



**THE 2008 SUSTAINABLE  
DEVELOPMENT COMPENDIUM**



**CRÉDIT  
AGRICOLE S.A.**

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#### Warning in readers

The 2008 sustainable development compendium contains information stemming from the 2008 Registration document, the 2008 Business review and from sustainable development website of Crédit Agricole S.A. Elements relating to the financial crisis and to the risk management (especially as regards plans linked in Basel II) are treated in the Chairman's report to the Board of Directors and in the management report of the 2008 Registration document.

# The 2008 sustainable development compendium



## CRÉDIT AGRICOLE S.A.

### ► Profile

No. 1 in retail banking in France, Crédit Agricole is the leading financial partner to the French economy and one of the largest retail banks in Europe. Its ambition: to create a world-class European leader in banking and insurance, in accordance with the principles of the United Nations Global Compact.

Crédit Agricole S.A. is responsible for ensuring a consistent development strategy and financial unity throughout the Crédit Agricole Group. Crédit Agricole S.A. pursues a strategy of sustainable, profitable growth through a unified approach between the Regional Banks and the Group's specialist business line subsidiaries.

### **A bank serving 58 millions customers\***

- 3 domestic markets: France, Italy, Greece
- 11,850 branches in more than 20 countries
- Present in 58 countries in Corporate and investment banking

### **A committed and responsible player**

- Signature of the United Nations Global Compact (2003), of the Diversity Charter and the Climate Principles (2008)
- Adoption of the Equator Principles by Calyon
- Signature of the Principles for Responsible Investment by Crédit Agricole Asset Management
- Included in three large sustainable development indices: Aspi Eurozone, FTSE4Good and DJSI

\* Incl. Regional Banks.

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# » Presentation of Crédit Agricole S.A.

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# Message from the Chairman and the Chief Executive Officer

In 2008, the financial crisis spread like wildfire throughout the world economy, leaving deep scars in its wake. In this turbulent climate, Crédit Agricole S.A. was quick to size up the crisis and to take steps to minimise its impact, while systematically reshaping its model to further solidify its base so as to weather the crisis and to emerge from it as one of strongest operators in its industry.

## » WHAT IS YOUR ANALYSIS OF THE CURRENT SITUATION? WHERE DOES CRÉDIT AGRICOLE STAND IN A BANKING LANDSCAPE THAT IS SHIFTING AS A RESULT OF THE CRISIS?

The financial crisis, which began in 2007 in the US, spread swiftly and turned into a full-blown global economic crisis in 2008. The difficulties encountered by certain banking and financial institutions revealed the true nature of the crisis that is sweeping the industry, as well as its depth and breadth. All of our business lines are now operating in a harsher climate, with growth grinding to a near halt, the impact of the new capital requirements and the emergence of new risk areas and extremely volatile financial markets that uncertainty has driven to overestimate the risk of default by economic and financial operators.

Crédit Agricole's culture, which is rooted in its strong local presence and interaction among its core businesses, is not being called into question – far from it. With the Regional Banks and LCL in France, Cariparma FriulAdria in Italy and Emporiki in Greece, our Group is underpinned by branch franchises that are solidly anchored in their regions. Our model aims to combine the strength of these franchises with the efficiency of our production-oriented

business lines. Furthermore, our experience in operating multiple franchises means that we can open up certain businesses to other distributors. This model makes us one of the leading banks in Europe, and it is solid.

Of course, the banking landscape is undergoing a dramatic shift. The role of governments and the extent of their involvement in regulating and supporting the banking industry have been completely redefined. The French banks are among the most resilient; they are meeting their commitments and fulfilling their mission, which is to provide financing to the economy. The French government's plan was more of a way to help the banks to support lending than a bailout. Naturally, Crédit Agricole backed this plan, in keeping with its position as the leading financial partner to the French economy. With its extremely solid financial position, our Group has the wherewithal to fulfil its role during the difficult times we face while actively preparing for the post-crisis period.

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» **BACK TO 2008**▶ **What is your strategy for preparing for the post-crisis period?**

In the very early stages of the crisis, we chose to be transparent. At the end of 2007, we were the first to release figures on asset impairment due to the subprime crisis and our exposure to monolines. We were highly responsive. We showed that we were able to size up the crisis and began to reshape our business model very early on.

At the beginning of 2008, when market conditions were still relatively favourable, we launched a rights issue of unprecedented size (€5.9 billion). We were convinced that the sustainability of the banking system would be contingent on solidity, solvency and access to liquidity. With the support of the Regional Banks, our rights issue met with success – it was 130% over-subscribed – and enabled us to strengthen our ratios.

At the same time, we actively decided to reduce Calyon's risk profile. To achieve this, we carried out a systematic review of the portfolio and decided to retain only those businesses in which Calyon has recognised expertise and undeniable critical mass: structured finance, fixed-income and brokerage. Calyon was refocused very rapidly, thereby reducing exposure to capital market activities. Our rapid response in implementing the changes is evidenced by the fact that net income from Corporate and investment banking was near break-even in the fourth quarter, despite market dislocation at the end of the year.

Lastly, to enhance our operational efficiency, we initiated a cost-reduction process, primarily through stringent controls over fixed costs and cutting variable compensation. Our decisions have already started to pay off, with observable results at the end of the year for the Group as a whole: operating expenses declined by 0.7% on FY 2007, and by 5.7% in the fourth quarter.

▶ **Crédit Agricole S.A. reported net income – Group share of €1 billion, compared with €4 billion in 2007. What is your assessment of this result?**

Our bottom line was in the black in 2008, which makes us one of the strongest performers among the major banks in the world and demonstrates our Group's resilience. Net banking income moved down only 4.8% over the full year. Our resilience was also reflected in its cost/income ratios, which are lower than those of other French banks for most of our specialised business lines – consumer finance, asset management, insurance, financing activities. This operational efficiency enabled us to offset part of the inevitable crisis-related increase in risk-related costs, which advanced by 67% in 2008 on a relatively low basis of comparison. Most of the increase is attributable to our subsidiary Emporiki in Greece, to consumer finance and to a few property and finance sector exposures in Corporate and investment banking.

At the same time, throughout 2008 and at the beginning of 2009, Crédit Agricole S.A. took steps to reinforce its specialised financial services business line to channel ever more competitive products to its distribution networks. It created Newedge, which is now the world leader in brokerage and listed derivatives. It reorganised the insurance business line to create the No. 1 French bancassurance company and the eleventh largest insurance group in Europe. It completed the merger between Agos and Ducato, thereby forming the leading consumer finance company in Italy. At the beginning of 2009, we created a European market leader in Asset management with the merger of CAAM and SGAM. We are consolidating all of the businesses that weathered the crisis well. In areas where we expect to see concentration, we are taking initiatives to reorganise our operations. Our reconfigured business model blends resilience with a dynamic approach to prepare us for the post-crisis period.

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▶ **Are international markets still strategic?**

Europe is our new domestic market. Payment instruments are becoming pan-European, as will soon be the case for consumer credit, mortgage loans and asset management. In specialised financial services, Crédit Agricole is among the top few in Europe with operations in 21 countries and a base of 27 million customers. In just two years, we have made Italy our second largest domestic market. We now have bases for all of our business lines in that country. Greece has been our third largest domestic market since

we acquired control of Emporiki Bank in the summer of 2006. Emporiki – No. 5 in Greece – has been hurt by the economic downturn, labour-related difficulties and the negative impact of local tax reforms. We are reshaping the bank's business and marketing model. The new management has already initiated the process. We also have a strong presence in the Middle East and in Asia, in Corporate and investment banking, Asset management, Insurance and Consumer finance. We have forged many partnerships in these sectors and they will serve as solid springboards for growth when the time comes.

» **AS BANKERS, WHAT LESSONS HAVE YOU LEARNED FROM THIS CRISIS?**

The crisis revealed the dangers of highly fragmented regulations and limitless securitisation. It brought home the consequences of virtually ignoring the notion of risk. For us, the main conclusion is that we need a new international framework for banking and finance. In addition, the crisis has given us a stronger sense of our responsibility as a bank, of our obligation to look at the long-term consequences of our business and financial decisions. Crédit Agricole, which was conceived at the grass-roots level, could not do otherwise. Its natural vocation is to support all local economic agents by helping to meet their needs and bring their projects to fruition over the long term.

In these tough economic times, we ensure that those who are most exposed and weakest can count on products and services tailored to their needs. We also help to develop lasting solutions to environmental problems that affect the future and the very existence of our human communities. We are taking actions in

sustainable development, renewable energy (with the signature of the Climate Principles in 2008) and in microcredit, with the creation of a microfinance foundation dedicated to fighting the war on poverty in developing countries.

We have the resources to do this, with €101 billion in shareholders' equity for the Crédit Agricole Group as a whole. Crédit Agricole S.A. has equity of €83 billion, including €41.7 billion in shareholders' equity – Group share, and a Tier 1 ratio of 9.1% at 1 January 2009.

The Board of Directors has decided to propose a dividend of €0.45 euro per share, or nearly 100% of Crédit Agricole S.A.'s earnings, to be approved by the Annual General Meeting of 19 May. As we see it, this reflects our confidence in the future, underpinned by the loyalty of our 58 million customers, the dedication of the Crédit Agricole Group's 164,000 employees and the trust of our 1.3 million shareholders.

René Carron

Georges Pauget

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## 2008 key figures

### » TRENDS IN EARNINGS

#### CONDENSED INCOME STATEMENT

(in millions of euros)	2008	2007	2006	2005	2004 IFRS*
Net banking income	15,956	16,768	16,187	13,693	12,107
Gross operating income	3,321	4,050	5,832	4,527**	3,528**
Net income	1,266	4,556	5,258	4,249	2,798
Net income, Group share	1,024	4,044	4,860	3,891	2,501

#### BUSINESS OPERATIONS

(in billions of euros)	31/12/2008	31/12/2007	31/12/2006	31/12/2005	31/12/2004 IFRS*
Total assets	1,653.2	1,414.2	1,260.5	1,061.4	933.3
Gross loans	436.9	397.3	336.3	261.4	209.3
Customer deposits	607.8	564.9	513.6	416.5	391.0
Assets under management (asset management, insurance and private banking)***	550.8	614.4	636.9	562.7	406.7

\* 2004 IFRS figures are comparative figures including IAS 32 and IAS 39.

