify, assess, prevent and monitor operational risk, as required by the Basel II reform.

The operational risk mapping process is applied to all Group entities. These risk maps allow Crédit Agricole CIB to supervise the most sensitive processes and to draw up control plans. They are updated every year.

Operational loss detection and significant incident reporting

A unified procedure for loss detection and for reporting significant incidents has been set up across the whole scope of Crédit Agricole CIB. The data required by the internal model for calculating the economic capital allocation, in accordance with the Basel II advanced method, are consolidated into a single database that provides five years of historical data.

Calculation and allocation of economic capital with respect to operational risks

Capital requirements are calculated annually at the Crédit Agricole CIB level, based on historical loss data together with risk scenarios. They are then allocated by Crédit Agricole CIB Paris business line and entity.

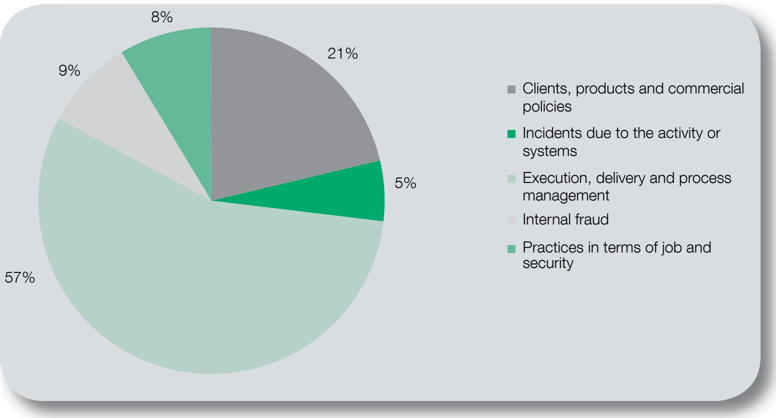
Capital requirement is calculated using the internal AMA methodology (Advanced Measurement Approach) of Crédit Agricole Group applied on Crédit Agricole CIB's perimeter. This model has been validated at the end of 2007 by the Autorité de Contrôle Prudentiel.

Production of operational scorecards

The Risk Management and Permanent Controls division produces a quarterly operational risk scorecard, highlighting key events and movements in costs related to these risks. These scorecards provide global confirmation of the main sources of risks: litigation with customers and management of processes (including those relating to market transactions) which determine the priorities of preventative or remedial action plans.

Exposures

Breakdown of operational losses by nature on the basis of impact on the financial results over the 2009-2011 period.



Main initiatives taken in 2011

Actions initiated in keeping with the recommendations of the Lagarde report were continued:

- Reinforcing IT system security;
- Cash flow management;
- Risk monitoring and anticipation.

A team responsible for internal and external fraud prevention coordination also continued to grow. It reports to the Compliance Function and carries out its actions with the support of the control functions and, more generally, all units responsible for internal control of the bank's operations.

Insurance and risk coverage

Crédit Agricole CIB has broad insurance coverage of its operating risks in accordance with guidelines set by its parent company, Crédit Agricole S.A., with the aim of protecting its balance sheet and its income statement.

Crédit Agricole CIB is covered by all Group policies taken out by Crédit Agricole S.A. from major insurers for major risks including fraud, all-risk securities (or theft), operating loss, professional liability, operational liability, directors and officers liability and property damage (furniture and IT, third party claims for risky buldings).

In addition, Crédit Agricole CIB, like all the Crédit Agricole S.A. Group's business-line subsidiaries, manages smaller risks itself that cannot be insured in an economically satisfactory manner are kept in the form of deductibles or spread within the Crédit Agricole S.A. Group by the one of the Crédit Agricole Group's insurance companies.

This general framework may vary according to local regulations and the specific requirements of countries in which the Crédit Agricole CIB Group operates. It is generally complemented by local insurance.

→ LEGAL RISKS

The legal risk management system is described in the Report by the Chairman of the Board to the shareholders' meeting on page 56. As of this date, to Crédit Agricole CIB's knowledge, there are no other governmental, legal or arbitration proceedings that are liable to produce, or that have recently produced, a material impact on the financial condition or profitability of the Company and the Crédit Agricole CIB Group. At 31 December 2011, any legal risks that could have a negative impact on Group assets were covered by adequate provisions based on the information available to general management.

Exceptional events and claims

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.

→ NON-COMPLIANCE RISKS

Non-compliance risk is the risk associated with failure to comply with regulatory and legal regulation applicable to Credit Agricole's banking and financial activities which may lead to criminal penalties, penalties assessed by the regulatory authorities, legal disputes with customers and, more broadly, reputational damage.

Management of non-compliance risks

Compliance business line oversees compliance with laws and regulations applicable to Crédit Agricole CIB's activities. Its work enables stakeholders (customers, staff, investors, regulators and suppliers) to be confident that these laws and regulations are being complied with and enforced. Compliance has two main missions:

- To protect Crédit Agricole CIB from potentially damaging or illegal external activities. It has to deal in particular with two missions: fraud prevention and financial security which involves the prevention of money laundering and terrorist financing, and the management of asset freezes and embargos. Financial security relies on ongoing in-depth knowledge of customers.
- To protect the interests of customers and its reputation in the markets by combating internal ethical breaches (insider trading, internal fraud, conflicts of interest, unsuitable advice etc.).

Compliance also ensures that the systems in place for preventing these risks are efficient by:

- translating laws and regulations into procedures and compliance manuals;
- training staff in compliance matters;
- provide opinions on transactions referred to it;
- checking that the compliance system operates correctly.

The Compliance business line's governance is set out in the report by the Chairman of the Board of Directors to the shareholders' meeting on pages 55-56.

Risk indicators

Non-compliance analysis and risk monitoring involves structured systems in place as follows:

- governance texts and rules implemented and concerning compliance;
- risk mapping, which allows the assessment of risks including the risks of non-compliance and fraud within the Group;
- reporting, which allows the assessment of the global compliance system;
- financial security tools designed to generate and report alerts and handle them;
- tools for monitoring sensitive or complex transactions and specific market transactions.

Basel 2 Pillar 3 disclosures

Regulatory background

Application of capital requirements with respect to prudential supervision

Credit institutions and investment companies must comply with minimum solvency ratios and ratios concerning major risks on an individual basis or, if applicable, sub-consolidated basis. However, they may be exempted subject to conditions set out in article 4 of regulation 2000-03 of 6 September 2000.

The order dated 20 February 2007 allowed exemptions from these ratios under certain conditions. Accordingly, Crédit Agricole CIB sent a request to the French Prudential Supervisory Authority that certain group subsidiaries under its sole control be exempted on an individual basis. The subsidiaries concerned were exempted.

Solvency ratio reform

The order of 20 February 2007, which transposes the European CRD (Capital Requirements Directive) into French law, defined the "capital requirements applicable to credit institutions and investment companies". In accordance with those requirements, the Crédit Agricole CIB Group has incorporated the impact of this new directive into its capital and risk management procedures.

Since its first implementation, the CRD was amended twice:

- CRD II, applicable from 31 December 2010, notably reinforced requirements on securitization and major risks calculation
- CRD III, applicable from 31 December 2011, notably reinforced capital requirements resulting from market risks and transactions considered as "re-securitizations".

The CRD ratio has had legal force since 1 January 2008. However, banks are continuing to calculate the CAD ratio during a parallel phase, as the regulatory authority has defined a minimum capital requirements of 80% of these requirements until 31 December 2011.

The method for calculating the solvency ratio is set out in the Capital Requirements Directive. The ratio is based on the measurement of assets weighted by credit risk, market risk and operational risk. The resulting capital requirements for each risk are stated below.

In accordance with the order of 20 February 2007, credit risk exposures are measured using two approaches:

- the standardised method, based on external measurements and standard weightings for each category of exposure;
- the IRB (Internal Rating Based) method, which relies on the institution's internal rating system. There is a distinction between:
  - the IRB foundation method, for which institutions may only use their estimated probabilities of default;
  - and the advanced IRB method, for which institutions use internal estimates for all risk components, i.e. probability of default, loss given default, exposure at default and maturity.

In late 2007, the Autorité de Contrôle Prudentiel authorised the Crédit Agricole CIB Group to use its advanced internal rating systems to calculate regulatory capital requirements with respect to credit risk.

Risk management

The policies, objectives and systems put in place to manage and mitigate risks are described in the "Risk factors" chapter of the "Risk factors and Pillar 3" section, on pages 100 to 126.

Regulatory ratios

Differences between the scope of statutory and regulatory consolidation

Insurance companies are excluded from the scope of prudential supervision, but are included in the accounting scope of consolidation. Crédit Agricole CIB owns only one insurance company: CAIRS Assurance SA, which does not show any capital shortage.

Information on these entities and their accounting method are presented in the notes of consolidated financial statements at 31 December 2011.

Ratios at 31 December 2011

The table below sets out the CRD solvency ratio and details the risks faced by the Crédit Agricole CIB Group measured on a credit-risk equivalent basis (after counterparty weighting), along with the level of regulatory capital, calculated in accordance with the regulation.

€ billion	31.12.2011	31.12.2010
Tier I capital [A]	**18.5**	**17.3**
Capital and reserves, Group share	14.9	14.2
Minority interests	0.1	0.1
Capital included in core capital with the agreement of French Prudential Supervisory Authority	0.0	0.0
Hybrid securities	5.2	5.1
Deductions of intangible assets	(1.8)	(2.1)
Tier II capital [B]	**3.3**	**3.9**
Tier III capital	**0.0**	**0.0**
Deductions from Tier I capital and Tier II capital	**(3.7)**	**(4.1)**
Deductions from Tier I capital [C]	(1.8)	(2.1)
Deductions from Tier II capital [D]	(1.8)	(2.1)
Deductions of Insurance companies equity	**0.0**	**0.0**
Total available capital	18.1	17.1
Tier 1 [A - C]	16.6	15.3
Including Core Tier 1	*13.3*	*12.3*
Tier 2 [B - D]	1.5	1.8
Tier 3	0.0	0.0
Credit risks	100.6	108.2
Market risks	31.0	6.7
Operational risks	13.3	13.2
Total risk-weighted asset pre-floor	144.8	128.1
Total Basel I risks	185.3	178.3
Total risks post floor (80% Basel I)	148.3	142.6
Total risks post floor + EL excess reserves	153.1	148.0
Core Tier One ratio floored (*)	**9.0%**	**8.7%**
Tier One ratio floored (*)	**11.2%**	**10.7%**
Overall solvency ratio floored (**)	**11.8%**	**11.6%**
Core Tier One ratio unfloored (***)	**9.2%**	**9.6%**
Tier One ratio unfloored (***)	**11.5%**	**11.9%**
Overall solvency ratio unfloored (***)	**12.5%**	**13.4%**

(*) Calculated from the total risks floored (80% Basel I).
(**) Calculated from the total risks floored + EL excess reserves.
(***) Calculated from the total risks pre-floor.

At 31 December 2011, the Credit Agricole CIB Group's Basel II overall solvency ratio is 11.8%, and the Basel II Tier I solvency ratio is 11,2% and Core Tier 1 ratio is 9%.

The ratio is calculated based on the amount of Basel II risk-weighted assets after applying the 80% floor to Basel I risk-weighted assets; which represents €8,3 billion of additional risk-weighted assets at 31 December 2011.

At 31 December 2010, overall Group's solvency ratio amounted to 11.6% and Tier I solvency ratio was 10.7% and Core Tier 1 ratio was 8.7%.

Basel II risk-weighted assets post-floor totalled €148.3 billion at 31 December 2011, an increase of 4% relative to the €142.6 billion figure at end-2010.

The €5.7 billion increase broke down as follows:

- credit risks declined by €7.6 billion over the period (a decrease of €9.1 billion excluding the currency effect): financing activities suffer a significant decrease, as market counterparty risks and financial management reflect a slight increase, counterparties ratings improvement contributed to reinforce the decrease of risk-weighted assets;
- after the settlement of CRD III, market risks rose by €24.3 billion in equivalent risk-weighted assets;
- operational risk amounted to €13.3 billion, a rise of €0.1 billion compared with late 2010;
- the overall decline in risk-weighted assets added in accordance with the floor requirement of 80% of Basel I risk-weighted assets (€3.4 billion on 31 December 2011, compared with €14.6 billion on 31 December 2010) permits partially to absorb the rise of risk-weighted assets related to the implementation of CRD III.

Tier I capital totalled €16.6 billion at 31 December 2011. The €1.3 billion increase in 2011 was due to several factors:

- 2011 net income (+ €0.7 billion);
- the decrease of deduction related to intangible assets and goodwill: +€0.3 billion;
- the reduction of deduction on Tier 1: +€0.3 billion;
- a favourable currency effect: +€0.1 billion.

The supplementary capital decreased by €0,3 billion because of the reduction of deductions affecting both Tier 1 and Tier 2 (+€0,3 billion) and also due to the repayment of a subordinated emission during the second quarter (-€0,6 billion).

Capital, capital requirements and adequacy of capital

Composition of capital and ratios

Capital is split into three categories: Tier I capital, Tier II capital and Tier III capital, according to the following criteria:

- solidity and stability;
- maturity;
- subordination.

Tier I capital

Tier I capital includes:

Core capital and deductions

- Capital;
- Reserves, including revaluation adjustments and unrealised or deferred capital gains/losses;
- Unrealised gains or losses on available-for-sale financial assets are recognised directly in shareholders' equity and adjusted as follows:
  - for equity instruments, net unrealised capital gains are deducted from Tier I capital, currency by currency, net of any tax already deducted in the accounts, and 45% of the amount is released, currency by currency, before tax to Tier II capital. Unrealised net capital losses are not adjusted;
  - unrealised gains or losses recognised directly in equity capital, as a result of a cash flow hedging transaction, are neutralised;
  - for other financial instruments, including debt instruments, loans and advances, unrealised capital gains and losses are neutralised;
  - impairment losses on all available-for-sale assets taken to profit and loss are not adjusted;
- Share premiums;
- Retained earnings;
- Net income from the current year, i.e. net income; Group share minus projected dividend payments;
- Funds that the Autorité de Contrôle Prudentiel has deemed to meet the conditions for inclusion in Tier I capital;
- Deductions are as follows:
  - own shares, measured at book value;
  - intangible assets, including start-up costs and goodwill.

Other Tier I capital

- Minority interests include minorities' shares in entities owned by Crédit Agricole CIB;
- Hybrid securities similar to minority interests.

Hybrid securities

These include equity instruments, either innovative or non-innovative. Innovative equity instruments feature progressive remuneration.

Hybrid instruments in accordance with the eligibility criteria defined in the press release of the Basel Committee dated 27 October 1998, are included in Tier I capital, subject to the prior agreement of the Secretary-General of the French Prudential Supervisory Authority. They are composed of deeply subordinated notes issued in accordance with the requirements of Article L.228-97 of the Code de Commerce, as amended by the financial security act of 1 August 2003. They also include preferred securities governed by the Anglo-Saxon law.

Hybrid instruments have to comply with certain limits relative to Tier I capital calculated before the deductions set out below in the third bullet point:

- innovative hybrid instruments, instruments with a strong incentive for repayment mostly via a step-up, are limited to 15% of the Tier I Capital, subject to the prior agreement of the Secretary-General of the French Prudential Supervisory Authority if they met the eligibility criteria of Tier I capital.
- all the hybrid instruments, the innovative and non-innovative ones, are limited to 35% of Tier I capital.

Furthermore, the total of hybrid instruments, minority interests and aforementioned preferred shares cannot stand for more than 50% of Tier I capital.

Preferred securities governed by the Anglo-Saxon law

A description of those securities is provided in note 6.15 of the consolidated financial statements at 31 December 2011.

Deeply subordinated notes issued in accordance with the requirements of Article L.228-97 of the Code de Commerce, as amended by the financial security act of 1 August 2003

Issuer	Date of issue	Amount of issue (in local currency units)	Currency	Dates of buy-back option	Compensation	Innovative issue (I) / non-innovative issue (NI)	Prudential amount at 31.12.2011 (€ million)
Crédit Agricole CIB	19.03.2004	500	USD	19.03.2014	5.81%	NI	387
Crédit Agricole CIB	04.05.2004	1,260	USD	04.05.2014	4.92%+104bps	I	976
Crédit Agricole CIB	04.05.2004	470	USD	04.05.2014	6.48%	NI	364
Crédit Agricole CIB	21.12.2005	85	USD	01.01.2016	Libor12M+150bps	NI	66
Crédit Agricole CIB	21.12.2005	220	USD	01.01.2016	Libor12M+90bps	I	170
Crédit Agricole CIB	28.09.2007	1,000	USD	28.09.2017	Libor12M+252bps	NI	774
Crédit Agricole CIB	28.09.2007	590	EUR	28.09.2019	Euribor12M+190bps	I	590
Newedge	23.12.2008	103	USD	23.03.2014	8.60%	NI	80
Crédit Agricole CIB	24.12.2008	1,700	USD	24.12.2013	Libor3M+710bps	NI	1 316

Tier II capital

Tier II capital includes:

- funds from the issuing of subordinated securities or loans that meet the conditions of article 4c of regulation 90-02 (perpetual subordinated notes);
- funds that meet the conditions of article 4d of regulation 90-02 (redeemable subordinated notes);
- for equity instruments, unrealised net capital gains released, currency by currency and before tax, to Tier II capital at a rate of 45%;
- since Crédit Agricole CIB uses internal rating-based approaches for measuring credit risk, the positive difference between the sum of value adjustments and collective impairment relating to the exposures concerned and expected losses.

Subordinated securities or loans in accordance with article 4c/ of regulation 90-02 (perpetual subordinated notes)

Issuer	Date of issue	Amount of issue (in local currency units)	Currency	Dates of buy-back option	Compensation	Innovative issue (I) / non-innovative issue (NI)	Prudential amount at 31.12.2011 (€ million)
Crédit Agricole CIB	12.08.1998	30	EUR	12.08.2003	Pibor3M+55bps	NI	30

Redeemable subordinated notes in accordance with the conditions of article 4d/ of regulation 90-02

See note 6.10 to the 31 December 2011 consolidated financial statements.

Deductions

Deductions are covered by articles 6, 6 bis and 6 quater of regulation 90-02 and include investments representing more than 10% of the capital of a credit institution or investment company, subordinated debt and any other element of shareholders' equity as well as securitised assets with an external rating lower than BB- . Deductions are split 50/50 between Tier I and Tier II capital.

Tier III capital

Subordinated debt with an initial maturity of at least two years, within the limits of regulatory requirements.

The sum of the aforementioned capital figures makes up the institution's total shareholders' equity.

Capital requirements by type of risk

The overall solvency ratio, presented in the table of prudential ratios, equals total capital divided by total exposures weighted by credit risk, market risk and operational risk.

The capital requirements by type of risk, method and exposure category (for credit risk) set out below correspond to 8% (the regulatory minimum) of risk-weighted exposures (average risk equivalent) presented in the prudential ratio table.

Credit risk: capital requirements using the standardised method

€ million	31.12.2011		31.12.2010	
	Risk weighted asset	Capital requirements	Risk weighted asset	Capital requirements
Central governments and central banks	152	12	289	23
Institutions	2,222	178	2,682	215
Corporates	6,381	511	6,085	487
Retail customers			-	-
Equities	373	30	157	13
Securitizations	13	1	-	-
Other assets that do not correspond to a credit obligation	8,507	681	7,264	581
Total	**17,649**	**1,412**	**16,477**	**1,318**

The capital requirement calculated using the standardised approach to credit risk equalled 12% of total capital requirements at 31 December 2011 (13% at 31 December 2010).

Credit risk: capital requirements using the IRB method

€ million	31.12.2011		31.12.2010	
	Risk weighted asset	Capital requirements	Risk weighted asset	Capital requirements
Central governments and central banks	1,031	82	879	70
Institutions	8,179	654	9,418	753
Corporates	63,013	5,041	69,577	5,566
Retail customers	330	26	321	26
Equities	2,292	183	2,787	223
Securitizations	8,073	646	8,751	700
Total	**82,919**	**6,634**	**91,734**	**7,339**

The capital requirement calculated using the internal rating-based method equalled 57% of total capital requirements at 31 December 2011 (72% at 31 December 2010).

Capital requirements with respect to market risk and settlement risk

€ million	31.12.2011		31.12.2010	
	Risk weighted asset	Capital requirements	Risk weighted asset	Capital requirements
Market risk using standardised approach	5,254	420	2,705	216
Interest-rate risks	*4,575*	*366*	*1,455*	*116*
Securities valuation risks	*90*	*7*	*62*	*5*
Exchange-rate risks	*445*	*36*	*1,019*	*82*
Commodity risks	*145*	*12*	*168*	*13*
Market risk measured using an internal model	25,754	2,060	3,985	319
of which additional capital requirements resulting from major risk limits being exceeded				
Settlement risk	4	0.3	14	1
Total	**31,012**	**2,481**	**6,704**	**536**

The capital requirement for market risk and settlement risk equalled 21% of total capital requirements at 31 December 2011 (5% at 31 December 2010).

Capital requirements relating to operational risks

€ million	31.12.2011		31.12.2010	
	Risk weighted asset	Capital requirements	Risk weighted asset	Capital requirements
Standardised approach to measuring operational risk	1,106	89	1,223	98
Advanced approach to measuring operational risk	12,147	972	11,960	957
Total	**13,254**	**1,060**	**13,183**	**1,055**

The capital requirement for operational risk equalled 9% of total capital requirements at 31 December 2011 (10% at 31 December 2010).

Assessment of adequacy of internal capital

The Group has begun to develop an internal capital procedure within the Crédit Agricole CIB Group and the Group's main French and foreign entities. The approach aims to comply with the requirements of the second pillar of Basel II, particularly as regards the ICAAP (Internal Capital Adequacy Assessment Process), which institutions are responsible for implementing.

The main objective of this procedure is to ensure that group shareholders' equity and the shareholders' equity of Group entities are appropriate given the risks incurred.

Risks quantified for internal capital purposes include:

- risks covered by the first pillar of Basel II (credit and counterparty risks, operational risks, market risks);
- risks covered by the second pillar of Basel II (interest-rate risk in the banking book, concentration risk in the loan book).

Liquidity risk is excluded from this procedure, since the Group prefers to take a qualitative approach to managing this risk. This involves ensuring the quality of its management and supervision system, together with the liquidity continuity plan.

In addition to these risks, the internal capital procedure requires the Group to check that the capital requirements calculated under the first pillar adequately cover any residual risks relating to techniques used to mitigate credit and securitisation risks. If risks are not adequately covered, an adjustment relative to first-pillar requirements is made by the entities exposed to these risks.

The quantitative approach used to calculate internal capital is incremental, and can be adjusted relative to first-pillar requirements. The approach consists:

- of adjusting capital requirements calculated with respect to the first pillar, so that internal capital reflects economic risks in each business;
- of supplementing requirements corresponding to first-pillar risks, taking into account the second pillar;
- of taking into account, in a prudent manner, the effects of diversification resulting from carrying out diversified activities within the same group.

Within Crédit Agricole CIB, exposure to counterparty and credit risk is calculated using an internal model, and internal capital is calculated using an economic capital model with a threshold of 99.97%.

As regards market risk, first-pillar capital requirements are calculated using internal value-at-risk models, and internal capital for market risk takes into account the liquidity of instruments in the trading book. As for credit risk, the percentile used to calculate internal capital for market risk is 99.97%.

As regards internal capital for interest-rate risk in the banking book, the Group applies the interest-rate shocks specified in the second pillar of Basel II, which correspond to instant and parallel upward and downward shocks of 200 basis points. The calculated internal capital figure includes the risk-offsetting effect of net interest margin on customer deposits.

Credit risks

Exposure to credit risk

Definitions:

- Probability of default (PD) means the probability that a counterparty will default in a 1-year period.
- Loss given default (LGD) means the relationship between the loss when a counterparty defaults and the amount of the exposure at the time of default;
- Gross exposure means the amount of exposure (on- and off-balance sheet) before the application of credit risk mitigation techniques and before the application of the conversion factor (CCF).
- Exposure at default (EAD): means the amount of exposure (on- and off-balance sheet) before the application of credit risk mitigation techniques and before the application of the credit conversion factor (CCF).
- 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.
- Risk-weighted assets (RWA): Exposure at default (EAD) after application of weighting ratios.
- Value adjustments: decline in the value of a specific asset due to credit risk, recognised either through a partial write-off 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.

Credit exposures are classified by type of counterparty and type of financial product, in one of the exposure categories in the table above and defined by article 40-1 of the order of 20 February 2007 relating to the capital requirements applicable to credit institutions and investment companies:

- The "Central governments and central banks" corresponds to exposures to sovereign States, regional authorities.
- The "institutions" category corresponds to exposures to credit institutions and investment companies. The category also includes some exposures to regional and local governments, public-sector entities and multilateral development banks, which are not treated as central governments.

- The "Corporates" exposure category includes large, mediums-sized and small companies.
- The "Retail customers" category corresponds to loans granted in private banking operations, credit revolving, other credit to very small business and Professionals.
- The equity investments category is defined on page 142.
- The "Securisation transactions" category is defined on page 139.
- The "Other assets that do not correspond to a credit obligation" category mainly includes non-current assets and accruals.

Analysis of exposures

Exposures by type of risk

The tables below show Crédit Agricole CIB's exposure to credit and counterparty risk by exposure class for the standardised and internal ratings based approaches. This exposure corresponds to gross exposure (on- and off-balance sheet) after netting and before risk mitigation techniques (guarantees and collateral).

Institutions take into account counterparty risk in all of their exposures, whether in the banking or trading books. For items in the trading book, counterparty risk is managed in accordance with arrangements for the prudential supervision of market risk.

The prudential treatment of counterparty risk for operations involving derivative financial instruments in the banking book is governed by regulations, i.e. by France's transposition of the European directive (order of 20 February 2007). To measure exposure to counterparty risk on transactions involving forward financial instruments, Crédit Agricole CIB uses the market price measurement method.

Counterparty risk exposure totalled €84.8 billion at 31 December 2011, with €18.2 billion of repos and €66.6 of derivative financial instruments.

Additional information on counterparty risk exposure on derivative financial instruments is provided in note 3.1 to the consolidated financial statements.

Exposure to credit risk by method and category of exposure (total exposure)

€ million	31.12.2011						31.12.2010	
	IRB		Standard		Total		Total	
	Credit risk	of which counterparty risk	Credit risk	of which counterparty risk	Credit risk	of which counterparty risk	Credit risk	of which counterparty risk
Central governments and central banks	49,376	4,380	27,655	273	77,031	4,653	70,845	23,581
Institutions	85,463	44,357	11,857	677	97,320	45,034	89,630	44,247
Corporates	226,780	34,529	14,852	578	241,632	35,106	241,505	29,069
Retail customers	7,664	-	0	-	7,665	-	7,740	
Equities	887	-	423	-	1,310	-	1,263	
Securitizations	64,903	-	23	-	64,925	-	64,853	
Other assets that do not correspond to a credit obligation	-	-	15,832	-	15,832	-	31,828	
Total	**435,073**	**83,265**	**70,643**	**1,528**	**505,716**	**84,793**	**507,665**	**96,896**

Exposure to credit risk by method and category of exposure (total exposure)

€ million	31.12.2011						31.12.2010	
	IRB		Standard		Total		Total	
	Credit risk	of which counterparty risk	Credit risk	of which counterparty risk	Credit risk	of which counterparty risk	Credit risk	of which counterparty risk
Central governments and central banks	48,392	4,380	27,547	273	75,939	4,653	69,763	23,581
Institutions	82,621	44,527	11,480	677	94,101	45,204	86,482	44,281
Corporates	187,536	32,128	14,552	578	202,088	32,706	203,173	29,069
Retail customers	7,643	-	0	-	7,643	-	7,727	-
Equities	691	-	372	-	1,063	-	994	-
Securitizations	56,377	-	23	-	56,400	-	55,141	-
Other assets that do not correspond to a credit obligation	-	-	15,810	-	15,810	-	31,798	-
Total	**383,260**	**81,035**	**69,784**	**1,528**	**453,044**	**82,563**	**455,078**	**96,931**

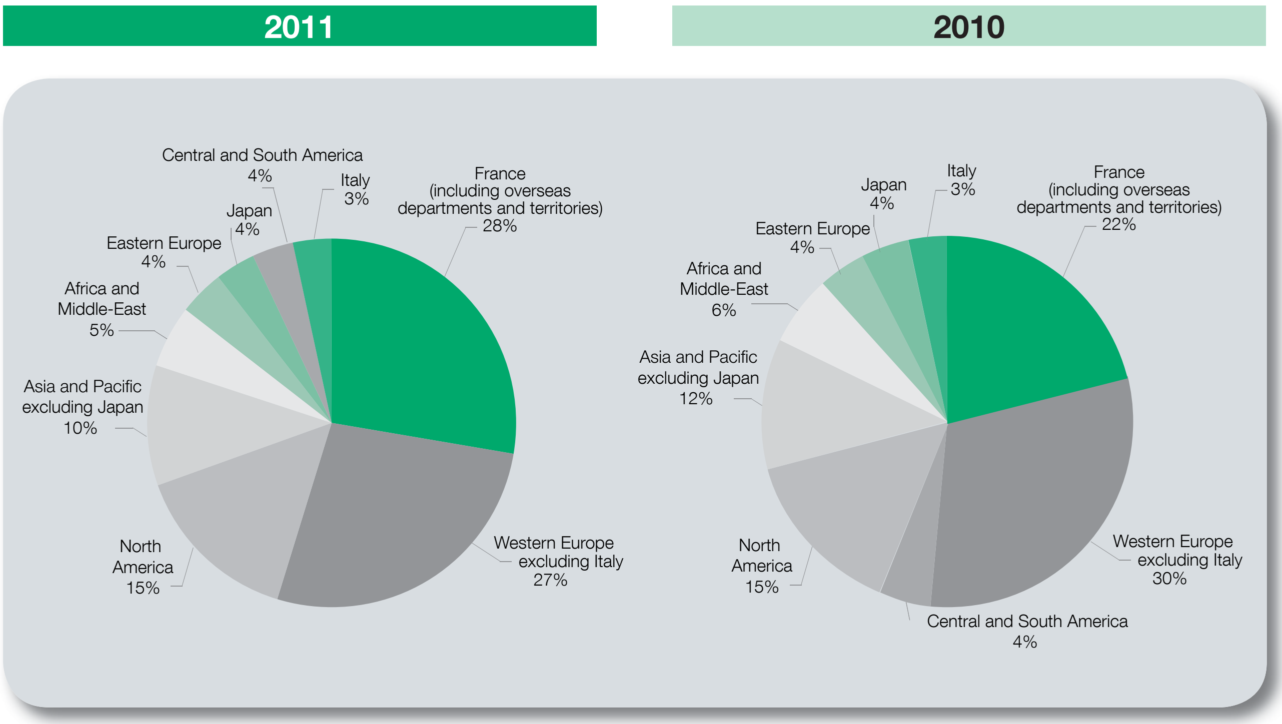
Risk weighted asset by method and category of exposure (RWA)

€ million	31.12.2011						31.12.2010	
	IRB		Standard		Total		Total	
	Credit risk	of which counterparty risk	Credit risk	of which counterparty risk	Credit risk	of which counterparty risk	Credit risk	of which counterparty risk
Central governments and central banks	1,031	78	152	-	1,183	78	1,168	29
Institutions	8,179	4,729	2,222	135	10,401	4,865	12,099	5,013
Corporates	63,013	13,285	6,381	639	69,394	13,924	75,661	12,912
Retail customers	330	-	0	-	331	-	321	-
Equities	2,292	-	373	-	2,665	-	2,945	-
Securitizations	8,073	-	13	-	8,087	-	8,751	-
Other assets that do not correspond to a credit obligation	-	-	8,507	-	8,507	-	7,264	-
Total	**82,919**	**18,093**	**17,649**	**774**	**100,568**	**18,867**	**108,211**	**17,953**

Exposures by geographical area

The analysis covers the total amount of exposures by geographical area within the Crédit Agricole CIB Group, excluding exposure under standardised approach, securitisation transactions and adjustments not directly affectable to a geographic area.

At 31 December 2011, the figure was €373 billion (€367 billion at 31 December 2010).



Geographical analysis of portfolio by category of exposure

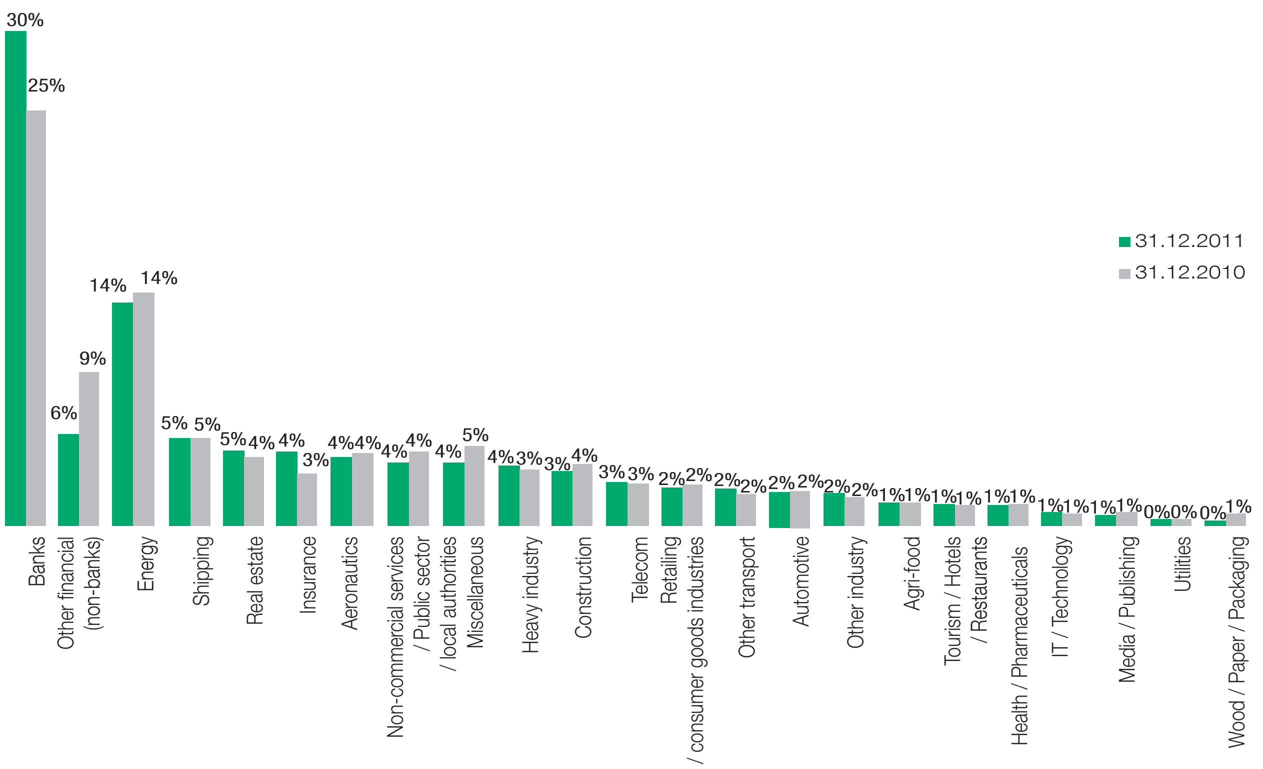
in %	Central governments and central banks		Institutions		Corporates	
	2011	2010	2011	2010	2011	2010
France (including overseas departments and territories)	36%	22%	32%	18%	25%	23%
Western Europe excluding Italy	11%	19%	35%	48%	27%	26%
Central and South America	3%	3%	1%	1%	5%	5%
Italy	1%	3%	2%	2%	4%	4%
Asia and Pacific (excluding Japan)	5%	8%	9%	9%	12%	13%
Africa and Middle-East	1%	2%	4%	5%	7%	7%
North America	34%	25%	10%	12%	13%	14%
Eastern Europe	1%	2%	2%	2%	5%	5%
Japan	6%	17%	5%	4%	3%	2%
other	1%	1%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Exposures by industry

The analysis covers the total amount of exposures by economic sector within the Crédit Agricole CIB Group, excluding exposure under standardised approach, securitisation transactions and adjustments not directly affectable to a geographic area.

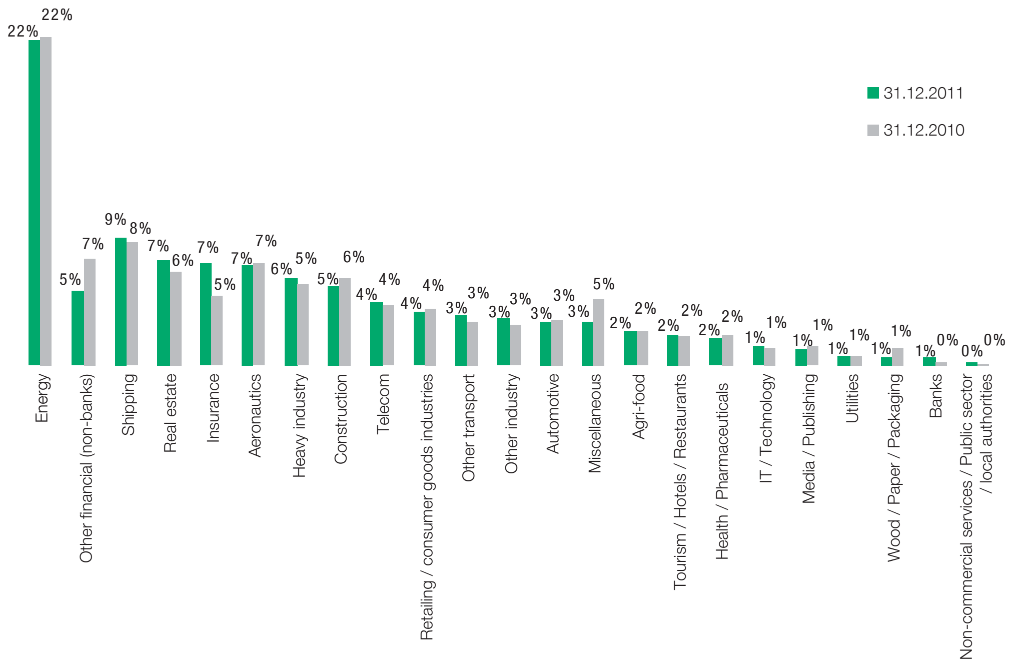
At 31 December 2011, total exposures amounted to €373 billion euros compared with €367 billion at 31 December 2010).

Industry analysis of exposures – all categories of exposures



The analysis of the loan book by industry shows a well diversified risk. Banks and other non-bank financial activities make up 36% of the total portfolio. Excluding other non-bank financial activities, the Corporate portfolio shows a satisfactory diversification level, with the main economic sector being Energy (14%).

Industry analysis of exposures – Corporate



Contractual maturity analysis of exposures

The contractual maturity analysis of exposures and by financial instruments is available, on an accounting basis, in note 3.3 to the consolidated financial statements "Liquidity and financing risk".

Quality of exposure

Quality of exposure by type of customer

€ million	31.12.2011					
	Gross exposure	Impaired exposure			Individual value adjustments	Collective value adjustments
		Standardised approach	IRB approach	Total		
Central governments and central banks	77,031	59	25	84	35	
Institutions	97,320	22	557	579	618	
Corporates	241,632	39	2,319	2,358	1,710	
Retail customers	7,665	0	756	756	79	
Total	**423,648**	**120**	**3,657**	**3,777**	**2,440**	**1,410**

€ million	31.12.2010					
	Gross exposure	Impaired exposure[1]			Individual value adjustments[2]	Collective value adjustments
		Standardised approach	IRB approach	Total		
Central governments and central banks	70,845	10	25	35	35	
Institutions	89,630	0	562	562	605	
Corporates	241,505	73	2,826	2,899	1,632	
Retail customers	7,740	0	906	906	102	
Total	**409,721**	**83**	**4,318**	**4,401**	**2,374**	**1,428**

[1] In 2010, the published data corresponded to the EAD (Exposure At Default).
[2] Corrected data compared with data published on 31 December 2010.