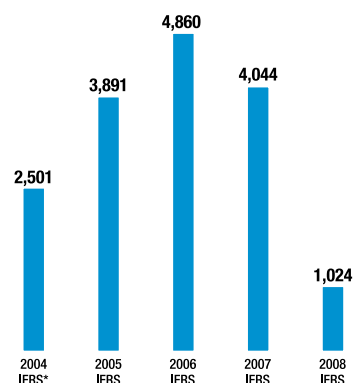
\*\* Before integration-related costs.

\*\*\* Excluding double counting. Outstandings of asset management take into account the outcome of JV CAAM Sgr. S.p.A.

Note: the 2006 accounts were adjusted to reflect the change in method for treating changes in minority interests.

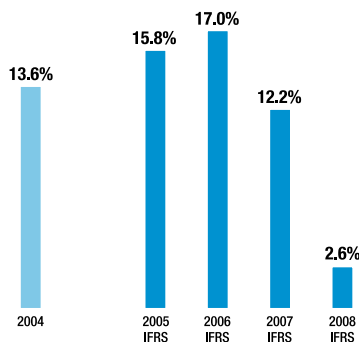
#### NET INCOME, GROUP SHARE

(in millions of euros)



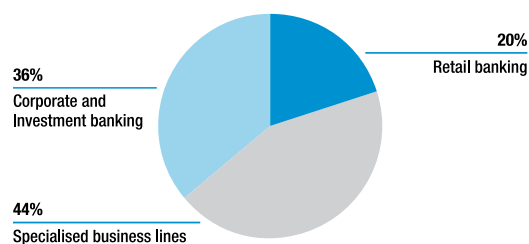
\* 2004 IFRS figures are comparative figures including IAS 32 and IAS 39.

#### RETURN ON EQUITY (ROE)



### » RESULTS BY BUSINESS LINE

#### CONTRIBUTION TO NET INCOME, GROUP SHARE\*



\* Excluding corporate and investment banking discontinuing activities.

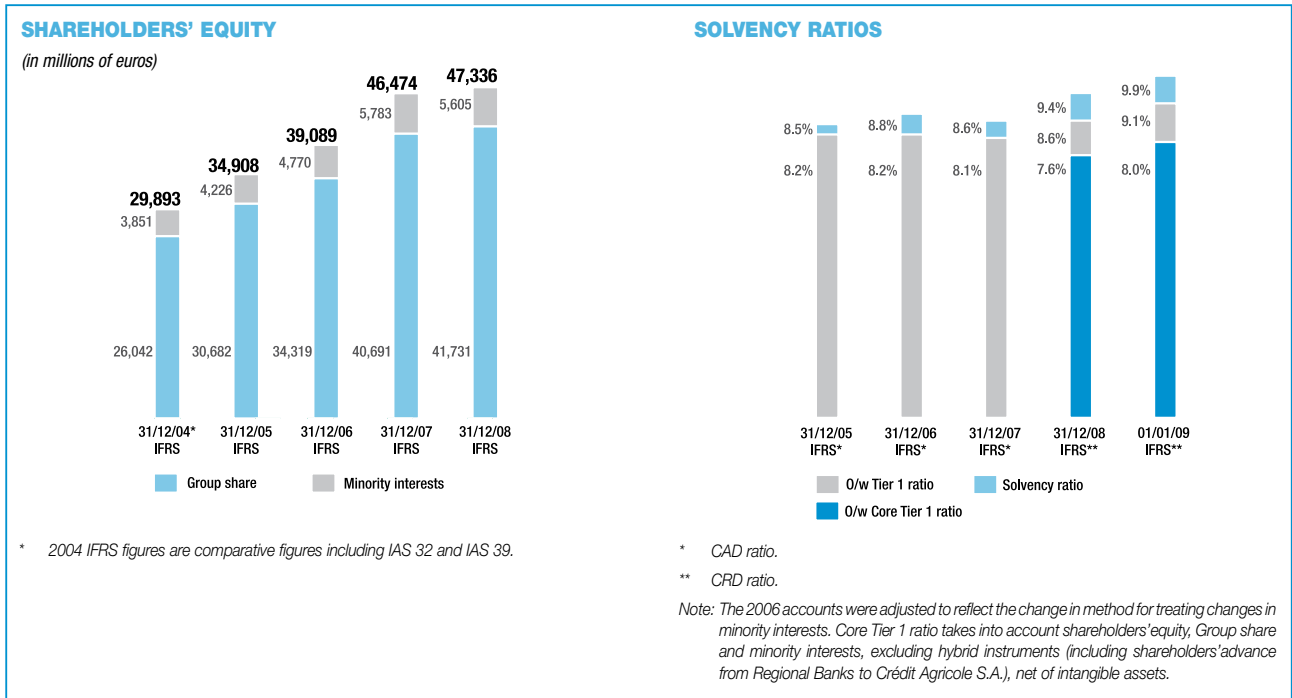
#### CONTRIBUTION TO NET INCOME, GROUP SHARE

(in millions of euros)	2008	2007	2006	2005
Regional Banks	581	778	759	778
LCL	691	553	680	590
International retail banking	(420)	460	529	439
Specialised financial services	460	595	463	401
Asset management, insurance and private banking	1,392	1,899	1,547	1,225
Corporate and investment banking	(1,924)	(904)	1,645	1,253
Proprietary asset management and other activities	244	663	(763)	(795)



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» FINANCIAL STRUCTURE



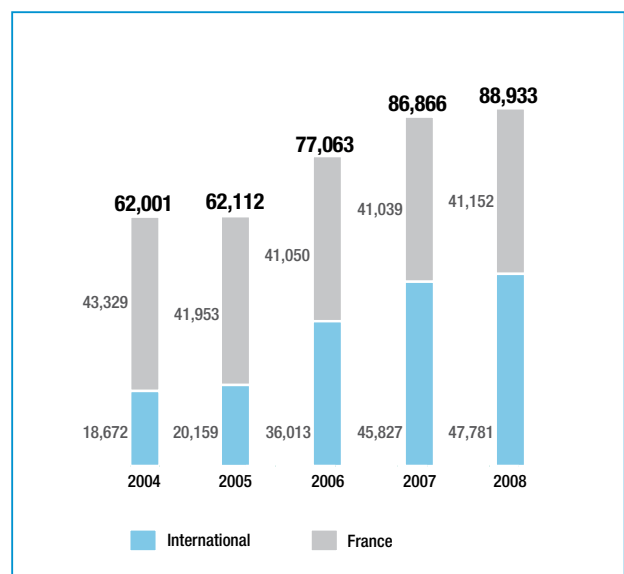
» RATINGS

Crédit Agricole S.A. has been awarded high ratings by the main rating agencies, reflecting its strong financial position.

SHORT TERM	
Moody's	P1
Standard and Poor's	A1 +
FitchRatings	F1 +
LONG TERM	
Moody's	Aa1
Standard and Poor's	AA -
FitchRatings	AA -
OUTLOOK	
Moody's	Negative
Standard and Poor's	Stable
FitchRatings	Stable

» HEADCOUNT AT YEAR-END

(Full-time equivalents)



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## Stock market data 2008

### » OWNERSHIP STRUCTURE AT 31 DECEMBER 2008

On 31 December 2008, Crédit Agricole S.A.'s share capital comprised 2,226,342,496 shares. As of that date, to the best of Crédit Agricole S.A.'s knowledge, ownership of share capital and voting rights was as follows:

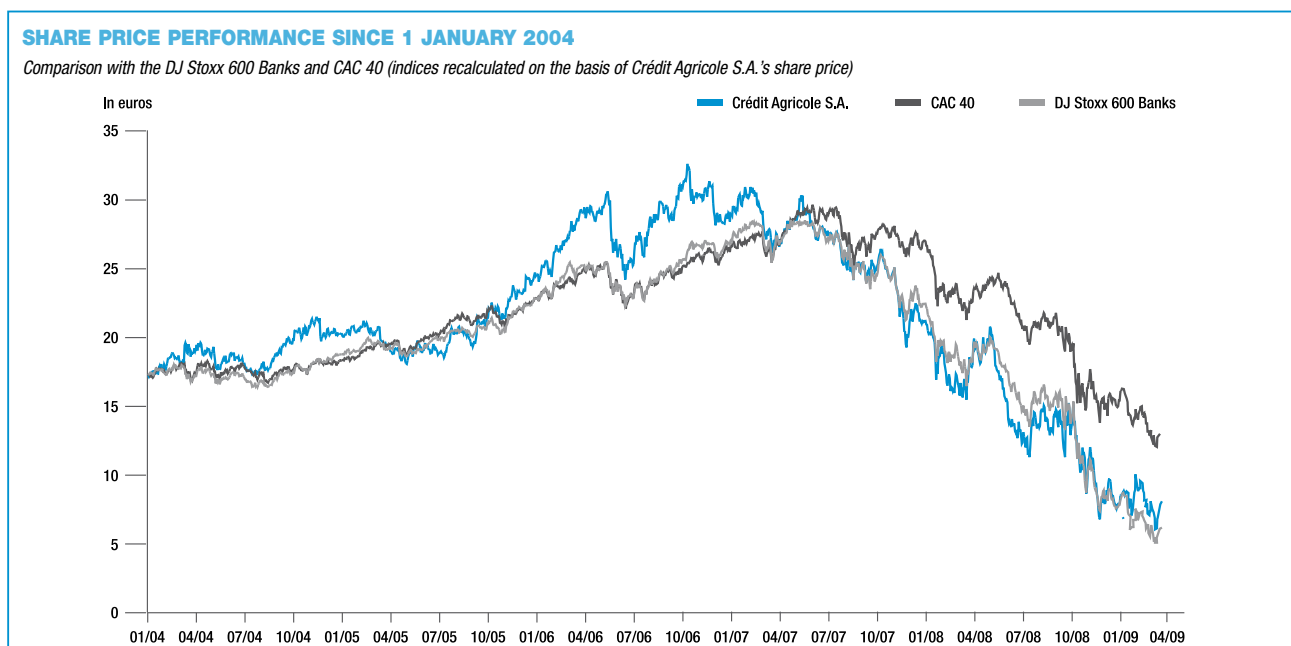
Shareholders	Number of shares	% of share capital	% of voting rights
SAS Rue La Boétie	1,219,551,872	54.78	55.10
Treasury shares	13,011,521	0.58	-
Employee share ownership plan	98,664,223	4.43	4.46
Institutional investors	704,079,571	31.63	31.81
Retail investors	191,035,309	8.58	8.63
<b>TOTAL</b>	<b>2,226,342,496</b>	<b>100.00</b>	<b>100.00</b>

All the shares are fully paid up. They may be in either registered or bearer form at the holder's choice subject to any prevailing legal provisions. There are no double voting rights or additional dividend rights attached to the shares.

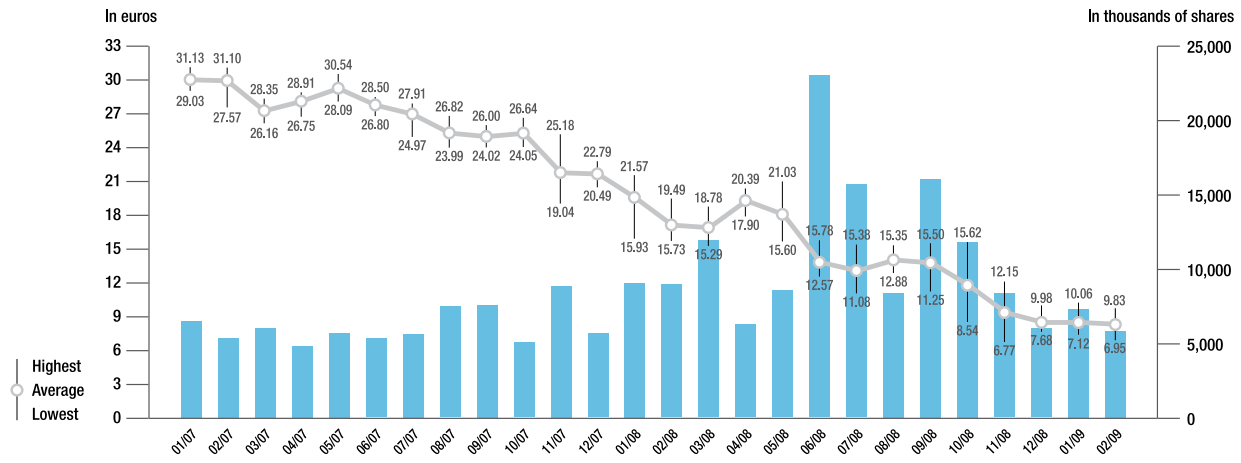
A €5.9 billion capital increase with preferential subscription rights was carried out from 6 to 24 June 2008. Subscription for new shares was at a price of €10.60 on the basis of one new share for three existing shares. A total of 556,585,624 new shares were created as of 7 July 2008, the settlement-delivery date.

### » CRÉDIT AGRICOLE S.A. SHARES

#### ► Share price performance\*



## MONTHLY TRENDS IN SHARE PRICE AND TRADING VOLUMES



\* Data adjusted for preferential rights issues in January 2007 and July 2008.

From 2004 to 2006, the Crédit Agricole S.A. shares did extremely well. They rose by 68.3% over the three-year period, while the CAC 40 gained only 55.8%. After an excellent year in 2004, when they outperformed the CAC 40 index by 10 percentage points, 2005 was another good year for the Crédit Agricole shares. In a relatively buoyant market, they finished the year at €26.61, gaining 20% over 12 months slightly under the performance of CAC 40 up 23%. In 2006, the shares closed at €31.35 on 31 December, a rise of 19.7% over the year, outperforming the CAC 40's 17.5% gain.

In 2007, the Crédit Agricole S.A. shares, like all financial sector stocks, were hit hard by the market turmoil and the US subprime crisis that began in the summer. At 31 December, the shares were trading at €23.07, down 26.4% over the year. They underperformed the CAC 40, which edged up 1.3% in 2007.

In 2008, as the financial crisis intensified and spread, it drove stock prices even lower and the CAC 40 lost 42.7% over the year. Financial issues were the hardest-hit, with the DJ Stoxx 600 Banks Index sinking nearly 65%. The Crédit Agricole S.A. shares lost 62.4%.

After a getting off to a poor start, as major fraud uncovered at a leading French bank pushed French bank stocks down even further, Crédit Agricole S.A. share price recovered after the Bear Sterns rescue. It outperformed the CAC 40 and the DJ Stoxx 600 Banks indices and, by 2 May 2008, had returned to €20.88, close to its opening price on 1 January. During the second half, worsening economic conditions and Lehman Brothers' failure in September exacerbated the financial market decline. At year-end, stock prices turned highly volatile and trading volumes shrank. The average

daily trading volume in Crédit Agricole S.A. shares contracted to 8.8 million during the last quarter.

A total of 2,845 billion shares were traded during 2008, with an average daily volume of 11.1 million shares.

### ► Stock market indices

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

The shares are part of several indices: the CAC 40 index of the largest 40 companies listed on the Paris Bourse; the DJ EuroStoxx 50, an index of 50 blue-chip stocks from the 12 euro zone countries; and FTSEurofirst 80, which represents the largest companies in the European Monetary Union in terms of market capitalisation.

The Crédit Agricole S.A. shares are also included in three major sustainable development indices: the ASPI Eurozone index of the 120 euro zone countries with the best performance in terms of sustainable development; the FTSE 4 Good Global 100 and Europe 50, respectively representing the 100 companies listed world-wide and the 50 European companies that best meet stringent social and environmental responsibility criteria; and the Dow Jones Stoxx Sustainability Index of the 120 leading sustainability-driven companies out of the companies listed in the European DJ Stoxx 600, an index of the 600 largest European companies in terms of market capitalisation.

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## Stock market data 2008

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## ► Share data

	31/12/2008	31/12/2007	31/12/2006	31/12/2005	31/12/2004
Number of shares in issue	2,226,342,496	1,669,756,872	1,497,322,301	1,497,322,301	1,473,522,437
Market capitalisation (in billions of euros)	17.8	38.5	47.7	39.8	32.7
Earnings per share (EPS)* (in euros)	0.51	2.31	3.00	2.43	1.37
Book value per share (BVPS) <sup>(1)</sup> (in euros)	18.29	21.39	19.67	17.77	15.46
Price/BV	0.44	1.00	1.47	1.36	1.30
P/E	15.6	9.2	9.6	9.9	14.8
<b>Year's high and low*</b> (in euros)					
High (during trading day)	21.57	31.13	32.82	24.96	21.70
Low (during trading day)	6.77	19.04	24.20	18.03	17.11
Latest (closing price at 31 December)	8.00	21.29	28.93	24.16	20.16

\* Data adjusted for rights issues in January 2007 and July 2008.

(1) Net book value after dividends divided by number of shares in issue at period-end.

## ► Dividends

Crédit Agricole S.A. paid a dividend of €0.55 per share for 2001 to 2003. The dividend was raised to €0.66 for 2004, €0.94 for 2005, €1.15 for 2006 and €1.20 for 2007.

For 2008, while observing French government recommendations for strengthening equity, the Board of Directors has decided to take the shareholders' support into consideration and to propose to the AGM a net dividend of 0.45 per share in respect of 2008, i.e. a

payout ratio of 97%. Two dividend payment options will be offered to the shareholders:

- full payment in cash; or,
- payment in shares.

SAS Rue La Boétie has indicated it would opt for the payment in new shares providing it is approved at its next Annual General Meeting.

	2008	2007	2006	2005	2004
Net dividend per share* (in euros)	0.45	1.11	1.06	0.85	0.60 <sup>(1)</sup>
Payout ratio**	97%	49%	35%	36%	38%

\* Data adjusted for preferential rights issues in January 2007 and July 2008.

\*\* Total dividends payable (excl. treasury shares) divided by net income (Group share).

(1) In 2004, the gross dividend (unadjusted) was to €0.80 per share, including the tax credit for the €0.30 interim dividend paid on 16 December 2004.

## ► Total shareholder return

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

The calculation, which is based on the share price on the day of the investment (initial public offering on 14 December 2001 or beginning of the year in other cases), takes into account the reinvestment of dividends received (until 2005, this included the tax

credit in respect of 2004, which accounted for 50% of the amount distributed). The valuations are based on the closing share price on the day of the investment.

It also assumes that investors sold their preferential subscription rights and used the proceeds to take up the rights issues at the end of October 2003, January 2007 and July 2008. All figures are before tax.

Holding period	Cumulative gross return	Average annualised return
One year (2008)	-60.0%	-60.0%
Two years (2007 – 2008)	-70.4%	-45.6%
Three years (2006-2008)	-62.8%	-28.1%
Four years (2005-2008)	-54.5%	-17.9%
Five years (2004-2008)	-43.5%	-10.8%
Six years (2003-2008)	-14.0%	-2.5%
Seven years (2002-2008)	-37.9%	-6.6%
Since IPO (14 December 2001)	-28.7%	-4.7%

## » 2009 FINANCIAL CALENDAR

4 March	Publication of 2008 annual results
14 May	Publication of 2009 first quarter results
19 May	Annual General Meeting in Paris
27 May	Detachment of the coupon
23 June	Payment of the dividend
27 August	Publication of 2009 half-year results
10 November	Publication of 2009 nine-month results

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Investor.relations@credit-agricole-sa.fr

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Toll-free line (from France only): 0 800 000 777  
Infos.actionnaires@credit-agricole-sa.fr  
www.credit-agricole-sa.fr

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# »» Crédit Agricole S.A. in 2008

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## Company history

### » 1894

Creation of the first “*sociétés de Crédit Agricole*”, later named Local Banks of Crédit Agricole Mutuel.

### » 1899

Law grouping the Local Banks into Crédit Agricole Regional Banks.

### » 1920

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

### » 1945

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

### » 1988

Law mutualising the CNCA, which became a limited company owned by the Regional Banks and the Group's employees.

### » 1996

Acquisition of Banque Indosuez.

### » 1999

Acquisition of Sofinco and an initial stake in Crédit Lyonnais.

### » 2001

Reincorporation of CNCA as Crédit Agricole S.A., which was floated on the stock exchange on 14 December 2001.

### » 2003

Acquisition of Finaref and Crédit Lyonnais.

### » 2006

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

### » 2007

Launch of LCL competitiveness plan.

Cariparma FriulAdria and Emporiki development plans announced.

### » 2008

Presentation of the strategic refocus plan of Corporate and investment banking activities.

Emporiki capital increase and new measures for its development announced.