Quality exposure by geographical area

€ milllion	2011		2010
	Standardised approach Past due exposure[1]	**IRB approach** Exposure at default	**IRB approach[2]** Exposure at default
Western Europe excluding Italy	114	1,036	1,049
Italy		578	779
Eastern Europe		278	257
North America		385	387
Central and South America		771	807
Asia and Pacific (excluding Japan)	2	465	248
Japan		98	41
Africa and Middle-East	4	45	750
Total	**120**	**3,657**	**4,318**

(1) More than 90 days past due.
(2) In 2010, the published data corresponded to the EAD (Exposure At Default).

Quality of exposure

Quality of exposure by type of customer standardised approach

Credit valuation under the standardised approach

When no external credit valuation is available, Crédit Agricole CIB uses the French Prudential Supervisory Authority weighting.

The Crédit Agricole CIB Group also cross-references external credit evaluations with the various credit quality steps published by the French Prudential Supervisory Authority.

For the Central Governments/Central Banks and Corporates categories, under the standardised approach, the Crédit Agricole CIB Group has chosen to use Moody's evaluations to assess sovereign risk, along with French Prudential Supervisory Authority's table to cross-reference with credit quality steps.

As regards Corporates, the Group does not use external credit evaluation organisations. Corporates are weighted at 100% or 150% when exposures to government of the country in which the company is established is weighted at 150%, in accordance with regulations. As a result, it is not possible to break down corporate exposures by credit quality step using the standardised approach.

Credit quality step analysis of exposures and exposure at default (EAD)

Central government and central banks

€ milllion	31.12.2011		31.12.2010	
Weightings	Exposures	EAD	Exposures	EAD
0%	27,499	27,392	24,350	24,201
20%	5	5		
50%				
100%	151	151	289	289
Total	**27,655**	**27,547**	**24,639**	**24,490**

Institutions

€ milllion	31.12.2011		31.12.2010	
Weightings	Exposures	EAD	Exposures	EAD
20%	11,822	11,458,	13,606	13,268
50%	7	7	5	5
100%	28,	15	46	25
150%				
Total	**11,857**	**11,480**	**13,656**	**13,298**

Exposure under the IRB approach

Presentation of the internal rating system and procedure

Internal rating systems and procedures are presented in the "Risk factors - Credit risk - Risk measurement methods and system" section of the "Risk factors and Pillar 3" chapter on pages 102 to 104.

Credit risk exposure by category of exposure and internal rating at 31 December 2011 (excluding defaulted exposure)

€ million	Internal obligor rating	Gross exposure	EAD	EAD (Balance sheet)	EAD (Off-balance sheet)	RWA	Average LGD	Average RW	Expected Loss (EL)
Central governments and central banks	1	44,881	45,657	40,910	4,747	13	1%	0%	0
	2	366	382	340	42	9	6%	2%	0
	3	3,242	1,990	1,356	634	480	23%	24%	1
	4	656	288	230	59	281	42%	97%	2
	5	73	12	2	10	31	62%	257%	0
	6	134	37	18	19	217	94%	584%	7
Sub-total		**49,351**	**48,367**	**42,856**	**5,511**	**1,030**			**10**
Institutions	1	50,655	52,097	28,818	23,278	1,165	11%	2%	1
	2	14,828	14,020	4,102	9,919	1,008	20%	7%	1
	3	17,173	14,480	5,916	8,564	4,552	30%	31%	12
	4	1,640	1,285	314	971	730	30%	57%	4
	5	107	46	7	39	79	50%	171%	1
	6	502	145	30	115	624	75%	430%	19
Sub-total		**84,906**	**82,073**	**39,187**	**42,886**	**8,157**			**38**
Corporates	1	37,795	47,642	21,959	25,683	1,182	25%	2%	0
	2	46,060	34,718	10,862	23,856	6,382	39%	18%	1
	3	102,562	76,352	45,772	30,580	31,863	33%	42%	79
	4	31,831	21,891	13,763	8,128	17,353	35%	79%	88
	5	3,000	2,228	1,373	855	2,644	33%	119%	36
	6	3,214	2,495	1,909	586	3,443	32%	138%	106
Sub-total		**224,461**	**185,326**	**95,639**	**89,687**	**62,866**			**310**
Retail customers	1	503	504	504	0	7	13%	1%	0
	2	2,330	2,318	2,283	35	28	7%	1%	0
	3	3,929	3,919	3,898	21	176	12%	4%	1
	4	0	0	0	-	0	39%	37%	0
	5	83	83	83	0	27	25%	33%	0
	6	63	62	59	3	48	39%	78%	3
Sub-total		**6,908**	**6,887**	**6,827**	**60**	**286**			**4**
Total		**365,626**	**322,653**	**184,509**	**138,144**	**72,339**			**362**

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 counterparty, thereby reducing the credit risk on an exposure;
- 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 on an exposure.

Collateral management

The main categories of collateral taken by the bank are described in the section of the management report entitled "Risk factor - Credit Risk – Guarantees and Collateral Received" of the "Risk factors and Pillar 3" chapter on page 105.

Collateral is analysed when granted to assess the value of theasset, its volatility and the correlation between the value of the collateral and the quality of the counterparty financed. Regardless of collateral quality, the first criteria 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 commodities financing.

For financial collateral, a minimum exposure hedging rate is usually included in the loan contract, with readjustment clauses. Financial collateral is revalued according to remargining and marking-to-market frequency and at least quarterly.

The minimum exposure hedging rate (or the haircut applied to the value of the collateral under Basel II) 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 date of default and the date on which asset liquidation starts, and the duration of the liquidation period. A haircut is also applied for currency mismatch risk when the collateral 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 group.

Other types of asset may also be pledged as collateral. 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.

Protection providers

Two major types of guarantee are used (other than intra-group guarantees):

- export credit insurance taken out by the bank;
- unconditional payment guarantees.

The main guarantee providers (excluding credit derivatives) are export credit agencies, most of which enjoy a good quality sovereign rating. The largest are Coface (France), Sace SPA (Italy), Eurler Hermès (Germany) and Korea Export Insur (Korea).

Credit derivatives used for hedging

Credit derivatives used for hedging are described in the "Risk factors - Credit risk - Use of credit derivatives" section of "Risk factors and Pillar 3" chapter on page 105.

Securitisations

Definition

The Crédit Agricole CIB group is involved in securitisation transactions as originator, arranger and investor in the sense of Basel 2.5. (Basel II rules integrating the requirements of the CRD III).

The securitisation transactions, listed below, come under the types of transaction defined in the decree of 20 February 2007 which transposes the CRD (Capital Requirement Directive) into French law. Thus, its targets are transactions or structures under which the credit risk associated with an exposure or pool of exposures is subdivided into tranches with the following features:

- Paiements made by the structure are dependent on the cash flows from the underlying exposure or pool of exposures;
- subordination of the tranches determines how losses are allocated during the period of the transaction or structure.

Within securitisation operations, the following distinctions can be made:

- Traditional securitisations: implies the economic transfer of the securitised exposures to a special purpose entity that issues notes. The transaction 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 securitisations: 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

The securitisation exposure of Crédit Agricole CIB, described below, includes all securitisation exposure (in the balance sheet and off-balance sheet) resulting in Risk-Weighted Assets (RWA) and capital requirements as part of its regulatory portfolio, using the following typology:

- Effective originator programmes in the sense of Basel 2.5, insofar as there is a significant transfer of risk;
- Programmes as arranger/sponsor in which the Group has retained some positions;
- Programmes issued by third parties in which the Group has invested.

It should be noted that the majority of securitisation transactions on behalf of European clients involve Ester Finance Titrisation, a banking entity 100% owned by Crédit Agricole CIB, which finances the purchase of receivables. By definition, when conducting securitisation transactions on behalf of clients using this structure, those transaction are classified as originator.

Aim and strategy

Proprietary securisations

Crédit Agricole CIB securitisation operations are the following ones:

■ Active Credit Portfolio Management

Crédit Agricole CIB uses securitisation techniques to actively manage the credit risk of its corporate portfolio. At the end of 2011 this related to a combination of hedging purchases and sales via synthetic securitisation transactions, to complement a range of risk transfer instruments (see section on Risk Management - Risk Factors and Pillar 3 - Credit Risk section- Use of credit derivatives).The aim is to reduce concentration of corporate credit exposures, to diversify the portfolio and to reduce loss levels. This business is managed by the Credit Portfolio Management (CPM) team. The regulatory formula is used to calculate risk weighted securitisation exposures on own account. In this business, the bank does not purchase or hold protection on all tranches, the managing purpose being to hedge some of the most high-risk tranches of the financing portfolio while keeping a part of the global risk.

Discontinuing operations

It corresponds to 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, and which, in 2009, were segregated into a dedicated prudential banking book. These operations do not generate market risk.

Securitization activities on behalf of customers as arranger/sponsor, intermediary or originator

Third parties transactions on behalf of customers realized by Crédit Agricole CIB by its Fixed Income Markets activities result in granting liquidity lines and, if necessary, guarantees to specific entities (conduits). These specific entities are bankrupty-remote and are not consolidated at Group level with regards to the SIC12 criterias of norm IAS 27 in force on 31 December 2011.

Activities as arranger/sponsor

Short-term funded transactions

Economically this short-term activity comprises solutions provided by Crédit Agricole to its key clients for funding their working capital requirement (WCR). The underlying assets are mainly trade or financial receivables.

As at 31 December 2011, two non-consolidated multi-seller conduits (LMA and ATLANTIC) were being sponsored by Crédit Agricole CIB, and had been designed specifically for transactions on the client's behalf. These entities gain their funding from the local market by issuing commercial paper and other short-term instruments.

Sponsoring activities are limited to transactions that do not involve Ester Finance Titrisation.

The global amount of the liquidity lines committed to LMA and ATLANTIC has remained stable at €10.8 billion.

The securitisation business has never sponsored any Structured Investment Vehicles (SIVs).

MLT funded transactions

In Europe and the US, Crédit Agricole CIB's structuring platform has remained active and continues to offer funding solutions to its clients using products suited to the current risk and liquidity restraints.

These solutions may result in liquidity lines being granted to non-consolidated funds (Special Purpose Vehicles and/or conduits) that receive the customer's securitised assets.

The total value of all these facilities, as well as some residual positions that have been retained, had fallen to €2.2 billion as at 31 December 2011 compared to €2.5 billion as at 31 December 2010.

Intermediation transactions

Crédit Agricole CIB is involved in funding pre-securitisation transactions and with the structuring and placement of securities backed by groups of assets obtained from clients and intended to be placed with investors.

As part of this business, the bank retains a relatively low level of risk by potentially granting support lines to the issuing vehicles, or by holding a share of the securities issued.

Activities as originator

This activity follows the same logic as our work as sponsor but with the following specific differences:

- It only applies to transactions funded by the LMA conduit (European);
- Assets are purchased by Ester Finance Titrisation.

The amount of liquidity lines committed to LMA as part of this role has risen versus 31 December 2010 to €6.6 billion.

Risk monitoring and accounting

Risk monitoring

The risk of securitisation transactions is measured by the ability of the assets being transferred to funding structures to generate sufficient flows to cover the costs (mainly financial) of such structures.

Crédit Agricole CIB's securitisation exposures are dealt with using the methods of the IRB Securitisation framework, namely:

- A Rating Based Approach (RBA) for exposures that have been awarded (directly or through an inferred rating) a public independent rating from agencies approved by the European Supervisory Committee. The independent organisations used are Standard & Poors, Moody's, Fitch Ratings and Dominion Bond Rating Services DBRS;
- An Internal Assessment Approach (IAA): the bank's internal rating system that has been approved by the Crédit Agricole SA Standards and Methods Committee for all main asset classes (especially trade receivables) whenever there is no agency rating for the exposure in question;
- A Supervisory Formula Approach (SFA) for all remaining cases where there is no independent public rating and when it is not possible apply the IAA method for exposures that have no independent public rating.

These ratings incorporate all types of risk resulting from these securitisation transactions: the intrinsic risk of receivables (debtor insolvency, late payment, dilution, offsetting of receivables) and transaction structuring risk (legal risks, risks relating to receivables collection circuits, risks relating to the quality of the information provided by the managers of the receivables sold etc.).

When critically examined, these ratings are simply a tool to help the decision-making process for these transactions, decisions that are taken by credit committees operating at various levels.

These credit decisions give all transactions, which are reviewed at least every year by these same committees, various limits as the portfolio is acquired (rate of arrears, rate of loss, rate of sectorial or geographical concentration, rate of receivable dilution or periodic valuation of assets by independent assessors etc.). Failure to comply with these limits could result in a tightening of the structure or early amortisation of the transaction.

These credit decisions also include, in liaison with the Bank's other credit committees, assessment of the risk in connection to the seller of the receivable and the possibility of replacing this seller with another manager in the event of any management default.

■ Accounting methods

As part of our securitisation transactions we carry out a derecognition analysis with regard to IAS 39 (the criteria for which are listed in note 1.3 on accounting principles and methods used in the consolidated financial statements).

With synthetic securitisations, assets are not derecognised insofar as the assets remain under the control of the establishment. The assets continue to be recognised on the basis of their classification and their original valuation method (see note 1.3 on the accounting principles and methods used in the consolidated financial statements for the methods for classifying and valuing financial assets).

Crédit Agricole CIB does not make any traditional securitisation of financial assets for its own account. In addition, investments into securitisation instruments (cash or synthetic) are recognised on the basis of their classification and their associated valuation method (see note 1.3 on the accounting principles and methods used in the consolidated financial statements for the methods for classifying and valuing financial assets).

2011 business review

In 2011 Crédit Agricole CIB securitisation operations were characterised by:

• The support of government ABS market development in the United-States and its reopening in Europe. Crédit Agricole CIB structured and organised the investment (as arranger and book runner) of a significant number of primary ABS issues on behalf of its customers Financial Institutions notably in the car industy and Consumer Financing.

• Regarding ABCP conduits, Crédit Agricole CIB maintained its position among the leaders in Europe and in the American market through the renewal or the implementation of new securitisation transactions for commercial or financial receivables mostly on behalf of its Corporate in line with the bank's risk profile. The Crédit Agricole CIB strategy which aims at financing the client is well known among investors and permitted still attractive financing conditions for the bank's customers, in spite of the difficult market context during August 2011.

■ Values exposed to the Banking Book securitization risks and generating RWA in the IRB approach

Exposure to securitization by role:

Underlying assets (€ million)	EAD securitized on 31.12.2011						
	Classic			Synthetic			
	Investor	Originator	Sponsor	Investor	Originator	Sponsor	TOTAL
Residential mortgages	507	-	272	435	-	-	1,214
Commercial mortgages	121	63	308	93	-	-	585
Credit cards	1	-	-	-	-	-	1
Leasing	-	-	1,580	-	-	-	1,580
Loans to medium and small companies	686	469	-	29,934	2,745	-	33,833
Consumer loans	30	37	1,499	-	-	-	1,565
Advances to customers	-	4,942	4,942	-	-	-	9,885
Re-securitization	260	673	-	72	102	-	1,107
Other assets	1,770	447	4,364	27	-	-	6,607
Total	**3,374**	**6,631**	**12,965**	**30,560**	**2,847**	**-**	**56,377**

Exposure to securitization by risk weighting approach:

Underlying assets (€ million)	EAD securitized on 31.12.2011			
	SFA	IAA	RBA	TOTAL
Residential mortgages	-	-	1,214	1,214
Commercial mortgages	-	-	585	585
Credit cards	-	-	1	1
Leasing	-	1,558	22	1,580
Loans to medium and small companies	32,301	-	1,532	33,833
Consumer loans	-	650	916	1,565
Advances to customers	103	9,781	-	9,885
Re-securitization	-	-	1,107	1,107
Other assets	1,772	2,429	2,406	6,607
Total	**34,177**	**14,418**	**7,783**	**56,377**

Exposure to securitization by risk weighting:

€ million	31.12.2011	31.12.2010
Exposure at risk	**56,377**	**55,141**
Methodology based on external ratings	**7,783**	**10,859**
Weighting 6-10 %	4,818	7,148
Weighting 12-35 %	1,163	1,724
Weighting 40-75 %	547	360
Weighting 650 %	1,183	1,580
Weighting 1,250 %	73	46
Internal Rating-Based approach	**14,418**	**12,815**
Average weighting (%)	11.03	9.53
Regulatory formula approach	**34,177**	**31,467**
%	*8.85*	*9.48*
Risk-weighted assets	**8,073**	**8,751**
Capital requirements	**646**	**700**

On 31 December 2011, exposure to securitization transactions on own account and on behalf of customers amounted to €36,535 million on own account and €19,842 million on behalf of customers.

On 31 December 2011, residual exposure held deductible from Basel 2.5 capital amounted to €2,018 million.

Exposure to equity investments

Equity investments owned by Crédit Agricole CIB outside the trading book are made up of securities “that give residual and subordinated rights to the assets or income of the issue or that are of a similar economic nature”.

They mainly consist of:

- listed and unlisted equities and shares in investment funds;
- implied options in convertible bonds and mandatory convertible bonds;
- equity bonds;
- deeply subordinated notes.

Equity exposures by exposure category

€ million	31.12.2011				31.12.2010			
	Exposures	EAD	RWA	Capital require-ments	Exposures	EAD	RWA	Capital require-ments
Internal rating-based approach	**887**	**691**	**2,292**	**183**	**1,064**	**836**	**2,787**	**223**
Private equity exposures held in sufficiently diversified portfolios	22	22	42	3	37	33	63	5
Exposures to listed equities	286	282	819	65	314	309	897	72
Other equity exposures	579	387	1,432	115	713	494	1,827	146
Standardised approach	**423**	**372**	**373**	**30**	**199**	**157**	**157**	**13**
Total	**1,310**	**1,063**	**2,664**	**213**	**1,263**	**994**	**2,945**	**236**

The total amount of capital gains realized on sales in 2011 was €28 million.

The total amount of unrealized gains and losses recorded directly in shareholders' equity was €218 million at 31 December 2011 (before tax).

Unrealized gains included in Tier I or Tier II capital totalled €243 million at 31 December 2011.

Market risks

Internal model-based method for measuring and managing market risks

The internal model-based methods for measuring and managing market risks are described in the "Risk factors - Market risks" section of the "Risk factors and Pillar 3" chapter, on page 111.

Measurement policies and procedures used for the trading book

Measurement rules used for trading book items are presented in note 1.3 to the financial statements, "Significant accounting policies".

Measurement models undergo periodic examination, as described in the "Risk factors - Market risks" section of the "Risk factors and Pillar 3" chapter, on page 110.

Global interest-rate risk

The type of interest-rate risk, the main assumptions used and the frequency with which interest-rate risk is measured are presented in the "Risk factors - Global interest-rate risk" section of the "Risk factors and Pillar 3" chapter, on page 119.

Operational risks

Method for calculating capital using the advanced approach

The scope of application of the advanced and standardised approaches, and the description of the advanced approach, are presented in the "Risk factors - Operational risks" section of the "Risk factors and Pillar 3" chapter, on page 124.

Insurance techniques for mitigating operational risk

Insurance techniques for mitigating operational risk are presented in the "Risk factors - Insurance and hedging of operational risks" section of the "Risk factors and Pillar 3" chapter, on page 125.

5 CONSOLIDATED FINANCIAL STATEMENTS

Approved by the Board of Directors in its meeting of 21 February 2012
and put to shareholders for their approval in the 15 May 2012 Shareholders' meeting

The financial statements consist of the general background, consolidated financial statements and the notes to the financial statement.

General background

→ LEGAL PRESENTATION OF CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

Corporate's name: Crédit Agricole Corporate and Investment Bank.

Trading names are: Crédit Agricole Corporate and Investment Bank – Crédit Agricole CIB - CACIB

Address and registered office:
9, quai du Président Paul Doumer
92920 Paris La Défense Cedex - France.

Registration number: 304 187 701, Nanterre Trade and Companies Registry

Code NAF : 6419 Z (APE)

Corporate form:
Crédit Agricole Corporate and Investment Bank is a French societé anonyme (joint stock corporation) with a Board of Directors, governed by the laws and regulations applicable to credit institutions and joint stock corporations and by its Articles of Association.

Since December 2011, Crédit Agricole Corporate and Investment Bank is affiliated with Crédit Agricole S.A. according to the Code monétaire et financier.

Share Capital:

EUR 6,775,271,784

→ RELATED PARTIES

The Crédit Agricole CIB's related parties comprise group companies that are fully integrated or consolidated under proportional or equity method as well as main senior executives of the Group.

The information provided in this report is supplemented by the information given in the Statutory Auditors' special report on regulated agreements on page 262.

Relations with the Crédit Agricole S.A. Group

On and off-balance sheet amounts representing transactions between the Crédit Agricole CIB Group and the rest of the Crédit Agricole S.A. Group are summarized in the following table:

€ million	31.12.2011
ASSETS	
Loans and advances	22,904
Derivative financial instruments held for trading	30,533
LIABILITIES	
Loans and advances	29,594
Derivative financial instruments held for trading	28,566
Subordinated debt	3,200
Preferred shares	425
FINANCING COMMITMENTS	
Other guarantees given	503
Guarantees received	4,131

Figures for loans and advances represent cash relations between Crédit Agricole CIB and Crédit Agricole S.A.

Figures for trading derivatives mainly represent Crédit Agricole Group interest-rate hedging transactions arranged by Crédit Agricole CIB in the market.

Information concerning preferred shares appears in note 6.15

Relations between consolidated companies within the Crédit Agricole CIB Group

A list of the Crédit Agricole CIB Group's consolidated companies can be found in note 12.

Transactions between two fully consolidated entities are eliminated in full.

End of period outstandings between fully consolidated and proportionally consolidated companies are only eliminated to the extent of the interests held by group shareholders. The remaining balances are included in Crédit Agricole CIB's consolidated financial statements. At 31 December 2011, non-eliminated outstandings with UBAF and Newedge on the balance sheet were as follows:

- due from banks: €406 million

- due to banks: €448 million

End of period outstandings between fully consolidated companies and companies consolidated by equity method are not eliminated in the Group's consolidated financial statements.

On 31 December 2011, Credit Agricole PARIS non-eliminated outstandings with its partner BSF (Bank Saudi Fransi) on and off the balance sheet are:

- Derivative financial instruments held for trading (assets): €240 million
- Derivative financial instruments held for trading (liabilities): €219 million
- Other guarantees received: €113 million

Relations with executive officers and senior management

Detailed information on senior management compensation is provided in note 7.7 “Executive officers' compensation”

Consolidated income statements

→ INCOME STATEMENT

€ million	Notes	31.12.2011	31.12.2010
Interest receivable and similar income	4.1	5,735	5,132
Interest payable and similar expense	4.1	(3,608)	(2,962)
Fee and commission income	4.2	3,961	3,815
Fee and commission expense	4.2	(1,708)	(1,352)
Net gains/ (losses) on financial instruments at fair value through profit and loss	4.3	1,782	1,036
Net gains/ (losses) on available-for-sale financial assets	4.4, 6.4	(212)	65
Income related to other activities	4.5	66	71
Expenses related to other activities	4.5	(130)	(107)
NET BANKING INCOME		**5,886**	**5,698**
Operating expenses	4.6, 7.1, 7.4, 7.6	(3,999)	(3,682)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	4.7	(153)	(153)
GROSS OPERATING INCOME		**1,734**	**1,863**
Cost of risk	4.8	(507)	(638)
NET OPERATING INCOME		**1,227**	**1,225**
Share of net income of affiliates	2.2	133	139
Net income on other assets	4.9	2	(13)
Goodwill	2.4	(295)[1]	
PRE-TAX INCOME		**1,067**	**1,351**
Income tax	4.10	(387)	(309)
NET INCOME		**680**	**1,042**
Minority interests		(2)	37
NET INCOME - GROUP SHARE		**682**	**1,005**
Earnings per share (in €)	6.15	2.87	4.48
Diluted earnings per share (in €)	6.15	2.87	4.48

(1) Represents the depreciation of goodwill in relation with the adjustment plan (see note 2.4).

→ NET INCOME AND GAINS/ (LOSSES) RECOGNISED DIRECTLY IN EQUITY

€ million	Notes	31.12.2011	31.12.2010
Net Income - Group Share		**682**	**1,005**
Gains/ (losses) on currency translation adjustment		139	129
Gains/ (losses) on available for-sale-assets		(3)	(58)
Gains/ (losses) on derivative hedging instruments		149	(54)
Actuarial gains/ (losses) on post-employment benefits		(40)	(22)
Gains/ (losses) recognised directly in equity, Group share without affiliates		**245**	**(5)**
Share of net gains/ (losses) recognised directly in equity of affiliates[1]		54	94
Total gains/ (losses) recognised directiy in equity, Group share	4.11	**299**	**89**
Net income and gains/ (losses) recognised directly in equity, Group share		**981**	**1,094**
Net income and gains/ (losses) recognised directly in equity, minorities interests		46	72
Net income and gains/ (losses) recognised directly in equity		**1,027**	**1,166**

[1] The "share of net gains/ (losses) recognised directly in equity of affiliates" is included in Crédit Agricole CIB Consolidated reserves in 2010.

Amounts are disclosed after tax.

ASSETS

€ million	Notes	31.12.2011	31.12.2010
Cash, due from central banks	6.1	21,867	19,400
Financial assets at fair value through profit or loss	6.2	462,043	388,531
Derivative hedging instruments	3.2, 3.4	1,639	1,184
Available-for-sale financial assets	6.4, 6.6	14,264	19,098
Due from banks	3.1, 3.3, 6.5, 6.6	79,570	71,581
Loans and advances to customers	3.1, 3.3, 6.5, 6.6	168,216	157,667
Valuation adjustment on portfolios of hedged items		23	3
Held-to-maturity financial assets	6.9		
Current and deferred tax assets	6.11	2,710	4,311
Accruals, prepayments and sundry assets	6.12	71,917	50,523
Non-current assets held for sale			
Investments in affiliates	2.2	1,263	1,103
Investment property		2	
Property, plant and equipment	6.13	703	728
Intangible assets	6.13	171	170
Goodwill	2.4	1,616	1,893
TOTAL ASSETS		**826,004**	**716,192**

→ LIABILITIES AND SHAREHOLDERS' EQUITY

€ million	Notes	31.12.2011	31.12.2010
Due to central banks	6.1	81	757
Financial liabilities at fair value through profit and loss	6.2	466,678	361,185
Derivative hedging instruments	3.2, 3.4	1,602	1,273
Due to banks	3.3, 6.8	86,894	75,339
Customer accounts	3.1, 3.3, 6.8	157,613	143,489
Debt securities in issue	3.1, 3.3, 6.10	25,036	61,925
Valuation adjustment on portfolios of hedged items		13	20
Current and deferred tax liabilities	6.11	514	612
Accruals, deferred income and sundry liabilities	6.12	61,888	46,688
Liabilities associated with non-current assets held for sale			
Insurance companies' technical reserves		7	6
Reserves	6.14	1,369	916
Subordinated debt	6.10	8,183	8,672
Total debt		**809,878**	**700,882**
Shareholders'equity			
Shareholders' equity, Group share		15,567	14,606
Share capital and reserves		7,513	6,557
Consolidated reserves		6,635	6,634
Gains/ (losses) recognised directly in equity		737	410
Net income for the year		682	1,005
Minority interests		559	704
Total shareholders' equity		**16,126**	**15,310**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**826,004**	**716,192**

→ CHANGE IN SHAREHOLDERS' EQUITY

€ million	Share capital and reserves			Retained earnings, Group share	Total gains/ (losses) recognised directly in equity	Net income Group share	Total Equity, Group share	Minority interests Share capital	Total shareholders' equity premiums and reserves
	Share capital	Share premiums and reserves	Elimination of treasury shares						
Shareholders' equity at 1st January 2010	**6,056**	**7,011**		**13,067**	**432**		**13,499**	**910**	**14,409**
Capital increase									
Dividends paid in 2010								(38)	(38)
Impact of acquisitions/ disposais on minority interests								(240)	(240)
Movement related to stock options		*9*		*9*			*9*		*9*
Movements related to shareholders' items		***9***		***9***			***9***	***(278)***	***(269)***
Change in gains/ (losses) recognised directly in equity					***(5)***		***(5)***	***35***	***30***
Share of change in equity of associates accounted for under the equity method		94		94			94		94
2010 net income						1,005	1,005	37	1,042
Other changes		21		21	(17)		4		4
Shareholders' equity at 31 December 2010	**6,056**	**7,135**	**0**	**13,191**	**410**	**1,005**	**14,606**	**704**	**15,310**
Share of change in equity of associates accounted for under the equity method(2)		(28)		(28)	28				
Shareholders' equity at 31 December 2010	**6,056**	**7,107**	**0**	**13,163**	**438**	**1,005**	**14,606**	**704**	**15,310**
Appropriation of 2010 earnings		1,005		1,005		(1,005)			
Shareholders' equity at 1 January 2011	**6,056**	**8,112**	**0**	**14,168**	**438**	**0**	**14,606**	**704**	**15,310**
Capital increase	719	236		955			955	(5)	950
Dividends paid in 2011(1)		(955)		(955)			(955)	(29)	(984)
Impact of acquisitions/ disposais on minority interests									
Movement related to stock options									
Movements related to shareholders' items	***719***	***(719)***						***(34)***	***(34)***
Change in gains/ (losses) recognised directly in equity					***245***		***245***	***48***	***293***
Share of change in equity of associates accounted for under the equity method					54		54		54
2011 net income						682	682	(2)	680
Other changes		(20)		(20)			(20)	(157)	(177)
Shareholders' equity at 31 December 2011	**6,775**	**7,373**	**0**	**14,148**	**737**	**682**	**15,567**	**559**	**16,126**

(1) In the second quarter of 2011, Crédit Agricole CIB made a €955 million capital increase with a share premium of €236 million.

(2) The share of gains/(losses) of associates recognised directly in equity, which used to be accounted for as non-deferred reserves, was re-allocated to deferred reserves for €28 million on 31 December 2010.

Consolidated reserves mainly include undistributed profits from prior years, amounts arising from the first-time application of IFRS, and consolidation adjustments.

Amounts deducted from shareholders' equity and transferred to the income statement and that relate to cash flow hedges are included under net banking income.

→ CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

Operating activities show the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic investments classified as available for sale.

Investing activities show the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic investments classified as available for sale.

Financing activities show the impact of cash inflows and outflows associated with shareholders' equity and long-term financing.

Net cash and cash equivalents include cash, debit and credit balances with central banks, and debit and credit sight balances with banks.

€ million	**2011**	**2010**
Pre-tax income	**1,067**	**1,351**
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	153	153
Impairment of goodwill and other non-current assets	294	
Net charge to impairment	711	(26)
Share of net income of affiliates	(133)	(139)
Net loss/(gain) on investing activities	51	12
Net loss/(gain) on financing activities	296	297
Other movements	1,026	41
Total non-cash items included in pre-tax income and other adjustments	**2,398**	**338**
Change in interbank items	10,300	3,675
Change in customer items	(1,725)	10,298
Change in financial assets and liabilities	3,423	(21,099)
Change in non-financial assets and liabilities	(5,675)	2,883
Dividends received from affiliates[(3)]	81	28
Taxes paid	1,042	(464)
Net decrease/(increase) in assets and liabilities used in operating activities	**7,446**	**(4,679)**
TOTAL net cash provided/(used) by OPERATING activities [A]	**10,911**	**(2,990)**
Change in equity investments[(4)]	826	65
Change in property, plant and equipment and intangible assets	(116)	(118)
TOTAL net cash provided/(used) by INVESTING activities [B]	**710**	**(53)**
Cash received from/(paid to) shareholders[(5)]	(33)	(305)
Other cash provided/(used) by financing activities[(6)]	(934)	(326)
TOTAL net cash provided/(used) by FINANCING activities [C]	**(967)**	**(631)**
Effect of exchange rate changes on cash and cash equivalents [D]	**588**	**1,460**
Net increase/(decrease) in cash and cash equivalents [A + B + C + D]	**11,242**	**(2,214)**
Opening cash and cash equivalents	**20,008**	**22,222**
Net gain/ (losses) on cash and central banks (assets and liabilities)[(1)]	18,638	22,286
Net gain/ (losses) on interbank sight balances (assets and liabilities[(2)]	1,370	(64)
Closing cash and cash equivalents	**31,250**	**20,008**
Net gain/(losses) on cash and central banks (assets and liabilities)[(1)]	21,783	18,638
Net gain/(losses) on interbank sight balances (assets and liabilities)[(2)]	9,467	1,370
CHANGE IN NET CASH AND CASH EQUIVALENTS	**11,242**	**(2,214)**

(1) Consisting of the net balance of "cash, due from central banks", excluding accrued interest, as disclosed in note 6.1.
(2) Comprises the balance of "performing current accounts in debit and performing overnight accounts and advances " (see note 6.5) and "current accounts in credit" and "daylight overdrafts and accounts" (excluding accrued interest) - See note 6.8.
(3) In 2011, the total of this amount represents dividends paid by Banque Saudi Fransi to CACIB Paris (including withholding tax).
(4) This line presents the net effects on treasury of the acquisition of BFT and the entry in the scope of consolidation of CA VMC for respectively €764 and €36 million.
(5) The cash flow coming to or from shareholders in 2011 shows notably the dividends paid by minority shareholders. The main amounts come from Crédit Foncier de Monaco (-€8 million), CACIB Preferred Funding LLC I and II (-€19 million).
(6) In 2011, no subordinated debt or bond was issued. This line mainly shows an anticipated reimbursement of a TSS loan by CACIB Paris to CASA for €641 million, and interest payments on subordinated debt amounting to €292 million.

Notes to the consolidated financial statements

NOTE 1: ACCOUNTING PRINCIPLES AND POLICIES APPLICABLE, ASSESSMENTS AND ESTIMATED USED

1.1 Applicable standards and comparability

Pursuant to EC regulation 1606/2002, the parent-company financial statements were prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2011 as adopted by the European Union (the “ carve-out ” version) and uses certain dispensations of IAS 39 as regards macro-hedge accounting.

The applicable standards are available on the European Commission website, at the following address: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The standards and interpretations are identical to those used and described in the Group financial statements at 31 December 2010.

They have been supplemented by the provisions of those IFRS as endorsed by the European Union at 31 December 2011 and that must be applied in 2011 for the first time. They cover the following:

Standards, amendments or interpretations	Date of publication by the European Union	Date of the first time application: financial years commencing on
Amendment to IAS 32- Classification of right issues ;	23 December 2009 (UE 1293/2009)	1 January 2011
Amendment to IFRS 1R- Limited exemptions from comparative IFRS disclosures for first-time adopters	30 June 2010 (UE 574/2010)	1 January 2011
Amendment to IAS 24- Related parties represented by a State body	19 July 2010 (UE 632/2010)	1 January 2011
Amendment to IFRIC 14- Recognition of Defined Benefit Plans’ Assets ;	19 July 2010 (UE 632/2010)	1 January 2011
IFRIC 19- Extinguishing financial liabilities with equity instruments.	23 July 2010 (UE 662/2010)	1 January 2011
Amendments related to yearly improvements (2008-2010) modifying norms and interpretations as follows : IFRS 1, IFRS 3R, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13.	18 February 2011 (UE 149/2011)	1 January 2011

The application of these new provisions did not produce any material impact over the accounting period.

Besides, remind that when the anticipated application of norms is not mandatory on a period, it is not applied by the Group, except specific mention. This concerns in particular:

Standards, amendments or interpretations	Date of publication by the European Union	Date of the first time application: financial years commencing on
Amendments to IFRS 7 - Transfer of Financial assets	22 November 2011 (UE 1205/2011)	1 January 2012

These amendments are not expected to have significant impacts for the Group.

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 adoption. The Group has not applied them as of 31 December 2011.

1.2 Presentation of financial statements

In the absence of a model required under IFRS, the balance sheet, income statement, statement of changes in shareholders' equity and cash flow statement are presented in the format set out in CNC Recommendation 2009-R.04 of 2 July 2009.

1.3 Accounting principles and policies

Use of assessments and estimated when preparing the financial statements

Estimates have been made by management to prepare the financial statements. These estimates are based on certain assumptions and involve risks and uncertainties as to their actual achievement in the future.

Actual results may be influenced by many factors, including:

- 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 to value the following assets and liabilities:

- financial instruments measured at fair value,
- investments in non-consolidated companies,
- pension plans and other future employee benefits,
- stock option plans,
- impairment of available-for-sale and held-to-maturity securities,
- impairment of unrecoverable loans,
- reserves,
- goodwill impairment,
- deferred tax assets.
- valuation of entities accounted under the equity method.

The use of assessments and estimates is discussed below.

Financial instruments (IAS 32 et 39)

In the financial statements, financial assets and liabilities are treated in accordance with IAS 39 as adopted by the European Commission.

At initial recognition, financial assets and liabilities are measured at fair value including transaction costs (except for financial instruments recognized at fair value through profit and loss). After initial recognition, financial assets and liabilities are measured, depending on their classification, either at fair value or amortized cost using 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 in an arm's length transaction.

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 the net carrying amount of the financial asset or financial liability.

Securities

Classification of financial assets

Under IAS 39, financial assets are divided into four categories:

- Financial assets at fair value through profit and loss classified as held for trading and financial assets designated as at fair value through profit and loss,
- held-to-maturity investments,
- loans and receivables,
- available-for-sale financial assets.

■ Financial assets at fair value through profit and loss classified as held for trading and financial assets designated as at fair value through profit and loss

According to IAS 39, this portfolio comprises securities that are classified under financial assets at fair value through profit and loss either as a result of a genuine intention to trade them or designated as at fair value by Crédit Agricole CIB.

Financial assets at fair value through profit and loss classified as held for trading are assets acquired or generated by the enterprise primarily for purposes of making a profit from short-term price fluctuations or an arbitrage margin.

Financial assets may be designated as at fair value through profit and loss if they meet the conditions set out in the standard, in the three following cases: for hybrid instruments including one or more embedded derivatives, to reduce accounting mismatch or if there is a group of managed financial assets whose performance is measured at fair value. Hybrid instruments are generally designated as at fair value through profit and loss to avoid separate recognition and measurement of derivatives embedded in them.

Crédit Agricole CIB generally uses this approach for certain minority interests in venture capital companies measured at fair value.

Securities that are classified under financial assets at fair value through profit and loss are recognised at fair value at inception, excluding transaction costs attributable directly to their acquisition (which are accounted for directly in profit and loss) and including accrued interest.

They are carried at fair value and changes in fair value are taken to profit and loss.

No impairment is recorded for this category of securities.

Securities held for sale pending syndication are included in the " financial assets at fair value through profit and loss " category and are marked to market.

Held-to-maturity financial assets

This category includes securities with fixed or determinable payments and fixed maturities that Crédit Agricole CIB has the intention and ability to hold until maturity other than:

- securities that are initially classified as financial assets at fair value through profit and loss at the time of initial recognition by Crédit Agricole CIB;
- 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 investments " category.

There are sale restrictions for instruments classified in this category, except for sales under specific circumstances as described in IAS 39.

Hedging of interest-rate risk in this category of securities is not eligible for hedge accounting as defined by IAS 39.

Held-to-maturity securities 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 rate method, including any premiums or discounts, and adjusted for any impairment provisions.

Impairment rules for this financial asset category are disclosed in the specific chapter dedicated to " impairment of securities " when securities are measured at amortised cost.

Loans and receivables

Loans and receivables comprise financial assets that are not listed " on an active market " and that generate fixed or determinable payments.

Securities are initially recognised at purchase price, including directly attributable transaction costs and accrued interest, and subsequently at amortised cost using the effective interest method, adjusted for any impairment.

They are subsequently measured at amortised cost using the effective interest rate method adjusted for any impairment provisions.

Impairment rules for this financial asset category are disclosed in the specific chapter dedicated to " impairment of securities ".

Available-for-sale financial assets

IAS 39 defines available-for-sale financial assets as the default category.

Available-for-sale securities are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition and including accrued interest.

Changes in fair value are recorded in gains/ (losses) through shareholders' equity.

If the securities are sold, these changes are reversed out and recognized in profit and loss.

Amortisation of any premiums or discounts on fixed income securities is taken to profit and loss using the effective interest rate method.

Accrued interests are accounted for in the relevant balance sheet account, accrued interest against the corresponding profit and loss account.

This financial asset category is subject to impairment (see dedicated section " impairment of securities ").

Impairment of securities

Impairment shall be accounted for 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 those measured as at fair value through profit and 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, the Crédit Agricole CIB 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 6 consecutive months. Crédit Agricole CIB also takes into account other factors such as financial difficulties of the issuer, short term prospects.

Notwithstanding the above-mentioned criteria, the Crédit Agricole CIB recognises an impairment loss when there is a decline in the value of the equity instrument, higher than 50% or prolonged over 3 years.

For debt securities, impairment criteria are the same as for loans and receivables. Such impairment is recognised:

- 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 recoveries in the price of the securities, the loss previously transferred to the income statement may be reversed via the income statement when warranted by circumstances for debt instruments.

Recognition date

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 trade date.

Reclassification of financial instruments

In accordance with the amendment to IAS 39, published and adopted by the European Union in October 2008, it is now authorized to reclassify financial assets as follows:

- from " held-for-trading financial assets " and " available-for-sale financial assets " to " loans and receivables " if the entity intends and is able to hold the financial asset concerned for the foreseeable future or until maturity, subject to compliance with eligibility criteria as per reclassification date (and in particular the criterion of no listing on an active market);
- in rare and documented circumstances, from the " held-for-trading financial assets " to the " available-for-sale financial assets or " held-to-maturity financial assets " categories, subject to compliance with eligibility criteria as per reclassification date.

Crédit Agicole CIB has not used the latter option allowing assets to be reclassified in rare circumstances.

Fair value on the reclassification date becomes the reclassified asset's new cost or new amortized cost, as the case may be.

Information on reclassifications carried out by Crédit Agicole CIB in accordance with the amendment to IAS 39 is provided in note 9.

Temporary purchases and sales of securities

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, cash received, representing the liability to the transfere is recognised on the liabilities side of the balance sheet.

Items borrowed or bought under repurchase agreements are not recognised on the transferee's balance sheet.

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 taken to profit and loss on a prorata temporis basis, except in the case of assets and liabilities accounted for at fair value through profit and 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, including any discounts and any transaction income or costs that are an integral part of the effective interest rate.

Loans and securities held for sale in the near future pending syndication are included in the " financial assets at fair value through profit and loss " category and are marked to market.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans according to counterparty type.

Revenue calculated using the effective interest rate on loans is accounted for in accrued interest account, against the corresponding profit and loss account.

Impaired loans and receivables

In accordance with IAS 39, loans recorded under " loans and receivables " are impaired when one or more loss events occurs after collection of such loans. Once these loans and receivables have been identified, they may be individually or collectively assessed for impairment. In this way, expected losses are recognised through impairment equal to the difference between the book value of loans (amortised cost) and the sum of expected future cash flows, discounted using the original effective interest rate, or in the form of discounts on loans restructured due to client default.

The following distinctions are made:

- loans individually assessed for impairment: these are impaired loans 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 each uniform class of loans displaying similar credit risk characteristics. It concerns in particular loans that are past due.

Loans that are past due consist of loans that are overdue but not individually impaired (part of the watch-list category).

Impairment based on the discounted method is estimated with reference to several factors, notably business or sector-related. It is possible that future credit risk measurements will differ significantly from current measurements, and this could require an increase or decrease in the impairment amount.

Probable losses in respect of off-balance sheet commitments are covered by provisions recognized as liabilities on the balance sheet.

Additions to and releases from impairment for non-recovery risk are included in cost of risk aggregate. The increase in the book value of receivables resulting from the accretion of impairment and the amortisation of the discount on restructured loans and receivables is recognised in net interest income

Loans individually assessed for impairment

These are loans of all kinds, even those which are guaranteed, exposed to identify credit risk arising from one of the following events:

- the loan is at least three months in arrears (six months for mortgage loans and property leases and six months for loans to local authorities to take into account the specific characteristics of these loans);
- the borrower's financial position is such that an identified risk exists regardless of whether the loan is in arrears or not;
- the bank and borrower are in legal proceedings.

When a loan is classified as impaired, all other loans and commitments relating to that borrower are also classified in their entirety as impaired, whether or not they are collateralised.

If a restructured loan is still kept in the impaired loan category, the discount is not recognized separately but through impairment.

Crédit Agricole CIB records impairment corresponding to all foreseeable losses, discounted at the initial effective interest rate.

For small loans with similar characteristics, the analysis of individual counterparties may be replaced with a statistical estimate of projected losses.

In the case of restructured loans whose initial financial terms (interest rate, maturity) have been adjusted by the entity concerned because of counterparty risk, whereby the loan is moved to the performing category, the reduction in future cash flows from the counterparty as a result of restructuring gives rise to a discount.

The discount recognised when a loan is restructured is recorded in the cost of risk aggregate.

The discount corresponds to the reduction in future cash flows discounted at the original effective interest rate.

It is equal to the difference between:

- the par value of the loan,
- the sum of the restructured loan's theoretical future cash flows discounted at the original effective interest rate (defined on the date the financing commitment was made).

■ Loans collectively assessed for impairment

Statistical and historical customer default experience shows that there is an identified risk that loans non-impaired individually will be partially uncollectible. To cover these risks, which cannot by nature be allocated to individual loans, Crédit Agricole CIB has recorded, based on these statistical data, various collective impairment provisions on the asset side of its balance sheet, such as:

Impairment on sensitive exposure

Such impairment losses are calculated on the basis of Basel II models.

As part of the implementation of Basel II, Crédit Agricole CIB calculates the amount of losses anticipated within one year, using statistical tools and databases, based on multiple observation criteria meeting the definition of a loss event within the meaning of IAS 39.

Impairment is measured with reference to the likelihood of non-payment in each borrower rating class, but also based on the experienced judgment of management.

Impairment is calculated by applying a correction factor to the anticipated loss, this factor being based on management experienced judgement and taking into account a number of variables that are not included in the Basel II models, such as the extension of the anticipated losses horizon beyond one year as well as other factors related to economics, business and other conditions.

Other impairments determined on a collective basis

Crédit Agricole CIB also records collective impairment to cover customer risks that are not individually allocated to individual loans, such as sector or country impairment. This impairment is intended to cover estimated risks based on a sector or geographical analysis for which there is statistical or historical risk of partial non-recovery.

Financial liabilities

IAS 39 as adopted by the European Union recognises three categories of financial liabilities:

- financial liabilities at fair value through profit and loss classified as held for trading. Fair value changes on this portfolio are recognised in profit and loss;
- financial liabilities designated at fair value through profit and loss. Financial liabilities may be designated as at fair value through profit and loss if they meet the conditions set out in the standard, in the three following cases: for hybrid instruments containing one or more embedded derivative, to reduce accounting mismatch, or for a group of financial liabilities that is managed and whose performance is measured at fair value. The election of this category is generally used for in hybrid instruments in order to avoid separate accounting and measurement of embedded derivatives;
- 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 amortized cost using the effective interest rate method.

Crédit Agricole CIB structured issuance transactions are classified as financial liabilities at fair value as held for trading. Fair value changes are recognised in profit and loss. In accordance with IAS 39, the Group evaluates its structured issuance accounted for as held for trading liabilities, by taking as reference the spread that specialised participants accept to receive for acquiring new Group's issuance.

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 shareholders' equity

A debt instrument or financial liability is a contractual obligation to:

- deliver cash or another financial asset;
- exchange financial instruments under conditions that are potentially unfavourable for the entity.

An equity instrument is a contract evidencing a residual interest in an enterprise after deduction of all of its liabilities (net assets).

Purchase of Treasury shares

Treasury shares (or equivalent derivatives, such as options to buy shares) purchased by Crédit Agricole CIB, including shares held to hedge stock option plans, do not meet the definition of a financial asset and are deducted from shareholders' equity. They do not generate any impact on the income statement.

Derivatives

Derivative instruments are financial assets or liabilities and are initially recognised on balance sheet at their fair value at inception of the transaction. At each balance sheet date, derivatives are measured at fair value, whether they are held for trading purposes or used for hedging accounting.

Changes in the fair value of derivatives is recorded in profit and loss (except in the special case of a cash flow hedge relationship).

Hedge accounting

Fair-value hedge is intended to protect against exposures to changes in fair value of a recognized asset or liability or an unrecognized firm undertaking. Cash flow hedge is intended to protect against exposure to variability in future cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction.

Hedge of a net investment in a foreign operation is intended to reduce the risk of a fall in fair value arising from the exchange rate risk on a foreign investment made in a currency other than the euro.

The following criteria must be met in order for hedge accounting to be applicable:

- the hedging instrument and the hedged instrument must be eligible,
- there must be formal documentation from inception, including primarily individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedge relationship and the nature of risk being hedged,
- the hedge effectiveness must be demonstrated, at inception

and retrospectively, through tests performed at each closing date.

When hedging the interest-rate risk exposure of a portfolio of financial assets or liabilities, Crédit Agricole CIB favours fair-value hedge documentation, as permitted by IAS 39 as adopted by European Union (“ carve out ” version).

In addition, the Group documents these hedge relationships on the basis of gross position of derivatives and hedged items.

Effectiveness of these hedge relationships is measured by maturity schedules.

Changes in value of the derivative is accounted for as follows:

- fair-value hedge: changes in value of the derivative and of the hedged item, to the extent of the hedged risk, are taken symmetrically to profit and loss. There is no net impact on profit and loss unless the hedge has an ineffective portion,
- cash flow hedge: changes in value of the derivative are recognised initially in other comprehensive income for the effective portion, and any inefficient portion of the hedge is recognised in the income statement. The cumulative gain or loss on the derivative deferred in other comprehensive income are subsequently removed and included in profit and loss when the hedged cash flows occur,
- hedge of a net investment in a foreign operation: changes in value of the derivative that is determined to be an effective hedge are recognized in a special reversible shareholders’ equity account and any ineffective portion of the hedge is recognized in profit and loss.

When conditions for hedge accounting are no longer met, then the following accounting treatment is applied:

- fair-value hedge: only the hedging instrument remains revaluated through profit and loss. The hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged and continues to be accounted for in a manner that was applicable prior to it being hedged. Instrument is fully registered in accordance with its classification. Regarding AFS securities, fair value changes after discontinuance of hedge accounting are recorded in shareholders’ equity. For hedged items measured at amortised cost, revaluation adjustment stock is amortised on the hedged items’ residual life.
- cash flow hedge: the hedging instrument is valued at fair value through profit and loss. The cumulative amounts deferred in shareholders’ equity in respect of the hedge remain recognised in shareholders’ equity and is reclassified to profit and loss when profit and loss is impacted by the hedged item. For financial instruments hedged for interest rate risk, profit and loss is impacted upon interest payments. In other words, the revaluation adjustment stock is amortised through profit and loss over the remaining life of the hedged item.
- hedge of a net investment in a foreign operation: the cumulative amounts deferred in shareholders’ equity in respect of the hedge remain recognised in shareholders’ equity as long as the net investment is held. They are entirely recycled in profit and loss when net investment in a foreign operation is out of the consolidation scope.

Embedded derivatives

An embedded derivative is the 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 and loss;
- a separate instrument with the same terms as the embedded derivative would meet the definition 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 in accordance with IAS 39 and is disclosed following the hierarchy defined by IFRS 7.

The Group also applies the 15 October 2008 recommendation from AMF, CNC and ACAM regarding fair value measurement of some financial instruments.

For financial instruments measured at fair value, IAS 39 considers that the existence of published price quotations in an active market is the best evidence of fair value.

When such quoted prices are not available, IAS 39 requires fair value to be determined using a valuation technique based on observable data or unobservable inputs.

Level 1: fair value that is quoted prices (unadjusted) in active markets.

Level 1 is composed of financial instruments for which fair value is the quoted price (unadjusted) in an active market. It concerns stocks and bonds listed in active markets (such as the Paris Stock Exchange, the London Stock Exchange, the New York Stock Exchange…); it also concerns Funds securities quoted in an active market and listed derivatives such as Futures.

A financial instrument is regarded as quoted in an active market 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. When current prices of financial instruments are unavailable at the reporting date, Crédit Agricole CIB refers to the price of the most recent transaction.

For assets and liabilities with offsetting market risks, Crédit Agricole CIB uses mid-market prices as a basis for establishing fair values for the offsetting risk positions. Crédit Agricole CIB uses the current bid price for financial asset held or liability to be issued (open long position) and the current ask (offer) price for financial asset to be acquired or liability held (open short position).

Level 2: fair value that is measured using observable inputs, either directly or indirectly, other than quoted prices included within Level 1.

These inputs are either directly (i.e. as prices) observable, or indirectly (i.e. derived from prices) observable, and generally meet the following characteristics: they are not entity-specific data but are available and regularly obtainable public data accordingly used by market participants.

Level 2 is composed of:

- Stocks and Bonds that are quoted in an inactive market or, that are not quoted in an active market but which fair value is established using a valuation methodology currently used by market participants (such as discounted cash-flows technique, Black & Scholes model) and that is based on observable market data.
- Instruments that are traded over the counter, which fair value is measured thanks to models using observable market data, i.e. derived from various and regularly available external sources. For example, fair value of interest rate swaps is generally derived from interest rates yield curves as observed at the reporting date.

When the Group uses valuation models that are consistent 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 and 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 unobservable inputs i.e. that cannot be observed on the market for an identical instrument. These instruments are disclosed within Level 3.

Are mainly concerned, 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.

The transaction price is deemed to reflect the fair value on initial recognition, any day one gain or loss is differed.

The day one gain or loss relating to these structured financial instruments is generally recognised in profit and loss on a systematic basis over the period during which inputs are deemed unobservable. When all market data become observable, the unrecognised amount of day one gain or loss is immediately recognised in profit and 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 making pricing decisions. They shall be beforehand validated by an independent control department. Fair value measurement of these instruments takes into account both liquidity risk and counterparty risk.

Absence of accepted valuation method to determine equity instrument's fair value.

According to IAS 39 principles, if there is no satisfactory method, or if the estimates obtained using the various methods differ excessively, the instrument is measured at cost and remains 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 subsidiaries that are not listed on an active market which fair value is difficult to measure reliably. These investments, which are listed in specific Note 2.4, are intended to be held for the long term.

Net gains/ (losses) on financial instruments

Net gains/ (losses) on financial instruments at fair value through profit and loss

For financial instruments designated as at fair value through profit and loss and financial assets and liabilities held for trading, this caption includes the following income items:

- dividends and other revenues from equities and other variable income securities classified in financial assets at fair value through profit and loss;
- changes in the fair value of financial assets and liabilities at fair value through profit and loss;
- disposal gains and losses realised on financial assets at fair value through profit and loss;
- changes in fair value and disposal or termination gains/ (losses) on derivative instruments not involved in a fair-value or cash-flow hedge relationship.

This caption also includes the inefficient portion of fair-value hedge, cash-flow hedge and net investment hedge operations.

Net gains/ (losses) on available-for-sale financial assets

For available-for-sale financial assets, this caption includes the following income items:

- dividends and other revenues from equities and other variable income securities classified as available-for-sale financial assets;
- disposal gains and losses realised on fixed and variable-income securities classified as available-for-sale financial assets;
- impairment losses on variable-income securities;
- gains/(losses) on the disposal or termination of fair-value hedging instrument on available-for-sale financial assets when the hedged item is sold;
- gains/(losses) on the disposal of termination of loans, receivables and held-to-maturity securities in cases set out by IAS 39.

Offsetting financial assets and liabilities

In accordance with IAS 32, Crédit Agricole CIB offsets financial assets and liabilities and presents a net balance only if it has a legally enforceable right at any time to offset the recognized amounts and intends to either settle the net amount or to realize the asset and liability simultaneously.

Financial guarantees given

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs due to the failure of a specified debtor to make a due payment in accordance with the initial or amended terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value, and subsequently at the higher of:

- the value calculated in accordance with IAS 37 " Provisions, contingent liabilities and contingent assets ", or
- the amount initially recognized, less any amortisation recognized in accordance with IAS 18 " Revenue ".

Financing commitments not designated as assets at fair value through profit and loss or not deemed to be derivative instruments under IAS 39 are not accounted for on balance sheet. However, provisions are recognised in relation to them 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 and 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 entity's continuing involvement in the asset.

A financial liability is fully or partially derecognised only when this liability is settled.

Provisions (IAS 37 et 19)

Crédit Agricole CIB identifies 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 updated as required if the effect is significant.

As regards obligations other than those related to credit risk, Crédit Agricole CIB has set recognised provisions covering:

- operational risks,
- employee benefits,
- guarantee commitments execution risks,
- claims and liability guarantees,
- tax risks.

Measurement of the following provisions can be made through estimates:

- Provisions for operational risks for which the judgement of the management is required as regards the estimate of outcome and financial effect of the incident, and even if an inventory of identified risks is made.
- Provisions for legal risks which result from the best estimate of the management given the information available at reporting date.

Detailed information is provided in paragraph 6.14.

Employee benefits (IAS 19)

In accordance with IAS 19, employee benefits are recorded in four categories:

- short-term employee benefits, such as wages, salaries, social security contributions and bonuses payable within 12 months after the end of the period;
- long-term employee benefits, such as long-service awards, bonuses and compensation payable 12 months or more after the end of the period,
- termination benefits,
- post-employment benefits, which are recorded in the two following categories: defined-benefit plans and defined-contribution plans.

Long-term employee benefits

Long-term employee benefits are employee benefits, other than post-employment benefits and termination benefits that are not due to be settled within 12 months or more after the end of the period in which the employees render the related services.

It concerns in particular bonuses and other deferred compensation paid 12 months or more after the end of the period in which they are earned

The methods used to determine the amount and payment of deferred variable compensation by Crédit Agricole CIB 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 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 acquisition conditions are not met.

The measurement method is similar to the one used by Crédit Agricole CIB for post-employment benefits with defined benefit plans.

Post-employment benefits

Retirement and early retirement benefits – defined benefit plans

At each closing date, Crédit Agricole CIB determines its liabilities for retirement and similar benefits and all other employee benefits pertaining to the category of defined-benefit plans.

In accordance with IAS 19, these obligations are measured based on a set of actuarial, financial and demographic assumptions, and following the Projected Unit Credit method. This method consists in booking a charge for each period of service, for an amount corresponding to employee's vested benefits for the period. This charge is calculated based on the discounted future benefits

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 liability may increase or decrease in future periods (see note 7.4).

Discount rates are determined based on the average duration of the obligation, that is, the arithmetic mean of the durations calculated between the valuation date and the payment date weighted by employee turnover assumptions.

The return on plan assets is also estimated by management. Returns are estimated on the basis of expected returns on debt securities, and notably bonds.

Crédit Agricole CIB does not apply the optional " corridor " approach and has directly recognised all actuarial gains and losses in shareholders' equity since 1 January 2010, instead of in profit and loss previously.

The amount of the provision is equal to:

- the present value of the obligation to provide the defined benefits at closing date, calculated in accordance with the actuarial method recommended by IAS 19,
- minus, if any, the fair value at the closing date of plan assets (if any) out of which the obligations are to be settled directly. Where plan assets include qualifying insurance policies that exactly match the amount and timing of some or all of the benefits payable under the plan, the fair value of those insurance policies is deemed to be the present value of the related obligations.

Pension plans – 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 constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Consequently, Crédit Agricole CIB has no liabilities in this respect other than its contributions due for the past period.

Share-based payments (IFRS 2)

IFRS 2 (Share-based Payment) requires share-based payment transactions to be measured and recognised in the income statement and balance sheet. The standard applies to share-based plans granted after 7 November 2002, in accordance with IFRS 2, and which had not yet vested on 1 January 2005. It covers two possible cases:

- share-based payment transactions settled in equity instruments,
- share-based payment transactions settled in cash.

Share-based transactions initiated by Crédit Agricole CIB Group that are eligible for IFRS 2 cover these two types of plans.

The expenses related to share-based plans settled in Crédit Agricole S.A. equity instruments, and expenses related to share subscriptions, are recognised as follows:

- for " equity settled " plans, as expenses under wages and salaries costs, with a corresponding increase in " consolidated equity ". Such expenses are linearly spread over vesting period.
- for " cash settled " plans, as expenses under wages and salaries, with a corresponding liability. Those expenses are linearly spread over the vesting period (between 3 and 4 years) taking into account service and/or performance conditions. The fair value of the related liability is re-measured until its settlement taking into account the possible non-realisation of those conditions and the change in value of Crédit Agricole S.A. security.

One of the deferred bonus plan granted by Crédit Agricole CIB entails for payment based on Crédit Agricole S.A. shares. This plan is accounted for in accordance with IFRS 2 dealing with share-based payment transactions among group entities. This plan is recognised as a " cash settled " transaction in the accounts of Crédit Agricole CIB and as an " equity settled " transaction in those of Crédit Agricole S.A.

A description of the plans granted and the measurement methods are provided in note 7.6 " Share-based payments ".

Issuance of Crédit Agricole S.A. shares proposed to employees as part of the group Employee Share Ownership Plan is also governed by IFRS 2. Crédit Agricole CIB Group applies the treatment set out in the release issued by the CNC on 21 December 2004, supplemented by the release issued by the CNC on 7 February 2007. 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 of acquired share taking into account the lock-up period and the purchase price paid by the employee at the issue date multiplied by the number of shares issued.

Current and deferred tax

Crédit Agricole CIB has been 99.9%-owned by the Crédit Agricole Group since 27 December 1996 and some of its subsidiaries form part of the tax consolidation Group of Crédit Agricole S.A..

In accordance with IAS 12, income tax comprises all taxes based on income, both current and deferred.

IAS 12 defines current tax as " the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period ". The taxable profit is the profit (or loss) for a period, determined in accordance with rules established by the tax authorities.

The rates and rules used to determine the current tax charge are those in force in each country in which Group companies are located.

Current tax includes all income tax, payable or receivable. The payment of which is not contingent on future operations, even if settlement is spread over several periods.

Until it is paid, current tax must be recognised as a liability. If the amount is already paid in respect of current and prior periods exceeds the amount due for those periods, the excess should be recognised as an asset.

Certain transactions carried out by the entity may have fiscal consequences that are not taken into account in determining current tax. The differences between the book value of an asset or liability and its tax base are qualified by IAS 12 as temporary differences.

IAS 12 requires that deferred taxes be recognised in the following cases:

- A deferred tax liability shall 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,

- initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither the accounting nor the taxable profit (tax loss) as of the time of the transaction.

- A deferred tax asset shall be also recognised on all deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax basis, insofar as it is probable that a future taxable profit will be available against which such deductible temporary differences can be allocated.
- A deferred tax asset shall 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 taxable temporary differences between the carrying amount of the asset and the tax base. 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 shareholders' equity. The tax charge or the benefit relating to a tax loss by the entity and arising from the unrealised gains or losses is classified as a deduction from those gains or losses.

In France, long-term capital gains on the sale of investments in participating interests are exempt from tax as from the tax year commencing on 1 January 2007, as defined by the General Tax Code. The tax is calculated using the standard tax rate on 10% of such gains. Accordingly, unrealised gains at the end of the financial year generate temporary differences requiring the recognition of deferred tax on this 10%.

Current and 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 shareholders' equity, during the same year or during another year, in which case it is recorded directly trough shareholders' equity;
- 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 relate to income taxes levied by the same taxation authority:
  - either on the same taxable entity,
  - or 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 in each future financial year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax income from receivables and securities portfolios, where they are effectively used to pay tax expense due with respect to the period, are recognised in the same item as the income to which they relate. The corresponding tax charge is kept in the "Income tax " caption on the income statement.

Non-current assets (IAS 16, 36, 38, 40)

Crédit Agricole CIB Group applies component accounting for all of its non-current tangible assets. In accordance with IAS 16, the accumulated depreciation takes account of the residual value of property, plant and equipment.

Land is measured at cost less any accumulated impairment losses.

Property used in operations, investment property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software is measured at purchase price less accumulated depreciation and accumulated impairment losses.

Proprietary software is measured at cost less accumulated depreciation and accumulated impairment losses.

Other than software, intangible assets principally comprise assets acquired. Apart from software, intangible assets are mainly assets acquired during a business combination resulting from contract law (e.g.distribution agreement). They are measured on the basis of the corresponding future economic benefits or expected service potential.

Non-current assets are depreciated over their estimated useful life.

The following components and depreciation periods have been adopted by the Crédit Agricole CIB Group following the application of component accounting for non-current 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	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	3 to 7 years
Specialist 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.

Currency transactions (IAS 21)

In accordance with IAS 21, a distinction is made between monetary and non-monetary items.

At the balance sheet date, foreign currency monetary assets and liabilities shall be translated into the functional currency of Crédit Agricole CIB Group at the closing exchange rate. Foreign exchange differences arising from translation are recorded in the income statement. There are two exceptions to this rule:

- for available-for-sale financial assets, only the exchange difference calculated on amortised cost is taken to the income statement; the balance is recorded in shareholders' equity;
- foreign exchange differences on items classified as cash flow hedge or that are part of a net investment in a foreign entity are recorded in shareholders' equity.

Non-monetary items are treated differently depending on the type of item:

- items at historical cost are valued at the exchange rate on the transaction date;
- items at fair value are measured at the exchange rate on the closing date.

Exchange differences 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 shareholders' equity if the gain or loss on the non-monetary item is recorded in shareholders' equity.

Service fees (IAS 18)

Fees are taken to profit and loss according to the nature of service to which they relate:

- fees that are an integral part of the return on a financial instrument are recognized as an adjustment to the return on that instrument and included in its effective interest rate,
- when the fees is compensation for the rendering of services can be estimated reliably, the fees associated with the transaction are recognized by reference to the transaction's stage of completion at the balance sheet date:
  - Fees paid or received as consideration for non-recurring services are fully recognized in the income statement.
  - Fees payable or receivable subject to the fulfillment of a performance objective are only recognized if all the following conditions are met:
    I) the amount of fees can be measured reliably,
    II) it is probable that the economic benefits associated with the transaction will flow to the entity,
    III) the stage of completion of the transaction can be measured reliably, and the costs incurred for the transaction and and to complete the transaction or rendering the service can be measured reliably.
  - Fees compensating for services which execution is continuous (on payment instruments for example) are spread out over the period of the service provided.

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.

Operating leases are treated as an acquisition of a fixed asset by the lessee financed by a loan from the lessor.

In the lessor's accounts, analysis of the economic substance of the transactions results in the following:

- a financial receivable from the customer is recognised, which is depreciated by the lease payments received;
- lease payments are broken down into interest and principal, known as financial amortisation.

In the lessee's accounts, 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 debt, recording the asset purchased on the asset side of the balance sheet and depreciating the asset.

In the income statement, the theoretical depreciation (the charge that would have been recognised if the asset had been purchased) and the finance charges (incurred in connection with the financing) are recorded in the place of the lease payments.

In operating leases, the lessee recognises the payments and the lessor records the revenues corresponding to the lease payments, as well as the assets leased on the asset side of 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 to sell. In the event of unrealised losses, an impairment charge is made in the income statement, and such impaired assets are no longer depreciated.

A discontinued operation is a component of the entity that has either been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical zone of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical zone of operations;
- is a subsidiary acquired exclusively with a view to resale.

The following are disclosed on a separate line of the income statement:

- the post-tax profit and loss of discontinued operations until the date of disposal;
- the post-tax gain or loss recognised on the disposal or on measurement at fair value less costs to sell of the assets and liabilities constituting the discontinued operations.

1.4 Consolidation principles and methods (IAS 27, 28, 31)

Scope of consolidation

The consolidated financial statements include the accounts of Crédit Agricole CIB and of all companies over which Crédit Agricole CIB exercises control, in accordance with IAS 27, IAS 28 and IAS 31. Control is presumed to exist when Crédit Agricole CIB owns, directly or indirectly, 20% or more of the voting power.

Definition of control

In accordance with international standards, all entities falling under Crédit Agricole CIB's exclusive control, joint control or significant influence are consolidated, providing that their contribution is deemed to be material and that they are not covered under the exclusions described below.

Materiality is assessed in the light of three main criteria representing a percentage of the consolidated balance sheet, the consolidated shareholder's equity and the consolidated income statement.

Exclusive control is presumed to exist if Crédit Agricole CIB owns over half of the existing or potential voting rights in an entity, whether directly or indirectly through subsidiaries, except if, in exceptional circumstances, it can be clearly demonstrated that such ownership does not give it control. Exclusive control also exists if Crédit Agricole CIB, as the owner of half or less than half of the voting rights (including potential voting rights) in an entity, 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 participate in the financial and operating policy decisions of the investee but is not control. Crédit Agricole CIB 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 (structures created to manage a transaction or group of similar transactions and more particularly funds under sole control) is specified by SIC 12.

A special-purpose entity (SPE) is consolidated if it is in substance controlled by the Crédit Agricole CIB Group, even in the absence of a capital link. It concerns more particularly dedicated OPCVM.

Whether or not a special-purpose entity is controlled in substance is determined by considering the following criteria:

- in substance, the activities of the SPE are being conducted on behalf of a Crédit Agricole CIB Group according to its specific business needs so that the entity obtains benefits from the SPE's operation,
- in substance, Crédit Agricole CIB Group has the decision-making powers to obtain a majority of the benefits of the activities of the SPE or, by setting up an "autopilot" mechanism, the entity has delegated these decision-making powers,
- in substance, Crédit Agricole CIB Group has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the activities of the SPE; or
- in substance, Crédit Agricole CIB Group retains the majority of the residual or ownership risks related 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, investments in associates and venturers' interests in jointly controlled entities held by venture capital entities are excluded from the scope of consolidation. Such investments shall be measured at fair value in accordance with IAS 39, with changes in fair value recognised in profit and loss in the period of the change.

Consolidation methods

The consolidation methods are respectively defined by IAS 27, 28 and 31, based on the type of control exercised by Crédit Agricole CIB over the entities that can be consolidated, regardless of their business or of whether or not they have legal entity status:

- entities under exclusive control are fully consolidated, including entities with different account structures, even if their business is not an extension of that of Crédit Agricole CIB;
- entities under joint control are proportionally consolidated, including entities with different account structures, even if their business is not an extension of that of Crédit Agricole CIB;
- entities over which Crédit Agricole CIB exercises significant influence are accounted for under the equity method.

Full consolidation consists of eliminating the carrying amount of the investment held in the consolidating company's financial statements and aggregating all assets and liabilities carried by the consolidated companies, and determining and separately identifying the value of the minority interests in their net assets and earnings.

Minority interests correspond to investments that do not give control as it is defined by IAS 27. They include instruments that are portions of interests and that give the right of the net assets in the event of a liquidation. They also are identified separately from the parent's ownership interests in net assets and the profit and loss.

Proportional consolidation consists of eliminating the carrying amount of the investment held in the Group's financial statements and aggregating a portion of the assets, liabilities and results of the company concerned representing the parent's ownership interest.

The equity method consists of eliminating the amount of the investment held in the Group's financial statements and accounting for its interest in the underlying equity and profit and loss of the parent's ownership concerned.

The change in the book value of those securities now takes into account the goodwill evolution.

Consolidation adjustments and eliminations

The Group makes all adjustments required to ensure the application of consistent accounting policies in the consolidated financial statements, unless they are deemed not to be material.

Intragroup transactions affecting the consolidated balance sheet and income statement are eliminated in full.

Profits and loss resulting from intragroup asset transactions are eliminated in full. Impairments measured at the time of an intragroup transfer are recorded.

Translation of foreign subsidiaries' financial statements (IAS 21)

Financial statements of subsidiaries expressed in foreign currencies are translated into Euros in two stages:

- translation, if applicable, from the foreign currency transactions into the functional currency (currency used in the main economic environment in which the entity operates). The translation is made as if the information had been recognised initially in the functional currency (same translation principles as for foreign currency transactions);
- translation from the functional currency into Euros, i.e. the presentation currency of the Group consolidated financial statements. Assets and liabilities are translated at the closing exchange rate. Income and expenses on the income statement are translated at the average exchange rate for the period. Translation differences resulting from the translation of assets, liabilities and the income statement are recognized as a separate component of shareholders' 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 (IFRS 3)

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control which are excluded from the field of application of IFRS 3. These transactions are entered at net carrying amount.

On the date of acquisition, the acquirer's identifiable assets, liabilities and contingent liabilities that satisfy the conditions for recognition set out in IFRS 3 are recognised at their fair value.

Restructuring liabilities are only recognised as a liability if the acquirer is under an obligation to complete the restructuring at the acquisition date.

For transactions carried out after 1 January 2010, contingent future payments the acquirer will make are conditional on future events are recognised at their acquisition-date fair values if they can be measured reliably, even though their realisation is not probable. Subsequent fair value changes in the clauses that are classified as financial debts are accounted for in profit and loss.

For transactions carried out until 31 December 2009, contingent future payments were included in the acquisition cost of the acquirer only when their realisation became probable even after the appropriation period of 12 months.

Since 1 January 2010, non-controlling interest that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation can be measured according to the choice of the acquirer, in two ways:

- at the fair value at the acquisition date,
- as the present ownership instruments' non-controlling interest's proportionate share in the recognised amounts of the acquirer's net identifiable assets.

This option can be exercised acquisition by acquisition.

The non-controlling interests that are not present ownership interests shall be measured at their acquisition-date fair values.

The initial fair value of assets, liabilities and contingent liabilities may be adjusted within a maximum period of twelve months after the acquisition date. Certain transactions related to the acquired entity are registered separately from the business combination. It concerns particularly:

- effective settlement of a pre-existing relationship between the acquirer and acquired;
- arrangements for contingent payments to employees or selling shareholders for future services;
- transactions that aim to make the acquired or its former shareholders pay back costs payable by the acquirer.

Those separated transactions are generally accounted for in profit and loss at the acquisition date.

The consideration transferred for the acquired (the purchase cost) is measured as the total of fair values transferred by the acquirer at the acquisition date in exchange for control of the acquired (for example: treasury, equity instruments…).

For transactions, until 31 December 2009, the purchase cost also included costs directly attributable to the business combination.

For the transactions carried out from 1 January 2010, the acquisition- related costs are now accounted for as expenses, separately from the combination. When the probabilities of transaction are high, costs are recorded in " Net gains/ (losses) on other assets ", otherwise it is recorded in " Operating expenses ".

The excess of the aggregate of the price and the amount of any non-controlling interest over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumes, is recognised in the balance sheet as goodwill if the acquired is fully or proportionately consolidated. If the acquired is accounted for using the equity method, the excess is included under the aggregate " investments in affiliates ". Any negative goodwill is immediately recognised in profit and loss.

Goodwill is carried in the balance sheet at its initial amount in the currency of the acquired and translated at the year-end exchange rate.

For business combination achieved in stages, the previously held equity interest in the acquired entity is re-measured at its acquisition date fair value and goodwill is measured in one step from the fair value of the assets acquired and the liabilities assumed on the acquisition date.

It is tested for impairment whenever there is objective indication that it may be impaired and at least once a year.

The assumptions to measure the non-controlling interest at the acquisition date may influence the measurement of goodwill and of any, its impairment.

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.

Recoverable amount is defined as the higher of fair value less costs to sell and value in use, which is the present value of the future cash flows expected to be derived from continuing use 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, an irreversible impairment loss is recognised through profit and loss and deducted from the goodwill allocated to the CGU.

When Crédit Agricole CIB increases its ownership percentage in an entity over which it already has exclusive control, the difference between the purchase cost and the portion of assets arising from this increase is now recognised as a deduction from the " consolidated reserves, Group share " item. When Crédit Agricole CIB decreases its ownership percentage in an entity that remains under its exclusive control, the difference between the selling price and the book value of minority interests sold is also recognised directly in " consolidated reserves, Group share ". Those transaction costs are accounted for shareholders' equity.

For change in parent ownership interest in a subsidiary, goodwill remains the same. This carrying amounts of the controlling and non-controlling interest are adjusted to reflect these changes.

The Crédit Agricole CIB Group has granted shareholders of certain fully consolidated subsidiaries an undertaking to acquire their holdings in these subsidiaries, at a price to be determined according to a predefined formula which takes account of future developments in their business. These undertakings are in substance put options granted to the minority shareholders, which in accordance with the provisions of IAS 32, means that the minority interests are treated as a liability rather than as shareholders' equity.

As a result, the accounting treatment of put options granted to minority shareholders is now as follows:

- when a put option is granted to the minority shareholders of an already-fully consolidated subsidiary, a liability is recognised in the balance sheet in the amount of the estimated present value of the strike price of the options granted to these shareholders. As the balancing entry for this debt, the portion of net assets attributable to the minority interests concerned is reduced to zero and the balance is recorded as a deduction from shareholders' equity;
- subsequent changes in the estimated strike price affect the amount of debt recorded under liabilities, with a balancing adjustment to shareholders' equity. Symmetrically, subsequent changes in the portion of the net assets attributable to minority shareholders are cancelled through shareholders' equity.

If the parent losses control of a subsidiary, the gain or loss is measured as the sold entity in full and the possible remaining investment part is accounted for in the balance sheet for its fair value at the date of the loss of control.

NOTE 2 : SCOPE OF CONSOLIDATION

The detailed scope of consolidation and its evolutions at 31 December 2011 are given in Note 12.

2.1 Significant events during the period

Crédit Agricole CIB 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 weights on all refinancing;
- regulatory requirements that 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, and 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 Credity Agricole CIB by:

- restructuring costs amounting to €335 million (see Notes 4.6 and 4.7);
- a decrease in the value in use of subsidiaries, which, with changes in valuation parameters, entails an impairment of goodwill to the CGU entitled "Other Brokers" of €294 million (see Note 2.4);
- 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 €273 million in revenues or cost of risk.

Other transactions during the reporting period

Acquisition 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.

On 31 December 2011, the impact of this acquisition on the consolidated balance sheet of Crédit Agricole CIB amounts to €684 million, i.e. 0.08%.

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 should be completed in 2012.

2.2 Change in the scope of consolidation

€ million	31.12.2011					
	Equity accounted value	Market value	Total assets	Net banking income	Net income	Share of net income
Financial companies:	**1,230**	**1,952**	**28,951**	**873**	**554**	**134**
Banque Saudi Fransi	1,230	1,952	28,951	873	554	134
Non-financial companies:	**33**					**(1)**
CLSA BV affiliates	26					(1)
Newedge affiliates	7					
Net book value of investments in affiliates	**1,263**	**1,952**	**28,951**	**873**	**554**	**133**

The market value shown in the above table is the quoted price of the shares on their trading market at 31 December. It may not be representative of the realisable value because the value-in-use of equity affiliates may be different from the equity accounted value.

This value may not be representative of the value of the securities accounted under the equity method in accordance with IAS 28.

€ million	31.12.2010					
	Equity accounted value	**Market value**	**Total assets**	**Net banking income**	**Net income**	**Share of net income**
Financial companies:	**1,070**	**2,007**	**24,589**	**887**	**566**	**138**
Banque Saudi Fransi	1,070	2,007	24,589	887	566	138
Non-financial companies:	**33**		**22**	**8**	**1**	**1**
AMUNDI Iberica SGIIC SA	6		22	8	1	
CLSA BV affiliates	24					
Newedge affiliates	3					1
Net book value of investments in affiliates	**1,103**	**2,007**	**24,611**	**895**	**567**	**139**

2.3 Investments in non-consolidated companies

These securities, recorded in the “ Available-for-sale assets ” portfolio are variable-income securities that represent a significant portion of the capital of the companies that issued them, and are intended to be held on an other-than-temporary basis.