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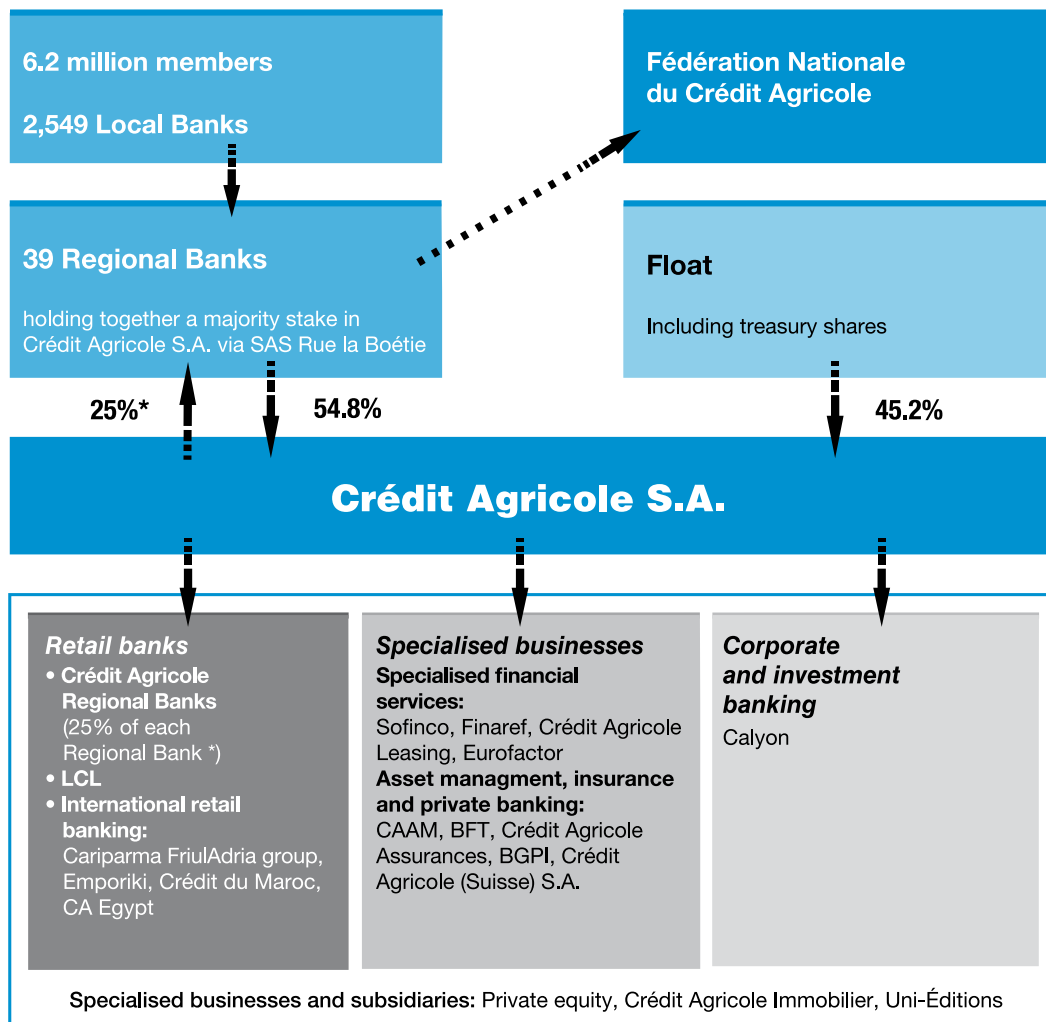
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# Organisation of Crédit Agricole Group and Crédit Agricole S.A.

The Crédit Agricole Group's scope of consolidation comprises Crédit Agricole S.A., all of the Regional Banks and the Local Banks, and their subsidiaries.



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At 31 December 2008

\* Except for Caisse Régionale de la Corse.



## Significant events in 2008

### ► January

Operational launch of Newedge, joint-venture between Calyon Financial and Fimat, a new world leader in brokerage.

Success of sale of Crédit Agricole S.A.s' direct shareholding in SUEZ.

The "Farsight Award" for Crédit Agricole Cheuvreux for its long-term economic and financial research.

### ► February

Crédit Agricole Asset Management Group confirms its presence and roots in Italy by presenting its new subsidiary: "Crédit Agricole Asset Management SGR".

Fiat Group Automobiles Financial Services closes the first year with good results.

Crédit Agricole Asset Management creates a subsidiary in Australia and a joint venture in Saudi Arabia.

Crédit Agricole S.A., in partnership with 2006 Nobel Peace Prize winner Professor Yunus, announces the creation of the "Grameen-Crédit Agricole Microfinance Foundation".

Crédit Agricole S.A. gets authorisation to acquire a 15% block in the Spanish bank Bankinter share capital.

### ► March

Crédit Agricole Asset Management, the first asset management company to be rated by VIGEO on environmental, social and governance criteria.

### ► April

Eurofactor creates a subsidiary in Italy.

Crédit Agricole and Banco Popolare announce the signing for an agreement for the Italian joint-venture between Agos and Ducato, their consumer credit subsidiaries.

### ► May

Announcement of the EUR 5.9 billion capital increase in order to improve prudential ratios and business lines organic growth.

### ► June

Crédit Agricole and MasterCard launch of the first debit/credit card in France.

### ► July

Success of the EUR 5.9 billion capital increase in a particularly challenging market.

Calyon puts in place a new client-focused organisation.

### ► August

Cariparma FriulAdria Group rated as one of the 7 first class banks by the Italian weekly newspaper Il Mondo.

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## Significant events in 2008

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▶ **September**

Crédit Agricole Cheuvreux opens a new subsidiary in Istanbul.

Calyon 2008-2010: refocus corporate and investment banking activities on core competencies.

Crédit Agricole S.A. listed on the Dow Jones Sustainability Index.

▶ **October**

Crédit Agricole S.A. strengthens its senior management organisational structure to adapt to the new global financial environment and to prepare for a post-crisis era.

Crédit Agricole, France's biggest bank and the leading provider of funds within the French economy, will be at the forefront for the French government plan to support the Economy.

▶ **November**

Crédit Agricole Asset Management Group opens a new subsidiary in Malaysia.

SOFINCO enters the Slovak market thanks to the purchase of OTP Leasing.

Crédit Agricole S.A. announces the acquisition by Attijariwafa Bank of Crédit Agricole S.A.'s stake in its retail banking network in Africa and the acquisition by Crédit Agricole S.A. of an additional 24% stake in Crédit du Maroc and the acquisition by Sofinco of an additional 15% stake in Wafasalaf from the same Group.

▶ **December**

Crédit Agricole Leasing expands its business in Italy.

Crédit Agricole S.A. offsets its CO<sub>2</sub> emissions by buying carbon credits and signs up to the Climate Principles.

Crédit Agricole and the European Investment Bank strengthen their partnership to support investment by local authorities and SMEs.

Crédit Agricole issues €3 billion in super-subordinated notes subscribed to by the French government as part of the French plan to support the economy.

▶ **From January to March 2009**

Crédit Agricole S.A. successfully launches its first covered bond issue via its subsidiary Crédit Agricole Covered Bonds.

CAAM-SGAM: Crédit Agricole S.A. and Société Générale sign a preliminary agreement to merge their asset management businesses.

Crédit Agricole S.A. confirms that it is in exclusive talks with Natixis with a view to acquiring 35% of CACEIS.

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# Crédit Agricole S.A. business lines

## » SIX BUSINESS LINES

### French Retail Banking – Regional Bank\*

► **Net income accounted for at equity\*: €581 million**

Banking services for personal customers, farmers, small businesses, companies and public authorities, with a very strong regional presence.

The Regional Banks provide a full range of banking and financial products and services, including mutual funds (money market, bonds, equity), life insurance, lending (particularly mortgage loans and consumer finance, to small businesses and corporates), payment systems, banking-related services and wealth management. In addition to life insurance, they also provide a broad range of property & casualty and death & disability insurance.

These services are available both through the local branch network and electronic banking channels, primarily the Internet and mobile phones.

- 20 million customers\*\*;
- 7,088 branches;
- Market leader in (source: Banque de France; Company):
  - personal deposits: 24%,
  - personal loans: 22%,
  - farming sector: 79% (source: RICA 2007),
- Business market share in:
  - small businesses : 30% (source: Pépite CSA 2008)
  - companies: 35% (source: TNS Sofres 2007)
  - associations: 29% (source: CSA 2006).

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

\*\* Excl. professional and corporate customers.

### French Retail Banking – LCL

► **Net Banking Income: €3.8 billion**

LCL is a French retail banking network with a strong focus on urban areas. It is organised into four main segments: retail banking for individuals, retail banking for small businesses, private banking and corporate banking.

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

- 6 million personal customers, 320,000 small business customers, 26,000 SMEs;
- 2,057 outlets:
  - 50% of them in towns with over 200,000 inhabitants,
  - 84 locations dedicated to business customers,
  - 54 private banking locations.

### International Retail Banking

► **Net banking income of consolidated subsidiaries: €3.0 billion**

Crédit Agricole S.A. holds a very strong position in retail banking in Europe, particularly in the euro zone, and, to a lesser extent, in Africa and the Middle East and Latin America.

In Italy, Crédit Agricole operates under the Cariparma and FriulAdria banners. A vast majority of these two networks' 778 branches is in Northern Italy. They serve over 1.4 million customers.

Crédit Agricole is active in Greece via Emporiki, the No. 5 bank in that country (source: Company). With 392 branches, Emporiki has a 8% market share and more than 1.4 million customers. Emporiki is also present in the Balkans.

Crédit Agricole also has a significant presence in Portugal, through its 23.8% stake in Banco Espírito Santo, the No. 3 local bank (source: Company).

Outside the euro zone, Crédit Agricole S.A. operates in Serbia via Meridian Bank, Ukraine via Index Bank and Poland via Lukas S.A.

In Africa, Crédit Agricole S.A. manages Crédit du Maroc, Crédit Agricole Egypt and banks in seven countries in Sub-Saharan Africa – Cameroon, Senegal, Côte d'Ivoire, Gabon, Congo, Madagascar and Djibouti. This set up will change in 2009 following the authorisation from local authorities on the agreement signed in 2008 between Crédit Agricole S.A. and Attijariwafa Bank.

In Latin America, Crédit Agricole S.A. owns Credit Uruguay Banco.

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## Specialised Financial Services

## ► Net banking income: €3.0 billion

**Consumer finance:** a European leader with operations in 20 countries in Europe, Morocco and Saudi Arabia (source: Company).

Sofinco and Finaref specialise in consumer finance, which is distributed in France through several channels: retail outlets (cars, household equipment); a direct network of branches; and partnerships with the Regional Banks and LCL, as well as with major retailers, mail order companies, car manufacturers and financial institutions (primarily insurance companies).

€71.2 billion in consumer finance outstandings.