At 31 December 2011, the main investments in non-consolidated companies for which the voting interest is greater than 20% and the book value is considered significant (cf. Note 1.3 on accounting principles and policies) are as follows:

€ million	31.12.2011		31.12.2010		**Reason for non inclusion in the consolidation scope**
	Net book value	**% interest**	**Net book value**	**% interest**	
Net book value of non-consolidated investment securities[(1)]:	**707**		**809**		
of which:					
- BFO	55	98.95	44	98.95	no more activity
- CA PREFERRED FUNDING LLC	49	33.00	48	33.00	this structure, in which CACIB holds 33% of ordinary shares, is not consolidated because the issue of preferred shares is for Crédit Agricole S.A.
- FUNDO A DE INVESTIMENTO	26	100.00			starting its activity and below consolidation thresholds applied by the Group

(1) Taking into account a €58 million long-term impairment charge in 2011.

2.4 Goodwill

€ million	**31.12.2010 GROSS**	**31.12.2010 NET**	Increase (acquisitions)	Decreases (Disposals)	Impairment losses during the period	Translation adjustments	Other movements	**30.12.2011 GROSS**	**30.12.2011 NET**
Corporate and Investment Banking (excluding brokers)	644	589						644	589
Equity brokers	172	172	1		(1)	1		174	173
Brokers, other	661	661			(294)	3		664	370
International Private Banking	471	471	5			8		484	484
TOTAL	**1,948**	**1,893**	**6**		**(295)**	**12**		**1,966**	**1,616**

Goodwill is the subject of impairment tests at least once per year, based on the assessment of the fair value or value in use of the Cash-Generating Units (CGUs) to which they are attached.

- Fair value corresponds to the amount that could be obtained from the sale of a cash-generating unit in a transaction in normal market conditions. It is based on observed prices in recent transactions for comparable entities, or on standard valuation multiples in the market in which the unit operates (e.g. a certain percentage of assets under management).
- Value in use was determined by discounting the CGU's estimated future cash flows calculated from medium term plans. Thefollowing assumptions were used:

- estimated future cash flows: projections between 3 and 6 years; used for the Group's adjustment plan announced at the end of September;
- capital allocation to the various business lines: 7% of RWA for banking activities;
- perpetual growth rates : between 2% and 3%;
- discount rate : between 10% and 13%.

Crédit Agricole CIB favors the methods based on the most representative value-in-use according to business lines, which are as follows:

- CIB: on the basis of the medium-term plan projections for CIB ongoing activities (excluding brokers).
- Equity brokers: on the basis of present valuations as shown in the structuration process.
- Other brokers: on the basis of multicriteria analyses (earning projections, PER, external sources valuations).
- Private banking: on the basis of multicriteria analyses (earning projections, percentage of assets under management, other management indicators).

These tests led to an impairment charge in 2011 on the "Other Brokers" CGU.

The sensitivity tests conducted on goodwill - Group share show that:

- a variation of +/- 50 basis points in the discount rates would lead to a variation of about +/- 20% in the impairment charge 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 recorded at end 2011,
- a variation of - 100 basis points in the level of equity allocated to the CIB's CGUs (Brokers excluded) would notably reinforce excess observed on those entities. On the contrary, a variation of + 100 basis points in the level of equity allocated would lead to a variation of about +35% in the impairment charge recorded at end-2011.

2.5 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 €27,048 million, €8,107 million in expenses and €7,808 million in revenues;
- UBAF, 47.01% consolidated, whose contribution to the consolidated balance sheet totalled €978 million, €46 million in expenses and €56 million in revenues.

→ NOTE 3 : FINANCIAL MANAGEMENT, RISK EXPOSURE AND HEDGING POLICY

A description of different risks exposures of Crédit Agricole CIB and the policies put in place to manage and mitigate those risks are described in the "Risk factors and Pillar 3" chapter in the section entitled " Risk factors ", as allowed by IFRS 7.

3.1 Credit risk

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

€ million	31.12.2011	31.12.2010
Financial assets at fair value through profit and loss (excluding variable-income securities and assets backing unit-linked contracts)	452,742	371,651
Derivative financial instruments held for hedging	1,639	1,184
Available-for-sale assets (excluding variable-income securities)	13,033	17,728
Due from banks (excluding internal transactions)	79,570	71,581
Loans and advances to customers	168,216	157,667
Exposure to on-balance-sheet commitments (net of impairment)	**715,200**	**619,811**
Financing commitments given	110,579	115,736
Financial guarantee commitments given	43,168	43,900
Reserves - Financing commitments	(20)	(13)
Exposure to off-balance sheet commitments (net of reserves)	**153,727**	**159,623**
Total net exposure	**868,927**	**779,434**

Guarantees and other credit enhancements amount to:

€ million	31.12.2011
Due from banks (excluding internal transactions)	5,898
Loans and advances to customers	65,916
Financing commitments given (excluding internal transactions)	13,825
Financial guarantee commitments given (excluding internal transactions)	4,806
Total	**90,445**

An analysis of risk by type of concentration provides information on diversification of risk exposure.

Concentrations by type of customer

Loans and advances to customers: analysis by customer type

€ million	31.12.2011				
	Gross	of which financial assets individually impaired (gross amount)	Individual impairments	Collective impairments	Total
Central governments	4,464	83	(82)	(21)	4,361
Banks	61,895	607	(564)		61,331
Central banks	18,239				18,239
Non-bank institutions	57,182	841	(531)	(1,063)	55,588
Corporates	104,425	2,033	(1,061)	(1,206)	102,158
Retail customers	6,168	759	(59)		6,109
Book value[*] [1]	**252,373**	**4,323**	**(2,297)**	**(2,290)**	**247,786**

[*] Including €1,021 million of restructured performing customer loans (not depreciated); €306 million of loans less than 90 days past-due.
[1] On 31.12.2011 published datas include accrued interests.

en € million	31.12.2010				
	Gross	of which financial assets individually impaired (gross amount)	Individual impairments	Collective impairments	Total
Central governments	6,427	82	(80)	(28)	6,319
Banks	59,861	541	(481)		59,380
Central banks	12,109				12,109
Non-bank institutions	37,601	765	(491)	(905)	36,205
Corporates	110,310	2,263	(952)	(1,204)	108,154
Retail customers	6,668	901	(60)		6,608
Total[1]	**232,976**	**4,552**	**(2,064)**	**(2,137)**	**228,775**
Accrued interest, net					473
Book value					**229,248**

[1] Including €770 million of restructured performing customer loans (not depreciated); €410 million of loans less than 90 days past-due, and €358 million of guarantees received.

Commitments given to customers by customer type

€ million	31.12.2011	31.12.2010
Financing commitments given to customers		
Central governments	2,906	2,794
Non-bank institutions	21,066	16,699
Corporates	73,919	80,133
Retail customers	1,739	2,178
Total	**99,630**	**101,804**
Guarantee commitments given to customers		
Central governments	72	201
Non-bank institutions	2,094	2,146
Corporates	33,435	34,452
Retail customers	779	965
Total	**36,380**	**37,764**

Customer accounts by customer type

€ million	31.12.2011	31.12.2010
Central governments	10,745	2,288
Non-bank institutions	76,941	72,214
Corporates	52,485	49,400
Retail customers	17,442	19,416
Total[1]	**157,613**	**143,318**
Accrued interest		171
Book value	**157,613**	**143,489**

[1] On 31.12.2011, datas include accrued interests.

Credit activity's concentration by geographical zone

Due from banks and loans and advances to customers by geographical zone

€ million	31.12.2011				
	Gross	of which financial assets individually impaired (gross amount)	Individual impairments	Collective impairments	Total
France (including overseas departments and territories)	61,435	441	(285)	(276)	60,874
Other EU countries	54,480	1,468	(388)	(582)	53,510
Other European countries	13,976	329	(137)	(66)	13,773
North America	63,206	455	(349)	(916)	61,941
Central and South America	14,518	912	(606)	(23)	13,889
Africa and Middle-East	8,783	549	(425)	(270)	8,088
Asia and Pacific (excluding Japan)	20,851	53	(39)	(74)	20,738
Japan	15,124	116	(68)	(83)	14,973
Total(1)(2)	**252,373**	**4,323**	**(2,297)**	**(2,290)**	**247,786**

(1) Including €1,021 million of restructured performing customer loans (not depreciated); €306 million of loans less than 90 days past-due.
(2) On 31.12.2011 published datas include accrued interests.

€ million	31.12.2010				
	Gross	of which financial assets individually impaired (gross amount)	Individual impairments	Collective impairments	Total
France (including overseas departments and territories)	44,618	373	(230)	(369)	44,019
Other EU countries	68,264	1,554	(273)	(561)	67,430
Other European countries	14,599	271,	(124)	(103)	14,372
North America	43,965	408	(301)	(787)	42,877
Central and South America	17,885	851	(549)	(33)	17,303
Africa and Middle-East	11,230	791	(436)	(138)	10,656
Asia and Pacific (excluding Japan)	21,565	261	(136)	(99)	21,330
Japan	10,850	43	(15)	(47)	10,788
Total(1)	**232,976**	**4,552**	**(2,064)**	**(2,137)**	**228,775**
Accrued interest, net					473
Book value					**229,248**

(1) Including €770 million of restructured performing customer loans (not depreciated); €410 million of loans less than 90 days past-due, and €358 million of guarantees received.

Commitments given to customers by geographical zone

€ million	31.12.2011	31.12.2010
Financing commitments given to customers		
France (including overseas departments and territories)	32,649	30,532
Other EU countries	26,196	25,752
Other European countries	6,770	6,712
North America	19,942	19,658
Central and South America	4,611	5,563
Africa and Middle-East	1,731	3,163
Asia and Pacific (excluding Japan)	6,714	9,391
Japan	1,017	1,033
Total	**99,630**	**101,804**
Guarantee commitments given to customers		
France (including overseas departments and territories)	13,023	12,637
Other EU countries	8,673	8,965
Other European countries	1,689	2,125
North America	5,700	6,474
Central and South America	681	1,191
Africa and Middle-East	1,304	1,739
Asia and Pacific (excluding Japan)	4,224	3,845
Japan	1,086	788
Total	**36,380**	**37,764**

Customer accounts by geographical zone

€ million	31.12.2011	31.12.2010
France (including overseas departments and territories)	29,826	19,692
Other EU countries	35,635	35,038
Other European countries	8,676	5,039
North America	61,807	57,725,
Central and South America	2,823	5,771
Africa and Middle-East	6,216	7,301
Asia and Pacific (excluding Japan)	10,576	9,172
Japan	2,054	3,580
Total[1]	**157,613**	**143,318**
Accrued interest, net		171
Book value	**157,613**	**143,489**

[1] On 31.12.2011, published datas include accrued interests.

Derivative financial instruments - Counterparty risk

The counterparty risk on derivative instruments comprises the market value and the potential credit risk calculated and weighted in accordance with prudential standards.

The impacts of netting contracts and collaterals, which reduce this risk, are also presented for information.

€ million	31.12.2011			31.12.2010		
	Market value	Potential credit risk(1)	Total counterparty risk	Market value	Potential credit risk(1)	Total counterparty risk
Risk on:						
- Interest rates, exchange rates and commodities	209,851	87,231	297,082	147,247	71,817	219,064
- Equity and index derivatives	9,513	4,663	14,176	9,410	6,046	15,456
- Credit derivatives	14,199	13,721	27,920	13,859	18,210	32,069
Total	**233,563**	**105,615**	**339,178**	**170,516**	**96,073**	**266,589**
Impact of netting agreements	199,124	67,252	266,376	141,428	54,591	196,019
Impact of netting collaterisations	6,239		6,239	5,265		5,265
Total after impact of netting agreements	**28,200**	**38,363**	**66,563**	**23,823**	**41,482**	**65,305**

(1) Calculated according to Basel II prudential standards.

3.2 Market risk

Derivative instruments: analysis by remaining maturity

The market values of derivative financial instruments are split by contractual maturity.

Hedging instruments - Fair value of assets

€ million	31.12.2011							31.12.2010
	Exchange-traded			Over-the-counter			Total market value	Total market value
	Under 1 year	1-5 years	Over 5 years	Under 1 year	1-5 years	Over 5 years		
Interest rate instruments				**1,199**	**89**	**11**	**1,299**	**984**
Futures								
Forward rate agreements								
Interest rate swaps				1,192	89	11	1,292	979
Interest rate options				1			1	
Caps-floors-collars				6			6	5
Other options								
Currency and gold				**215**		**1**	**216**	**10**
Currency futures				190		1	191	10
Currency options				25			25	
Other								
Equity and index derivatives								
Precious metal derivatives								
Commodity derivatives								
Credit derivatives and other								
Sub-total				**1,414**	**89**	**12**	**1,515**	**994**
Forward currency transactions				124			124	190
Net book value				**1,538**	**89**	**12**	**1,639**	**1,184**

Hedging instruments - Fair value of liabilities

€ million	31.12.2011							31.12.2010
	Exchange-traded			Over-the-counter			Total market value	Total market value
	Under 1 year	1-5 years	Over 5 years	Under 1 year	1-5 years	Over 5 years		
Interest rate instruments				**545**	**76**	**63**	**684**	**698**
Futures								
Forward rate agreements								
Interest rate swaps				538	76	63	677	689
Interest rate options								
Caps-floors-collars				6			6	4
Other options				1			1	5
Currency and gold				**289**			**289**	**25**
Currency futures				264			264	25
Currency options				25			25	
Other				**166**			**166**	**48**
Equity and index derivatives				166			166	48
Precious metal derivatives								
Commodity derivatives								
Credit derivatives and other								
Sub-total				**1,000**	**76**	**63**	**1,139**	**771**
Forward currency transactions				463			463	502
Net book value				**1,463**	**76**	**63**	**1,602**	**1,273**

Derivative financial instruments held for trading - Fair value of assets

€ million	31.12.2011							31.12.2010
	Exchange-traded			Over-the-counter			Total market value	Total market value
	Under 1 year	1-5 years	Over 5 years	Under 1 year	1-5 years	Over 5 years		
Interest rate instruments	**2**			**15,884**	**86,081**	**214,546**	**316,513**	**193,803**
Futures	2						2	1
Forward rate agreements				691	75		766	322
Interest rate swaps				14,057	70,064	181,876	265,997	156,149
Interest rate options				16	4,172	31,357	35,545	23,768
Caps-floors-collars				1,120	11,770	1,313	14,203	13,563
Other options								
Currency and gold	**18**			**3,088**	**4,034**	**4,071**	**11,211**	**10,026**
Currency futures	18			1,101	1,825	2,075	5,019	3,117
Currency options				1,987	2,209	1,996	6,192	6,909
Other	**2,244**	**2,876**	**142**	**6,596**	**15,632**	**4,141**	**31,631**	**34,957**
Equity and index derivatives	1,737	2,725	142	3,323	4,055	599	12,581	14,446
Precious metal derivatives				74	13		87	
Commodity derivatives	507	151		1,547	552	133	2,890	4,186
Credit derivatives and other				1,652	11,012	3,409	16,073	16,325
Sub-total	**2,264**	**2,876**	**142**	**25,568**	**105,747**	**222,758**	**359,355**	**238,786**
Forward currency transactions				11,175	3,318	167	14,660	12,414
Net book value	**2,264**	**2,876**	**142**	**36,743**	**109,065**	**222,925**	**374,015**	**251,200**

Derivative financial instruments held for trading - Fair value of liabilities

€ million	31.12.2011							31.12.2010
	Exchange-traded			Over-the-counter			Total market value	Total market value
	Under 1 year	1-5 years	Over 5 years	Under 1 year	1-5 years	Over 5 years		
Interest rate instruments	**1**			**18,812**	**83,147**	**216,123**	**318,083**	**194,730**
Futures	1						1	5
Forward rate agreements				659	87		746	296
Interest rate swaps				17,012	63,967	181,138	262,117	151,638
Interest rate options				50	5,081	31,978	37,109	25,366
Caps-floors-collars				1,089	14,011	3,005	18,105	17,416
Other options				2	1	2	5	9
Currency and gold				**3,315**	**3,903**	**3,752**	**10,970**	**10,475**
Currency futures				978	1,519	1,789	4,286	3,030
Currency options				2,337	2,384	1,963	6,684	7,445
Other	**2,472**	**3,451**	**264**	**6,922**	**13,327**	**4,339**	**30,775**	**32,748**
Equity and index derivatives	2,056	3,263	258	2,411	2,771	528	11,287	12,710
Precious metal derivatives				70	14		84	
Commodity derivatives	416	188	6	1,463	542	122	2,737	4,316
Credit derivatives and other				2,978	10,000	3,689	16,667	15,722
Sub-total	**2,473**	**3,451**	**264**	**29,049**	**100,377**	**224,214**	**359,828**	**237,953**
Forward currency transactions				9,750	2,118	180	12,048	9,597
Net book value	**2,473**	**3,451**	**264**	**38,799**	**102,495**	**224,394**	**371,876**	**247,550**

Derivative instruments: commitments

€ million	31.12.2011	31.12.2010
	Total notional amount outstanding	Total notional amount outstanding
Interest rate instruments	**13,392,547**	**14,063,591**
Futures	248,816	413,872
Forward rate agreements	1,404,723	1,042,903
Interest rate swaps	8,685,565	9,331,333
Interest rate options	1,830,441	1,899,390
Caps-floors-collars	1,223,002	1,373,093
Other options		3,000
Currency and gold	**2,331,390**	**2,341,398**
Currency futures	1,674,659	1,620,576
Currency options	656,731	720,822
Other	**990,487**	**1,083,581**
Equity and index derivatives	150,275	198,604
Precious metal derivatives	1,220	205
Commodity derivatives	69,772	59,857
Credit derivatives and other	769,220	824,915
Sub-total	**16,714,424**	**17,488,570**
Forward currency transactions	681,550	903,690
Total	**17,395,974**	**18,392,260**

Breakdown on debt securities in issue and subordinated debt by currency

€ million	31.12.2011			31.12.2010		
	Bonds	Fixed-term subordinated debt	Perpetual subordinated debt	Bonds	Fixed-term subordinated debt	Perpetual subordinated debt
EUR	8	1,714	632	17	1,648	620
USD		1,505	4,332		2,069	4,177
JPY						
Other currencies						
Total	**8**	**3,219**	**4,964**	**17**	**3,717**	**4,797**

Currency risk

Analysis of the consolidated balance sheet by currency

€ million	31.12.2011		31.12.2010	
	Asset	Liability	Asset	Liability
EUR	454,593	459,082	382,205	359,565
Other EU currencies	12,711	7,217	17,249,	22,521
USD	276,871	290,176	217,044	244,007
JPY	39,836	40,513	42,990	41,517
Other currencies	41,993	29,016	56,704	48,582
Total balance sheet	**826,004**	**826,004**	**716,192**	**716,192**

3.3 Liquidity and financing risk

Due from banks and loans and advances to customers: analysis by residual maturity

€ million	31.12.2011				
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
Loans and advances to banks	68,391	2,958	6,514,	2,271	80,134
Loans and advances to customers (including lease finance)	83,341	12,614	47,795	28,489	172,239
Total[1]	**151,732**	**15,572**	**54,309**	**30,760**	**252,373**
Impairment					(4,587)
Net book value					**247,786**

[1] On 31.12.2011 published datas include accrued interests.

€ million	31.12.2010				
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
Loans and advances to banks	63,359	2,554	3,525	2,532	71,970
Loans and advances to customers (including lease finance)	69,907	15,868	45,732	29,499	161,006
Total	**133,266**	**18,422**	**49,257**	**32,031**	**232,976**
Accrued interests					684
Impairment					(4,412)
Net book value					**229,248**

Due to banks and customer accounts: analysis by residual maturity

€ million	31.12.2011				
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
Due to banks	70,224	3,391	12,453	826	86,894
Customer accounts	139,490	14,003	1,843	2,277	157,613
Total[1]	**209,714**	**17,394**	**14,296**	**3,103**	**244,507**
Book value					**244,507**

[1] On 31.12.2011, datas include accrued interests

€ million	31.12.2010				
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
Due to banks	61,443	2,871	10,011	947	75,272
Customer accounts	124,284	12,607	4,023	2,404	143,318
Total	**185,727**	**15,478**	**14,034**	**3,351**	**218,590**
Accrued interest					238
Book value					**218,828**

Debt securities in issue and subordinated debt

€ million	31.12.2011				
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
Debt securities in issue					
Interest-bearing notes		18	21		39
Negociable debt securities	21,681	2,781	246	253	24,961
Bonds			8		8
Other debt securities in issue				28	28
Book value[(1)]	**21,681**	**2,799**	**275**	**281**	**25,036**
Subordinated debt					
Fixed-term subordinated debt	296		1,841	1,082	3,219
Perpetual subordinated debt	2			4,962	4,964
Book value[(1)]	**298**		**1,841**	**6,044**	**8,183**

(1) On 31.12.2011, datas include accrued interests.

€ million	31.12.2010				
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
Debt securities in issue					
Interest-bearing notes			18	21	39
Negociable debt securities	48,355	12,409	786	270	61,820
Bonds			17		17
Other debt securities in issue	1				1
Total	**48,356**	**12,409**	**821**	**291**	**61,877**
Accrued interest					48
Book value					**61,925**
Subordinated debt					
Fixed-term subordinated debt			1,163	2,554	3,717
Perpetual subordinated debt				4,797	4,797
Total			**1,163**	**7,351**	**8,514**
Accrued interests					158
Book value					**8,672**

Financial guarantees at risk by expected maturity

Amounts presented below correspond to financial guarantees at risk, that is to say impaired or under watch.

€ million	31.12.2011				
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
Given financial guarantees	16	39			55

€ million	31.12.2010				
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
Given financial guarantees	11	38			49

The remaining contractual maturities are disclosed in the note 3.2 “ Market Risk ”.

3.4 Derivative hedging instruments

(See Risk factors and Pillar 3, “ Risk management - Asset and liability management - Structural financial risks ”).

Derivative hedging instruments by type of risk

€ million	31.12.2011			31.12.2010		
	Positive market value	Negative market value	Notional amount	Positive market value	Negative market value	Notional amount
FAIR VALUE HEDGES	**841**	**1,288**	**34,388**	**681**	**1,058**	**59,965**
Interest rate	512	672	18,189	482	646	25,081
Shareholders’ equity			21			21
Foreign exchange	329	616	16,178	199	412	34,863
Credit						
Commodities						
Other						
CASH FLOW HEDGES	**788**	**179**	**8,092**	**501**	**100**	**7,369**
Interest rate	788	13	7,835	501	52	7,203
Shareholders’ equity		166	257		48	166
Foreign exchange						
Credit						
Commodities						
Other						
HEDGING OF NET INVESTMENTS IN A FOREIGN ACTIVITY	**10**	**135**	**6,278**	**2**	**115**	**4,825**
TOTAL	**1,639**	**1,602**	**48,758**	**1,184**	**1,273**	**72,159**

→ NOTE 4: NOTES TO THE INCOME STATEMENT

4.1 Interest income and expense

€ million	31.12.2011	31.12.2010
Loans and advances to banks	1,145	905
Loans and advances to customers	3,743	3,469
Accrued interest receivable on available-for-sale financial assets	483	517
Accrued interest receivable on hedging instruments	312	187
Lease finance	52	54
Interest income (1)	**5,735**	**5,132**
Deposits by banks	(925)	(823)
Customer accounts	(998)	(747)
Debt securities in issue	(937)	(819)
Subordinated debt	(295)	(288)
Accrued interest payable on hedging instruments	(408)	(246)
Lease finance	(40)	(39)
Other assimilated interests and expenses	(5)	
Interest expense	**(3,608)**	**(2,962)**

(1) Of which €96 million on individually impaired receivables at 31.12.2011 compared to €162 million at 31.12.2010.

4.2 Net fee and commission income

€ million	31.12.2011			31.12.2010		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	58	(36)	22	82	(36)	46
Customer transactions	430	(78)	352	363	(64)	299
Securities transactions (including brokerage)	1,291	(730)	561	1,176	(526)	650
Foreign exchange transactions	10	(9)	1	10	(13)	(3)
Transactions on derivative instruments and other off-balance sheet transactions (including brokerage)	1,575	(641)	934	1,676	(610)	1,066
Payment instruments and other banking and financial services	385	(206)	179	425	(90)	335
Trust and similar activities	212	(8)	204	83	(13)	70
Net fee and commission income	**3,961**	**(1,708)**	**2,253**	**3,815**	**(1,352)**	**2,463**

4.3 Net gains/(losses) on financial instruments at fair value through profit and loss

€ million	31.12.2011	31.12.2010
Dividends received	340	177
Unrealised or realised gains or losses on financial assets/liabilities at fair value through profit and loss	1,982	150
Unrealised or realised gains or losses on financial assets/liabilities designated as at fair value through profit and loss	(18)	9
Gain/loss on currency transactions and similar financial instruments (excluding gain/loss on hedges on net investments in foreign activities)[1]	(521)	700
Hedge accounting gain/loss	(1)	
Net gains (losses) on financial instruments at fair value through profit and loss	**1,782**	**1,036**

Changes in issuer spreads resulted in a profit of €671 million on 31 December 2011 in net banking income, compared with a charge of -€33 million at 31 December 2010.

[1] In 2010, swaps' performance results were listed as "Unrealised or realised gains or losses on financial assets/liabilities at fair value through profit and loss" for - €741 million and as "Gain/loss on currency transactions and similar financial instruments (excluding gain/loss on hedges on net investments in foreign activities)" for €741 million. In 2011, the full swaps's income is considered as "Gain/loss on currency transactions and similar financial instruments (excluding gain/loss on hedges on net investments in foreign activities)".

Net gain/(loss) resulting from hedge accounting

€ million	31.12.2011		
	Gains	Losses	Net
Fair value hedges			
Changes in the fair value of hedged items attributable to hedged risks	212	(495)	(283)
Changes in the fair value of hedging derivatives (including termination of coverage)	498	(216)	282
Cash flow hedges			
Changes in the fair value of hedging derivatives – ineffective portion			
Hedging of net investments in a foreign activity			
Changes in the fair value of hedging derivatives – ineffective portion			
Fair-value hedging of the interest-rate risk exposure of a portfolio of financial instruments			
Changes in the fair value of hedged items	29	(10)	19
Changes in the fair value of hedging derivatives	10	(29)	(19)
Cash-flow hedging of the interest-rate risk exposure of a portfolio of financial instruments			
Changes in the fair value of the hedging instrument – ineffective portion			
Total hedge accounting gain/(loss)	**749**	**(750)**	**(1)**

€ million	31.12.2010		
	Gains	Losses	Net
Fair value hedges			
Changes in the fair value of hedged items attributable to hedged risks	199	(167)	32
Changes in the fair value of hedging derivatives (including termination of coverage)	167	(199)	(32)
Cash flow hedges			
Changes in the fair value of hedging derivatives – ineffective portion			
Hedging of net investments in a foreign activity			
Changes in the fair value of hedging derivatives – ineffective portion			
Fair-value hedging of the interest-rate risk exposure of a portfolio of financial instruments			
Changes in the fair value of hedged items	44	(47)	(3)
Changes in the fair value of hedging derivatives	47	(44)	3
Cash-flow hedging of the interest-rate risk exposure of a portfolio of financial instruments			
Changes in the fair value of the hedging instrument – ineffective portion			
Total hedge accounting gain/(loss)	**457**	**(457)**	

4.4 Net gains/(losses) on available-for-sale financial assets

€ million	31.12.2011	31.12.2010
Dividends received	52	52
Realised gains or losses on available-for-sale financial assets [1]	17	45
Impairment losses on variable-income securities	(64)	(12)
Disposal gains/(losses) on loans and advances	(217)	(20)
Net gains/(losses) on available-for-sale financial assets	**(212)**	**65**

[1] Restated for impaired available-for-sale fixed income financial assets (see note 4.8)
[2] Including -€27 million of impairment on Colonial shares.

4.5 Net income and expenses related to other activities

€ million	31.12.2011	31.12.2010
Other net income from insurance activities	6	6
Change in insurance technical reserves	(2)	1
Net income from investment properties	1	
Other net income (expense)	(69)	(43)
Net income (expense) related to other activities	**(64)**	**(36)**

4.6 General operating expenses

€ million	31.12.2011	31.12.2010
Staff costs	(2,745)	(2,481)
Taxes other than income or payroll-related	(79)	(35)
External services and other expenses	(1,175)	(1,166)
Operating expenses[1]	**(3,999)**	**(3,682)**

[1] The charges and reserves observed related to the adjustment plan amount to €330 million at 31 December 2011.

These amounts include fees paid to Crédit Agricole CIB statutory auditors.

A breakdown of fees paid to statutory auditors by firm and type of engagement by fully and proportionately consolidated Crédit Agricole CIB companies in 2011 is provided below:

Total amount (excluding VAT) in '000€	2011						2010
	Ernst & Young	Pricewaterhouse-Coopers	Mazars & Guérard	KPMG	Others	**Total**	**Total**
Independent audit, certification, overview of parent company and consolidated financial statements	6,913	7,701	156	227	283	15,280	14,070
Ancillary assignments	504	532			2	1,038	4,535
Total	**7,417**	**8,233**	**156**	**227**	**285**	**16,318**	**18,605**

4.7 Depreciation, amortisation and impairment of property, plant and equipment and intangible assets

€ million	31.12.2011	31.12.2010
Depreciation and amortisation	**(148)**	**(154)**
- Property, plant and equipment	(98)	(104)
- Intangible assets	(50)	(50)
Impairment	**(5)**	**1**
- Property, plant and equipment		1
- Intangible assets[(1)]	(5)	
Total	**(153)**	**(153)**

(1) Depreciation included in the Group's adjustment plan costs amount to €5 million at 31 December 2011.

4.8 Cost of risk

€ million	31.12.2011	31.12.2010
Charge to reserves and impairment	**(636)**	**(639)**
Available-for-sale financial assets	(5)	(29)
Loans and advances	(421)	(509)
Other assets	(8)	(2)
Financing commitments	(15)	(4)
Risks and expenses	(187)	(95)
Write-backs of reserves and impairment	**305**	**242**
Available-for-sale financial assets	37	20
Loans and advances	199	133
Other assets	15	3
Financing commitments	8	12
Risks and expenses	46	74
Charges to reserves and impairment net of write-backs	**(331)**	**(397)**
Gains or losses on disposal of available-for-sale financial assets	(32)	(19)
Bad debts written off-not impaired	(124)	(151)
Recoveries on bad debts written off	39	20
Losses on financing commitments		(42)
Other losses	(59)	(49)
Cost of risk	**(507)**	**(638)**

4.9 Net gains/(losses) on other assets

€ million	31.12.2011	31.12.2010
Property, plant and equipment and intangible assets		**1**
Disposal gains		1
Consolidated equity investments	**2**	**(14)**
Disposal gains	7	5
Disposal losses	(5)	(19)
Net gains/(losses) on other assets	**2**	**(13)**

4.10 Income tax

Tax charge

€ million	31.12.2011	31.12.2010
Current tax income (charge)	593	861
Deferred tax income (charge)	(980)	(1,170)
Tax income (charge) for the period	**(387)**	**(309)**

Reconciliation of theoretical tax rate and effective tax rate

At 31 December 2011

€ million	Basis	Tax rate	Tax charge
Income before tax, goodwill impairment and share of net income of equity affiliates	**1,229**	**36.10%**	**(444)**
Impact of permanent timing differences		1.71%	(21)
Impact of different rates on foreign subsidiaries		-3.50%	43
Impact of losses for the year, utilisation of tax loss carryforwards and timing differences		-1.95%	24
Impact of reduced rate tax		-0.41%	5
Impact of other items		-0.49%	6
Effective tax rate and tax charge		**31.46%**	**(387)**

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 2011.

At 31 December 2010

€ million	Base	Taux d'impôt	Impôt
Income before tax, goodwill impairment and share of net income of equity affiliates	**1,212**	**34.43%**	**(417)**
Impact of permanent timing differences		1.98%	(24)
Impact of different rates on foreign subsidiaries		-7.01%	85
Impact of losses for the year, utilisation of tax loss carryforwards and timing differences		-5.61%	68
Impact of reduced rate tax		-0.08%	1
Impact of other items		1.82%	(22)
Effective tax rate and tax charge		**25.53%**	**(309)**

4.11 Change in gains/(losses) recognised directly in equity

Gains and losses for the period are disclosed below, after tax.

€ million	Gains/(losses) recognised directly in equity				Total gains/ (losses) recognised directly in equity excluding share of equity affiliates
	On foreign exchange	Change in fair value of available-for-sale financial assets	Change in fair value of hedging instruments	Actuarial gains / (losses) on post-employment benefits	
Change in fair value		(54)	149		95
Reclassified to income statement		51			51
Change in currency translation adjustment	139				139
Change in actuarial gains /(losses) on post-employment benefits				(40)	(40)
Share of gains/(losses) on equity affiliates recognised directly in equity	44	(7)	17		54
Gains / (losses) recognised directly in 2011 equity (Group share)	**183**	**(10)**	**166**	**(40)**	**299**
Gains / (losses) recognised directly in 2011 equity (minority shareholders' share)	**46**	**(1)**	**2**	**1**	**48**
Total gains/(losses) recognised directly in 2011 equity[(1)]	**229**	**(11)**	**168**	**(39)**	**347**
Change in fair value		(41)	(54)		(95)
Reclassified to income statement		(17)			(17)
Change in currency translation adjustment	129				129
Change in actuarial gains /(losses) on post-employment benefits				(22)	(22)
Share of gains/(losses) on equity affiliates recognised directly in equity					
Gains / (losses) recognised directly in 2010 equity (Group share)	**129**	**(58)**	**(54)**	**(22)**	**(5)**
Gains / (losses) recognised directly in 2010 equity (minority shareholders' share)	**35**	**(1)**		**1**	**35**
Total gains/(losses) recognised directly in 2010 equity[(1)]	**164**	**(59)**	**(54)**	**(21)**	**30**

(1) Gains and losses recognised in other comprehensive income for available-for-sale financial assets are disclosed below:

€ million	31.12.2011	31.12.2010
Gross amount	(3)	(60)
Tax charge	(8)	1
Total – Net	**(11)**	**(59)**

→ NOTE 5 : SEGMENTAL REPORTING

Definition of business

The naming of Crédit Agricole CIB's business lines corresponds to the definition applied within the Crédit Agricole S.A. Group.

Presentation of business lines

Operations are broken down into five business lines.

Financing activities includes French and international commercial banking and structured finance: project finance, aircraft finance, ship finance, acquisition finance, property finance, and international trade.

Capital markets and investment banking encompasses capital markets activities (treasury, foreign exchange, commodities, interest-rate derivatives, debt markets, and equity derivatives), investment banking activities (mergers and acquisitions and equity capital markets), as well as equity brokerage activities carried out by CA Cheuvreux and CLSA and futures brokerage activities carried out by Newedge.

Since the refocusing plan was implemented in September 2008, discontinuing operations have been segregated into a separate business line, which includes exotic equity derivatives, correlation activities and the CDO, CLO and ABS portfolios.

These three business lines make up nearly 100% of the Corporate and investment banking business line of Crédit Agricole S.A.

Crédit Agricole CIB is also present in international private banking through its establishments in Switzerland, Luxembourg, Monaco, Spain and Brazil.

Proprietary asset management and other activities encompass the non-operational activities of the above business lines.

5.1 Analysis by business line

€ million	31.12.2011						
	Financing	Capital markets and Investment banking	Discontinuing operations	**Total Corporate and Investment Banking**	International Private Banking	Proprietary asset management and other activities	**Total**
Net banking income	**2,434**	**3,194**	**(314)**	**5,314**	**572**		**5,886**
Operating expenses	(972)	(2,644)	(108)	(3,724)	(428)		(4,152)
Gross operating income	**1,462**	**550**	**(422)**	**1,590**	**144**		**1,734**
Cost of risk	(319)	(11)	(175)	(505)	(2)		(507)
Operating income	**1,143**	**539**	**(597)**	**1,085**	**142**		**1,227**
Share of net income of affiliates	134	(1)		133			133
Net gains/(losses) on other assets	2			2			2
Goodwill		(295)		(295)			(295)
Pre-tax income	**1,279**	**243**	**(597)**	**925**	**142**		**1,067**
Income tax	(412)	(150)	202	(360)	(25)	(2)	(387)
Net income	**867**	**93**	**(395)**	**565**	**117**	**(2)**	**680**
Minority interests	14	(4)		10	(8)		2
Net income, Group share	**881**	**89**	**(395)**	**575**	**109**	**(2)**	**682**
Business line assets:							
- of which investments in affiliates				1,263			1,263
- of which goodwill arising during the period				(290)	13		(277)
Total assets				811,635	14,369		826,004

€ million	31.12.2010						
	Financing	Capital markets and Investment banking	Discontinuing operations	**Total Corporate and Investment Banking**	International Private Banking	Proprietary asset management and other activities	**Total**
Net banking income	**2,657**	**2,880**	**(374)**	**5,163**	**541**	**(6)**	**5,698**
Operating expenses	(832)	(2,501)	(108)	(3,441)	(385)	(9)	(3,835)
Gross operating income	**1,825**	**379**	**(482)**	**1,722**	**156**	**(15)**	**1,863**
Cost of risk	(164)	(118)	(340)	(622)	(16)		(638)
Operating income	**1,661**	**261**	**(822)**	**1,100**	**140**	**(15)**	**1,225**
Share of net income of affiliates	138	1		139			139
Net (gains)/ losses on other assets	(6)			(6)	(7)		(13)
Pre-tax income	**1,793**	**262**	**(822)**	**1,233**	**133**	**(15)**	**1,351**
Income tax	(456)	(84)	265	(275)	(25)	(9)	(309)
Net income	**1,337**	**178**	**(557)**	**958**	**108**	**(24)**	**1,042**
Minority interests	(23)	(6)		(29)	(8)		(37)
Net income, Group share	**1,314**	**172**	**(557)**	**929**	**100**	**(24)**	**1,005**
Business line assets:							
- of which investments in affiliates				1,097	6		1,103
- of which goodwill arising during the period				(2)	39		37
Total assets				**703,355**	**12,837**		**716,192**

5.2 Analysis by geographical zone

The geographical analysis of business-line assets and results is based on the countries where operations are booked for accounting purposes.

€ million	31.12.2011			31.12.2010		
	Net income, Group share	Net banking income	Business-line assets	Net income, Group share	Net banking income	Business-line assets
France (including overseas departments and territories)	(275)	2,398	617,592	129	2,233	532,342
Other European Union countries	169	955	42,727	81	918	46,295
Rest of Europe	189	634	19,510	127	508	14,472
North America	243	701	86,821	242	735	62,885
Central and South America	10	58	688	12	48	765
Africa and Middle-East	186	116	3,577	121	126	4,575
Asia and Pacific (excluding Japan)	178	881	35,108	288	987	34,553
Japan	(18)	143	19,981	5	143	20,305
Total	**682**	**5,886**	**826,004**	**1,005**	**5,698**	**716,192**

NOTE 6 : NOTES TO THE BALANCE SHEET

6.1 Cash, Central banks

€ million	31.12.2011		31.12.2010	
	Assets	Liabilities	Assets	Liabilities
Cash	28		26	
Central banks	21,839	81	19,374	757
Book Value	**21,867**	**81**	**19,400**	**757**

6.2 Financial assets and liabilities at fair value through profit and loss

Financial assets at fair value through profit and loss

€ million	31.12.2011	31.12.2010
Financial assets held for trading	461,855	388,407
Financial assets designated at fair value	188	124
Book Value	**462,043**	**388,531**
Of which lent securities	720	2,999

Financial assets held for trading

€ million	31.12.2011	31.12.2010
Loans and advances to customers[1]	263	435
Securities bought under repurchase agreements	38,027	54,560
Securities held for trading	49,550	82,212
- Treasury bills and similar items	25,465	33,601
- Bond and other fixed-income securities[2]	14,878	31,839
- Equities and other variable-income securities[3]	9,207	16,772
Derivative instruments	374,015	251,200
Book Value	**461,855**	**388,407**

(1) Including loans being syndicated.
(2) Including monetary mutual funds.
(3) Including equity mutual funds.