**Lease finance:** No. 1 in France with Crédit Agricole Leasing, and No. 2 in property leasing and rental with services (source: ASF), No. 2 as well in public-private financing partnerships and sustainable development. The Group also has a lease finance operation in Poland with EFL, the local leader in equipment leasing and also in Italy, Greece, Spain, Morocco and Armenia.

Lease finance outstandings: €16 billion.

**Factoring:** No. 1 in France with Eurofactor (source: ASF); 21.6% market share.

Eurofactor has the most extensive factoring network in Europe, with operations in seven countries.

Factored receivables: €45 billion.

## Asset Management, Insurance and Private Banking

## ► Net banking income: €4.0 billion

**Asset Management:** leader in mutual funds in France and Europe (source: Europerformance, Lipper) and one of the top 6 asset managers in Continental Europe (source: IPE)

The Group's asset management business, which is conducted principally by the Crédit Agricole Asset Management group, encompasses mutual funds for retail, corporate and institutional investors, and discretionary management services for corporate and institutional investors.

Assets under management: €457 billion.

**Insurance:** No. 2 insurer in France and No. 1 banksurer in France (source: FFSA); one of the top 20 worldwide.

The Insurance business line covers all customer needs, with an extensive range of savings and provident products in personal insurance and a broad array of property & casualty insurance products for retail, farming and small business customers sold through the Regional Banks and LCL. In 2007, it expanded to encompass creditor insurance and is developing all of these businesses abroad.

Business in force: €192 billion.

**Private banking:** the Crédit Agricole Group is a leader in private banking, both in France where it is No. 1 in the high net worth segment through BGPI, the Regional Banks and LCL, and internationally, with operations in Switzerland (including its subsidiaries and branches in the Bahamas and Singapore), Luxembourg, Monaco, Brazil, Miami (USA) and Spain.

Assets under management\*: €110 billion.

\* Excluding the Regional Banks.

## Corporate and Investment Banking – Calyon

## ► Net banking income: €1.9 billion

With operations in 58 countries, Calyon offers its clients a full range of products and services in capital markets, brokerage, investment banking, structured finance and commercial banking. It has four main business divisions.

**The Coverage and Investment Banking Division** works with and supports the development of corporate and financial institutions clients in France and abroad, as well as providing advisory services and equity and long-term financing (M&A, Equity Capital Markets (ECM), Corporate Equity Derivatives and Loan Syndication).

**The Equity Brokerage and Derivatives Division** handles brokerage activities in Europe, Asia and the USA, along with trading, equity derivatives and fund activities. Calyon's equity brokerage activities are organised around two subsidiaries that are leading players in their markets: Crédit Agricole Cheuvreux and CLSA. The Group's other brokerage units are Calyon Securities (USA) Inc. and Newedge, which is jointly owned by Calyon and Société Générale.

**The Fixed Income Markets division** covers all activities involving the trading and sale of standard or structured capital markets products, for companies, financial institutions and large issuers. The division contains five specialist business lines (foreign exchange, interest-rate derivatives, debt and credit markets, commodities and cash management), and a commercial unit.

**The Structured Finance division** has nine business areas: aviation and rail / shipping finance / natural resources, infrastructure and power / real estate, hotels and leisure / export and trade finance / acquisition finance / commodity trading finance / structured finance advisory / tax-based leases. Calyon is a world-leading player in each of these areas.

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## » FRENCH RETAIL BANKING – CRÉDIT AGRICOLE REGIONAL BANKS

### ► Business and organisation

The Crédit Agricole Regional Banks are co-operative entities and fully-fledged banks. They provide a full range of banking and financial products and services to personal customers, farmers, small businesses, companies and local authorities. They have a network of 7,088 branches plus 8,000 in-store cash points which provide Crédit Agricole customers with basic banking services.

The Regional Banks have a leading position in almost all areas of the retail banking market in France. They take about 24% of the personal banking market with 20 million customers (source: Banque de France). The Regional Banks continue to broaden their product and service offering, working in close association with Crédit Agricole S.A. and its subsidiaries. They provide a comprehensive range of banking and financial products and services, including deposits and savings, equity, bond and mutual fund investments, lending (particularly mortgage loans and consumer finance, to corporate clients and small businesses), payment systems and insurance (property casualty, life, death and disability, and retirement). These services are available both through the local branch network and electronic banking channels (interactive voice server, Internet, interactive TV and mobile phone).

As the main bank used by 84% of farmers for their business (source: Ipsos 2007), Crédit Agricole is the leader in financing for farmers in France, with a market share of 79.3% (source: RICA 2007). In investments, its market share in interest-bearing deposits and negotiable securities is over 70% (source: Ipsos 2007).

For corporate customers, 720 account representatives serve as mainstays of the business relationship. They offer customers the Crédit Agricole Group's full range of products, services and expertise, from commercial banking to investment banking via financial engineering and wealth management for top executives. 35% of all small and mid-size companies bank with the Group (source: TNS-Sofres 2007).

The Regional Banks have consolidated their position as the No. 3 lender to local authorities. Some 180 specialists who handle relationships with public sector and social economy customers at the Regional Banks offer solutions in financing, insurance, savings and services.

Where it will improve their financial strength and competitiveness, some Regional Banks are merging in order to provide their customers with a better quality of service. The number of Regional Banks has fallen from 94 in 1988 to 39 at 31 December 2008. Each merger is carefully planned and prepared to ensure that Crédit Agricole preserves its local roots and continues to provide a high-quality local service.

Fifteen Regional Banks have raised funds in the financial markets by issuing listed *Certificats Coopératifs d'Investissement*, a form of non-voting shares.

Crédit Agricole S.A. owns 25% of each Regional Bank (with the exception of Caisse régionale de la Corse).

### ► Events in 2008

Despite tough conditions in 2008, the Regional Banks have continued to finance their regional economies, while continuing to build their customer base in all customer segments. In particular, the penetration rate in demand deposits rose by one percentage point in the 15-17 and 50+ age brackets.

In savings, all banks have been authorised to sell Livret A government-regulated savings accounts from 1 January 2009. Starting in summer 2008, Crédit Agricole allowed customers to pre-order Livret A accounts by opening dedicated passbook accounts. In the five months to end-January 2009, 2.5 million accounts were opened, representing total deposits of €7.8 billion. The Group also launched two new life insurance policies: Cap Découverte at the start of the year, aimed at people who do not yet have any life cover; Vers l'Avenir in November, for children.

2008 brought several innovations in the field of bank cards. The launch of the Double Action card represented a major step forward in payment instruments: it is the first universal payment card that gives holders the choice to pay for goods at any retailer or withdraw money from any ATM on a debit or credit basis. Crédit Agricole increased its market share in premium cards, and launched the first French football team official bank card.

There was also progress in Internet banking. The Regional Bank websites were enhanced, and now feature more than 200 product information sheets. Customers can now obtain property/casualty insurance quotes and apply for consumer loans and mortgages online, as well as opening fully-online savings accounts. In the second half, a new online brokerage service, called Invest Store, was introduced, with two versions tailored to customers' varying needs and expectations.

Crédit Agricole is the banking partner of 92% of French farmers (source: Ipsos 2009), and in 2008 consolidated its position as the leading bank supporting French agriculture thanks to an active policy aiming at attracting young farmers. It is the leading bancassurer for agricultural customers, and continued to develop innovative products specifically for farmers, such as loans featuring flexible repayments and annual payment holidays, along with the DPA account, a business investment account available only to

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farmers, whose deposits have more than doubled in the space of a year. Crédit Agricole confirmed its intention to support farmers in managing their risks by developing its insurance product range and distribution network: it sold 100,000 policies in 2008, giving it market share of more than 17%.

In the small business banking market, the Regional Banks took initiatives to win new customers and support existing customers. In day-to-day business banking, which is a priority area for small-business customers, Crédit Agricole is constantly enhancing its service, using new technologies to provide greater security, guarantees and ease of payment. Given the tough economic background, Crédit Agricole has developed solutions that address short- and medium-term financing needs, and that help those

starting or acquiring businesses. It is rolling out “Créances services”, a Eurofactor solution, and developing “Prêt à Piloter”, that offers flexible repayments.

In a deteriorated economic environment, Crédit Agricole strengthened its service quality for the day-to-day banking business. In 2008, it enhanced its range of services, particularly as regards supporting companies in their developments outside France. In addition, the Regional Banks further developed the “merchant bank for companies” aiming at affirming their presence alongside company managers and shareholders. The Group continued to strengthen its relationships with local authorities, leading to increased business in insurance, support for “e-government” and public-private partnerships.

» FRENCH RETAIL BANKING – LCL

LCL, which operates under its own brand name launched in August 2005, is the only domestic branch bank in France to focus exclusively on retail banking for personal, small business and corporate customers.

► Business and organisation

LCL has set up a structure that is consistent with its strategic objectives, namely its priority of stepping up business development. Its organisation consists of four divisions: retail banking for individuals, retail banking for small business customers, private banking and corporate banking.

With six million customers, personal banking is LCL's core business. It provides all retail customers with a full range of products and services covering all their needs in savings, investments, credit, payment systems, insurance and advice.

LCL has a network of 2,057 outlets and 5,000 ATMs across France. They are being automated and renovated (€600 million in over three years).

LCL has an extensive insurance training programme to develop professional expertise in the network. The quality of the training is shown by the fact that all sales staff taking the programme are awarded insurance sales authorisation.

LCL also has a comprehensive, structured range of remote banking services. The Internet offering includes the Personal Banking section of LCL's website for online distribution of products and services for retail customers and LCL *Interactif* for consulting and/or managing accounts and securities portfolios. Customers can also use LCL's online bank, e.LCL, to access all products and services wherever they may be in the world. Online bank customers also have a personal adviser who can be contacted by e-mail or telephone. LCL also offers remote banking services by phone, with a single access portal, *Accueil Conseil en Ligne* and by mobile phone (account information available over mobile Internet and SMS via LCL Avertis).

LCL Banque Privée ranks second in its market, serving 100,000 clients. The reorganisation of its commercial resources, which began in 2007, was completed on schedule. The initiative is being extended with the introduction of a new architectural concept that will be rolled out to all Private Banking units in 2009.

To meet the expectations of its 320,000 tradespeople, small retailers, liberal professions, farmers and small businesses customers, LCL dedicates nearly 1,200 advisers across France. A personal adviser serves as a single point of contact to help these customers manage their daily affairs and achieve their business and personal projects.