Financial assets designated at fair value

€ million	31.12.2011	31.12.2010
Securities held for trading	188	124
- Bonds and other fixed-income securities[1]	94	16
- Equities and other variable-income securities[2]	94	108
Book value	**188**	**124**

(1) Including monetary mutual funds.
(2) Including monetary mutual funds.

Financial liabilities at fair value through profit and loss

€ million	31.12.2011	31.12.2010
Financial liabilities held for trading	466,678	361,185
Financial liabilities designated as at fair value		
Book Value	**466,678**	**361,185**

Financial liabilities held for trading

€ million	31.12.2011	31.12.2010
Securities sold short	26,259	25,486
Securities sold under repurchase agreements	36,013	56,321
Debt securities in issue	32,530	31,828
Derivative instruments	371,876	247,550
Book Value	**466,678**	**361,185**

Detailed information on trading derivatives and more particularly on interest rate hedges is provided in note 3.2 on Market Risk.

6.3 Derivative financial instruments held for trading

Detailed information is provided in note 3.4 on cash flow and fair value hedges, particularly for interest and exchange rates.

6.4 Available-for-sale financial assets

€ million	31.12.2011			31.12.2010		
	Fair value	Gains directly in equity	Losses directly in equity	Fair value	Gains directly in equity	Losses directly in equity
Treasury bills and similar items	5,128		50	8,486	5	66
Bonds and other fixed-income securities	7,905	89	83	9,242	85	93
Equity and other variable-income securities	524	127	16	561	120	17
Investment securities in non-consolidated companies	707	116	9	809	147	11
Book value of available-for-sale financial assets[1]	**14,264**	**332**	**158**	**19,098**	**357**	**187**
Tax		(69)	(41)		(73)	(53)
Gains and losses directly in equity on available-for-sale financial assets (net of tax)		**263**	**117**		**284**	**134**

[1] of which €151 million relating to impaired available-for-sale fixed-income securities;
€673 million relating to impaired available-for-sale variable-income securities;
No guarantees received on impaired outstandings;
No significant item less than 90 days past due;
€511 million in impairment of available-for-sale securities and receivables at 31 December 2011.

6.5 Due from banks and loans and advances to customers

Due from banks

€ million	31.12.2011	31.12.2010
Banks		
Loans and advances	44,290	29,813
Performing current accounts in debit and receivables	*7,022*	*5,431*
Performing overnight time accounts and loans	*10,648*	*5,902*
Securities bought under repurchase agreements	35,479	41,751
Subordinated loans	27	27
Securities not traded in an active market	336	376
Other loans and advances	2	3
Total[(1)]	**80,134**	**71,970**
Accrued interest		148
Impairment	(564)	(537)
Book value	**79,570**	**71,581**

[(1)] On 31.12.2011, datas include accrued interests.

Loans and advances to customers

€ million	31.12.2011	31.12.2010
Customer items		
Bills discounted	10,444	9,934
Other loans	97,578	101,103
Securities bought under repurchase agreements	49,955	35,187
Subordinated loans	524	450
Securities not traded in an active market	6,782	7,950
Short-term advances	67	53
Current accounts in debit	6,581	5,980
Total[(1)]	**171,931**	**160,657**
Accrued interest		534
Impairment	(4,023)	(3,875)
Net value	**167,908**	**157,316**
Lease finance		
Property leasing	308	349
Total[(1)]	**308**	**349**
Accrued interest		2
Net value	**308**	**351**
Net book value	**168,216**	**157,667**

[(1)] On 31.12.2011, datas include accrued interests

During 2011, Crédit Agricole CIB brought a €5,608 million asset to support Crédit Agricole Group involvement in the financing granted by SFEF (Société de Financement de l'Economie Française), compared with €5,719 million in 2010. Substantially the risks and rewards of the financial asset still belong to Crédit Agricole CIB.

Furthermore, during 2011, Crédit Agricole CIB brought a €3,307 million asset to the Banque de France for refinancing.

At 31 December 2011, Crédit Agricole CIB has used €7,063 million of refinancing granted by the Banque de France guaranteed by its loans and assets.

6.6 Impairment deducted from financial assets

€ million	31.12.2010	Change in scope	Charges	Write-backs and utilisa-tions	Translation adjustments	Other movements	31.12.2011
Interbanks loans	537	11	35	(34)	15		564
Customer loans	3,875	1	499	(452)	102	(2)	4,023
of which collective reserves	*2,137*		*76*		*77*		*2,290*
Available-for-sale assets	517	8	70	(95)	8	3	511
Other financial assets	28		15	(15)		1	29
Total impairment of financial assets	**4,957**	**20**	**619**	**(596)**	**125**	**2**	**5,127**

€ million	31.12.2009	Change in scope	Charges	Write-backs and utilisa-tions	Translation adjustments	Other movements	31.12.2010
Interbanks loans	465		89	(34)	25	(8)	537
Customer loans	3,625	(7)	498	(489)	169	79	3,875
of which collective reserves	*2,163*			*(120)*	*94*		*2,137*
Available-for-sale assets	565		41	(117)	21	7	517
Other financial assets	41		4	(16)	1	(2)	28
Total impairment of financial assets	**4,696**	**(7)**	**632**	**(656)**	**216**	**76**	**4,957**

6.7 Sovereign risk exposure

Sovereign debt - Net exposure

Taking in consideration the economic context during the closing of the financial year on 31 December 2011, affected by a crisis of public finances of some European countries, the following table shows Crédit Agricole CIB Group' exposure to sovereign risk on those countries: Greece, Portugal, Ireland, Italy and Spain.

€ million	2011 Net exposure (Banking Activity)				Total Banking activity
	Banking book			Of which trading book (excluding derivatives)	
	Held-to-maturity securities	Available-for-sale assets	Loans and advances		
Greece of which maturity before 2020					
Ireland		146			146
Portugal		256		8	264
Italy			192	128	320
Spain		45			45
Total		**447**	**192**	**136**	**775**

€ million	30.06.2011 Net exposure (Banking Activity)				Total Banking activity
	Banking book			Trading book (excluding derivatives)	
	Held-to-maturity securities	Available-for-sale assets	Loans and advances		
Greece of which maturity before 2020					
Ireland		120			120
Portugal		328		169	497
Italy		1,072	200	878	2,150
Spain		765		29	794
Total		**2,285**	**200**	**1,076**	**3,561**

Regarding banking activities, figures are presented according to the method used at the occasion of the EBA (European Banking Authority) stress tests, that is to say exposures excluding reserves and counterpart risk hedges.

The European solidarity policy led to the definition of a support plan for Greece, Portugal and Ireland.

Considering the absence of a default situation and support plans implemented, none of these securities was subject to depreciation.

Sovereign Debt-Maturity (banking book) on 31 december 2011

€ million	**Residual Maturity**	
Greece	Before 2020	
	After 2020	
	Total	-
Ireland	3 months	
	1 year	
	2 years	
	3 years	146
	5 years	
	10 years and more	
	Total	**146**
Portugal	3 months	
	1 year	131
	2 years	125
	3 years	
	5 years	
	10 years and more	
	Total	**256**
Italy	3 months	
	1 year	192
	2 years	
	3 years	
	5 years	
	10 years and more	
	Total	**192**
Spain	3 months	
	1 year	45
	2 years	
	3 years	
	5 years	
	10 years and more	
	Total	**45**
	Total	**639**

6.8 Due to banks and customer accounts

Due to banks

€ million	31.12.2011	31.12.2010
Deposits	74,329	55,960
of which current accounts in credit	*4,303*	*4,229*
of which overnight accounts and borrowings	*3,900*	*5,734*
Securities sold under repurchase agreements	12,565	19,312
Total[1]	**86,894**	**75,272**
Accrued interests		67
Book value	**86,894**	**75,339**

[1] On 31.12.2011, datas include accrued interests.

Customer accounts

€ million	31.12.2011	31.12.2010
Current accounts in credit	39,383	29,829
Other accounts	60,005	73,317
Securities sold under repurchase agreements	58,225	40,172
Total[1]	**157,613**	**143,318**
Accrued interests		171
Book value	**157,613**	**143,489**

[1] On 31.12.2011, datas include accrued interests.

6.9 Held-to-maturity financial assets

Crédit Agricole CIB does not have any portfolio of held-to-maturity financial assets.

6.10 Debt securities in issue and subordinated debt

€ million	31.12.2011	31.12.2010
Debt securities in issue		
Interest-bearing notes	39	39
Negotiable debt securities	24,961	61,820
Bonds	8	17
Other debt securities in issue	28	1
Total[1]	**25,036**	**61,877**
Accrued interest		48
Book value	**25,036**	**61,925**
Subordinated debt		
Fixed-term subordinated debt[1]	3,219	3,717
Perpetual subordinated debt	4,964	4,797
Total[1]	**8,183**	**8,514**
Accrued interests		158
Book value	**8,183**	**8,672**

[1] On 31.12.2011, datas include accrued interests.

6.11 Current and deferred tax assets and liabilities

€ million	31.12.2011	31.12.2010
Current taxes	1,063	1,667
Deferred taxes	1,647	2,644
Total assets of current and deferred taxes	**2,710**	**4,311**
Current taxes	236	352
Deferred taxes	278	260
Total liabilities of current and deferred taxes	**514**	**612**

Deferred tax assets and liabilities break down as follows:

€ million	31.12.2011		31.12.2010	
	Deferred tax Assets	Deferred tax Liabilities	Deferred tax Assets	Deferred tax Liabilities
Temporary gap between accounting and fiscal policy	**2,051**	**41**	**2,802**	**66**
Non-deductible accrued expenses	170		136	
Non-deductible provisions for risks and expenses	1,088		1,028	
Other temporary differences[(1)]	793	41	1,638	66
Deferred taxes / Unrealised reserves	**10**	**243**	**(8)**	**134**
Available-for-sale assets	(13)	42		19
Cash flow hedges	1	208	(17)	123
Gains and losses/ Actuarial differences	22	(7)	9	(8)
Deferred taxes/ Result	**39**	**447**	**37**	**247**
Impact of netting	**(453)**	**(453)**	**(187)**	**(187)**
Total deferred taxes	**1,647**	**278**	**2,644**	**260**

(1) The part of deferred taxes attributable to carry-forward deficits amounts to €743 million in 2011, €1,414 million in 2010.

Deferred tax assets are netted on the balance sheet by taxable entity.

6.12 Accruals, prepayments and sundry assets and liabilities

Accruals, prepayments and sundry assets

€ million	31.12.2011	31.12.2010
Sundry assets	**67,889**	**46,255**
Inventory accounts and miscellaneous	161	370
Miscellaneous debtors	41,415	34,109
Settlement accounts	26,313	11,776
Prepayments and accrued income	**4,028**	**4,268**
Items in course of transmission to other banks	2,167	2,486
Adjustment and suspense accounts	319	136
Accrued income	409	377
Prepayments	89	87
Other	1,044	1,182
Net book value	**71,917**	**50,523**

Accruals, deferred income and sundry liabilities

€ million	31.12.2011	31.12.2010
Sundry liabilities[(1)]	**51,675**	**39,361**
Settlement accounts	23,579	13,909
Miscellaneous creditors	28,095	25,451
Liabilities related to trading securities	1	1
Accrued expenses and deferred income	**10,213**	**7,327**
Items in course of transmission to other banks [(2)]	2,338	1,792
Adjustment and suspense accounts	4,996	2,500
Deferred income	692	589
Accrued expenses	1,437	1,424
Other	750	1,022
Net book value	**61,888**	**46,688**

(1) Amounts include accrued interests.
(2) Amounts are shown net.

6.13 Property, plant and equipment and intangible assets (excluding goodwill)

€ million	31.12.2010	Changes in scope	Increases (acquisitions, business combination)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31.12.2011
Property, plant and equipment							
Gross value	1,635	7	67	(46)	18		1,681
Depreciation and impairment[(1)]	(907)	(6)	(99)	46	(12)		(978)
Net book value	**728**	**1**	**(32)**		**6**		**703**
Intangible assets							
Gross value	530	4	53	(18)	5	3	577
Depreciation and impairment	(360)	(3)	(55)	15	(3)		(406)
Net book value	**170**	**1**	**(2)**	**(3)**	**2**	**3**	**171**

(1) Including impairments on assets let to third parties.

€ million	31.12.2009	Changes in scope	Increases (acquisitions, business combination)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31.12.2010
Property, plant and equipment							
Gross value	1,509		72	(27)	77	4	1,635
Depreciation and impairment[(1)]	(795)		(104)	28	(34)	(2)	(907)
Net book value	**714**		**(32)**	**1**	**43**	**2**	**728**
Intangible assets							
Gross value	477		51	(12)	15	(1)	530
Depreciation and impairment	(309)		(51)	9	(9)		(360)
Net book value	**168**			**(3)**	**6**	**(1)**	**170**

(1) Including impairments on assets let to third parties.

6.14 Reserves

€ million	31.12.2010	Changes in consolida-tion scope	Charges	Write-backs, utilizations	Write-backs, amounts released	Translation adjustments	Other move-ments	31.12.2011
Financing commitment execution risks	13		15		(8)			20
Employee retirement and similar benefits (1)	403	1	309	(82)	(59)	2	64	638
Litigation (2)	450	3	197	(19)	(46)	4	31	620
Restructuration (3)		19	2	(11)				10
Other risks	50		89	(7)	(23)	4	(32)	81
Reserves	**916**	**23**	**612**	**(119)**	**(136)**	**10**	**63**	**1,369**

(1) At 31 December 2011, the employees commitment reserves break down as follows:
- €293 million with respect to post-employment benefits on defined-benefit pension plans as detailed in note 7.4, as well as €6 million with respect to long-service awards.
- €286 million related to the adjustment plan

(2) At 31 December 2011, litigation reserves which amount to €620 million, break down as follows:
- tax litigation : €134 million
- legal litigation: €486 million

(3) Incluging €17 million related to the adjustment plan.

€ million	31.12.2009	Changes in consolida-tion scope	Charges	Write-backs, utilizations	Write-backs, amounts released	Translation adjustments	Other move-ments	31.12.2010
Financing commitment execution risks	313		4	(244)	(11)	1	(50)	13
Employee retirement and similar benefits (1)	432		31	(102)	(9)	20	31	403
Litigation (2)	358		137	(34)	(69)	17	41	450
Other risks	72		45	(3)	(9)	3	(58)	50
Total	**1,175**		**217**	**(383)**	**(98)**	**41**	**(36)**	**916**

(1) Including €271 million with respect to post-employment benefits on defined-benefit pension plans as detailed in note 7.4, as well as €6 million with respect to long-service awards.

(2) At 31 December 2011, the litigation reserves break down as follows:
- tax litigation : €126 million
- legal litigation: €324 million

6.15 Shareholders' equity

Ownership structure at 31 December 2011

At 31 December 2011, ownership of the Crédit Agricole CIB parent-company's capital and voting rights was as follows:

Crédit Agricole CIB shareholders	Number of shares au 31.12.2011	% of share capital	% of voting rights
Credit Agricole S.A.	244,236,707	97.33%	97.33%
SACAM Developpement (2)	5,596,561	2.23%	2.23%
Delfinances (1)	1,102,707	0.44%	0.44%
Individuals	17	ns	ns
Total	**250,935,992**	**100.00%**	**100.00%**

(1) Owned by Crédit Agricole S.A..

(2) Owned by Crédit Agricole Group.

The par value of shares is €27. All the shares are fully paid up.

Preferred shares

Issuing entity	Date of issue	Amount of issue $ million	31.12.2011 € million	31.12.2010 € million
Crédit Agricole CIB Preferred Funding LLC	December-98	230	178	172
Crédit Agricole CIB Preferred Funding II LLC	June-02	320	247	239
		550	**425**	**411**

Earnings per share

	31.12.2011	31.12.2010
Net income (Group share) for the period (in million of euros)	682	1,005
Average number of ordinary shares in issue during the period	237,606,975	224,277,957
Number of potentially dilutive shares		
Weighted average number of ordinary shares used to calculate diluted earnings per share	237,606,975	224,277,957
Basic earnings per share (in euros)	**2.87**	**4.48**
Diluted earnings per share (in euros)	**2.87**	**4.48**

Dividends

Dividend paid in respect of year	Net amount € million
2006	2,049
2007	-
2008	-
2009	-
2010	955
2011	647

For 2010, Crédit Agricole CIB's the Shareolders' meeting voted a resolution proposing to the shareholders an option to receive the dividend in shares.

For 2011, the Board proposed to submit to the shareholders's meeting the distribution of €647 millions and the ability to offer shareholders an option to receive the dividend in shares.

Appropriation of net income and proposed dividend

The appropriation of net income is proposed in a draft resolution presented by the Board of Directors to the Crédit Agricole CIB Shareholders' Meeting of 15 May 2012. The proposed resolution is as follows:

The Shareholders' Meeting approved the 2011 EUR 696,157,348.64 profit.

The Shareholders' Meeting decides to appropriate €34,807,867.43 to general reserve which thus amounts to €422,245,056.33 in accordance with article L. 232-10 alinea 1 of The Code du commerce.

Noting that the company was free from all other obligations to constitute reserves and that distributable net income amounted to €1,814,716,374.24 including earnings carried forward in the amount of €1,153,366,893.03, the Shareholders' Meeting decided to distribute €64,414,859.36 and to appropriate the balance to earnings carried forward which thus amount to €1,167,301,514.88.

The Shareholders' Meeting thus set the dividend for the year ended 31 December 2011 at €2.58 for each of the shares with dividend rights, i.e. 250,935,992 shares.

This dividend is eligible for the 40% deduction provided for in the second paragraph of the third section of article 158 of the General Tax Code reserved for shareholders that are physical persons.

The Shareholders' Meeting set 21 June 2012 as the dividend payment date.

In compliance with the law, the annual general meeting formally noted the distributions made with respect to the three previous years:

Year	Number of shares receiving dividends	Dividend
2008		-
2009		-
2010	224,277,957	4.26

Capital management

Crédit Agricole CIB's capital management policy is defined in two stages, in close liaison with its majority shareholder:

- Compliance with the total ratio objectives set by the Crédit Agricole S.A. Group (percentage capital allocation per Crédit Agricole Group business line) and those set in discussion with the Autorité de Contrôle Prudentiel;
- Allocation between Crédit Agricole CIB's business lines based on their risk profi le, their profitability and the development targeted.

In accordance with regulation, the Crédit Agricole S.A. Group has to maintain, steadily, a capital requirement ratio of at least 4% and a solvency ratio of 8%. In 2011 and 2010 the Crédit Agricole S.A. Group strictly follows those capital requirements (see chapter "Risk factors and Pillar 3 Disclosure").

6.16 Financial assets and liabilities by contractual maturity date

Financial assets and liabilities are split by contractual maturity dates. Maturity of derivative financial instruments held for trading and hedging instruments correspond to their contractual maturity date.

Equities and other variable-income securities have no contractual maturity date; they are registered in “ Undefined ”.

€ million	31.12.2011					
	Undefined	**Under 3 months**	**3 months to 1 year**	**1-5 years**	**Over 5 years**	**Total**
Cash, due from central banks		21,867				21,867
Financial assets at fair value through profit and loss	9,301	72,625	28,829	120,786	230,502	462,043
Derivative hedging instruments		1,343	195	89	12	1,639
Available-for-sale financial assets	1,231	3,843	5,210	3,138	842	14,264
Due from Banks		68,070	2,952	6,515	2,033	79,570
Loans and advances to customers		79,944	12,487	47,535	28,250	168,216
Valuation adjustment on portfolios of hedged items	23					23
Total financial assets by maturity date	**10,555**	**247,692**	**49,673**	**178,063**	**261,639**	**747,622**
Due to central banks		81				81
Financial liabilities at fair value through profit and loss		71,258	27,483	128,623	239,314	466,678
Derivative hedging instruments		1,425	37	76	64	1,602
Due to banks		70,224	3,391	12,453	826	86,894
Customer accounts		139,490	14,003	1,843	2,277	157,613
Debt securities in issue		21,681	2,799	275	281	25,036
Subordinated debt		298		1,841	6,044	8,183
Valuation adjustment on portfolios of hedged items	13					13
Total financial liabilities by maturity date	**13**	**304,457**	**47,713**	**145,111**	**248,806**	**746,100**

€ million	31.12.2010					
	Undefined	**Under 3 months**	**3 months to 1 year**	**1-5 years**	**Over 5 years**	**Total**
Cash, due from central banks		19,400				19,400
Financial assets at fair value through profit and loss	16,880	102,957	40,324	100,828	127,542	388,531
Derivative hedging instruments		994	115	35	40	1,184
Available-for-sale financial assets	1,370	3,948	5,181	7,305	1,294	19,098
Due from Banks		62,975	2,546	3,533	2,527	71,581
Loans and advances to customers		66,803	15,817	45,615	29,432	157,667
Valuation adjustment on portfolios of hedged items(1)	3					3
Total financial assets by maturity date	**18,253**	**257,077**	**63,983**	**157,316**	**160,835**	**657,464**
Due to central banks		757				757
Financial liabilities at fair value through profit and loss		83,843	33,134	105,053	139,155	361,185
Derivative hedging instruments		806	215	204	48	1,273
Due to banks		61,510	2,871	10,011	947	75,339
Customer accounts		124,363	12,613	4,078	2,435	143,489
Debt securities in issue		48,404	12,409	821	291	61,925
Subordinated debt		158		1,163	7,351	8,672
Valuation adjustment on portfolios of hedged items(1)	20					20
Total financial liabilities by maturity date	**20**	**319,841**	**61,242**	**121,330**	**150,227**	**652,660**

(1) The revaluation spread affected so far to “Under 3 months” has been reallocated to the “Undefined” column.

→ NOTE 7 : EMPLOYEE BENEFITS AND OTHER COMPENSATION

7.1 Analysis of staff costs

€ million	31.12.2011	31.12.2010
Salaries	(2,326)	(1,943)
Other social security expenses	(346)	(465)
Incentive plans and profit-sharing	(40)	(33)
Payroll-related tax	(33)	(40)
Total Staff Costs	**(2,745)**	**(2,481)**

Staff costs include charges relating to stock option plans, amounting to €69.6 million charge mainly related to deferred variable compensation paid to market professionals. With respect to that, Crédit Agricole CIB registered a €69.3 million charge on 31 December 2011, compared with €80.8 million on 31 December 2010.

7.2 Headcount end of December 2011

(full-time equivalent)	31.12.2011	31.12.2010
France	4,938	4,876
Outside France	9,925	9,827
Total	**14,863**	**14,703**

7.3 Post-employments 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 implicit 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 CIB has no liability in this respect other than the contributions payable.

Within Crédit Agricole CIB, there are several compulsory defined contribution plans, the main ones being Agirc/Arrco, which are French supplementary retirement plans, supplemented by an "Article 83 "-type plan.

7.4 Post-employment obligations, defined benefit plans

Change in actuarial liability

€ million	31.12.2011	31.12.2010
Actuarial liability at 31/12/N-1	**1,095**	**936**
Foreign exchange difference	28	85
Current service cost during the period	34	36
Interest cost	45	45
Employee contributions	10	11
Revision, curtailment and settlement of plan	(11)	1
Change in scope of consolidation	(10)	
Benefits paid (obligatory)	(51)	(42)
Actuarial (gains)/losses	76	23
Actuarial liability at 31/12/N	**1,216**	**1,095**

Breakdown of net charge recognised in the income statement

€ million	31.12.2011	31.12.2010
Foreign exchange difference	34	36
Interest cost	45	45
Expected return on assets	(38)	(36)
Amortization of past service cost	(12)	
Actuarial net (gains)/losses		
Amortisation of (gains)/losses resulted from revision, curtailment and settlement of plan	(1)	1
(Gains)/losses due to the change in asset ceiling		
Net charge recognised in the income statement	**28**	**46**

Fair value of plan assets and reimbursement rights

€ million	31.12.2011	31.12.2010
Fair value of assets/reimbursement rights at 31/12/N-1	**831**	**704**
Foreign exchange difference	24	72
Expected return on assets	38	36
Actuarial net gains/(losses)	26	6
Employer's contributions	67	38
Employee’s contributions	10	11
Revision, curtailment and settlement of plan		
Change in scope of consolidation	(10)	
Benefits paid by the fund	(46)	(36)
Fair value of assets/reimbursement rights at 31/12/N	**940**	**831**

Net position

€ million	31.12.2011	31.12.2010
Closing net actuarial liability	**1,216**	**1,095**
Unrecognised past service cost (plan revision)	1	
Impact of asset ceiling		
Net closing actuarial liability	**1,217**	**1,095**
Closing fair value of assets	**940**	**831**
Net closing position (liability) / asset at year end	**(277)**	**(264)**

Items recognised immediately in SoRIE and registered in total result (in € million)	31.12.2011	31.12.2010
Actuarial gains and losses generated by post-employment benefit plans	53	31
Ajustements of asset ceiling (including the effects of IFRIC 14)		
Total of items recognised immediately in SoRIE during the year	**53**	**31**
Amount of the aggregated actuarial differences in SoRIE at year end	107	54

Information about plan assets[1]	31.12.2011	31.12.2010
Breakdown of assets		
% bonds	44%	46%
% equities	21%	21%
% other	35%	33%

Defined benefit plans: key actuarial assumptions	31.12.2011	31.12.2010
Discount rate[2]	3.74%	4.13%
Expected return on plan assets and reimbursement rights	4.48%	4.78%
Real return on plan assets and reimbursement rights	6.89%	5.33%
Expected salary increases[3]	3.63%	3.56%
Increase in healthcare costs	2.41%	2.58%

(1) Discount rates are determined based on the average duration of the obligation, that is, the arithmetic mean of the durations calculated between the valuation date and the payment date weighted by employee turnover assumptions.
(2) Depending on the populations concerned (executive or non-executive).

At 31 December 2011, sensitivity rates show that:
- a raise over 50pb of discount rates would lead to a 7.1% decrease of the commitment
- a decrease of less than 50pb of discount rates would lead to a 8.1% raise of the commitment.

7.5 Other employee benefits

Crédit Agricole CIB gives its employees an interest in its development and in its results via a number of mechanisms.

Under the profit-sharing agreement, the special reserve has been calculated since 2005 according to the statutory formula pursuant to articles D 3324-1 and D 3324-9 of the Employment Code. It is shared among beneficiaries in proportion to their gross salary and limited within a defined range, the attribution of rights also being under an upper limit.

As regards incentive plans, a new agreement has been signed for 2010, 2011 and 2012. It rewards employees for improvements in the cost/income ratio and overall performance, before the impact of exceptional factors.

The amounts distributed in the last five years have been as follows:

Financial year € million	Year of payment	Employee Profit-sharing	Incentive plans
2010	2011		31.6
2009	2010		
2008	2009		2.4[1]
2007	2008		
2006	2007		41.5

[1] Exceptional profit sharing compensation of €500 per employee (gross before tax).

An incentive plan distribution should be carried out in 2012 with respect to 2011.

Crédit Agricole CIB has a share ownership plan as well as a Collective Pension Savings Plan that supplements the above mentioned plans. They offer a diverse selection of mutual funds. Crédit Agricole CIB tops up employees' voluntary contributions with the payment of an abundment.

- the share ownership plan: The top-up rate was 150% for 2011, limited to €1,000 per year (under the agreement of 20 January 2011, which is valid until 31 December 2011). The same top-up rate has been renewed for 2012 (under the agreement of 18 January 2012, which is valid until 31 December 2012)
- Collective Pension Savings Plan : it was implemented on 28 April 2011 by an agreement. The top-up rate depends on invested amounts and comes in scales:

- top-up rate of 80% from 0 to €750 paid, meaning a maximum of €600;
- top-up rate of 40% from €750.01 to €2,000 paid, meaning a maximum of €500;
- top-up rate of 20% from €2,000.01 to €4,000 paid, meaning a maximum of €400;

Meaning a maximum gross top-up rate of €1,500 for €4,000 € paid.

Crédit Agricole CIB also grants long-service awards.

7.6 Share-based payments

Shares attribution plans

In accordance with authorisations given by Crédit Agricole S.A.'s Extraordinary Shareholders' meeting on 21 May 2003 and 17 May 2006, three Crédit Agricole S.A stock options plans were implemented by Crédit Agricole S.A 's Board for Crédit Agricole CIB's contributors.

2005 stock option plans

On 19 July 2005, Crédit Agricole S.A.'s Board of Directors granted 5,000 stock options to a new Crédit Agricole CIB employee with a strike price of €20.99, equal to the average price quoted during the twenty trading sessions preceding the date of the Crédit Agricole S.A. board meeting, with no discount.

2006 stock option plans

On 18 July 2006, using the authorisation granted by extraordinary resolution of Crédit Agricole S.A. shareholders in their meeting 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.

On 6 October 2006, the Board of Directors created a stock option plan for executive officers and certain senior managers of Crédit Agricole S.A. and its subsidiaries, comprising 5,416,500 options for Crédit Agricole CIB staff at a strike price of €33.61.

Since the options granted under the April and December 2003 plans can now be exercised, and in accordance with the Board's decisions, the number of options and strike prices in these two plans have been adjusted to take into account transactions affecting the capital in November 2003 and January 2007 and June 2008.

The characteristics and general conditions for all the existing plans at 31 December 2011 are provided in the following table:

Description of the aforementioned two Crédit Agricole S.A. stock option plans:

Credit Agricole S.A. stock option plans	2005	2006	Total
Date of Credit Agricole S.A. AGM authorising the plan	21.05.2003	17.05.2006	
Date of Credit Agricole S.A. Board meeting	19.07.2005	18.07.2006	
Option grant date	19.07.2005	06.10.2006	
Term of plan	7 years	7 years	
Vesting period	4 years	4 years	
First exercise date	19.07.2009	06.10.2010	
Expiry date	19.07.2012	07.10.2013	
Number of Crédit Agricole CIB grantees	1	745	
Number of options granted to Crédit Agricole CIB staff	5,452	5,905,952	5,911,404
Strike price	€19.25	€30.83	
Performance conditions	no	no	
Conditions in case of departure from			
Resignation	Forfeit	Forfeit	
Dismissal	Forfeit	Forfeit	
Retirement	Retain	Retain	
Death	Retain[2]	Retain[2]	
Number of options			
Granted to the ten largest grantees[3]	5,000	425,189	
Granted to Crédit Agricole CIB executive officers[1]		196,240	
Valuation method used	Black - Scholes	Black - Scholes	

(1) Corporate officers at vesting dates.
(2) If heirs and successors exercise within six months of death.
(3) Excluding Crédit Agricole CIB corporate officers.

Key assumptions used to value the stock option plans

Crédit Agricole S.A. values the options granted and invoices Crédit Agricole CIB on the grant date based on the market value of the options on that date. The only assumptions that may be revised during the vesting period, resulting in an adjustment to this expense, are those relating to the beneficiaries (options forfeited on resignation or dismissal).

Plans	Date of grant	
	19.07.2005	06.10.2006
Estimated length of plan	5 years	7 years
Rate of forfeiture	5%	1.25%
Estimated dividend rate	3.22%	3.03%
Volatility on the date of grant	25%	28%

The Black-Scholes model has been used for all Crédit Agricole S.A. stock option plans.

Free share allocation plans

As part of the authorisations approved by the Extraordinary General Meeting on 18 May 2011, the Board of Directors of Crédit Agricole S.A., in its 9 November 2011 meeting , decided to implement a free share allocation plan in order to allow all employees of the Crédit Agricole S.A. Group to share in both the company's capital and its success.

Under this plan, 60 shares will be allocated to over 82,000 employees from the Crédit Agricole S.A. group in 58 countries. This allocation is not subject to any performance conditions. The only requirement is the presence of the employee during the vesting period and the keeping of the shares during the retention period.

In France and some other countries, both the vesting period and the retention period last two years. In other countries, the length of these periods has been adapted to meet local requirements: a three-year retention period (Spain and Italy) or a four-year vesting period (in which case there is no retention period).

The shares that are allocated at the end of the vesting period will be new shares.

The cost of the plan has been calculated on the basis of the share price as at 9 November 2011 (€5.02), after making deductions for the retention period and subject to turn-over hypotheses established using historical data. The cost is spread over the duration of the vesting period and amounted to €1.2 million in 2011.

Share subscriptions offered to employees as part of the Company Savings Plan

Between 21 June and 4 July 2011, group employees were given the opportunity to subscribe to a reserved capital increase (Crédit Agricole S.A.) at a price of €8.24, which included a 20% discount on the twenty average opening prices of the Crédit Agricole S.A. share prior to 21 June 2011. However, given the significant fall in the share price and the particularly high volatility of the market in the days following the share subscription period, Crédit Agricole S.A. decided by way of exception to give those persons employed by or retired from the Group who had subscribed to the capital increase the chance to pull out and cancel their subscription. Since most subscribers chose this option, the amount that was eventually subscribed was not significant.

Deferred variable remuneration paid in shares or in cash linked to the share price

There were two types of deferred variable remuneration implemented by the Crédit Agricole CIB Group for 2010:

- Plans paid in shares
- Plans paid in cash linked to the price of the Crédit Agricole S.A. share.

In both cases, the variable remuneration is subject to presence and performance conditions and is paid in three instalments in March 2012, March 2013 and March 2014. The cost in relation to these plans is recorded as salary costs.

It is spread over the vesting period on a linear basis in order to take account of the presence conditions, with a corresponding entry:

- In equity for the plans paid in shares; the cost being revalued solely on the basis of an estimate of the number of shares to be paid (in relation to presence and performance conditions),
- In payroll liabilities for the plans issued in cash, with regular re-evaluation of the liability by result until the date of payment, based on changes in the Crédit Agricole S.A. share price and the vesting conditions (performance and presence conditions).

7.7 Executive officers' compensation

The term " executive officers " here refers to members of Crédit Agricole CIB's Executive Committee and Board of Directors.

The membership of the Executive Committee is set out in the Governance and Internal Control chapter of this shelf registration document.

Compensation and benefits paid to the members of the Executive Committee in 2011 were as follows:

- short-term benefits: €13,5 million including fixed and variable compensation (of which social security contribution) and benefits in kind;
- post-employment benefits at 31 December 2011: €2,9 million in end-of-career and pension rights under the supplementary plan in place for the Group's senior executives;
- other long-term benefits: the amount granted under long-service bonuses is insignificant;
- employment contract termination indemnities: €1,8 million as employment contract termination indemnities ;
- Share-based payments : the members of the Crédit Agricole CIB's Executive Committee have benefited from the free share allocation plan of Crédit Agricole S.A., implemented in 2011, in the same way as all of Crédit Agricole S.A. Group contributors.

Directors' fees paid to members of Crédit Agricole CIB's Board of Directors with respect to work done in 2011 amounted to €0.57 million.

→ NOTE 8 : FINANCING AND GUARANTEE COMMITMENTS

Commitments given and received

€ million	31.12.2011	31.12.2010
COMMITMETNS GIVEN	**153,747**	**159,636**
Financing Commitments	**110,579**	**115,736**
• Banks	10,949	13,932
• Customers	99,630	101,804
Confirmed credit lines	98,359	101,268
- Confirmed documentary credits	11,250	11,824
- Other confirmed credit lines	87,109	89,444
Other	1,271	536
Guarantee commitments	**43,168**(1)	**43,900**
• Banks	6,788	6,136
Confirmed credit lines	2,747	2,598
Other	4,041	3,538
• Customers	36,380	37,764
Property guarantees	2,656	2,336
Loan repayment guarantees	6,365	6,923
Other guarantees	27,359	28,505
COMMITMENTS RECEIVED	**151,927**	**147,906**
Financing commitments	**20,558**	**27,214**
• Banks	18,974	20,491
• Customers	1,584	6,723
Guarantee commitments	**131,369**	**120,692**
• Banks	8,955	10,580
• Customers	122,415	110,112
Guarantees received from government bodies or similar	22,080	22,648
Other	100,334	87,464

(1) Including €1,331 million of financial guarantees given on off balance sheet exposures for which counterparties are doubtful or on watch list and for which the capital call is estimated to €55 million (see note 3.3 " Financial guarantees at risk by maturity ").

Assets given as guarantees

€ million	31.12.2011	31.12.2010
Loaned securities	720	3,243
Collateral for market transactions	26,175	18,202
Securities sold under repo agreements	106,803	115,805
Total assets given as liability guarantees	**133,698**	**137,250**

Amounts relate to loaned securities, securities and shares sold under repurchase agreements and guarantee deposits on market transactions.

Assets accepted

The majority of guarantees and enhancements held correspond to mortgages, collateral and guarantee deposits received, regardless of the quality of the assets guaranteed.

Assets accepted as collateral by the Crédit Agricole CIB Group that it is authorized to sell or repledge amounted to €126 billion at 31 December 2011 versus €134 billion at 31 December 2010. They relate mainly to repos and securities providing collateral for brokerage transactions.

Crédit Agricole CIB's policy is to sell seized collateral as soon as possible. Crédit Agricole CIB did not hold any seized collateral either at 31 December 2011 or 31 December 2010.

NOTE 9 : RECLASSIFICATIONS

Crédit Agricole CIB approach

Reclassifications from “ financial assets held for trading ” were decided then carried out in accordance with the conditions set out by the amendment to IAS 39 adopted by the European Union on 15 October 2008. They were recorded in their new accounting category at their fair value on the reclassification date.

Reclassification done by Crédit Agricole CIB

Pursuant to the amendment to IAS 39 published and adopted by the European Union in October 2008, in 2011 Crédit Agricole CIB made reclassifications as allowed by the amendment to IAS 39, as it did during the previous years. Information on these reclassifications is provided below.

Reclassifications: type, reason and amount

In 2011, Crédit Agricole CIB reclassified certain financial assets for which its management’s intention changed from “ Financial assets at fair value through profit and loss held for trading ” to the “ Loans and receivables ” category. It now intends to hold these financial assets for the foreseeable future and not to sell them in the period.

These reclassifications, which were made during 2011, relate to syndication transactions.

For the assets reclassified in 2011, the table below shows the value at the reclassification date and the value at closing date. It also details the value as at 31 December 2011 for the assets that have been reclassified before 2011 and that are still on the CACIB balance sheet at the end of 2011.

€ million	Total reclassified Assets		Reclassified Assets in 2011			Reclassified Assets previously		Reclassified Assets previously	
	Net book value at 31.12.11	Estimated market value at 31.12.11	Reclas-sification value	Net book value at 31.12.11	Estimated market value at 31.12.11	Net book value at 31.12.11	Estimated market value at 31.12.11	Net book value at 31.12.10	Estimated market value at 31.12.10
Financial assets at fair value through profit and loss reclassified into loans and recei-vables	5,902	5,322	169	169	160	5,733	5,162	7,647	7,061

Change in fair value relating to reclassified assets, taken to profit and loss

The change in fair value recognised in profit and loss on assets reclassified in 2011 is shown in the table below.

	Change in recognised fair value	
	In 2011, until the reclassification date	In 2010
Financial assets at fair value through profit and loss reclassified into loans and receivables	-	(1)

Income contribution of transferred assets since reclassification

The income contribution of transferred assets since the reclassification date includes all gains, losses, income and expenses taken to profit and loss.