The corporate banking division – an autonomous network dedicated to mid-cap companies and institutional investors in France – was reorganised at the beginning of 2007 to meet the twin requirements of proximity and growth. This resulted in denser territorial coverage around 75 business centre corporate divisions, supported by regional centres with expertise in commercial and corporate banking. Their activities are broken down into two main areas: commercial banking, offering a broad range of products and services for these customers' routine operations and needs, and corporate finance (a specialist business with a particular focus on business disposals and acquisitions), to provide support for their major projects. LCL Corporate Banking now has 26,000 customers.

► Events in 2008

Following on from the network reorganisation that was completed in 2007, LCL launched its Crescendo 2 multi-year development plan in 2008. The plan's results were in line with expectations in 2008 in both commercial and financial terms. It is supported by major projects designed to give the network fresh impetus and raise productivity. In the personal customer segment, net new account openings exceeded 100,000, and the emphasis was on young people. The student campaign was particularly successful.

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## Crédit Agricole S.A. business lines

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To improve relationships with customers, which is a major part of Crescendo 2, LCL will use a “contrat de reconnaissance” (“gratefulness deal”). This is a contract through which LCL undertakes to acknowledge each customer’s individual circumstances and to reward customer loyalty. The contract will be supported by targeted products that are tailored closely to customer requirements (such as “LCL à la carte”), as part of a new “avantage programme” starting in early 2009. To support this initiative, LCL has embarked on a new staff training programme. Specific training is being provided to ensure operational excellence at all stages of the customer relationship.

A mortgage master plan has been launched, aimed at bringing the various units, which were previously spread across Paris, together on one site. The prestigious Hôtel des Italiens building will resume

its prime commercial function, and the organisation of after-sales service units in the Paris region will be streamlined. A new operational headquarters, housing senior management and head office functions, will be set up in Villejuif in environmentally-certified premises specially developed for the business. The first moves began in late 2008.

The paperless branch concept is being implemented. The concept should free up staff to spend more time on commercial activities, and should improve information-sharing and customer response times. It will reduce filing, make searching easier through the use of digitised documents, and make archiving more reliable. The roll-out of the concept to all business lines, customer segments and units should be completed in 2009.

» **INTERNATIONAL RETAIL BANKING**

With 30,500 employees serving 5 million customers in around 20 countries through 2,400 branches, Crédit Agricole S.A. has a substantial presence in retail banking in Europe and around the Mediterranean Basin, and, to a lesser extent, in the Middle East and Latin America.

▶ **Business and organisation**

The main purpose of the International retail banking division is to support, control and underpin the development of entities abroad and to support the roll-out of all Group business lines in the local market.

**In Italy**, the Group took the control of Cariparma FriulAdria Group, which it owns at 75%, alongside the Regional Banks, which own 10%, via Sacam International, and the Cariparma Foundation (15%). FriulAdria is 79% owned by Cariparma and 21% owned by retail shareholders. With operations in 9 regions and 45 provinces of Italy that encompass 60% of the country’s population and 70% of its GDP, the entity covers what is now the Crédit Agricole Group’s second largest domestic market, with 780 branches and more than 1.4 million customers.

**In Greece**, Crédit Agricole is active with Emporiki Bank, the No. 5 bank in the country with an approximately 8% market share. Emporiki Bank has 392 branches and 1.4 million customers. Outside Greece, it operates in Romania, Bulgaria, Albania and Cyprus.

Crédit Agricole S.A. is present **in Portugal** through the No. 3 Portuguese bank, Banco Espírito Santo, in which it holds a 23.8% interest.

**In Spain**, Crédit Agricole S.A. owns 22% of Bankinter at 31 December 2008.

**In Central and Eastern Europe**, in addition to its presence in Poland, which dates back to 2001 with Lukas Bank, the Group is

active in Serbia via Meridian Bank and in Ukraine via Index Bank. Including Emporiki’s presence in Albania, Bulgaria and Romania, the Group’s network in Eastern Europe encompasses six countries and more than 800 branches.

**In Africa/Middle East**, Crédit Agricole S.A. manages Crédit du Maroc, Crédit Agricole Egypt and its subsidiary in Madagascar, which is that country’s largest bank. With almost 250 branches, Crédit du Maroc provides a comprehensive service to its retail banking and corporate and investment banking customers. Crédit Agricole Egypt is 59%-owned by Crédit Agricole S.A., and the Mansour Maghrabi group is its main partner in Egypt.

On 25 November 2008, Crédit Agricole S.A. and Attijariwafa Bank announced an agreement for Crédit Agricole S.A. to buy an additional 24% stake in Crédit du Maroc, taking its interest to 77%. Attijariwafa Bank is acquiring Crédit Agricole S.A.’s stake in its sub-Saharan African retail banking network. That deal will bolster the Group’s positions in Morocco, where it has a long-standing presence. The transaction is subject to authorisation by the relevant authorities, and should be completed in the second quarter of 2009.

**In Latin America**, it owns 100% of Credit Uruguay Banco.

▶ **Events in 2008**

After focusing on integrating acquisitions in 2007, particularly in Italy, the focus in 2008 was on commercial development: overall, 170 branches were opened, and banks stepped up their cross-selling efforts. The “new branch model” programme has been launched, with three pilot branches in three countries. Crédit Agricole S.A. won a “Janus du commerce” design award in 2008 for this new international branch concept.

**In Italy**, despite the crisis affecting both the financial sector and the real economy, Cariparma Group continued to outpace the market in terms of growth in business levels and earnings. It also

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hit its territorial expansion targets and completed organising its lead company functions in Italy. Cariparma Group enhanced its liquidity with significant growth in inflows from customers.

**In Greece**, Emporiki suffered from the worsening financial conditions. A new managerial team has been put in place to carry out a major transformation and to bring Emporiki back up to the level of its main local rivals.

**In Eastern Europe**, Lukas Bank maintained the controlled growth of its activities in Poland, where the market is being stimulated by increased competition. The Group's subsidiaries in Ukraine and

Serbia strengthened their business models and client bases, taking into account the weakening and the current pressure on liquidity in the local markets.

**Crédit du Maroc** took advantage of a buoyant market by extending its distribution network, opening 50 new branches in 2008. It improved its national coverage and increased its customer base, particularly through its active pursuit of cross-selling opportunities.

**Crédit Agricole Egypt** continued to update its commercial network, particularly by adopting the new branch concept.

## » SPECIALISED FINANCIAL SERVICES

Within Crédit Agricole S.A. Group, Crédit Agricole S.A.'s Specialised financial services business line encompasses consumer finance, lease finance and factoring.

### ► Consumer Finance

#### Business and organisation

##### SOFINCO

**Sofinco** has operations in France and twenty-one other countries, mostly in Europe.

**In France**, Sofinco offers its customers and partners a comprehensive range of consumer loans including repayment loans, revolving credit and hire purchase products. Its lending products are accompanied by an array of insurance options and other services, such as cards, maintenance, extended warranty, assistance and loyalty programmes.

Sofinco distributes its products through four channels: directly under the Sofinco brand, with rapid growth through the Internet; at points of sale in retail outlets through business introducers; and through partnerships with major national groups, mostly car manufacturers, retail chains and financial institutions (banking and insurance), with or without a shareholder relationship. Sofinco also manages revolving credit facilities and car loans on behalf of the Regional Banks, as well as LCL's entire consumer finance book (revolving credit and bank loans).

**Abroad**, Sofinco's business activities and products are similar to those in France, drawing on local skills to support its own expertise. Sofinco has subsidiaries in nine countries: Germany (Creditplus), Greece (Emporiki Credicom), Hungary (Credigen), Italy (Agos), Netherlands (Interbank/Ribank), Portugal (Credibom), Czech Republic and Slovakia (Credium) and Morocco (Wafasalaf). It is also developing a joint venture with Banque Saudi Fransi in

Saudi Arabia: Sofinco Saudi Fransi. Sofinco also provides support for Crédit Agricole's Polish subsidiary, Lukas, in developing its consumer finance business. Lastly, it owns 50% of FGA Capital, thanks to a European partnership with Fiat.

##### FINAREF

Finaref is the leader in private-label cards and distance selling of financial products. Finaref develops and distributes financial services for customers of its partner stores and companies (La Redoute, Fnac, Printemps, Club Méditerranée, Surcouf, Verbaudet, Cyrillus, etc.) in France and abroad. It has a multi-channel distribution strategy, which combines direct sales (call centres and e-commerce sites) with a network of 400 in-store outlets at partner locations.

Finaref has developed an insurance business, which is centred on credit insurance. Its insurance companies were transferred to Crédit Agricole Assurances in 2008. With its expertise in partnerships, Finaref has repositioned its insurance business, with the focus on distribution and brokerage for the Specialised Financial Services division.

Outside France, Finaref has a structured network in Belgium and Northern Europe (Sweden, Finland, Norway and Denmark).

#### Events in 2008

Sofinco and Finaref consolidated their positions in a climate of slowing consumer finance business in Europe. The combination of these two units began in 2004, and has already generated cost and revenue synergies. These synergies include the partnership with Groupe PPR retail chains, which has been extended to Sofinco's subsidiaries outside France, and the EIG combining both companies' expertise in dealing with disputed claims. A second phase began in 2008, with the aim of increasing Sofinco and Finaref's development and investment capacity, while preserving each company's commercial and legal identity. Their IT systems are currently being combined.

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## Crédit Agricole S.A. business lines

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In France, Sofinco strengthened its presence in its various markets, particularly at the point of sale. An agreement was reached with Sodexo Pass International to launch a gift-card business. With its expertise in cards and its acknowledged partnership culture, Sofinco was selected by prestigious names such as Renault, Total and Intermarché for the launch of co-branded bank cards, which are new to France. Having established a partnership with GO Sport in 2007, Finaref rolled out the new GO Sport First card to 125 stores in 2008. Finaref also launched the new Kangourou range of cards, which have features aimed at online customers (ADSL box guarantee, electronic safe etc.). In November, Finaref launched the new Visa Tactik card, which provides payment facilities and specific purchase guarantees.

As regards online services and e-commerce in general, Sofinco and Finaref maintained their innovation policy. Sofinco acquired FIA-NET, France's leading provider of online trust solutions. Finaref introduced an innovative process for private-label cards, called *Cliquez-achetez.fr*. Customers can sign up for private-label cards provided by Finaref partners and use them to buy goods on their e-commerce sites from their first purchase. Finaref also set up a mobile website, *finaref.mobi*, allowing customers to consult and manage their account using their mobile phone.

International development continued. In Italy, Sofinco acquired the remaining 49% of Agos, which was then combined with Banco Popolare subsidiary Ducato. The new entity, majority-owned by Sofinco, is Italy's leading provider of consumer finance. FGA Capital, a joint venture created in 2006 with Fiat Group Auto, signed an agreement with Tata Motors for the financing of Jaguar and Land Rover vehicles in 13 European countries. Another joint venture, Forso Nordic AB, was set up to provide financing solutions to dealerships and customers of Ford Group marques in Sweden, Norway, Finland and Denmark. Credium, Sofinco's Czech subsidiary, acquired Slovak company OTP Leasing, which was renamed Credium Slovakia and is one of Slovakia's top five vehicle financing companies.

Subject to the necessary authorisations, an agreement in late 2008 between Crédit Agricole S.A. and Attijariwafa Bank should enable Sofinco to increase its stake in Wafasalaf in Morocco from 34% to 49%.

## ► Lease Finance – Crédit Agricole Leasing and EFL

### Business and organisation

Crédit Agricole Leasing provides lease finance solutions to companies, small businesses, farmers and local authorities to finance their investment in new property assets and equipment. In France, it ranks number one in property leasing, number two in equipment leasing and rental, and number two also in Sofergie

energy financing and public sector financing (source: ASF, Company).

Crédit Agricole Leasing is developing its range through several distribution channels: the Group's branch bank networks and partnerships with equipment manufacturers and distributors, primarily in equipment leasing and direct approach.

Crédit Agricole Leasing boasts the most comprehensive offering in the market, encompassing:

- public sector and public authority equipment financing;
- sustainable development finance projects;
- information systems leasing and management of computer installations;
- corporate car fleet rental and management.

Crédit Agricole Leasing operates abroad, where it supports the Group's expansion through subsidiaries and equity investments as manager of the leasing business line or within partnerships (Unico). In Poland, its subsidiary EFL is the leader in leasing, with an 11.4% market share.

### Events in 2008

Against a tough economic background, Crédit Agricole Leasing benefited from the appeal of leasing solutions in France and abroad. Leasing complements medium-term financing, and is attractive to companies and small businesses that want to finance all of their investments or that want to preserve their ability to raise debt.

Crédit Agricole Leasing, which already operated in Poland, Spain, Morocco and Armenia, expanded further in 2008. It moved into Greece, acquiring a stake in Emporiki Leasing in October, and then into Italy, acquiring a subsidiary of Intesa Sanpaolo in December.

Through its Unifergie subsidiary, Crédit Agricole Leasing obtained renewed financing of €250 million from the European Investment Bank (EIB) to finance sustainable development projects in Europe.

### ► Factoring – Eurofactor

Eurofactor is the leading integrated factoring network in Europe and helps companies in all sectors. It devises trade receivables management solutions tailored to its clients' strategy, business sector, size and customer profile both in France and abroad. It also has a pan-European offering.

### Business and organisation

Eurofactor provides its customers with a local service through a team of professionals who understand their country's economic, cultural and legal specifics, drawing on its network across

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Germany, Benelux, Spain, Italy, Portugal and the United Kingdom, its holdings in Tunisia and its stake in Clientys, and membership of the International Factors Group (IFG), and its 70 partners in 35 different countries.

As well as full factoring and trade receivables management, Eurofactor offers reverse factoring (financing of trade payables), which is increasingly attractive to major order originators and their suppliers.

With the acquisition of Theofinance Plc, Eurofactor has expanded its range of debt recovery services, enabling it to provide a comprehensive debt collection service to companies wanting to reduce their payment times without developing in-house skills in this area, and with full confidentiality with respect to their customers.

Eurofactor has developed an open model with its various partners in the factoring market: branch banks, networks of business introducers in France and Europe, partners in Europe, and trade organisations and related businesses and associations.

**Events in 2008**

In April, Eurofactor launched its subsidiary in Italy, the world's second-largest factoring market. Based in Milan, Eurofactor Italia offers a wide range of factoring services to the customers of the Crédit Agricole Group's Italian banks Cariparma and FriuAdria.

Eurofactor continued to strengthen its European network, with new regional operations in Germany, the UK and Spain. Eurofactor made preparations for its move into the West Indies, with the intention of offering services in Martinique and Guadeloupe in early 2009.

» **ASSET MANAGEMENT, INSURANCE AND PRIVATE BANKING**

▶ **Asset Management, Securities and Issuer Services**

**Asset Management**

Crédit Agricole S.A.'s asset management business is conducted mainly through Crédit Agricole Asset Management and its subsidiaries. It also owns BFT, which offers institutional investors, companies, banks and local authorities tailored financial products and services.

**BUSINESS AND ORGANISATION**

Crédit Agricole Asset Management is responsible for developing and managing investment products and asset allocation services for individuals, corporate and institutional investors. It is highly reputed in the market for its expertise, which has won a large number of awards. CAAM has a multi-disciplinary arm (traditional investment, employees savings), as well as specialist investment companies:

- socially responsible investment (SRI): I.DE.A.M.;
- alternative multi-manager investment: CAAM AI;
- structured investment: CASAM, a joint venture with Calyon;
- property and land investment: CAAM RE;
- quantitative active investment: CPR Asset Management.

With €457.5 bn of assets under management at end-2008, CAAM Group is one of continental Europe's top six asset managers (source: IPE – July 2008). It also ranks number one in Europe and France for collective asset management (source: Lipper; Europerformance – September 2008).

Together with its subsidiaries, CAAM is developing a comprehensive range of investment products for:

- retail banking networks, *i.e.* the Regional Banks and LCL, and the Group's international retail banking subsidiaries;
- institutional investors, large corporations and third-party distributors in France and abroad.

CAAM Group operates in over 20 countries in Europe, Asia-Pacific, North America, the Middle East and North Africa.

**EVENTS IN 2008**

CAAM showed good commercial resilience in highly turbulent market conditions in 2008. Net outflows were limited. There were record inflows in money-market and capital-protected products and in employee savings plans, along with a very strong performance by networks in France, Asia and the Middle East. Investors withdrew money from absolute-return and equity products due to increased risk aversion.

CAAM Group maintained its international development. In early 2009, it set up a subsidiary in Australia, responding to the strong potential of the Australian market and the development of a local customer base following the opening of a representative office in Sydney in 2007. An entity was set up in Malaysia in early November, and business in China grew rapidly.

The product range was also broadened with the launch of ETFs.

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## Securities and Issuer Services: CACEIS

### BUSINESS AND ORGANISATION

CACEIS is an international bank group specialising in asset servicing: depository/custody activities, fund administration and issuer services for institutional investors and large corporations. CACEIS is active in ten countries where it makes 53% of its NBI. With 3,730 employees, CACEIS is leader in France and ranks within the first ten companies world-wide as a custodian with a total of €2,200 billion in assets under custody (source: Global Custodian). It is a European leader in fund administration with a total of €946 billion in assets under administration.

CACEIS is owned 50/50 by Crédit Agricole S.A. and Natixis at 31 December 2008.

### EVENTS IN 2008

In 2008, CACEIS completed the integration of businesses acquired in 2007 in Germany and North America, and of businesses acquired from the Banque Populaire Group in 2008. CACEIS also continued to develop its product range, particularly in Private Equity services, middle-office support for asset management companies and institutional investors, assistance with risk management and services for cross-border fund distribution. Throughout the year, CACEIS worked closely with clients to find solutions and help them cope with tough market conditions.

## ► Insurance

### Business and Organisation

The Insurance business line covers all customer needs. It consists of Predica in life insurance and Pacifica in property/casualty insurance. In 2007, it enlarged its scope to include creditor insurance with Finaref Insurance and it is expanding abroad in all of these segments.

No. 1 in bancassurance and No. 2 in insurance in France, ranked by premium inflows (source: FFSA), the Group stepped up its international expansion, initiated two years earlier, with a special focus on Europe: the Group is No. 3 in Portugal in bancassurance (source: AFS) with BES Seguros and BES Vida and No. 4 in Greece in life bancassurance (source: Company). It is developing its operations in Italy in conjunction with Cariparma FriulAdria; it is also the leader in life bancassurance in Lebanon (source 2007: Al-Bayan) and has just initiated operations in Japan.

### PREDICA

Created in 1986, Predica is the Crédit Agricole Group's life insurance subsidiary. The merger with Union des Assurances Fédérales (UAF) on 30 June 2004 helped Predica strengthen its leading positions: it is now the No. 1 bancassurer (source: FFSA).

Predica's life and personal risk insurance offerings are designed to meet the diversified needs of personal customers, private banking

customers, farmers, small businesses and companies. Its products are distributed through bank branch networks:

- Crédit Agricole Regional Banks;
- LCL branches;
- BGPI for private banking clients; and,
- other networks: La Médicale de France, which specialises in the healthcare professions and a network of independent wealth management advisers through UAF Patrimoine.

### PACIFICA

Pacifica, the Group's property & casualty insurance subsidiary created in 1990, is one of the top ten players in personal insurance in France. Its main aim is to develop products that complement its banking and financial services.

Pacifica initially focused on the personal market, offering Crédit Agricole Group customers a full range of insurance products to meet their needs at all times of their lives: car, household, private healthcare, legal protection, personal accident, and also insurance for motorcycles, caravans, hunting, yachting, etc.

Pacifica then capitalised on Crédit Agricole's experience and strong position to launch a comprehensive offering for active and retired farmers in 2001, which it extended to the small business market (tradespeople, shopkeepers and liberal professions) in 2006. Pacifica is the third largest insurer to the French agriculture industry (source: FFSA, Company data).

### CACI (CRÉDIT AGRICOLE CREDITOR INSURANCE)

CACI was set up in 2008, and is the Group's subsidiary specialising in borrower insurance in France and abroad. Its insurance range focuses on credit-related guarantees, offered to 27 partners (retail banks, financial companies and carmakers' captive financing companies) in 15 countries. It operates from a multilingual platform in Dublin, which is capable of serving all EU countries, and an industrial platform in Lille. CACI is also developing insurance products related to goods sold and payment instruments, together with death and disability insurance products.

### INTERNATIONAL INSURANCE

The Group exports its expertise abroad and is expanding its international business, both with banking partners and directly with Group entities that already have operations in the countries concerned. It now has operations in 12 countries.