€ million	Pre-tax earnings impact since reclassification							
	Assets reclassified		Assets reclassified prior to 2011					
	Impact 2011		Cumulative impact 31.12.2010		Impact 2011		Cumulative impact 31.12.2011	
	Recognised income and expenses	If the asset had been kept in its original category (change in fair value)	Recognised income and expenses	If the asset had been kept in its original category (change in fair value)	Recognised income and expenses	If the asset had been kept in its original category (change in fair value)	Recognised income and expenses	If the asset had been kept in its original category (change in fair value)
Financial assets at fair value through profit and loss reclassified into loans and receivables	1	(3)	28	(598)	(65)	(74)	(37)	(672)

Additional information

At the reclassification date, the reclassified financial assets in 2011 effective interest rates were between 1.29% and 1.61%, with non-discounted future cash flows of around €145 million.

→ NOTE 10 : FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value 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 likely to change in subsequent periods due to developments in market conditions or other factors.

These values represent the best estimate that can be made and are based on a certain number of 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 assets and liabilities valued on the basis of amortised cost method

€ million	31.12.2011		31.12.2010	
	Book value	Estimated Market value	Book value	Estimated Market value
Assets				
Due from banks	79,570	79,570	71,581	71,581
Loans and advances to customers	168,216	167,535	157,667	156,962
Held-to-maturity financial assets				
Liabilities				
Due to banks	86,894	86,894	75,339	75,339
Customer accounts	157,613	157,613	143,489	143,489
Debt securities in issue	25,036	25,047	61,925	61,907
Subordinated debts	8,183	8,183	8,672	8,672

In some cases, market values are close to book values. This is particularly the case for:

- floating-rate assets or liabilities where changes in interest rates have no significant influence on fair value, as the rates on these instruments are frequently adjusted to market rates;
- short-term assets or liabilities where the redemption value is considered to be close to the market value
- sight liabilities;
- transactions for which there are no reliable observable data

10.2 Information on financial instruments measured at fair value

Analysis of financial instruments at fair value by valuation model

Financial assets measured at fair value

Given amounts include related receivables and are net of impairments charges.

€ million	Total 30.12.2011	Price quoted for identical instruments in an active market: Level 1	Measurement based on observable data: Level2	Measurement based on non observable data: Level 3	Total 31.12.2010	Price quoted for identical instruments in an active market: Level 1	Measurement based on observable data: Level2	Measurement based on non observable data: Level 3
Financial liabilities held for trading	**461,855**	**50,314**	**403,163**	**8,378**	**388,407**	**84,938**	**295,067**	**8,402**
Advances to customers	263		263		435		435	
Securities bought under repurchase agreement	38,027		38,027		54,560		54,560	
Securities held for trading	49,550	45,032	3,555	963	82,212	79,472	1,529	1,211
Treasury bills and similar items	*25,465*	*25,459*	*6*		*33,601*	*33,601*		
Bonds and other fixed-income securities	*14,878*	*10,907*	*3,008*	*963*	*31,839*	*29,135*	*1,493*	*1,211*
Equities and other variable-income securities	*9,207*	*8,666*	*541*		*16,772*	*16,736*	*36*	
Derivative financial instruments	374,015	5,282	361,318	7,415	251,200	5,466	238,543	7,191
Financial assets designated as at fair value through profit and loss upon initial recognition	**188**		**188**		**124**	**16**	**108**	
Securities designated as at fair value through profit and loss upon initial recognition	188		188		124	16	108	
Treasury bills and similar items								
Bonds and other fixed-income securities	*94*		*94*		*16*	*16*		
Equities and other variable-income securities	*94*		*94*		*108*		*108*	
Available-for-sale financial assets	**14,264**	**11,242**	**3,022**		**19,098**	**16,860**	**2,238**	
Treasury bills and similar items	5,128	5,127	1		8,486	8,486		
Bonds and other fixed-income securities	7,905	5,905	2,000		9,242	7,976	1,266	
Equities and other variable-income securities	1,231	210	1,021		1,370	398	972	
Derivatives hedging instruments	**1,639**		**1,639**		**1,184**		**1,184**	
Total financial assets at fair value	**477,946**	**61,556**	**408,012**	**8,378**	**408,813**	**101,814**	**298,597**	**8,402**

Financial liabilities measured at fair value

The amounts shown include accrued interests.

€ million	**Total 30.12.2011**	Price quoted for identical instruments in an active market: Level 1	Measurement based on observable data: Level2	Measurement based on non observable data: Level 3	**Total 31.12.2010**	Price quoted for identical instruments in an active market: Level 1	Measurement based on observable data: Level2	Measurement based on non observable data: Level 3
Financial liabilities held for trading	**466,678**	**30,912**	**433,209**	**2,556**	**361,185**	**5,589**	**351,656**	**3,940**
Securities sold short	26,259	24,724	1,535		25,486		25,486	
Securities sold under repurchase agreements	36,013		36,013		56,321		56,321	
Debt securities in issue	32,530		32,530		31,828		31,828	
Derivative financial instruments	371,876	6,188	363,131	2,556	247,550	5,589	238,021	3,940
Financial liabilities designated as at fair value through profit and loss								
Derivative hedging instruments	**1,602**		**1,602**		**1,273**		**1,273**	
Total financial liabilities at fair value	**468,280**	**30,912**	**434,811**	**2,556**	**362,458**	**5,589**	**352,929**	**3,940**

Changes in valuation mode

There were no material transfers between Level 1 and Level 2 over the period.

Financial instruments valued on Level 3 model

At 31 December 2011, financial instruments whose measurement is based on non-observable data (Level 3) mainly included:

- CDO units with US mortgage underlying;
- hedges on certain of the above-mentioned CDOs with US mortgage underlying;
- CDO-type products indexed to corporate credit risk (correlation businesses);
- to a lesser extent, the fair value of shares in SCI property companies and SCPI property investment funds and other fixed-income, equity and credit derivatives.

Valuation method used

- The method used to measure super-senior CDOs with US mortgage underlying is described in the section “Risk factors and Pillar 3”.
- Corporate CDOs are valued with the help of a pricing model, which distributes losses expected by the market according to the level of subordination of each transaction. The model uses both observable data (margins on credit default swaps) and data that became much less observable (correlation data relating to CDOs based on a standard basket of corporate bonds). Crédit Agricole CIB adjusted its model to take this factor into account and update it regularly. More specifi cally, on the least liquid senior tranches, Crédit Agricole CIB introduced measurement variables adjusted to its assessment of the intrinsic risk of its exposures.

Net change in financial instruments measured at fair value on a level 3 valuation model

Financial assets measured at fair value on a level 3

€ million	Total	Financial assets held for trading				
		Securities held for trading	*Treasury bills and similar items*	*Bonds and other fixed income securities*	*Equities and other variable income securities*	**Derivative financial instruments**
Opening balance (01.01.2011)	**8,402**	**1,211**		**1,211**		**7,191**
Total gains or losses(1)	1,668	(246)		(246)		1,914
Accounted in profit and loss	*1,668*	*(246)*		*(246)*		*1,914*
Accounted in other comprehensive income						
Purchases	201					201
Sales	(1,104)	(2)		(2)		(1,102)
Issues						
Settlements	(366)					(366)
Transfers	(423)					(423)
Transfers to Level 3						
Transfers out of Level 3	*(423)*					*(423)*
Closing balance (31.12.2011)	**8,378**	**963**		**963**		**7,415**

(1) Gains and losses from financial assets on the statement of financial position at the closing date amounted to €1,842 million.
Gains and losses on financial instruments held for trading are recorded in the income statement under " Net gains/(losses) on financial instruments at fair value through profit and loss ".

Financial liabilities measured at fair value on a level 3

€ million	Total	Financial liabilities held for trading					
		Securities sold short	Securities sold under repurchase agreements	Debt securities in issue	Due to customers	Due to banks	Derivative financial instruments
Opening balance (01.01.2011)	**3,940**						**3,940**
Total gains or losses(1)	(166)						(166)
Accounted in profit and loss	*(166)*						*(166)*
Accounted in other comprehensive income							
Purchases	134						134
Sales	(627)						(627)
Issues							
Settlements	(227)						(227)
Transfers	(498)						(498)
Transfers to Level 3							
Transfers out of Level 3	*(498)*						*(498)*
Closing balance (31.12.2011)	**2,556**						**2,556**

(1) Gains and losses from financial liabilities on the statement of financial position at the closing date amounted to €277 million.
Gains and losses on financial instruments held for trading are recorded in the income statement under " Net gains/(losses) on financial instruments at fair value through profit and loss ".

Gains and losses for the period from assets and liabilities on the balance sheet at year-end (+€2,119 million approximately) mainly include:

- the impact of changes in value recognised on CDO units with US mortgage underlying and their hedges, in the amount of approximately + €41 million;
- the change in value of other interest rate, credit and equity derivatives, and notably corporate CDOs valued on the basis of data that became non-observable, in the amount of approximately +€2,078 million.

However, the fair value (and the change in fair value) of these products by itself is not representative. 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 change in their value), which to a large extent is symmetrical to the valuation of products measured on the basis of data deemed to be non-observable, does not appear in the table above.

During the period, the fair value of financial instruments transferred out of Level 3 was approximately €921 million. These transfers are mainly due to the restored observability horizon over the maturity of certain measurement variables over time and to the review of the observability map.

Sensitivity analysis of financial instruments measured at fair value on a Level 3 valuation model

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, including €50 million on CDOs with US mortgage underlying and €73 million for corporate CDO business).

Sensitivity is calibrated independently of the front office, based primarily on consensus data:

- **Corporate CDOs:** the extent of uncertainty over the default correlation (a non-observable variable) is determined based on the standard deviation between the consensus data relative to the 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 is determined based on the standard deviation of the consensus data ; this measurement applies to the dividends on the one hand and to the correlation on the other hand.
- **Fixed-income derivatives:** a 2% shock is applied to the main correlations (Interest rate/ Exchange rate and Interest rate/Interest rate).

10.3 Measurement of the impact of taking into account gains

€ million	31.12.2011	31.12.2010
Deferred gains at January, 1st	**241**	**297**
Deferred gains generated by new transactions during the period	27	51
Recognised in income during the period		
Amortisation and cancelled/redeemed/expired transactions	(106)	(107)
Effect of parameters or products that became observable during the year		
Deferred gains at the end of the period	**162**	**241**

→ POST- STATEMENT OF FINANCIAL POSITION EVENTS

11.1 Correlation activity

The agreement between Crédit Agricole CIB and BlueMountain was signed on 12 February 2012, with regard the transfer, as of 2012, of the market risk exposure linked to the correlation activity. This transaction had no financial impact in 2011.

NOTE 12 : SCOPE OF CONSOLIDATION AT 31 DECEMBER 2011

The scope of consolidation at 31 December 2011 is detailed as follows.

Subsidiaries, joint-ventures and associates	(a)	Country	Méthod	% control		% interest	
				31.12. 2011	31.12. 2010	31.12. 2011	31.12. 2010
Parent company							
Crédit Agricole CIB (SA)		France	parent	**100.00**	100.00	**100.00**	100.00
Banks and financial institutions							
Banco Crédit Agricole Brasil SA		Brazil	full	**100.00**	100.00	**100.00**	100.00
Banque Saudi Fransi - BSF		Saudi Arabia	equity	**31.11**	31.11	**31.11**	31.11
Calyon Algérie		Algeria	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Australia Limited		Australia	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB China Limited		China	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Merchant Bank Asia Ltd		Singapore	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Services Private Limited		India	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB ZAO Russia		Russia	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Luxembourg		Luxembourg	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Suisse		Switzerland	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Suisse (Bahamas)		Bahamas	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Yatirim Bankasi Turk AS		Turkey	full	**100.00**	100.00	**100.00**	100.00
Crédit Foncier de Monaco		Monaco	full	**70.13**	70.13	**68.92**	68.95
Finanziaria Indosuez International Ltd		Switzerland	full	**100.00**	100.00	**100.00**	100.00
LF Investments LP	D1	United States	full		99.00		99.00
Newedge (group)		France	proportional	**50.00**	50.00	**50.00**	50.00
PJSC Crédit Agricole CIB Ukraine		Ukraine	full	**100.00**	100.00	**100.00**	100.00
UBAF		France	proportional	**47.01**	47.01	**47.01**	47.01
Brokerage companies							
Cheuvreux/CLSA/Global Portfolio Trading Pte Ltd.		Singapour	full	**100.00**	100.00	**100.00**	100.00
CLSA B.V.		Netherlands	full	**100.00**	100.00	**98.88**	98.88
Crédit Agricole Cheuvreux North America, Inc		United States	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Securities (USA) Inc		United States	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Cheuvreux Espana S.A.		Spain	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Cheuvreux International Ltd		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Cheuvreux Nordic AB SB		Sweden	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Cheuvreux S.A.		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Van Moer Courtens	E3	Belgium	full	**85.00**		**85.00**	

Subsidiaries, joint-ventures and associates	(a)	Country	Méthod	% de contrôle		% d'intérêt	
				31.12. 2011	31.12. 2010	**31.12. 2011**	31.12. 2010
Investment companies							
Amundi Ibérica SGIIC SA	S 3	Spain	equity		45.00		45.00
Banque de Financement et de Trésorerie	E 3	France	full	**100.00**		**100.00**	
CAFI Kedros	S 5	France	full		100.00		100.00
CAI BP Holding	S 5	France	full		100.00		100.00
Calyon Capital Market International	S 5	France	full		100.00		100.00
Compagnie Française de l'Asie (CFA)		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Air Finance SA		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Capital Market Asia BV		Netherlands	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Global Partners Inc.(groupe)		United States	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Holdings Limited		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB UK IH		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Private Banking	E 2	France	full	**100.00**		**100.00**	
Crédit Agricole Securities Asia BV (Tokyo)		Japan	full	**100.00**	100.00	**100.00**	100.00
Doumer Finance SAS		France	full	**100.00**	100.00	**100.00**	100.00
Fininvest		France	full	**98.27**	98.27	**98.27**	98.27
Fletirec (groupe)		France	full	**100.00**	100.00	**100.00**	100.00
IPFO		France	full	**100.00**	100.00	**100.00**	100.00
Mescas	S 5	France	full		100.00		100.00
SAFEC		Switzerland	full	**100.00**	100.00	**100.00**	100.00
Leasing companies							
Cardinalimmo		France	full	**49.61**	49.61	**49.61**	49.61
Financière Immobilière Crédit Agricole CIB		France	full	**100.00**	100.00	**100.00**	100.00
Insurance							
CAIRS Assurance SA		France	full	**100.00**	100.00	**100.00**	100.00
Other							
Aguadana SL		Spain	full	**100.00**	100.00	**100.00**	100.00
Aylesbury BV		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
Bletchley Investments Ltd	S 2	United Kingdom	full		82.22		100.00
CA Brasil DTVM		Brazil	full	**100.00**	100.00	**100.00**	100.00
CA Conseil SA		Luxembourg	full	**99.99**	99.99	**99.99**	99.99
Calixis Finance		France	full	**100.00**	100.00	**100.00**	100.00
Calliope srl		Italy	full	**100.00**	100.00	**67.00**	67.00
Calyce PLC		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
CLIFAP		France	full	**100.00**	100.00	**100.00**	100.00
CLINFIM		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Asia Shipfinance Ltd		Hong Kong	full	**99.99**	99.99	**99.99**	99.99
Crédit Agricole CIB Finance Guernesey Ltd		United Kingdom	full	**99.90**	99.90	**99.90**	99.90
Crédit Agricole CIB Financial Products Guernesey Ltd		United Kingdom	full	**99.90**	99.90	**99.90**	99.90

Subsidiaries, joint-ventures and associates	(a)	Country	Méthod	% control		% interest	
				31.12. 2011	31.12. 2010	**31.12. 2011**	31.12. 2010
Crédit Agricole CIB Financial Solutions		France	full	**99.76**	99.72	**99.76**	99.72
Crédit Agricole CIB Global Banking		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB LP	S 5	France	full		100.00		100.00
Crédit Agricole CIB Preferred Funding II LLC		United States	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Preferred Funding LLC		United States	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Private Banking Levante		Spain	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Private Banking Norte		Spain	full	**100.00**	100.00	**100.00**	100.00
DGAD International SARL		Luxembourg	full	**100.00**	100.00	**100.00**	100.00
Ester Finance Titrisation		France	full	**100.00**	100.00	**100.00**	100.00
European NPL S.A.		Luxembourg	full	**60.00**	60.00	**67.00**	67.00
Fonds Alcor		Hong Kong	full	**100.00**	98.76	**100.00**	98.76
Himalia PLC		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
Immobilière Sirius SA		Luxembourg	full	**100.00**	100.00	**100.00**	100.00
INCA Sarl		Luxembourg	full	**65.00**	65.00	**65.00**	65.00
Indosuez Finance Ltd		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
Indosuez Holding SCA II		Luxembourg	full	**100.00**	100.00	**100.00**	100.00
Indosuez Management Luxembourg II		Luxembourg	full	**100.00**	100.00	**100.00**	100.00
Island Refinancing Srl		Italy	full	**100.00**	100.00	**67.00**	67.00
Korea 21st Century Trust	S 1	South Korea	full		100.00		100.00
LDF 65 (SPV)		Luxembourg	full	**64.94**	64.94	**64.94**	64.94
LSF Italian Finance Company SRL		Italy	full	**100.00**	100.00	**67.00**	67.00
Lyane BV		Netherlands	full	**65.00**	65.00	**65.00**	65.00
MERISMA		France	full	**100.00**	100.00	**100.00**	100.00
Sagrantino BV		Netherlands	full	**100.00**	100.00	**67.00**	67.00
Sagrantino Italy srl		Italy	full	**100.00**	100.00	**67.00**	67.00
SNC Doumer		France	full	**99.94**	99.94	**99.94**	99.94
SNC Shaun	S3	France	full		100.00		100.00

(a) Entrance (E) in the scope
E 1: Threshold crossing
E 2: Creation
E 3: Acquisition (including gain of control)

Exit (S) of the scope:
S 1: End of business (selling off, dissolution)
S 2: Companies disposal outside the Group or loss of control
S 3: Entities out of consolidation scope for being “not significant”
S 4: Merger
S 5: Universal Transfer of Capital

Other:
D 1: Consolidation method change

Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2011

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers.

The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information 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 in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby submit our report for the year ended 31 December 2011 on:

- our audit of Crédit Agricole Corporate and Investment Bank's consolidated financial statements as attached to this report,
- the substantiation of our opinion,
- the specific procedures and disclosures required by law.

The consolidated financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements and evaluating their overall presentation. We believe that the evidence we have collected is relevant and sufficient for the formation of our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the companies and entities included in the consolidated Group in accordance with the IFRS standards as adopted in the European Union.

II. SUBSTANTIATION OF OUR OPINION

The accounting estimates used to prepare the financial statements of 31 December 2011 were produced in an uncertain environment, due to the public debt crises of certain eurozone countries (especially Greece), together with an economic crisis and a liquidity crisis, making it difficult to assess the economic outlook. It was against this background thatpursuant to the provisions of Article L.823-9 of the Code de Commerce [French Commercial Code] concerning the substantiation of our opinion, we bring to your attention the following items:

- The Group books impairment reserves to cover credit risks which are inherent to its business activities. We have reviewed the arrangements put in place by management to identify and evaluate these risks and to determine the amount of impairment it considers necessary, and we have verified that these accounting estimates were based on documented methods that complied with the principles described in note 1.3 to the consolidated financial statements.
- As stated in note 1.3 and 10.2 to the financial statements, your Group uses internal models to assess the fair value of certain financial instruments not listed in an active market. Our work entailed reviewing the control system applied to the models used, the underlying assumptions and the methods for taking into account the risks associated with such instruments.
- As stated in notes 1.3 and 2.4 to the financial statements, your Group carried out impairment tests on the goodwill value. We examined the way in which these tests were carried out as well as the main parameters and hypotheses used, and we are satisfied with the suitability of the way they are presented in the notes to the financial statements.
- As stated in note 1.3 to the financial statements, your Group in order to determine the fair value of the issues recorded at fair value through profit or loss, produced estimates of the Group's issuer credit risk. We have examined the methods and hypotheses used and checked that all resulting accounting estimates are based on documented methods that comply with the principles described in the financial sta-

tements.

- The Group has made a number of other accounting estimates as explained in note 1.3 to the consolidated financial statements, notably regarding the valuation and impairment of non-consolidated equity securities, the pension provision and future employee benefits, reserves for operational risks, reserves for legal risks and deferred tax assets. In 2011 your Group also estimated the provisions for restructuring costs as explained in notes 2.1 and 4.6 to the financial statements.Our work consisted of examining the methods and assumptions used and verifying that the resulting accounting estimates are based on documented methods in accordance with the principles described in note 1.3. to the financial statements.

Our assessments were made, taken as a whole, and therefore assisted us in reaching our unqualified opinion as expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We also carried out, in accordance with professional standards applicable in France, the specific verification, required by law, of information relating to the Group in the management report.

We are satisfied that the information is fairly stated and agrees with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, 14 March 2012

Statutory Auditors

PricewaterhouseCoopers Audit
Catherine Pariset Pierre Clavié

ERNST & YOUNG et Autres
Valérie Meeus

6 PARENT-COMPANY FINANCIAL STATEMENTS

approved by the Board of Directors in its meeting of 21 February 2012 and put to shareholders for their approval in the 15 May 2012 shareholders' meeting

Crédit agricole CIB (SA) financial statements

→ ASSETS

€ million	Notes	31.12.2011	31.12.2010
Interbank and similar items		**135,678**	**153,720**
Cash due from central banks and French postal system		19,923	18,882
Treasury bills and similar items	4, 4.2, 4.3 and 4.4	27,843	33,563
Due from banks	2	87,912	101,275
Customer items	3, 3.1, 3.2, 3.3. and 3.4	**136,554**	**121,829**
Securities portfolios		**40,196**	**62,933**
Bonds and other fixed-income securities	4, 4.2, 4.3 and 4.4	28,821	47,944
Equities and other variable-income securities	4 and 4.2	11,375	14,989
Non-current assets		**9,005**	**8,439**
Participating interests and other long-term investments	5, 5.1 and 6	566	735
Investments in non-consolidated companies	5, 5.1 and 6	8,118	7,338
Intangible assets	6	150	91
Property, plant and equipment	6	171	275
Treasury shares		**0**	**0**
Accruals, prepayments and sundry assets		**437,672**	**309,237**
Other assets	7	88,386	78,014
Accruals and prepayments	7	349,286	231,223
Total assets		**759,105**	**656,158**

→ LIABILITIES AND SHAREHOLDERS' EQUITY

€ million	Notes	31.12.2011	31.12.2010
Interbank and similar items		**118,126**	**113,268**
Due to central banks and current accounts with French postal systems		81	757
Due to banks	9	118,045	112,511
Customer accounts		**127,427**	**131,694**
Government-regulated savings plans			
Other liabilities	10.1, 10.2 and 10.3	127,427	131,694
Debt securities in issue	11.1 and 11.2	**48,017**	**78,275**
Accruals, deferred income and sundry liabilities		**443,526**	**311,757**
Other liabilities	12	95,180	86,850
Accruals and deferred income	12	348,346	224,907
Reserves and subordinated debt		**12,105**	**12,065**
Impairment for risks and expenses	13	3,442	2,932
Subordinated debt	14	8,663	9,133
Fund for general banking risks		**105**	**105**
Shareholders' equity (excl. FGBR)	15	**9,799**	**8,993**
Share capital		6,775	6,056
Share premiums		738	502
Reserves		419	350
Excess of restated assets over historical cost			
Regulated reserves and investment grants		18	13
Retained earnings		1,153	684
Net income for the year		696	1,388
Total liabilities and shareholders' equity		**759,105**	**656,158**

→ OFF-BALANCE SHEET ITEMS

€ million	31.12.2011	31.12.2010
Commitments given	**229,891**	**224,515**
Financing commitments	98,822	105,319
Guarantee commitments	68,268	78,858
Securities commitments	5,053	1,893
Other commitments given[1]	57,748	38,445
Commitments received	**153,427**	**147,520**
Financing commitments	22,327	33,029
Guarantee commitments[2]	122,322	110,272
Securities commitments	5,668	1,751
Other commitments received	3,110	2,467

[1] Including a €5,608 million asset to support Crédit Agricole S.A. involvement in the financing granted by SFEF (Société de Financement de l'Economie Française) to the French economy.
At 31.12.10, these amounted to €5,719 million.

[2] Including €3,676 million of guarantee commitments received from Crédit Agricole S.A..

Off-balance sheet items: other information

Foreign exchange transactions and amounts payable in foreign currency: note 18

Transactions involving forward financial instruments: notes 19, 19.1, 19.2 and 19.3

INCOME STATEMENT

€ million	Notes	2011	2010
Net interest and similar income		**1,268**	**1,371**
Interest and similar income	20 and 21	5,241	4,311
Interest and similar expenses	20	(3,973)	(2,940)
Income from variable-income securities	21	**377**	**319**
Net commission and fee income	22 and 22.1	**809**	**902**
Net income from financial transactions		**1,075**	**520**
Net gain/(loss) from trading portfolios	23	1,071	341
Net gain/(loss) from investment portfolios and similar	24	4	179
Other net banking income		**(59)**	**227**
Net banking income		**3,470**	**3,339**
Operating expenses		**(2,384)**	**(2,123)**
Personnel costs	25.1 and 25.2	(1,448)	(1,313)
Other operating expenses	25.3	(936)	(810)
Depreciation and amortization		**(72)**	**(78)**
Gross operating income		**1,014**	**1,138**
Cost of risk	26	(486)	(594)
Net operating income		**528**	**544**
Net gain/(loss) on disposal of non-current assets	27	(531)	(335)
Pre-tax income on ordinary activities		**(3)**	**209**
Net extraordinary items		1	(2)
Corporate income tax	28	702	1,176
Net allocation to the FGBR and regulated reserves		(4)	5
Net income		**696**	**1,388**

Notes to the parent-company financial statements

→ NOTE 1 : ACCOUNTING PRINCIPLES AND POLICIES

Crédit Agricole CIB (SA) prepares its financial statements in accordance with French accounting standards applicable to banks in France.

The presentation of Crédit Agricole CIB's financial statements complies with CRB (Comité de la Réglementation Bancaire) regulation 91-01, as amended by CRC (Comité de la Réglementation Comptable) regulation 2000-03 relating to the preparation and publication of parent-company financial statements of companies governed by the CRBF (Comité de la Réglementation Bancaire et Financière) amended mostly in 2010 by regulation ANC N° 2010-08 dated 7 October 2010 relative to the disclosure of credit institutions' parent-company financial statements.

The accounting policies and presentation of the financial statements were unchanged in 2011 from the previous financial year.

Receivables

Receivables on credit institutions, Crédit Agricole Group entities and customers are governed by Regulation 2002-03 of 12 December 2002, as amended, issued by the French Accounting Regulations Committee (Comité de la Réglementation Comptable - CRC).

They are analysed based on their initial term or the type of receivable:

- current and term receivables, for credit institutions,
- current accounts, term accounts and term advances, for internal Crédit Agricole transactions,
- commercial and other receivables and sight accounts, for customers.

In accordance with regulatory requirements, the "customers " category also includes transactions with financial customers.

Receivables are recognised initially at nominal value. Interest accrued on receivables is recognised in a receivables-related account and in the income statement.

In application of CRC Regulation 2009-03, fees and commissions received, as well as marginal transaction costs borne, are now amortised over the effective term of the credit. Accordingly, they are shown as part of the outstanding amount of the credit concerned.

The application of CRC Regulation 2002-03, as amended, concerning the accounting treatment of credit risk resulted in Crédit Agricole CIB recognising receivables with a risk of non-payment in accordance with the following rules.The use of external and/or internal rating systems contributes to appraise the existence of a credit risk.

Restructured loans

Restructured loans are loans to counterparties experiencing financial difficulties such that the credit institutions decides to alter the initial characteristics of the contract (term, interest rate etc.) in order to enable the counterparties to honour their repayment schedules.

As a result, the following are excluded from restructured loans:

- loans whose characteristics have been renegotiated on a commercial basis and whose counterparties do not show 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).

Bad and doubtful debts

Loans and advances of all kinds, even those that are guaranteed, are classified as doubtful if they carry an identified credit risk on an individual basis arising from one of the following events:

- loan or advance is at least:
  - * six months in arrears for mortgage loans taken out by personal customers in France and the EU (three months for personal customers outside France and the EU);
  - * six months in arrears for property leases taken out by personal customers in France and the EU (three months for personal customers outside France and the EU);
  - * six months in arrears for loans to local authorities in France and the EU (three months for local authorities outside France and the EU);
  - * three months in arrears for loans to central governments, regional governments and public-sector entities (all territories);
  - * three months in arrears for all other loans (all territories);
- 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 length of arrears is beginning when the debtor has exceeded an authorised limit and has been made aware of this by the institution or when the debtor has been warned that its borrowings exceed a internal control limit set by the institution, or when the debtor has drawn amounts without an overdraft authorisation.

Instead of using these criteria, the length of arrears may begin when the credit institution has requested that the debtor repay some or all of the overdraft.

Crédit Agricole CIB makes the following distinction between doubtful and bad debts:

Doubtful debts

All doubtful debts and advances 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.

For doubtful debts, interest is still recognised as long as the debt is doubtful and stops when the loan is transferred to bad debts.

Impairment resulting from individually assessed credit risk

Once a loan is classified as doubtful, an impairment charge is deducted from the asset in an amount equal to the probable loss. This impairment corresponds to the difference between the book value of the receivable and the present value of estimated future cash flows at the contractual interest rate, taking into account the counterparty's financial position, economic outlook and any collateral minus realisation costs.

For outstandings comprising minor receivables presenting similar characteristics, the counterparty-by-counterparty review may be replaced by a statistical estimate of projected losses.

Probable losses in respect of off-balance sheet items are covered by reserves on the liabilities side of the balance sheet.

Treatment of discounts and impairment

Discounts in respect of restructured loans and impairment charges against doubtful debts are recognised in profit and loss under cost of risk. For restructured loans classified as performing, the discount is amortised to profit and loss in net interest income over the remaining life of the loan. For doubtful debts, whether restructured or not, impairment charges and write-backs are recorded under cost of risk. The rise in the book value related to the impairment write-backs and the amortisation of discounts arising from the passage of time are recorded under net interest income.

Impairment for credit risk not individually impaired

Crédit Agricole CIB also books reserves on the liabilities side of the balance sheet to cover customer risks that are not individually allocated to loans.

Collective reserves are booked for sets of counterparties and countries under surveillance and sectors showing identified risk. These reserves are designed to cover specific risks on loans classified as performing or not individually impaired, for which there is a statistical or historical probability of partial non-recovery.

Country Risk

Country risk (or international commitment risk) comprises “the total amount of non-compromised commitments, both on- and off-balance sheet, carried by an institution either directly or through so-called defeasance structures on private or public debtors resident in the countries listed by the French Prudential Supervisory Authority (Autorité de Contrôle Prudentiel), or for which the successful settlement depends on the situation of private or public debtors resident in such countries ”. (French Banking Commission (Commission Bancaire) memorandum of 24 December 1998).

When these receivables are not doubtful they remain in their original accounts.

Write-off

The appreciation of the write-off period is based on an expert judgement. Crédit Agricole CIB determines it with its Risk Management division, in accordance with its knowledge of the activity.

Securities transactions

The rules on recognising securities transactions are defined by CRBF regulation 90-01 as amended by CRC regulations 2005-01, 2008-07 and 2008-17 and the CRC amended regulation 2002-03, as regards identification and impairment relating to credit risk on fixed-income securities.

Securities are presented in the financial statements by type: Treasury bills and similar, bonds and other fixed-income securities (negotiable debt instruments and interbank market securities), equities and other variable-income securities.

They are classified in the portfolios specified by regulations (trading, available-for-sale, held-to-maturity, portfolio, other securities held over the long term, investments in non-consolidated subsidiaries) depending on the initial ownership intention relating to the securities identified in the accounting IT system on purchase.

Trading securities

Trading securities 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 significant trading volume taking into account market opportunities.

These securities must be tradable on an active market and market prices must represent real transactions taking place regularly in the market in normal competitive conditions.

Trading securities also include:

- securities bought or sold as part of specialist management of the trading portfolio, including forward financial instruments, securities or other financial instruments that are managed together 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 market for financial instruments or similar.

Except where provided for by CRC regulation 2008-17 (see “Reclassification of securities” section below), securities held for trading cannot be reclassified into another category, and are presented and measured as securities held for trading until they leave the balance sheet through being sold, fully redeemed or written off.

Securities held for trading are recognized on the date they are purchased in the amount of their purchase price, excluding incidental purchase costs and including accrued interest.

Liabilities relating to securities sold short are recognized on the liabilities side of the seller’s balance sheet in the amount of the selling price excluding incidental purchase costs.

At each period-end, securities are measured at the most recent market price. The overall balance of differences resulting from price variations is taken to profit and loss and recorded in the “Net gain/(loss) from trading portfolios” item.

Available-for-sale securities

This category consists of securities that do not fall into any other category.

The securities are recorded at their purchase price, excluding incidental purchase costs.

Bonds and other fixed-income securities

These securities are recorded at their purchase price including accrued interest. The difference between the purchase price and the redemption value is spread over the security’s remaining life according to an actuarial method.

Revenue is recorded in the income statement under: “Interest and similar income from bonds and other fixed-income securities”

Equities and other variable-income Securities

Equities are recorded on the balance sheet at purchase price excluding incidental acquisition costs. Dividend revenues from equities are taken to the income statement under “Income from variable-income securities”.

At the end of the period, available-for-sale securities are measured at the lower of purchase cost and market value. If the current value of an item or a homogeneous set of securities (calculated from the trading sessions on the reporting date, for example) is lower than its carrying value, an impairment loss is recorded in the amount of the unrealized capital losses, with no netting of gains recognized on other categories of securities.

Gains from hedging, within the meaning of article 4 of CRB regulation 88-02, in the form of purchases or sales of forward financial instruments, are taken into account when calculating impairment.

Possible gains are not recognized.

In addition, for fixed-income securities identified as doubtful, impairment intended to take into account counterparty risk and recognised under cost of risk is booked as follows:

- in the case of listed securities, impairment is based on market value, which intrinsically reflects credit risk. However if particular information available to Credit Agricole CIB on the financial situation of the issuer is not reflected in the market value, a specific impairment is booked;
- in the case of unlisted securities, impairment is carried out in the same way as on loans and advances to customers based on identified probable losses (cf. previous subdivision of “loans to customers”; paragraph “Impairment resulting from individually assessed credit risk”).

Sales of securities are deemed to take place on a first-in first-out basis.

Impairment charges and write-backs and disposal gains or losses on available-for-sale securities are recorded under “Net gain/(loss) from investment portfolios and similar”. Income from equities and other variable-income securities is recorded on the income statement under “Income from variable-income securities”.

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 CIB has the necessary financial capacity to continue holding them until maturity and that are not subject to any legal or other constraint that could threaten its plan to hold them until maturity.

Held-to-maturity securities are recognised at acquisition price, excluding incidental purchase costs, and including coupons.

The difference between the purchase price and the redemption price is spread over the security’s remaining life.

Impairment is not booked for held-to-maturity securities if their market value falls below cost. However, if impairment is related to a risk specific to the security’s issuer, impairment is booked in accordance with CRC regulation 2002-03 relating to credit risk; it is recorded in the “cost of risk” item.

In the event that held-to-maturity securities are sold or transferred to another category of securities, in a significant amount relative to the total amount of held-to-maturity securities held by the entity, the entity is no longer authorised to classify securities previously acquired and to be acquired as held-to-maturity securities during that year and for two subsequent years, in accordance with CRC regulation 2005-01, excluding the exceptions specified by this regulation and by CRC regulation 2008-17.

Portfolio securities

In accordance with CRC regulation 2000-02 and with the 2000-12 Autorité de Contrôle Prudentiel instructions, securities in this category comprise investments made on a regular basis with the sole aim of securing a capital gain in the medium term, with no intention of investing in the longer term in the development of the investee company’s business or of becoming actively involved in its operational management.

In addition, securities can only be transferred to this portfolio if the significant and permanent activity is carried out within a structured framework and generates regular income, mainly coming from disposal gains.

Crédit Agricole CIB meets these conditions and can classify some of these securities in this category.

Portfolio securities are recorded at acquisition price, excluding incidental purchase costs.

On the accounts closing date, these securities are measured at the lower of cost or value in use, which is determined by taking into account the issuer's general prospects and the estimated remaining term of ownership.

For listed companies, value in use is usually the average market price assessed over a sufficiently long period (taking into account the planned term of ownership) to offset the effect of temporary sharp variations in the share price.

Any unrealised capital losses are calculated for each security, and are subject to impairment without netting of unrealised capital gains. Unrealised gains are not recognised. They are recorded in the "Net gain/(loss) from investment portfolios and similar" items, as well as the impairment flows related to these securities.

Unrealised gains are not recognised.

Investments in affiliates, nonconsolidated subsidiaries and other long-term securities

- Investments in affiliates are shares in companies over which Crédit Agricole CIB (SA) has sole control and that are or may be fully consolidated in the same consolidated whole.
- Investments in non-consolidated subsidiaries are securities (other than shares in a related company) of which the other-than-temporary ownership is deemed useful for the business of a credit institution, including because it allows it to exert influence or control over the issuer.
- Other long-term securities 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.

Investments in affiliates and non-consolidated subsidiaries are recognized at their purchase price including incidental purchase costs in accordance with CRC regulation 2008-07.

The other long-term securities are recognized at their purchase price excluding incidental purchase cost.

At period-end, the securities are measured individually on the basis of their fair value, and are stated on the balance sheet at the lower of cost or fair value.

The fair value of these securities is the sum the bank would agree to pay to acquire them, taking into account its ownership objectives.

Fair value can be estimated on the basis of various factors such as the profitability and earnings outlook of the issuing company, its shareholders' equity, the economic situation, the average listed price in the last few months and the security's mathematical value.

Where the fair value of a security is lower than acquisition cost, the unrealised loss is recognised through impairment, with no offset against unrealised gains.

Additions and releases from impairment, together with disposal gains and losses, relating to these securities are recorded under "Net gain/(loss) on disposal of non-current assets".

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 CIB determines the likely value at which the security concerned would be traded using valuation techniques. In the first instance, these techniques take into account recent transactions carried out in normal competition conditions. If required, Crédit Agricole CIB 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.

Recording dates

Crédit Agricole CIB records securities classified as held-to-maturity securities on the settlement date. Other securities, regardless of type or classification, are recorded on the trade date.

Reclassification of securities

In accordance with CRC regulation 2008-17 of 10 December 2008, the following reclassifications of securities are now authorized:

- from the "held-for-trading " portfolio to the "held-to-maturity " or "available-for-sale" portfolios in an exceptional market situation or in the case of fixed-income securities that are no longer tradable on an active market, and if the institution intends and is able to hold them for the foreseeable future or until maturity;
- from the "available-for-sale" to the "held-to-maturity " portfolio in an exceptional market situation or in the case of fixed-income securities that are no longer tradable on an active market.

Securities bought or sold under repurchase agreements, loaned and Borrowed

Securities bought or sold under repurchase agreements

Assets sold under repurchase agreements continue to be recorded on the balance sheet. The amount received is recorded as a liability. In the other party's books, assets bought under repurchase agreements are not recorded on the balance sheet, although the amount paid is recorded as an amount due.

The corresponding income and expenses are taken to profit and loss on a prorate basis.

Securities sold under repurchase agreements continue to be subject to the accounting principles applicable to the securities category from which they originate.

Securities loaned and borrowed

In the accounts of the lender, a receivable is recorded in the balance sheet representing the market price of the loaned securities on the date of the loan, in place of the loaned securities. At each period end, the receivable is valued using the rules applicable to loaned securities, including the recognition of accrued interest on available-for-sale securities and held-to-maturity securities.

In the accounts of the borrower, the security is recorded as an asset under trading securities at the market price prevailing on the date the security was borrowed. A liability to the lender is recorded on the balance sheet under "Liabilities relating to stocklending transactions". At each period-end, securities are measured at the most recent market price.

Non-current assets

Crédit Agricole CIB applies CRC regulation 2002-10 relating to the depreciation, amortisation and impairment of assets.

As a result, Crédit Agricole CIB applies component accounting for all of its property, plant and equipment. In accordance with this regulation, the depreciable amount takes account of the potential residual value of assets.

In accordance with CRC regulation 2004-06, the cost of fixed assets comprises, in addition to the purchase price, associated expenses, i.e. costs related directly or indirectly to the acquisition to bring use of the asset up to standard.

Land is recorded at cost.

Buildings and equipment are measured at cost less accumulated depreciation and impairment charges.

Purchased software is measured at cost less accumulated depreciation and impairment charges.

Proprietary software is measured at production cost less accumulated depreciation and impairment charges.

With the exception of software, intangible assets are not amortized. Intangible assets may be subject to impairment if required.

Non-current assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole CIB following the application of component accounting for non-current 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	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	3 to 7 years (accelerated or straightline)
Specialist equipment	4 to 5 years (accelerated or straightline)

Based on available information on the value of its non-current assets, Crédit Agricole CIB has concluded that impairment testing would not lead to any change in the depreciable amount.

Due to banks and customer accounts

Amounts due to banks and customer accounts are presented in the financial statements according to the initial term and nature of the liabilities:

- Demand or forward debts for credit institutions;
- Ordinary accounts, forward accounts and advances for Crédit Agricole internal transactions;
- Special savings accounts and other debts for clients (including financial clients in particular).

Repurchase transactions in the form of stocks or securities are included in these various categories depending on the type of counterparty.

Accrued interest on these debts is recognized under accrued interest payable in the income statement.

Debt securities in issue

Debt securities in issue are presented according to their type: short-term notes, interbank market securities and negotiable debt securities and bonds, except subordinated debt securities which are included in liabilities under “subordinated debt”.

Interest accrued but not yet due is recognised under accrued interest and taken to profit and loss.

Bond issue share and redemption premiums are depreciated over the life of the bond; the corresponding expense is entered under “interest and similar charges on bonds and other fixed-income securities”.

Crédit Agricole CIB also defers and amortizes borrowing expenses in its parent-company financial statements.

Commissions and fees on financial services paid to Regional Banks are registered in “Fee and commission expense”.

Reserves

Crédit Agricole CIB applies the Comité de Réglement Comptable regulation N°2000-06 relating to liabilities as regards the recognition and measurement of reserves.

Reserves items include any reserves relating to financing commitments, retirement and end-of-career employee benefits commitments, disputes and other risks.

Reserve for general banking risks (F.R.B.G.)

In accordance with the fourth European directive and the CRBF regulation 90-02 of 23 February 1990 relating to shareholders’ equity and to the 90-01 instruction of the Commission Bancaire, this reserve is maintained by Crédit Agricole CIB at the discretion of its management, to meet any charges or risks relating to banking operations but whose incidence is not certain.

Reserves are written back to cover any incidence of these risks during a given period.

Transactions on forward financial instruments and options

Hedging and market transactions involving forward interest-rate, exchange-rate or equity instruments are recorded in accordance with CRB modified regulations 88-02 and 90-15 and with 2003-03 instruction of the Commission Bancaire.

Commitments relating to these transactions are recorded off-balance sheet, the amount recorded being the nominal value of the contracts: this amount represents the volume of transactions outstanding.

Gains and losses from these transactions are recorded by type of instrument and strategy.

Where instruments are measured at market value, that value is determined:

- on the basis of available prices, if an active market exists;
- with the help of valuation methods and models.

Interest rate and foreign exchange transactions (swaps, FRAs, caps, floors, collars and swaptions)

Crédit Agricole CIB uses interest-rate and currency swaps mainly for the following purposes:

1. to maintain individual open positions in order, when possible, to take advantage of interest rate movements;
2. to hedge interest rate risks affecting one item or a set of homogeneous items;
3. to hedge and manage the group’s overall interest rate risk, except for transactions described in [2] and [4];
4. to carry out specialist management of a trading portfolio consisting of interest-rate or currency swaps, other forward interest-rate instruments, debt instruments or similar financial transactions.

Income and expenses related to transactions mentioned in the above section are recognized in the income statement as follows:

1. income and expenses are taken to profit and loss on a prorate basis, and reserves are booked for unrealised losses,
2. income and expenses are taken to profit and loss symmetrically to the recognition of income and expenses on the hedged item or set of items,
3. income and expenses are taken to profit and loss on a prorate basis, and unrealised gains and losses are not recognised,
4. income and expenses are taken to profit and loss at market value, adjusted through a reserve to take into account counterparty risks and future administrative expenses related to these contracts.

Market value is determined by discounting future cash flows using the zero coupon method.

As a rule, instruments cannot be reclassified between categories, except for transfers from category [2] to category [1] or [4] in the event of an interrupted hedge. Transfers are valued at the net book value of the instrument, which is then subject to the rules of the portfolio to which it is transferred.

Up-front and termination fees regarding interest rate or foreign exchange contracts are spread over the remaining maturity of the transaction or hedged item, except in the case of marked-to-market contracts, for which they are taken directly to the income statement.

Other interest-rate or equity transactions

Crédit Agricole CIB uses various instruments such as interest rate futures and equity derivatives for trading or specific hedging purposes.

Contracts concluded for trading purposes are stated at market value, and the corresponding gains or losses are taken to the income statement.

Gains or losses, realised or unrealised, resulting from the mark-to-market valuation of specific hedging contracts are spread over the maturity of the hedged instrument.

Credit derivatives

Crédit Agricole CIB uses credit derivatives mainly for hedging purposes, in for of Credit Default Swaps (CDS). CDSs are recognised as forward financial instruments, and premiums paid are recorded on a prorate basis in the income statement. Contracts concluded for trading purposes are stated at market value, and the corresponding gains or losses are taken to the income statement.

Complex transactions

A complex transaction is a synthetic combination of instruments of identical or different types and valuation methods. These transactions are recognised as a single batch or as a transaction whose recognition is not governed by any explicit regulations, with the result that it is up to Crédit Agricole CIB to choose an accounting policy. The purpose of this choice is to reflect the economic reality of the transaction in accordance with the principles of fair presentation and substance over form.

Foreign exchange transactions

Foreign currency-denominated assets and liabilities are translated at year-end exchange rates. The resulting gains and losses, together with gains and losses arising from exchange rate differences on transactions during the period, are taken to the income statement.

Monetary receivables and payables, along with forward foreign exchange contracts that appear as foreign-currency off-balance sheet commitments, are translated at the market rate in force at the balance-sheet date or at the market rate on the nearest previous date.

Spot and forward foreign exchange contracts

At each period end, spot foreign exchange contracts are valued at the spot exchange rate of the currency concerned.

Forward foreign exchange transactions categorised as trading transactions are recognised at market value using the forward rate applicable to the remaining period of the contract. Recorded net gains or losses are entered in the income statement under "Net gain/(loss) from trading portfolios – foreign exchange and similar financial instruments".

Net gains and losses on forward foreign exchange transactions that are categorised as spot exchange transactions in connection with loans and borrowings, are recognised on a prorate basis over the period of the contracts.

Currency futures and options

Currency futures and options are used for trading purposes as well as to hedge specific transactions.

Contracts concluded for trading purposes are stated at market value, and the corresponding gains or losses are taken to the income statement.

Gains or losses, realised or unrealised, resulting from the mark-to-market valuation of specific hedging contracts are recognised symmetrically to the hedged transaction.

Integration of branches outside France

Branches keep their own accounts in accordance with accounting rules in force in the countries in which they are located.

At accounts closing, the balance sheets and income statements of branches are adjusted according to French accounting rules, translated into euros and included in the head-office accounts after eliminating reciprocal transactions.

The balance sheets and income statements of foreign branches are translated into euros at year-end exchange rates.

The gains or losses that may result from this translation are recorded on the balance sheet under "Accruals, prepayments and sundry assets and liabilities".

Financing commitments

Off-balance sheet items include any undrawn portion of financing commitments as well as guarantees given and received.

If a commitment given appears likely to be used, leading to a loss for Crédit Agricole CIB, a reserve is recorded under liabilities.

Publishable off-balance sheet items do not mention commitments relating to financial futures or foreign exchange transactions.

They also do not include commitments received concerning treasury bills, similar securities and other securities given as guarantees.

However, details of these items are provided in note 18 (Outstanding foreign exchange transactions) and Note 19 (Transactions in financial futures).

Employee profit-sharing and incentive plans

Employee profit-sharing and incentive plans are recognised in the income statement under “personnel costs” in the year in which the employees’ rights are earned.

Post-employment benefits

Retirement and early retirement benefits - defined benefit plans

Crédit Agricole CIB applies CNC recommendation 2003-R.01 of 1 April 2003 relating to the recognition and measurement of commitments relating to pensions and similar benefits.

As a result, Crédit Agricole CIB sets aside reserves to cover its liabilities for retirement and similar benefits falling within the category of defined-benefit plans.

Since actuarial gains and losses are taken immediately to profit and loss, the amount of the reserve is equal to:

- the present value of the obligation to provide the defined benefits as of the balance sheet date, calculated in accordance with the recommended actuarial method;
- less the fair value of any plan assets. These assets may be in the form of an eligible insurance policy. In the event that 100% of 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 (law 2010-1330 of the 9 November 2010 reforming the pension scheme) does not modify the existing professional agreements but only the actuarial assumptions on retirement age, it is analysed as an update of actuarial assumptions and not as a modification of scheme. As such, the impact of the reform has to be recognised as the other actuarial gains and losses, entirely in profit and loss.

Pension plans - defined contribution plans

There are various mandatory pension plans to which “ employer ” companies contribute. The funds 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 provide all the benefits corresponding to the services rendered by staff during the current and previous years.

As a consequence, Crédit Agricole CIB has no liability in this respect other that the contributions to be paid for the year ended.

The amount of the contributions with respect to these pension plans is recognised under “personnel costs”.

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 CIB’s ordinary activities.

Corporate income tax

In general, only tax due is recorded in the parent-company financial statements.

The tax charge stated on the income statement corresponds to corporate income tax due by Crédit Agricole CIB (SA) with respect to that period. It also includes the 3.3% social-security contribution.

Crédit Agricole CIB is 100%-owned, directly or indirectly, by Crédit Agricole S.A. and is an integral part of the Crédit Agricole S.A. tax consolidation group. The tax consolidation gain/loss is the difference between the tax due by the Crédit Agricole CIB tax sub-group to Crédit Agricole S.A. and the sum of individual tax amounts of subsidiaries forming an integral part of the Crédit Agricole CIB sub-group. This gain/loss is recorded as an income or expense under “Corporate income tax”.

→ NOTE 2 : DUE FROM BANKS

Analysis by residual maturity

€ million	31.12.2011							31.12.2010
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Loans and advances								
- Sight	12,082				12,082		12,082	5,442
- Time	16,169	1,491	6,526	1,974	26,160	80	26,240	18,259
Pledged securities								
Securities bought under repurchases agreements	45,741	3,514	101	40	49,396	63	49,459	77,463
Subordinated debt		4	361	283	648	2	650	633
Total	**73,992**	**5,009**	**6,988**	**2,297**	**88,286**	**145**	**88,431**	**101,797**
Impairment					(463)	(56)	(519)	(522)
Net book value					**87,823**	**89**	**87,912**	**101,275**

Among related parties, the main counterparty is Crédit Agricole S.A. (€29,965 million at 31.12.2011 and €16,468 million at 31.12.2010).

→ NOTE 3 : CUSTOMER ITEMS

3.1 Analysis by residual maturity

€ million	31.12.2011							31.12.2010
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Bills discounted	586	354	75	10	1,025		1,025	1,577
Other loans	16,449	9,900	41,530	23,727	91,606	383	91,989	95,923
Securities bought under repurchases agreements	42,415	926	2		43,343	14	43,357	24,024
Current accounts in debit	1,473				1,473	4	1,477	1,456
Impairment					(1,153)	(141)	(1,294)	(1,151)
Net book value					**136,294**	**260**	**136,554**	**121,829**

3.2 Analysis by geographical zone of beneficiary

€ million	31.12.2011	31.12.2010
France (including overseas departments and territories)	22,925	24,148
Other EU countries	41,430	42,341
Other European countries	4,558	4,550
North America	34,806	14,903
Central and South America	11,245	12,501
Africa and Middle-East	7,170	8,607
Asia and Pacific (excluding Japan)	11,830	12,159
Japan	3,483	3,417
Total principal	**137,447**	**122,626**
Accrued interest	401	354
Impairment	(1,294)	(1,151)
Net book value	**136,554**	**121,829**

3.3 Bad and doubtful debts and impairment by geographical zone

€ million	31.12.2011					
	Gross outstandings	Of which doubtful debts	Of which bad debts	Impairment on doubtful debts	Impairment on bad debts	Coverage %
France (including overseas departments and territories)	22,925	194	182	(47)	(177)	59.64%
Other EU countries	41,430	462	394	(149)	(285)	50.74%
Other European countries	4,558	44	6	(15)	(6)	42.81%
North America	34,806	85	159	(38)	(117)	63.51%
Central and South America	11,245	81	89	(43)	(77)	70.70%
Africa and Middle-East	7,170	78	100	(29)	(90)	66.82%
Asia and Pacific (excluding Japan)	11,830	8	14	(4)	(12)	72.92%
Japan	3,483	112		(64)		57.14%
Accrued interest	401	50	91	(50)	(91)	100.00%
Book value	**137,848**	**1,114**	**1,034**	**(439)**	**(855)**	**60.26%**

€ million	31.12.2010					
	Gross outstandings	Of which doubtful debts	Of which bad debts	Impairment on doubtful debts	Impairment on bad debts	Coverage %
France (including overseas departments and territories)	24,148	187	188	(53)	(182)	62.62%
Other EU countries	42,341	489	152	(75)	(98)	26.98%
Other European countries	4,550	57	10	(26)	(6)	46.93%
North America	14,903	31	237	(13)	(170)	68.26%
Central and South America	12,501	124	167	(52)	(150)	69.37%
Africa and Middle-East	8,607	362	93	(76)	(84)	35.25%
Asia and Pacific (excluding Japan)	12,159	49	25	(8)	(17)	34.62%
Japan	3,417	43		(15)		34.88%
Accrued interest	354	36	90	(36)	(90)	100.00%
Book value	**122,980**	**1,378**	**963**	**(354)**	**(797)**	**49.18%**

3.4 Analysis by type of customer

€ million	31.12.2011				
	Gross outstandings	Of which doubtful debts	Of which bad debts	Impairment on doubtful debts	Impairment on bad debts
Individuals	940	16	2	(12)	(1)
Farmers	75				
Other small businesses	66	50	10	(27)	(10)
Financial institutions	54,302	180	536	(27)	(391)
Corporates	78,240	818	371	(324)	(339)
Local authorities	1,810		24		(23)
Other	2,012				
Accrued interest	401	50	91	(50)	(91)
Book value	**137,848**	**1,114**	**1,034**	**(439)**	**(855)**

€ million	31.12.2010				
	Gross outstandings	Of which doubtful debts	Of which bad debts	Impairment on doubtful debts	Impairment on bad debts
Individuals	839	16	4	(8)	(3)
Farmers	202				
Other small businesses	53	55	17	(28)	(14)
Financial institutions	36,125	672	303	(87)	(242)
Corporates	79,895	599	527	(196)	(424)
Local authorities	3,765		24		(23)
Other	1,747				
Accrued interest	354	36	90	(36)	(90)
Book value	**122,980**	**1,378**	**963**	**(354)**	**(797)**

→ NOTE 4 : SECURITIES – ANALYSIS BY TYPE

€ million	31.12.2011					31.12.2010
	Trading securities	Available for-sale securities	Portfolio securities	Held-to maturity securities	Total	Total
Treasury bills and similar items	23,642	4,230			27,872	33,518
- of which premiums to be amortised		*(1)*			*(1)*	*(10)*
- of which discounts to be amortised		*1*			*1*	*1*
Accrued interest		23			23	45
Impairment		(52)			(52)	
Net book value	**23,642**	**4,201**	**0**	**0**	**27,843**	**33,563**
Bonds and other fixed-income securities						
Issued by public-sector entities	537	1,428		25	1,990	1,083
Other issuers	14,105	6,936		6,116	27,157	47,261
- of which premiums to be amortised		*(167)*		*(2,597)*	*(2,764)*	*(2,764)*
- of which discounts to be amortised		*7*		*2*	*9*	*24*
Accrued interest		64		14	78	86
Impairment		(205)		(199)	(404)	(486)
Net book value	**14,642**	**8,223**	**0**	**5,956**	**28,821**	**47,944**
Equities and other variable-income securities	11,096	249	101		11,446	15,058
Accrued interest						
Impairment		(17)	(54)		(71)	(69)
Net book value	**11,096**	**232**	**47**	**0**	**11,375**	**14,989**
Total	**49,380**	**12,656**	**47**	**5,956**	**68,039**	**96,496**
Estimated values	**49,380**	**12,944**	**67**	**8,037**	**70,428**	**95,307**

Trading book:
Crédit Agricole CIB (SA) owns sovereign debts of Italy and Portugal.
- For Italy, net positive exposure amounts to €128 million.
- For Portugal, net positive exposure amounts to €8 million.

Banking book:
Crédit Agricole CIB (SA) owns sovereign debts of Spain, Portugal, and Ireland.
- For Spain, net balance sheet exposure amounts to €45 million.
- For Portugal, net balance sheet exposure amounts to €243 million, observed impairment amounts to €32 million.
- For Ireland, net balance sheet exposure amounts to €140 million, observed impairment amounts to €16 million.

4.1 Reclassification

Crédit Agricole CIB carried out reclassifications of securities to 1 October 2008 as permitted by CRC regulation 2008-17. Information about these reclassifications is provided below. There were no additional reclassifications of securities in 2009, 2010 and 2011.

Reclassifications: type, reason and amount

€ million	Total reclassified assets	
	Book Value 31.12.2011	Estimated market value at 31.12.2011
From “held-for-trading” to “held-to-maturity”	4,787	4,233

Trading book securities transferred to investment securities correspond to those securities that, at the date of the transfer, can no longer be traded on an active market and for which Crédit Agricole CIB has changed its investment intention, which is now to hold the financial assets for the foreseeable future or until maturity. The inactive nature of the market is assessed primarily on the basis of a significant reduction in the trading volume and level of activity, and/or significant disparity in available prices over time and between various market operators.

Income contribution of transferred assets since reclassification

The contribution from assets transferred to net income for the year since the date of reclassification comprises all profits, losses, income and expenses recognised in the income statement and other comprehensive income or expenses.

€ million	Pre-tax impact on 2009 earnings since reclassifi cation (Assets reclassified before 2009)					
	Cumulative impact at 31/12/2010		Impact 2011		Cumulative impact at 31/12/2011	
	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)
From "held-for-trading" to "held-to-maturity"	(10)	(567)	(82)	(79)	(92)	(646)

4.2 Breakdown of listed and unlisted securities between fixed-income and variable-income securities

€ million	31.12.2011				31.12.2010			
	Bonds and other fixed income securities	Treasury bills and similar items	Equities and other variable income securities	Total	Bonds and other fixed income securities	Treasury bills and similar items	Equities and other variable income securities	Total
Listed securities	20,781	27,872	10,968	59,621	35,451	33,518	14,857	83,826
Unlisted securities	8,366		478	8,844	12,893		201	13,094
Accrued interest	78	23		101	86	45		131
Impairment	(404)	(52)	(71)	(527)	(486)		(69)	(555)
Net book value	**28,821**	**27,843**	**11,375**	**68,039**	**47,944**	**33,563**	**14,989**	**96,496**

4.3 Treasury bills, bonds and other fixed-income securities - Analysis by residual maturity

€ million	31.12.2011							31.12.2010
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Bonds and other fixed income securities	11,039	4,595	6,454	7,059	29,147	78	29,225	48,430
Treasury bills and similar items	7,577	7,266	7,022	6,007	27,872	23	27,895	33,563
Impairment							(456)	(486)
Net book value							**56,664**	**81,507**

4.4 Treasury bills, bonds and other fixed-income securities - Analysis by geographical zone

€ million	31.12.2011	31.12.2010
France (including overseas departments and territories)	11,556	26,465
Other countries of the European Economic Area	13,168	20,366
Other European countries	990	1,807
North America	5,927	5,170
Central and South America	4,246	5,984
Africa and Middle-East	103	178
Asia and Pacific (excluding Japan)	9,320	11,715
Japan	11,708	10,177
Total principal	**57,019**	**862**
Accrued interest	101	131
Impairment	(456)	(486)
Net book value	**56,664**	**81,507**

→ NOTE 5 : INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

COMPANY	CUR-RENCY	Share Capital	Premiums reserves and retained earnings before appropriation of earnings	Owner-ship	Book value of invest-ments	Loans and advances outstanding granted by Crédit Agricole CIB	Guarantees and other commit-ments given by Crédit Agricole CIB	Revenues for the latest year excl. VAT (from audited accounts)	Net income for the latest year	Dividends received during the year
		In millions of local currency units	In millions of local currency units	in %	In million of EUR	In millions of local currency units	In millions of local currency units	In millions of local currency units	In millions of local currency units	In million of EUR
I. - DETAILED INFORMATION ON INVESTMENTS WHOSE BOOK VALUE EXCEEDED 1% OF CRÉDIT AGRICOLE CIB'S SHARE CAPITAL										
A - BANKING SUBSIDIARIES (more than 50% owned)										
CA ALGERIE CIB BANK S.P.A.	DZD	10,000	2	99.99	97		EUR 4 DZD 1,050	1,106	474	4
BFT	EUR	40	84	100.00	234			73	25	
CA CHEUVREUX	EUR	39	193	100.00	224	CHF 15 EUR 205 GBP 41 SEK 281 TRY 17 USD 41		130	(13)	
CA GLOBAL PARTNERS Inc	USD	1	345	100.00	220	USD 6			(3)	
DGAD INTERNATIONAL	EUR	6	257	100.00	254				18	
CA PRIVATE BANKING	EUR	2,201		100.00	2,201					
CASA BV	JPY	9,727	4	100.00	461	JPY 8,742 USD 595		7,468	3,424	
CACIB GLOBAL BANKING	EUR	145	136	100.00	311	USD 6			70	70
MERISMA SAS	EUR	1,150		100.00	1,111	EUR 79			(38)	
CLIFAP	EUR	110	4	100.00	113	EUR 615			2	
CACIB UK IH	GBP	1	602	99.80	596			22	24	27
BANCO CA BRASIL SA	BRL	684	45	75	192	USD 10		93	48	14
CACIB (CHINA) LIMITED	CNY	3,000	128	100	313	EUR 2	USD 4	294	51	
Sub-total (1)					**6,327**					
B - BANKING AFFILIATES (10 and 50 % owned)										
CACIB PREFERRED FUNDING LLC	USD	393	(46)	50.00	178			33	33	1
CACIB PREFERRED FUNDING II LLC	USD	654	(171)	50.00	248			43	43	1
BANQUE SAUDI FRANSI	SAR	7,232	9,972	31.11	115	USD 33		4,395	2,801	26
INMOBILIARIA COLONIAL	EUR	1,258	82	19.68	129			150	(711)	
UBAF	EUR	251	17	47.01	121			69	18	
CREDIT AGRICOLE EGYPT S.A.E.	EGP	1,148	356	13.07	75	CHF 3	EGP 70 EUR 10 USD 2	961	445	5
NEWEDGE GROUP	EUR	395	1,468	50.00	808	AUD 100 EUR 50	EUR 135 JPY 650 USD 967	485	46	42
Sub-total (2)					**1,673**					
II. - GENERAL INFORMATION RELATING TO OTHER SUBSIDIARIES AND AFFILIATES										
A - Subsidiaries not covered in I. above (3) a) French subsidiaries (aggregate) b) Foreign subsidiaries (aggregate)					**521** 197 324					
B - Affiliates not covered in I. above (4) a) French affiliates (aggregate) b) Foreign subsidiaries (aggregate)					**163** 38 125					
Total associates (1) + (2) + (3) + (4)					**8,684**					

5.1 Estimated value of participating interests

€ million	31.12.2011		31.12.2010	
	Book Value	Estimated value	Book Value	Estimated value
Investments in non-consolidated companies				
Unlisted securities	9,454	9,247	8,275	9,804
Listed securities				
Advances availables for consolidation				
Accrued interest				
Impairment	(1,336)		(937)	
Net book value	**8,118**	**9,247**	**7,338**	**9,804**
Investments in non-consolidated companies and other long-term securities				
Participating interests				
Unlisted securities	230	292	505	788
Listed securities	350	1,418	193	1,218
Advances availables for consolidation	2		3	3
Accrued interest				
Impairment	(34)		(6)	
Sub-total of investments	548	1,710	695	2,009
Other long-term securities				
Unlisted securities	24	31	46	45
Listed securities				
Advances availables for consolidation				
Accrued interest				
Impairment	(6)		(6)	
Sub-total of investments	18	31	40	45
Net book value	**566**	**1,741**	**735**	**2,055**
TOTAL OF INVESTMENTS	**8,684**	**10,988**	**8,073**	**11,858**

The market value shown in the above table is the quoted price of the shares on their trading market at 31 December. It may not be representative of the realisable value of the securities.

€ million	31.12.2011	31.12.2010
	Book Value	Book Value
Total gross values		
Unlisted securities	9,708	8,826
Listed securities	350	193
TOTAL	**10,058**	**9,019**

NOTE 6 : CHANGE IN NON-CURRENT ASSETS

€ million	31.12.2010	Changes in scope	Merger	Increase (Acquisitions)	Decrease (Disposals) (Maturity)	Translation Difference	Other movements	31.12.2011
Participating interests and investments in non-consolidated companies								
Gross value	8,973		740	329	(11)	3		10,034
Impairment	(943)			(465)	56	(2)	(16)	(1,370)
Other long-term securities								
Gross value	46				(22)			24
Impairment	(6)							(6)
Advances available for consolidation								
Gross value	3				(1)			2
Impairment								
Accrued interest								
Net book value	**8,073**		**740**	**(136)**	**22**	**1**	**(16)**	**8,684**
Intangible assets	**91**			**55**	**(1)**	**1**	**4**	**150**
Gross value	337			84	(2)	2	4	425
Amortisation	(246)			(29)	1	(1)		(275)
Property, plant and equipment	**275**			**(11)**			**(93)**	**171**
Gross value	785			34	(9)	4	(101)	713
Amortisation	(510)			(45)	9	(4)	8	(542)
Net book value	**366**			**44**	**(1)**	**1**	**(89)**	**321**

NOTE 7 : OTHER ASSETS, ACCRUALS AND PREPAYMENTS

€ million	31.12.2011	31.12.2010
Sundry assets[1]	**88,386**	**78,014**
Financial options bought	39,778	35,197
CODEVI bonds		
Miscellaneous debtors	45,614	38,487
Settlement accounts	2,994	4,331
Due from shareholders - unpaid capital		
Prepaid expenses	**349,286**	**231,223**
Items in course of transmission to other banks	2,165	2,480
Adjustment accounts	345,271	224,662
Accrued income	381	477
Prepaid expenses	424	484
Unrealised gains and deferred losses on financial instruments		
Bond issue premiums and discounts	70	71
Other	975	3,049
Net book value	**437,672**	**309,237**

(1) Amounts shown are net of impairment and include accrued interests.

NOTE 8 : IMPAIRMENT DEDUCTED FROM ASSETS

€ million	31.12.2010	Additions	Write-back or utilisation	Translation differences	Other movements	31.12.2011
Interbank loans	522	17	(34)	19	(5)	519
Customer loans	1,151	466	(339)	13	3	1,294
Securities (AFS, portfolio and HTM)	555	144	(185)	13		527
Participating interests and other long-term investments	949	463	(55)	4	15	1,376
Other	23	3	(11)		(1)	14
Total	**3,200**	**1,093**	**(624)**	**49**	**12**	**3,730**

NOTE 9 : DUE TO BANKS – ANALYSIS BY RESIDUAL MATURITY

€ million	31.12.2011							31.12.2010
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Deposits								
- sight	7,598				7,598	2	7,600	9,066
- time	53,109	5,879	17,861	3,173	80,022	111	80,133	58,986
Pledged securities								
Securities sold under repurchase agreements	28,359	1,766	101	40	30,266	46	30,312	44,459
Book value[1]							**118,045**	**112, 511**

[1] Of which €29,112 million with Crédit Agricole S.A. at 31 December 2011.

NOTE 10 : CUSTOMER ACCOUNTS

10.1 Analysis by residual maturity

€ million	31.12.2011							31.12.2010
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Current accounts in credit	25,213				25,213	25	25,238	20,623
Other accounts	32,870	3,567	7,405	3,517	47,359	91	47,450	61,019
Securities sold under repurchase agreements	53,285	881	565		54,731	8	54,739	50,052
Book value							**127,427**	**131,694**

10.2 Analysis by geographical zone

€ million	31.12.2011	31.12.2010
France (including overseas departments and territories)	34,037	26,226
Other countries of the European Economic Area	37,985	47,623
Other European countries	2,120	1,111
North America	38,991	41,913
Central and South America	2,793	3,337
Africa and Middle-East	2,550	3,195
Asia and Pacific (excluding Japan)	7,035	4,900
Japan	1,792	3,259
Total principal	127,303	131,565
Accrued interest	124	129
Net book value	**127,427**	**131,694**

10.3 Analysis by type of customer

€ million	31.12.2011	31.12.2010
Individuals	458	5,112
Farmers	1	2
Other small businesses	11	21
Financial institutions	81,228	84,709
Corporates	30,685	35,318
Local authorities	7,170	4,001
Other	7,750	2,402
Accrued interest	124	129
Net book value	**127,427**	**131,694**

→ NOTE 11 : DEBT SECURITIES IN ISSUE

11.1 Analysis by residual maturity

€ million	31.12.2011							31.12.2010
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Interest-bearing notes	4				4		4	8
Money market instruments								
Negotiable debt securities:	22,021	7,581	9,242	8,612	47,456	216	47,672	78,266
- Issued in France	19,162	6,409	9,086	8,572	43,229	206	43,435	35,109
- Issued abroad	2,859	1,172	156	40	4,227	10	4,237	43,157
Bonds (note 11.2)		1	339		340	1	341	1
Other liabilities								
Net book value					**47,799**	**218**	**48,017**	**78,275**

11.2 Bonds (in currency of issue)

€ million	Maturity schedule of the bonds at 31.12.2011			Bonds at 31.12.2011	Bonds at 31.12.2010
	Up to 1 year	1-5 years	Over 5 years		
Euro	**1**	**311**		**312**	**1**
Fixed-rate	1	2		3	1
Floating-rate		309		309	
Other currencies		**28**		**28**	
Fixed-rate		12		12	
Floating-rate		16		16	
Total principal	**1**	**339**		**340**	**1**
Fixed-rate	1	14		15	
Floating-rate		325		325	
Accrued interest		1		1	
Net book value				**341**	**1**

→ NOTE 12 : OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

€ million	31.12.2011	31.12.2010
Sundry liabilities[(1)]	**95,180**	**86,850**
Liabilities relating to trading securities	24,238	20,495
Liabilities relating to borrowed securities	6,746	6,643
Financial options sold	38,718	39,793
Miscellaneous creditors	20,353	15,228
Settlement accounts	5,125	4,691
Payments yet to be made		
Other		
Accruals and deferred income	**348,346**	**224,907**
Items in course of transmission to other banks	2,362	1,863
Adjustment accounts	342,771	218,384
Deferred income	800	908
Accrued expenses	1,232	1,080
Unrealised losses and deferred gains on financial instruments		
Other	1,181	2,672
Book value	**443,526**	**311 757**

(1) Amounts include accrued interests.

NOTE 13 : RESERVES FOR RISKS AND EXPENSES

€ million	31.12.2010	Changes in scope	Charges	Write-backs and utilisations	Translation differences	Other movements	31.12.2011
Country risks	715				16		731
Financing commitment execution risks	12		33	(26)			19
Retirement and similar benefits	188		28	(71)	2	9	156
Financial instruments	91						91
Litigation[(1)]	309	3	411	(84)		1	640
Other risks and expenses[(2)]	1,616		719	(594)	63		1 805
Book value	**2,932**	**3**	**1,191**	**(775)**	**81**	**10**	**3,442**

[(1)] including €602 million:
- tax cases: €68 million;
- customer cases: €282 million;
- social cases: €252 million.

[(2)] including, in relation to CACIB Paris:
- sector risks: €1,318 million;
- other risks and expenses: €441 million.

NOTE 14 - SUBORDINATED DEBT – ANALYSIS BY RESIDUAL MATURITY (in currency of issue)

€ million	31.12.2011					31.12.2010
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total	Total
Fixed-term subordinated debt	**0**	**0**	**1,816**	**1,952**	**3,768**	**4,351**
* Euro			500	1,100	1,600	1,600
* Other EU currencies						
* Dollar			1,316	852	2,168	2,751
* Yen						
* Other currencies						
Perpetual subordinated debt				**4,735**	**4,735**	**4,625**
* Euro				681	681	620
* Other EU currencies						
* Dollar				4,054	4,054	4,005
* Yen						
* Other currencies						
Participating securities and loans				**0**	**0**	**0**
Total principal			**1,816**	**6,687**	**8,503**	**8,976**
Accrued interest					160	157
Book value					**8,663**	**9,133**

NOTE 15 : CHANGES IN CAPITAL

€ million	Shareholders'equity						
	Share capital	Premiums and reserves	Reserves and excess of restated assets over historical cost	Retained earnings	Regulated impairment	Net income	Total
31 December 2009	**6,056**	**816**		**0**	**18**	**720**	**7,610**
Dividends paid in 2010							
Increase/decrease							
2010 net income						1,388	**1,388**
Appropriation of 2009 earnings		36		684		(720)	
Net charges/ write-backs					(5)		**(5)**
31 December 2010	**6,056**	**852**		**684**	**13**	**1,388**	**8,993**
Dividends paid in 2011							**0**
Increase/decrease				106			**106**
2011 net income						696	**696**
Appropriation of 2010 earnings	720	305		363		(1,388)	**0**
Net charges/ write-backs					4		**4**
31 December 2011	**6,775**	**1,157**	**0**	**1,153**	**18**	**696**	**9,799**

At 31 December 2011, share capital comprised 250,935,992 shares with a par value of €27.

NOTE 16 : ANALYSIS OF THE BALANCE SHEET BY CURRENCY

€ million	31.12.2011		31.12.2010	
	Assets	Liabilities and shareholders' equity	Assets	Liabilities and shareholders' equity
Euro	437,479	449,314	383,250	347,175
Other EU currencies	23,170	23,408	17,847	22,566
Dollar	227,139	218,476	154,332	186,778
Yen	43,266	44,241	38,940	39,159
Other currencies	28,051	23,666	61,789	60,480
Total	**759,105**	**759,105**	**656,158**	**656,158**

➔ NOTE 17 : TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES, AND EQUITY INVESTMENTS

€ million	31.12.2011	31.12.2010
Loans	**11,739**	**11,363**
Banks and financial institutions	2,468	4,993
Customers	5,447	4,898
Bonds and other fixed income securities	3,824	1,472
Debt	**29,423**	**31,460**
Banks and financial institutions	21,936	17,807
Customers	6,577	11,399
Debt securities in issue and subordinated debts	910	2,254
Commitments given	**15,736**	**6,844**
Financing Commitments to banks and financial institutions	262	465
Financing Commitments to customers	204	220
Guarantee given to banks and financial institutions	12,432	4,166
Guarantee given to customers	2,838	1,993
Securities bought with possible repurchase agreement		
Oher commitments given		

➔ NOTE 18 : NON-SETTLED FOREIGN EXCHANGE TRANSACTIONS AND AMOUNTS PAYABLE IN FOREIGN CURRENCIES

€ million	31.12.2011		31.12.2010	
	To be received	To be delivered	To be received	To be delivered
Spot foreign-exchange transactions	**22,420**	**22,459**	**25,967**	**25,930**
Foreign currencies	18,474	18,078	19,432	22,422
Euro	3,946	4,381	6,535	3,508
Forward currency transactions	**1,434,869**	**1,432,691**	**365,463**	**342,707**
Foreign currencies	1,239,646	1,188,033	242,296	239,049
Euro	195,223	244,658	123,167	103,658
Lending and borrowing in foreign currencies	**1,091**	**227**	**1,612**	**240**
Total	**1,458,380**	**1,455,377**	**393,042**	**368,877**

→ NOTE 19 : TRANSACTIONS INVOLVING FORWARD FINANCIAL INSTRUMENTS

€ million		31.12.2011			31.12.2010		
		Hedging transactions	Other transactions	Total[2]	Hedging transactions	Other transactions	Total
Futures and forwards		**5,551**	**15,125,759**	**15,131,310**	**7,687**	**10,998,527**	**11,006,214**
Exchange-traded[1]		**0**	**5,426,603**	**5,426,603**	**0**	**394,940**	**394,940**
Interest-rate futures			5,404,921	5,404,921		365,631	365,631
Currency futures							
Forward equity and index instruments						6,170	6,170
Other			21,682	21,682		23,139	23,139
Over-the-counter[1]		**5,551**	**9,699,156**	**9,704,707**	**7,687**	**10,603,587**	**10,611,274**
Interest-rate swaps		5,002	6,754,848	6,759,850	2,847	7,235,040	7,237,887
Forward rate agreements						986,102	986,102
Forward equity and index instruments			51,520	51,520		62,001	62,001
Other		549	2,892,788	2,893,337	4,840	2,320,444	2,325,284
Options		**18,209**	**4,636,254**	**4,654,463**	**18,668**	**4,801,534**	**4,820,202**
Exchange-traded		**0**	**73,218**	**73,218**	**0**	**98,852**	**98,852**
Forward interest-rate instruments	Bought		1,019	1,019		2,000	2,000
	Sold		1,442	1,442		1,000	1,000
Equity and index instruments	Bought		35,157	35,157		46,360	46,360
	Sold		35,600	35,600		48,095	48,095
Forward currency instruments	Bought						
	Sold						
Other forward instruments	Bought					738	738
	Sold					659	659
Over-the-counter		**18,209**	**4,563,036**	**4,581,245**	**18,668**	**4,702,682**	**4,721,350**
Interest-rate swaptions	Bought		940,183	940,183		921,396	921,396
	Sold		956,603	956,603		880,078	880,078
Forward interest-rate instruments	Bought		563,859	563,859	100	588,540	588,640
	Sold		665,937	665,937	100	724,482	724,582
Equity and index instruments	Bought		14,978	14,978		21,977	21,977
	Sold		15,747	15,747		22,248	22,248
Forward currency instruments	Bought		280,735	280,735		294,217	294,217
	Sold		317,871	317,871		396,162	396,162
Other forward instruments	Bought		8,258	8,258	3	15,253	15,256
	Sold		8,545	8,545		13,373	13,373
Credit derivatives	Bought	13,401	374,970	388,371	16,673	388,119	404,792
	Sold	4,808	415,350	420,158	1,792	436,837	438,629
Total		**23,760**	**19,762,013**	**19,785,773**	**26,355**	**15,800,061**	**15,826,416**

[1] The amounts stated under futures and forwards correspond to cumulative lending and borrowing positions (interest-rate swaps and swaptions) or to cumulative purchases and sales of contracts (other contracts).
[2] Including €1,682,694 million with Crédit Agricole S.A. at 31 December 2011.

19.1 Forward financial instruments – Fair value

€ million	31.12.2011			31.12.2010		
	Total fair value		Total Notional	Total fair value		Total Notional
	Assets	Liabilities		Assets	Liabilities	
Futures	2	(1)	287,340	1		365,631
Currency options	5,551	(5,128)	651,655	9,854	(9,764)	690,379
Exchange-traded currency options						
Interest-rate options	35,540	(37,111)	1,843,737	23,756	(25,355)	1,804,474
Forward rate agreements	766	(746)	1,404,721	359	(333)	986,102
Interest rate swaps	266,082	(262,170)	8,747,791	156,307	(152,045)	7,237,887
Currency swaps	9,235	(9,001)	1,744,327	2,672	(2,373)	1,597,744
Interest-rate forwards						
Caps, floors and collars	14,202	(18,112)	1,229,797	13,573	(17,425)	1,313,222
Equity, index and commodity derivatives	13,350	(11,805)	155,486	15,359	(13,529)	206,851
Other	19,312	(20,131)	847,014	21,301	(21,398)	915,956
Sub-total	**364,040**	**(364,205)**	**16,911,868**	**243,182**	**(242,222)**	**15,118,246**
Forward currency transactions	10,492	(8,324)	2,873,905	10,961	(8,918)	708,170
Total	**374,532**	**(372,529)**	**19,785,773**	**254,143**	**(251,140)**	**15,826,416**

19.2 Forward financial instruments – Analysis by residual maturity

€ million	Over-the-counter			Exchange-traded			31.12.2011	31.12.2010
Notional outstandings	Up to 1 year	1-5 years	Over 5 years	Up to 1 year	1-5 years	Over 5 years	Total	Total
Interest-rate instruments	**3,141,031**	**2,634,999**	**3,012,623**	**1,433,523**	**1,554,092**	**1,702,561**	**13,478,828**	**11,707,316**
Futures				197,638	55,103	37	252,779	365,631
Forward rate agreements	1,267,540	137,180					1,404,721	986,102
Interest-rate-swaps	1,710,977	1,373,818	1,225,600	1,235,884	1,498,988	1,702,524	8,747,792	7,237,887
Interest-rate options	29	443,442	1,400,268				1,843,738	1,804,474
Caps, floors and collars	162,484	680,559	386,755				1,229,798	1,313,222
Foreign currency and gold	**1,359,235**	**763,890**	**253,446**	**0**	**0**	**0**	**2,376,572**	**2,288,123**
Currency futures	967,014	575,411	182,493				1,724,918	1,597,744
Currency options	392,221	188,479	70,953				651,653	690,379
Other Instruments	**245,642**	**597,629**	**83,735**	**72,578**	**54,819**	**2,064**	**1,056,468**	**1,122,807**
Equity and index derivatives	32,607	41,728	7,932	32,065	39,175	1,978	155,485	206,851
Precious metal derivatives	160	98					258	
Commodity derivatives	23,878	9,079	953	40,513	11,817	86	86,325	72,535
Credit derivatives	188,997	546,724	74,851		3,827		814,400	843,421
Sub-total	**4,745,908**	**3,996,518**	**3,349,804**	**1,506,101**	**1,608,911**	**1,704,626**	**16,911,868**	**15,118,246**
Forward currency transactions (trading book)	2,599,310	247,632	26,083				2,873,025	706,720
Forward currency transactions (banking book)	618	235	28				881	1,450
Sub-total	**2,599,928**	**247,866**	**26,111**	**0**	**0**	**0**	**2,873,906**	**708,170**
Total	**7,345,836**	**4,244,384**	**3,375,915**	**1,506,101**	**1,608,911**	**1,704,626**	**19,785,773**	**15,826,416**

19.3 Forward financial instruments - Counterparty risk

€ million	31.12.2011		31.12.2010	
	Market value	Potential credit risk	Market value	Potential credit risk
OECD governments, central banks and similar institutions	2,040	1,915	1,915	1,209
OECD financial institutions and similar	191,099	77,909	150,302	89,525
Other counterparties	27,359	15,493	23,030	15,076
Total by counterparty type	**220,498**	**95,317**	**175,247**	**105,810**
By instrument				
- Interest rates, exchange rates and commodities	211,604	90,330	164,089	92,238
- Equity and index derivatives	8,896	4,987	11,158	13,572
Impact of netting agreements	**188,016**	**50,823**	**148,099**	**58,985**
Total after impact of netting agreements	**32,482**	**44,494**	**27,148**	**46,825**

Contracts between members of the network are not included, because they carry no risk.

→ NOTE 20 : NET INTEREST AND SIMILAR INCOME

€ million	31.12.2011	31.12.2010
Interbank transactions	1,597	920
Customer items	3,049	2,642
Bonds and other fixed-income securities (see note 21)	569	709
Other interest and similar income	26	40
Interest and similar income(1)	**5,241**	**4,311**
Interbank transactions	(2,034)	(1,359)
Customer items	(1,002)	(720)
Bonds and other fixed-income securities	(871)	(784)
Other interest and similar expenses	(66)	(77)
Interest and similar expense(2)	**(3,973)**	**(2,940)**
Net interest and similar income	**1,268**	**1,371**

(1) Including €273 million income with Crédit Agricole S.A. at 31 December 2011.
(2) Including €519 million charge with Crédit Agricole S.A. at 31 December 2011.

→ NOTE 21 : INCOME FROM SECURITIES

€ million	Fixed-income securities		Variable-income securities	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Investments in non-consolidated subsidiaries and affiliates, other long-term securities			362	302
Available-for-sale and portfolio securities	387	464	15	17
Held-to-maturity securities	182	245		
Other securities				
Income from securities	**569**	**709**	**377**	**319**

NOTE 22 : NET COMMISSION AND FEE INCOME

€ million	31.12.2011			31.12.2010		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	638	(545)	93	458	(453)	5
Customer transactions	454	(34)	420	398	(31)	367
Securities transactions	32	(274)	(242)	60	(112)	(52)
Foreign exchange transactions		(5)	(5)		(6)	(6)
Transactions involving forward financial instruments and other off-balance sheet transactions	481	(187)	294	528	(183)	345
Financial services (see note 22.1)	325	(76)	249	326	(83)	243
Net commission and fee income[1]	**1,930**	**(1,121)**	**809**	**1,770**	**(868)**	**902**

[1] Including - €69 million of commissions with Crédit Agricole S.A. at 31 December 2011.

Note 22.1 Banking and financial services

€ million	31.12.2011	31.12.2010
Net income from managing mutual funds and securities on behalf of customers	102	121
Net income from payment instruments	7	12
Other net financial services income (expense)	140	110
Financial services	**249**	**243**

NOTE 23 : TRADING GAINS/(LOSSES)

€ million	31.12.2011	31.12.2010
Trading securities	(201)	(1,283)
Forward financial instruments	1,610	2,873
Foreign exchange and similar financial instruments	(338)	(1,249)
Net trading gains/(losses)	**1,071**	**341**

→ NOTE 24 : GAINS/LOSSES ON INVESTMENT PORTFOLIOS AND SIMILAR

€ million	31.12.2011	31.12.2010
Available-for-sale securities		
Impairment charges	(121)	(44)
Impairment write-backs	112	228
Net impairment (charge)/write-back	**(9)**	**184**
Disposal gains	23	7
Disposal losses	(14)	(30)
Net disposal gain/(loss)	**9**	**(23)**
Net gain/(loss) from available-for-sale securities	**0**	**161**
Investment portfolios		
Impairment charges	(4)	(6)
Impairment write-back	3	30
Net impairment (charge)/write-back	**(1)**	**24**
Disposal gains	7	0
Disposal losses	(2)	(6)
Net disposal gain/(loss)	**5**	**(6)**
Net gain/(loss) from investment portfolios	**4**	**18**
Net gain/(loss) from investment portfolios and similar	**4**	**179**

→ NOTE 25 : OPERATING EXPENSES

Note 25.1 Average staff costs of the year

€ million	31.12.2011	31.12.2010
Salaries	(1,080)	(947)
Social security expenses	(303)	(301)
Incentive plans	(35)	(32)
Employee profit-sharing		
Payroll-related tax	(30)	(33)
Personnel costs[(1)(2)]	**(1,448)**	**(1,313)**

(1) Including €36 million of pension expenses at 31 December 2011 compared with €67 million at 31 December 2010.
(2) Charges and reserves related to the adjustment plan amount to €275 million at 31 December 2011.

25.2 Headcount

FTE : Full-Time Equivalent	31.12.2011	31.12.2010
Managerial	3,546	3,346
Non-managerial	635	690
Managerial and non-managerial staff at foreign branches	3,452	3,419
Total	**7,633**	**7,455**
Of which:		
- France	4,181	4,036
- Abroad	3,452	3,419

25.3 Other administrative expenses

€ million	31.12.2011	31.12.2010
Taxes other than on income or payroll-related	(61)	(15)
External services	(713)	(667)
Other administrative expenses	(162)	(128)
Total	**(936)**	**(810)**

→ NOTE 26 : COST OF RISK

€ million	31.12.2011	31.12.2010
Charges to reserves and impairment	**(1,252)**	**(1,255)**
Impairment on doubtful debts	(502)	(564)
Other charges to reserves and impairment	(750)	(691)
Write-backs from reserves and impairment	**1,085**	**1,553**
Write-backs from doubtful debt impairment	523	370
Other write-backs of reserves and impairment	562	1,183
Changes in reserves and impairment	**(167)**	**298**
Bad debts written off - not provided for	(224)	(301)
Bad debts written off - provided for	(140)	(607)
Recoveries on bad debts written off	45	16
Cost of risk	**(486)**	**(594)**

→ NOTE 27 : NET GAIN/(LOSS) ON NON-CURRENT ASSET DISPOSALS

€ million	31.12.2011	31.12.2010
Long-term investments		
Impairment charges		
Held-to-maturity securities		
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	(464)	(406)
Impairment write-backs		
Held-to-maturity securities		
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	56	93
Net impairment (charge)/write-back	**(408)**	**(313)**
Held-to-maturity securities		
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	(408)	(313)
Disposal gains		
Held-to-maturity securities	25	3
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	25	23
Disposal losses		
Held-to-maturity securities		
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	(173)	(49)
Net disposal gain/(loss)	**(123)**	**(23)**
Held-to-maturity securities	25	3
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	(148)	(26)
Gains/(losses)	**(531)**	**(336)**
Property, plant and equipment and intangible assets		
Disposal gains		1
Disposal losses		
Gains/(losses)		**1**
Net gain/(loss) on disposal of non-current assets	**(531)**	**(335)**

→ NOTE 28 : CORPORATE INCOME TAX

€ million	31.12.2011	31.12.2010
Current tax[1]	699	1,165
Other tax	3	11
Total	**702**	**1,176**

[1] Buyback by Crédit Agricole S.A. of carry-forward of previous tax deficits in accordance with the tax integration (€0,837 billion in 2011 compared with €1,4 billion in 2010).

Crédit Agricole CIB is part of the Crédit Agricole S.A tax consolidation group. Crédit Agricole CIB can sell its tax deficits in accordance with the tax agreement between Crédit Agricole CIB and Crédit Agricole S.A.

→ NOTE 29 : OPERATIONS IN NON-COOPERATIVE COUNTRIES OR TERRITORIES

(Operations in non-cooperative countries or territories within the meaning of Article 238-0 A of the French General Tax Code).

Investment process

Projects to carry out acquisitions and disposals by all entities directly or indirectly controlled by Crédit Agricole S.A. must meet the strategic guidelines defined by the Board of Directors of Crédit Agricole S.A. and applied by the Group's general management.

A Group procedural memo sets out the framework for intervention for the business lines and central functions of Crédit Agricole S.A. As such, the Group Finance Division and Strategy and Development Division are consulted to ensure that the business and financial results expected from the project are met. They also determine whether the proposed transaction is a viable opportunity and whether it is consistent with the Group's strategic guidelines. The Risk Management and Permanent Controls function and of the Compliance and Legal Affairs Departments are brought in to issue recommendations that fall within the scope of their respective responsibilities.

This principle is applied across the subsidiaries, in respect of new products and new business activities, via special Committees.

Risk monitoring procedures

The following entities are included in the internal control scope of the Crédit Agricole S.A. Group and, as such, are covered by the Group's non-compliance risk prevention and control procedures (which more specifically include rules on prevention of money-laundering and terrorism financing). These are described in the Chairman's Report to the Board of Directors in the Crédit Agricole S.A. shelf-registration document (where applicable).

Country	Company name	Event	Activity	Legal form	% of holding by the Group
Filipinas	CLSA (Philippines) Inc		Brokerage	Limited company	100%
	CLSA Exchange Capital Inc		Investment company	Limited company	60%
	Crédit Agricole CIB - Succursale de Manille		Branch		100%
	Philippine Distressed Assets Asia Pacific (SPV-AMC) 1, Inc		Distresses Assets mana-gement	Limited company	100%
	Philippine Distressed Assets Asia Pacific (SPV-AMC) 2, Inc		Distresses Assets mana-gement	Limited company	64%

The above list was drawn up in accordance with the decree of April, 14th 2011 published by the Ministry of the Economy, Industry and Employment.

Auditors' general report on the parent-company financial statements

Year ended 31 December 2011

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers.

The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information 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 in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In accordance with the terms of our appointment at your Annual Meeting, we hereby submit our report for the year ended 31 December 2011 on:

- our audit of Crédit Agricole CIB's parent-company financial statements as attached to this report,
- the substantiation of our opinion,
- the specific procedures and disclosures required by law.

The parent-company 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 PARENT-COMPANY FINANCIAL STATEMENTS

We have conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the parent-company financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the parent company financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements and evaluating their overall presentation. We believe that the evidence we have collected is relevant and sufficient to provide a basis for our audit opinion.

In our opinion, the parent-company financial statements give a true and fair view, according to French accounting principles, of the results of operations for the year ended 31 December 2011 and of the company's financial situation and assets at that date.

II. SUBSTANTIATION OF OUR OPINION

The accounting estimations made for the preparation of the financial statements for the year ended on 31 December 2011 have been produced in an uncertain environment, linked with the public finance crisis of some euro zone countries (especially Greece) which comes along with an economic crisis and a liquidity crisis, making difficult the anticipation of the economic perspectives. It's in this context that, pursuant to the provisions of Article L.823-9 of the Code de Commerce [French Commercial Code] concerning the substantiation of our opinion, we bring to your attention the following items:

Accounting estimates

- As indicated in note 1 to the financial statements, the company books impairment reserves to cover credit risks relating which are inherent to its business activities. We have reviewed the arrangements put in place by management to identify and evaluate these risks and to determine the amount of impairment it considers necessary, and we have verified that these accounting estimates were based on documented methods that complied with the principles described in note 1 to the financial statements.

- Your company uses internal models to assess the fair value of certain financial instruments not listed in an active market. Our work entailed reviewing the control system applied to the models used, the underlying assumptions and the methods for taking into account the risks associated with such instruments.
- As a usual part of the process of preparing financial statements, your company's management has made a number of other accounting estimates relating in particular to the valuation of investments in participating interests and other long-term investments, the measurement of recognised pension liabilities and provisions for legal disputes. In 2011, your company has also estimated reserves related to the adjustment plan as mentioned in the note 25 of the annual financial statements. We reviewed the assumptions made and verified that these accounting estimates were based on documented methods that complied with the principles described in note 1 to the financial statements.

Our assessments were made in the context of our audit of the parent-company financial statements, taken as a whole, and therefore assisted us in reaching our unqualified opinion as expressed in the first part of this report.

III. SPECIFIC PROCEDURES AND DISCLOSURES

We also carried out the specific verifications required by law, in accordance with professional standards applicable in France.

We have non comments regarding the fair presentation and consistency with the parent company financial statements of the information provided in the Board of Director's Management Report, and in the documents addressed to the shareholders with respect to your Company's financial position and the financial statements.

We verified the consistency of the information provided pursuant to article L. 225-102-1 of the Code de Commerce pertaining to compensation and benefits in kind paid to corporate officers and to commitments made to corporate officers, with the information contained in the accounts or with the data used to draw up these accounts and, where applicable, with the information collected by your Company from companies that control your Company or are controlled by it. On the basis of our work, we attest to the fairness and accuracy of this information.

Neuilly-sur-Seine and Paris La Défense, 14 March 2012

Statutory Auditors

PricewaterhouseCoopers Audit
Catherine Pariset Pierre Clavié

Ernst & Young et Autres
Valérie Meeus

7 GENERAL INFORMATION

Information about the company

Corporate's name

Crédit Agricole Corporate and Investment Bank

Registered office

9 quai du Président Paul Doumer
92920 Paris La Défense cedex - France
Tél. : 33 1 41 89 00 00
Website : www.ca-cib.fr

Financial year

The company's financial year begins on 1 January and ends on 31 December each year.

Date of incorporation and duration

The Company was incorporated on 23 November 1973. Its term ends on 25 November 2064, unless the term is extended or the company is wound up before that date.

Legal status

Crédit Agricole Corporate and Investment Bank is a French societé anonyme (joint stock corporation) with a Board of Directors governed by ordinary company law, in particular the Second Book of the Code de Commerce.

Crédit Agricole Corporate and Investment Bank is a credit institution approved in France and authorised to conduct all banking operations and provide all investment and related services referred to in the Code Monétaire et Financier. In this respect, Crédit Agricole CIB is subject to oversight by French supervisory authorities, particularly the Autorité de contrôle prudentiel. In its capacity as a credit institution authorised to provide investment services, the Company is subject to the Code Monétaire et Financier, particularly the provisions relating to the activity and control of credit institutions and investment service providers.

Crédit Agricole CIB is affiliated, since December 2011, to the Crédit Agricole network, in the meaning of the Code monétaire et financier.

Material contracts

Crédit Agricole CIB has not entered into any material contracts conferring a significant obligation or commitment on the Crédit Agricole CIB Group, apart from those concluded within the normal conduct of its business.

Recent trends

Crédit Agricole CIB's prospects have not suffered any significant deterioration since 31 December 2011, the date of its latest audited and published financial statements (see "Recent trends and outlook " section, page 92).

Significant changes

Since the 21 February 2012 Board meeting that approved the 31 December 2011 financial statements, there has been no exceptional event or dispute likely to have a significant effect on the financial position, activity, results or assets of the Crédit Agricole CIB Company and Group.

Affiliation

Pursuant the article R 512-18 of the Code monétaire et financier, Crédit Agricole CIB has been affiliated with the Crédit Agricole network in 2011. As mentioned by the article R 512-18 of the Code monétaire et financier, the central organs of the credit institutions "have to deal with the cohesion of their network and to take care of their affiliated institutions' smooth functioning. To that purpose, they take all the necessary measures, notably to guarantee the liquidity and the solvability of each of these institutions as well as the whole network."

Documents on display

All reports, letters and other documents and all historical financial information, assessments and statements made by an expert at the issuer's request, part of which has been included or mentioned in this document, and all financial information for each of the two years preceding the publication of this document may be consulted at Crédit Agricole CIB's website: www.ca-cib.com or at its registered office: 9 quai du Président Paul Doumer 92920 Paris La Défense.

A copy of the articles of association may be consulted at the registered office.

Crédit Agricole CIB publications

The annual information report below lists the information published or made public by the Crédit Agricole CIB Group in the last twelve months to meet legal or regulatory obligations applying to financial instruments, issuers of financial instruments and financial instrument markets as required by article 222.7 of the AMF's general regulations.

Shelf-registration document

Available on the Crédit Agricole CIB website (www.ca-cib.com) and on the Autorité des Marchés Financiers website (www.amf-France.org)

Publication dates	Type of document
23.03.2011	2010 shelf-registration document - AMF registration n°D.11-0170
30.08.2011	Update of the 2010 shelf-registration document - AMF n°D.11-0170-A01

Issue programs and prospectus as issuer or guarantor

Available on the Bourse de Luxembourg website (www.bourse.lu) and approved by CSSF

Publication dates	Type of document
27.04.2011	Prospectus relating to the warrant and certificate issue programs of Crédit Agricole Corporate and Investment Bank (France), Crédit Agricole CIB Financial Products (Guernsey) Limited and Crédit Agricole CIB Finance (Guernsey) Limited
27.05.2011	1rst supplement to the 27.04.2011 prospectus
20.06.2011	2nd supplement to the 27.04.2011 prospectus
22.07.2011	Prospectus relating to the €25 billion structured issue program of Crédit Agricole Corporate and Investment Bank (France), Crédit Agricole CIB Financial Products (Guernsey) Limited, Crédit Agricole CIB Finance (Guernsey) Limited and Crédit Agricole Financial Solutions (France)
22.07.2011	Prospectus relating to the €50 billion Structured Euro Medium Term Note issue program of Crédit Agricole Corporate and Investment Bank (France), Crédit Agricole CIB Financial Products (Guernsey) Limited, Crédit Agricole CIB Finance (Guernsey) Limited and Crédit Agricole Financial Solutions (France)
07.10.2011	1rst supplement to the 22.07.2011 prospectus

Press releases

Published on the Crédit Agricole CIB website (www.ca-cib.com)

Publication dates	Type of document
18.03.2011	Crédit Agricole expresses its support to the victims of the Japanese earthquake and tsunami and decides to provide initial aid of 100 million yen
09.06.2011	Crédit Agricole CIB and CITICS announce a partnership agreement in global equity business
24.06.2011	Crédit Agricole CIB and CLSA acted for the IPO of Prada S.p.A. on the HKSE
05.07.2011	Crédit Agricole S.A. - Appointment of Bernard Delpit as Group Finance Director
11.07.2011	Julien Fontaine joins Crédit Agricole S.A. as Strategy Director
28.07.2011	Crédit Agricole S.A. draws conclusions from the deteriorated economic condition in Greece during the 2nd quarter 2011
14.09.2011	Information: affiliation mechanism
19.09.2011	Changes in top management at CA Cheuvreux
28.09.2011	Crédit Agricole: adapting to the new environment
05.10.2011	Patrice Couvègnes is appointed Managing Director of Bank Saudi Fransi in Riyadh
10.10.2011	Crédit Agricole CIB and BlueMountain Capital Management, LLC announce the execution of a memorandum of understanding
23.11.2011	Crédit Agricole CIB announces several appointments
14.12.2011	Crédit Agricole: meeting the challenge

Documents filed with the Registrar of the Nanterre commercial court

Available at the: www.infogreffe.fr

(Crédit Agricole CIB number: 304 187 701)
Filing notice published in la Gazette du palais: 3 Boulevard du Palais 75004 Paris

Filing date	Filing number	Type of document
03.06.2011	17122	Deed - (Appointment of legal representatives)
07.06.2011	17350	Updated articles of association
07.06.2011	17350	Extract of minutes - Changes in the Articles of association
07.06.2011	17350	Extract of minutes - Appointment of Directors
07.06.2011	17350	Extract of minutes - End of Director's mandate
04.07.2011	20342	Updated articles of association
04.07.2011	20342	Decision of the Chairman - Capital increase
29.12.2011	42135	Extract of minutes - Appointment of a Deputy CEO

Publications in the Bulletin des Annonces Légales Obligatoires (BALO)

Published on the www.journal-officiel.gouv.fr/balo

Publication dates	Type of document	Article number
16.03.2011	Quarterly financial statements at 31 December 2010	1100683
03.06.2011	2010 annual financial statements	1103153
10.06.2011	Quarterly financial statements at 31 March 2011	1103517
21.09.2011	Quarterly financial statements at 30 June 2011	1105715
19.12.2011	Quarterly financial statements at 30 September 2011	1106776

Additional information

→ FEES PAID TO STATUTORY AUDITORS[(1)]

Crédit Agricole CIB's college of auditors [(2)]

In '000 €	ERNST & YOUNG				PRICEWATERHOUSECOOPERS			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2011	2010	2011	2010	2011	2010	2011	2010
Audit								
Independent audit, certification, review of parent company and consolidated financial statements								
Issuer	3,491	3,658	56.59%	39.02%	3,265	3,286	41.90%	43.86%
Fully-consolidated subsidiaries	2,161	2,081	35.03%	22.20%	3,750	2,955	48.13%	39.44%
Ancillary assignments								
Issuer	100	3,339	1.62%	35.62%	183	274	2.34%	3.65%
Fully-consolidated subsidiaries	404	91	6.55%	0.97%	350	829	4.49%	11.07%
Sub-total	**6,156**	**9,170**	**99.79%**	**97.81%**	**7,546**	**7,344**	**96.86%**	**98.02%**
Other services								
Legal, tax, personnel-related	13	0	0.21%	0.00%	229	141	2.94%	1.88%
Others to be disclosed (if >10% of audit fees)	0	205	0.00%	2.19%	16	7	0.21%	0.10%
Sub-total	**13**	**205**	**0.21%**	**2.19%**	**245**	**148**	**3.14%**	**1.98%**
Total	**6,169**	**9,375**	**100%**	**100%**	**7,791**	**7,492**	**100%**	**100%**

Other Statutory auditors engaged in the audit of fully consolidated Crédit Agricole CIB Group subsidiaries

In '000 €	Mazars & Guerard				Deloitte				KPMG				Autres			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%		Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Audit	156	0	100%	0	0	7	0%	100%	227	281	100%	100%	220	295	100%	100%
Independent audit, certification, review of parent-company and consolidated financial statements																
	156	0	100%	0	0	7	0%	100%	227	281	100%	100%	220	295	100%	100%
Ancillary assignments																
	0	0	0%	0	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%
Total	**156**	**0**	**100%**	**0**	**0**	**7**	**0%**	**100%**	**227**	**281**	**100%**	**100%**	**220**	**295**	**100%**	**100%**

(1) These figures indicate the annual cost of Statutory auditors' fees.
(2) Including fully consolidated Crédit Agricole CIB subsidiaries audited by the College of Auditors.

Statutory auditors' special report

on related party agreements and commitments

Shareholders' Meeting to approve the financial statements for the year ended 31 December 2011

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as the Company's statutory auditors, we hereby submit our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of the contractual agreements or commitments indicated to us or that we may have identified in the performance of our engagement. It is not our role to comment as to whether they are beneficial or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code, to assess the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required to inform you in accordance with Article R.225-31 of the Code de commerce concerning the implementation of the agreements and commitments already approved by the shareholders' meeting.

We have taken the steps we consider necessary to comply with professional code of the Compagnie Nationale des Commissaires aux Comptes (France's national association of statutory auditors) relating to this assignment. These steps consisted of verifying that the information provided to us is consistent with the underlying documents from which it was taken.

Agreements and commitments submitted for approval by the shareholders' meeting

Agreements and commitments authorised during the past financial year

In accordance with article L.225-40 of the French Commercial Code, we have been informed of the agreements and commitments that have obtained prior approval from your Board of Directors.

1. WITH MR PIERRE CAMBEFORT, DEPUTY CHIEF EXECUTIVE OFFICER

NATURE AND PURPOSE

On 11 May 2011 your Board of Directors authorised the commitments made by Crédit Agricole S.A. to Mr Pierre Cambefort.

TERMS AND CONDITIONS

Your Board of Directors has raised Mr Pierre Cambefort's fixed compensation from €260,000 to €330,000 since 1 June, 2011.

Mr Pierre Cambefort's employment contract has been suspended during his secondment to Crédit Agricole Corporate and Investment Bank. The presented element of compensation modifies the secondment terms.

2. WITH MR FRANCIS CANTERINI, DEPUTY CHIEF EXECUTIVE OFFICER

NATURE AND PURPOSE

Your Board of Directors authorised on 11 May 2011 the commitments made by Crédit Agricole S.A. to Mr Francis Canterini.

TERMS AND CONDITIONS

Mr Francis Canterini's employment contract with Crédit Agricole S.A. will be reactivated in case of suspension of his Crédit Agricole Corporate and Investment Bank Deputy CEO mandate. Mr Francis Canterini will then be reassigned to Crédit Agricole S.A or to another unit of Crédit Agricole S.A. Group, to a post taking into account his qualification and his experience, and, considering the rights pertaining to seniority, the duration of his Deputy CEO mandate of your society.

Agreements and commitments since the financial year-end

We have been informed of the following agreements and commitments authorised since the closing of the year ended, which were subject to the prior approval of your Board of Directors.

WITH MR RÉGIS MONFRONT, DEPUTY CHIEF EXECUTIVE OFFICER

NATURE AND PURPOSE

Your Board of Directors authorised on 21 February 2012 the retirement commitments made by Crédit Agricole S.A. to Mr Régis Monfront.

TERMS AND CONDITIONS

With respect to his employment contract which has been suspended while being on duty, Mr Régis Montfront contributes to the pension, provident and mutual health plans in effect in your company, and to a supplementary pension plan at defined benefits. These retirement commitments are maintained during the period of his Deputy CEO mandate and the allocated compensations - fixed and variable - for his mandate within your company will be taken into account in the annual calculation basis in accordance with the pension scheme modalities in effect.

Concerning the supplementary pension plan, amounts paid as regards based and complementary pension plans for the whole career within and outside the society are taken into account at the payment. The whole amount of the perceived annuities related to the collective compulsory, complementary and supplementary plans cannot exceed 50% of the referential salary. Rights resulting from this scheme, of differential type, are only acquired when the beneficiary ends its career at Crédit Agricole Corporate and Investment Bank and are expressed in a percentage of a basis called referential salary which equals the mean of the last three fixed compensations plus the mean of the gross bonuses allotted during the last thirty-six months (the mean of the bonuses being limited to half the last fixed salary).

Agreements and commitments unauthorised previously

Pursuant the articles L.225-42 and L.823-12 of the Code de commerce, we point out that the following agreements and commitments have not been submitted to a prior approval of your Board of Directors.

We have to inform you about the circumstances justifying why the approval process has not been followed.

WITH MR. JEAN-YVES HOCHER, CHIEF EXECUTIVE OFFICER OF YOUR COMPANY

NATURE AND PURPOSE

At its meeting of 19 July 2011, the Board of Directors of Crédit Agricole S.A. authorised, in favour of Mr Jean-Yves Hocher, Chief Executive Officer of Crédit Agricole S.A., the payment of an indemnity in case of breach of his employment contract, in accordance with the same modalities as those retained for Mr Michel Mathieu and Mr Bruno de Laage, Deputy CEOs of Crédit Agricole S.A., authorised by the Board of Directors of Crédit Agricole S.A. at its meeting of 24 February 2010 and approved by the shareholders' meeting on 19 May 2010.

TERMS AND CONDITIONS

In case of breach of employment contract, Mr Jean-Yves Hocher will benefit from a rupture indemnity, equalling twice the sum total of the annual gross compensation perceived the last twelve months preceding the rupture (excluding benefits in kind), including any other indemnity and, notably, the conventional redundancy indemnity and the conditional non-competition indemnity. In case of possible liquidation of the pension at full rate, no rupture indemnity -excluding legal and conventional indemnity- will be due.

Because of the missing declaration to your Board of Directors, the agreements and commitments before-mentioned have not been submitted to a prior approval as described in the article L. 225-38 of the Code de Commerce.

Agreements and commitments already approved by the shareholders' meeting

Agreements and commitments approved in prior years

In accordance with article R. 225-30 of the Code de commerce, we were informed that the execution of the following agreements and commitments, already approved by the shareholders' meeting in prior years, was pursued in 2011.

1. WITH CRÉDIT AGRICOLE S.A.

Subscription for preference shares or deeply subordinated notes

NATURE AND PURPOSE

Further to the link-up between the corporate and investment banking businesses of Crédit Agricole S.A. Group and Crédit Lyonnais, Crédit Lyonnais made a partial asset transfer to Crédit Agricole Indosuez (which became Crédit Agricole Corporate and Investment Bank).

In view of the above transaction, it was deemed necessary to increase Calyon's shareholders' equity. Two issues of deeply subordinated notes, in US dollars, were carried out in 2004. Crédit Agricole bought USD1,730 million of these notes.

TERMS AND CONDITIONS

Interest due by your company with respect to 2011 amounted to USD106.7 million.

2. WITH CRÉDIT LYONNAIS

Sale of Banque Française Commerciale Antilles-Guyane (BFC-AG) by your company to Crédit Lyonnais

NATURE AND PURPOSE

In order that BFC-AG be provided with adequate supervision for its retail banking activity, Calyon sold its stake in BFC-AG to Crédit Lyonnais, which became its sole core shareholder, on 1 July 2005.

The disposal agreement, which did not result in liability guarantees, contains a clawback clause that expired at the closing of the BFC-AG 2008 accounts.

TERMS AND CONDITIONS

As part of the arbitration made by Crédit Agricole S.A., the implementation of the clawback clause has been extended until 31 December 2011.

Indemnity agreement by your company for Crédit Lyonnais

NATURE AND PURPOSE

Crédit Lyonnais' corporate and investment banking division (BFI) was transferred to your company on 30 April 2004 with from 1 January 2004 for accounting and legal purposes, except for short-, medium- and long-term commercial loans, which were transferred later, with effect from 31 December 2004 at the latest.

To comply with the principle of retroactive effect from 1 January 2004, your company undertook to indemnify Crédit Lyonnais for counterparty risks relating to those loans from 1 January 2004.

TERMS

The guarantee amounted to €16,075,600 at 31 December 2011 and remuneration for 2011 totalled €44.434,27.

3. WITH SNC DOUMERR

Loan granted by your company to SNC Doumer

NATURE AND PURPOSE

The building at 9, quai du Président Paul Doumer, the registered office of your company, is owned by S.N.C Doumer. Your company has granted SNC Doumer a margin-free loan.

TERMS AND CONDITIONS

The principal on the loan amounted to €6,337,513 at 31 December 2011 and interest paid with respect to 2011 totalled €87,958.25.

4. WITH NEWEDGE GROUP

NATURE AND PURPOSE

On 9 November 2010, your Board of Directors authorised your company to sign an agreement which deals with the subcontracting to Newedge Group of the back-office services for derivative financial instruments traded on regulated markets in France and abroad.

The agreement covers the transactions carried out by your company and those carried out by Crédit Agricole S.A. and Indosuez Finance UK Limited, a subsidiary of your company for which the back-office process was entrusted to your company and the latter has recourse to Newedge Group for back-office services.

TERMS AND CONDITIONS

The subcontracting agreement comprises the following main services provided by Newedge Group:

- the recording of transactions on financial instruments,
- the reconciliation of these transactions with those recognised by clearing houses,
- the financial flow processing, input and interface of your Company's accounting system.

The fee due to Newedge Group for the services provided is defined as follows:

- for your Company and Indosuez Finance UK Limited, a minimum annual amount with a tracking index revised upwards on the basis of the volume of transactions entrusted to Newedge Group;
- for Crédit Agricole S.A, a minimum monthly amount with a tracking index revised upwards on the basis of the volume of transactions entrusted.

These two scales are subject to an annual tracking index covenant on the basis of a benchmark indice. It is possible to reduce the minimum amounts if there is a decrease in the scope of the service entrusted, provided that it complies with a five month notice.

The amount due to Newedge Group for 2011 for this whole service totalled €1,779,647.

Neuilly-sur-Seine and Paris-La Défense, 14 March, 2012

Statutory Auditors

PricewaterhouseCoopers Audit		Ernst & Young et Autres
Catherine Pariset	Pierre Clavié	Valérie Meeus

Person responsible for the shelf registration document and for auditing the accounts

→ RESPONSABILITY 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 certify that, to my knowledge, the financial statements were prepared in accordance with applicable accounting principles and give a true and fair view of the assets, financial position and results of the company and all consolidated companies, and that the management report, of which the content is described in a cross-reference table on page 270, gives a true and fair view of the business activities, results and financial position of the company and all consolidated companies, along with a description of the main risks and uncertainties they face.

I have obtained a letter from the statutory auditors 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 document and read the document as a whole.

The historical financial information presented in this document was covered by the statutory auditors in their reports which contain an observation. Those reports are provided:

- respectively in pages 212 to 213 and 250 to 251 of the document D.11-0170 submitted to the AMF on 23 March 2011 for the consolidated financial statements and annual financial statements, of the financial year ended 31 December 2010.

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Courbevoie, 16 March 2012

The Chief Executive Officer of Crédit Agricole CIB
Jean-Yves HOCHER

STATUTORY AUDITORS

Statutory auditors

PRIMARY STATUTORY AUDITORS	
Ernst & Young et Autres Member of the Ernst & Young network	PricewaterhouseCoopers Audit Member of the PricewaterhouseCoopers network
Member of the Versailles regional association of statutory auditors represented by: Valérie Meeus	Member of the Versailles regional association of statutory auditors represented by: Catherine Pariset et Pierre Clavié
Head office: 1-2 Place des saisons 92400 Courbevoie - Paris-La Défense 1	Head office: 63, Rue de Villiers 92208 - Neuilly-sur-Seine Cedex

ALTERNATE STATUTORY AUDITORS	
Picarle et Associés	Mr Pierre Coll
Member of the Versailles regional association of statutory auditors	Member of the Versailles regional association of statutory auditors
Company represented by: Marc Charles	
Head office: 1-2 Place des saisons 92400 Courbevoie - Paris-La Défense 1	63, Rue de Villiers 92208 - Neuilly-sur-Seine Cedex

LENGTH OF STATUTORY AUDITORS' MANDATES

Ernst & Young et Autres (until 30 June 2006 known as Barbier Frinault et Autres) was appointed Statutory Auditor for six financial periods by the Shareholders' Meeting of 10 May 2000.

This mandate was renewed for a period of six financial periods at the Shareholders' Meeting of 16 May 2006.

PricewaterhouseCoopers Audit was appointed Statutory Auditor by the Shareholders' Meeting of 30 April 2004, to replace Cabinet Alain Laine, which had been appointed at the Meeting of 10 May 2000 for six financial periods and has since resigned.

This mandate was renewed for a period of six financial periods at the Shareholders' Meeting of 16 May 2006.

LENGTH OF ALTERNATE AUDITORS' MANDATES

The shareholders' meeting of 16 May 2006 appointed Picarle et Associes as alternate auditors to Barbier Frinault et Autres (now known as Ernst & Young et Autres) for a period of six financial periods (replacing Mr Peuch Lestrade whose mandate expired at the end of the 16 May 2006 Shareholders' Meeting).

Pierre Coll was appointed Alternate Auditor to PricewaterhouseCoopers Audit by the Shareholders' Meeting of 30 April 2004 for the duration of the mandate of his predecessor, Mr Olivier Peronnet, who had been appointed by the Meeting of 10 May 2000 and has since resigned. This mandate was renewed for a period of six financial periods at the Shareholders' Meeting of 16 May 2006.

Cross-reference table

The following table indicates the page references corresponding to the main information headings required by regulation EC 809/2004 enacting the terms of the “Prospectus” Directive.

(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 for reference purposes: the consolidated financial statements for the period ended 31 December 2011, the statutory auditors’ report on the consolidated financial statements for the period ended 31 December 2011 and the financial situation and 2011 net income respectively presented on pages 145 to 218, 81 to 98 and 100 to 126 of Crédit Agricole CIB’s 2011 shelf-registration document registered by the AMF on 16 March 2012 under number D.12-0166 and available on the Crédit Agricole CIB website (www.ca-cib.com).

Regulated information within the meaning of by Article 221-1 of the AMF General Regulation contained in this registration document	Page number
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 Code Monétaire et Financier as well as in Article 222-3 of the AMF General Regulation:	
Parent company financial statements and Statutory Auditors' report	219
Consolidated financial statements and Statutory Auditors' report	145
Management report which contains: - the analysis of the financial situation and 2011 results, and a description of main risks and doubts (art.L225-100 and L.225-100-2 of Code de commerce)	81-99
Statement by person responsible	267
Pursuant to Articles 212-13 and 221-1 of the AMF General Regulation, this document also contains the following regulatory information:	
Chairman's report on corporate governance and internal control and Statutory Auditors' report thereon	38
Annual information document	259
Description of share buyback programmes	N/A

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This Shelf-registration document is available
on the Crédit Agricole CIB website: www.ca-cib.com
and on the Autorité des Marchés Financiers website: www.amf-france.org

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