### Events in 2008

In life insurance, despite very poor market conditions, LCL maintained inflows, while "Cap Découverte", launched by the Regional Banks in 2008, was a big success, with over 300,000 policies sold. The multi-investment range was enhanced by a plethora of formula-based funds designed to attract savings while guaranteeing the investor's principal. In November, Predica introduced UC Obligataire, a safe, capital-protected product. The

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Group's network turned in a handsome performance in death benefit policies. Outside France, BES Vida generated strong growth in retirement products (+31%).

In property/casualty insurance, Pacifica products were successfully introduced among LCL customers, with 206,000 new policies sold. Pacifica maintained its growth with revenues up 15%, well ahead of the 3% growth in the broad market.

Borrower insurance rose by 27% in France and abroad, supported by major partnerships within the Group and across Europe.

Outside France, the growth seen in recent years continued at a rapid pace. After the acquisition of Po Vita in Italy, Crédit Agricole Assurances has renamed this unit CA Vita, and has successfully taken over its operations. In the first half, the Group started distributing life insurance products in Lukas Bank's branches in Poland. At the same time, property/casualty bancassurance units CA Assicurazioni and Emporiki Insurance sold their first policies through the networks of Cariparma and FriulAdria in Italy and Emporiki Bank in Greece. In late 2008, the Group started setting up a life insurance company in Egypt, and an insurance broker in Uruguay to distribute insurance products through the network of Crédit Agricole subsidiary Credito Uruguay Banco.

▶ Private Banking

**Business and organisation**

The Group is a major operator in the private banking market in France and Europe. With more than 3,000 professionals in around 20 countries, along with the skills housed by the Group's specialist entities, Crédit Agricole's private banking activities combine a

global approach to client needs and close relationships with private investors in France and abroad.

In France, Banque de Gestion Privée Indosuez (BGPI) and its asset management subsidiary GPI carry out two complementary activities: co-ordinating the private banking platform through a partnership with the Regional Banks, and directly serving high-net-worth clients. LCL's private banking operations have developed independently, through a dedicated network of private banking units forming part of LCL's network, with co-ordination provided by the central private banking business line.

Abroad, private banking operations are carried out under the Crédit Agricole Private Bank brand. The Group's subsidiaries and branches hold leading positions in the regions in which they operate. Crédit Agricole Suisse S.A. is the third-largest foreign private bank in Switzerland, with more than €30 billion in assets under management (source: Company). In Luxembourg, Credit Agricole Luxembourg is one of the leading local private banks, and CFM continues to lead Monaco's banking market (source: Company). In Spain, the Group is a leading player in private banking. Crédit Agricole Private Bank also has a significant presence in growth markets in Asia and the Middle East, through CA Suisse branches and representative offices, and in Latin America.

**Events in 2008**

Against the backdrop of the recession and market turbulence, the Group's private banking model has proven resilient. The Group is continuing to win new clients and new money. It has strengthened its commercial presence in growth areas, mainly in Asia and Latin America. As regards acquisitions, after two significant deals in Luxembourg and the Bahamas in 2007, 2008 was a year of consolidation with the successful integration of these two units.

» **CORPORATE AND INVESTMENT BANKING – CALYON**

▶ Business and organisation

With operations in 58 countries, Calyon offers its clients a full range of products and services in capital markets, brokerage, investment banking, structured finance and commercial banking. It has four main business divisions.

**The Coverage and Investment Banking division** works with and supports the development of corporations and financial institutions in France and abroad, as well as providing advisory services and

equity and long-term financing. Its has a two-pronged commercial approach: a geographical approach for multi-segment clients and a sector-based approach, which allows skills built up in the bank's other divisions to be combined for the benefit of clients in specialist industries.

To support the Crédit Agricole Group's middle-market customers, the set-up also includes the French Regions Department for customers in France and a network of foreign units for customers outside France.

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## Crédit Agricole S.A. business lines

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The “equity and long-term financing” activities within this division comprise advisory and financing activities, and consist of: M&A, Equity Capital Markets (ECM), Corporate Equity Derivatives and Loan Syndication. There is also a dedicated team addressing customers’ specific needs as regards Islamic finance.

**The Equity Brokerage and Derivatives division** handles brokerage activities in Europe, Asia and the USA, along with trading, equity derivatives and fund activities. Calyon’s equity brokerage activities have a high profile worldwide, and are organised around two leading subsidiaries: Cheuvreux, covering Europe and the Middle East and providing execution services in 60 markets, and CLSA, which operates throughout Asia including Japan. Calyon also has Calyon Securities (USA) Inc. and Newedge, a 50/50 joint venture between Calyon and Société Générale, which has a top-five position in listed derivatives execution and clearing services.

Global Equity Derivatives (GED) operates in trading, sales and arbitrage of equity derivatives, index derivatives, structured products, warrants, certificates and fund-linked products. GED works closely with Crédit Agricole Structured Asset Management (CASAM), a joint venture owned jointly by CAAM and Calyon, which brings together the Crédit Agricole Group’s skills in terms of structured product management, alternative investment solutions and ETFs (exchange-traded funds).

**The Fixed Income Markets division** covers all activities involving the trading and sale of standard or structured capital markets products, for companies, financial institutions and large issuers. With its network of 30 trading floors, including five liquidity centres in London, Paris, New York, Hong Kong and Tokyo, Calyon offers customers a strong position in Europe and Asia, along with a presence in selected locations in the USA and the Middle East, and additional access points in local markets.

To provide clients with suitable solutions for their specific requirements, teams are organised into five specialist business lines (forex, interest-rate derivatives, debt and credit markets, commodities and cash management) and a commercial division. All sales and trading entities are supported by dedicated research teams.

**The Structured Finance unit** mainly consists of lending and advisory activities, and employs more than 800 professionals. The structured financing business consists of initiating, structuring and financing major export and investment operations in France and abroad, often backed with real collateral (aircraft, boats, business property, commodities etc.), along with complex and structured loans.

The division has nine business areas: aviation and rail / shipping finance / natural resources, infrastructure and power / real estate

and hotels / export and trade finance / acquisition finance / commodity trading finance / structured finance advisory / tax-based leases.

Calyon is a world-leading player in each of these areas.

## ► Events in 2008

On 10 September, against a background of major market upheaval, Calyon presented its refocusing and development plan for 2008-2010. The plan outlines a new-look Calyon, providing corporate and investment banking services to the Group and its clients.

The new organisation is strongly client-centric, with the introduction of unified global client coverage. The new organisation marks the end of the “originate to distribute” model. Products are no longer designed upstream with the intention of then selling them to clients. Instead, Calyon listens to its clients and uses its core businesses to meet their needs.

These core businesses are financing, fixed-income and brokerage, in which Calyon has a strong reputation and critical mass, and which have a reasonable risk profile.

The aim is to use these established strengths as a base for exploiting the potential for cross-selling within and between business lines. Other growth drivers have been identified, such as industrialising in order to boost volume growth, and extending the range of value-added advisory-type services.

The refocusing plan is also intended to lower Calyon’s risk profile. This will involve:

- discontinuing capital market activities that are incompatible with the desired risk profile (structured credit products, certain exotic products);
- increasing risk control: €200 million has been allocated for investment in risk controls, half in 2008 and half in 2009. Overall market and counterparty risk limits are being revised;
- major efforts to reduce the cost base: the aim is to achieve €300 million of cost savings by end-2009, with a withdrawal from certain activities, a simplified organisation, firmer control of operating expenses, adjustments to variable remuneration and workforce reorganisations. The plan is to reduce headcount by around 500, split equally between France and abroad;
- more efficient use of capital, with a highly selective approach to deal origination, increased deal syndication, ongoing dynamic asset-liability management and the winding-up of discontinued businesses.

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## » SPECIALISED BUSINESSES AND SUBSIDIARIES

### ▶ Private Equity

#### Crédit Agricole Private Equity

Crédit Agricole Private Equity, an AMF-approved management company, is dedicated to acquiring direct equity stakes in unlisted companies. Crédit Agricole Private Equity is active in a variety of private equity segments: expansion and buyout capital, venture capital, secondary market, mezzanine, renewable energy, infrastructures held under private/public partnerships. It manages €2.8 billion in various types of private equity vehicles (FCPR, SICAR, FCPI, SCR).

#### Idia

Idia works with companies active at each stage of the agrifood industry: agrifood companies, agri-industries and connected industries. It provides private equity (expansion capital, LBO/MBO finance), manages financial and forest groups and acquires majority interests in wine domains.

#### Sodica

Sodica specialises in midcap deals. It provides advisory services to corporate executives in their M&A and divestment projects and in financial engineering. It is a leader in midcap mergers and acquisitions and is also developing a stock market engineering business. Sodica helps its clients bring their projects to fruition both in France and abroad.

### ▶ Crédit Agricole Immobilier

A subsidiary of Crédit Agricole S.A., Crédit Agricole Immobilier is active in all property segments except financing – property development and investment, property management and investment advice, public and private sector contracting management, rental

management, operating premises and transactions. Crédit Agricole Immobilier is active in all property markets: office, residential, retail, hotels, light industrial, logistics, and public facilities in France and in Europe.

In 2008, Crédit Agricole Immobilier acquired a majority stake in Projenor, which specialises in the construction of multimodal combined transport infrastructure, construction of logistics facilities and urban development. This acquisition rounds out Crédit Agricole Immobilier's range of real estate services for local authorities and companies.

In addition, Crédit Agricole Immobilier's asset-management unit carried out €560 million of transactions. It acquired €200 million of assets and bought and sold €360 million of assets for its clients.

### ▶ Uni-Éditions

Crédit Agricole S.A.'s press subsidiary Uni-éditions is one of the top ten magazine publishers in France and one of the most profitable companies in the sector. With 110 staff, the company publishes seven public-oriented monthly and bi-monthly reviews combining practicality, expertise and a close relationship with the reader. Its titles are also under mass distribution.

Flagship title *Dossier Familial* is France's No. 1 monthly magazine, selling with 1,189,000 paid copies, in addition to 175,000 copies of spin-off magazine *l comme Info. Détente Jardin* and *Maison Créative* are by far France's leading home and gardening magazines, selling 303,000 and 280,000 paid copies respectively.

*Santé Magazine* has a circulation of 237,000 and is France's most widely read women's monthly, with more than 4,000,000 readers. The regional presence of Uni-éditions' magazine portfolio was increased with the acquisition of *Détours en France* in 2008.

Uni-Éditions also has a unit that provides all Crédit Agricole Group entities with a wide range of newsletters and theme guides, as well as producing in-house magazines.

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# » Corporate governance and internal control

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Chairman's report on preparation and organisation of Board's work and internal control procedures presented to the Annual General Meeting of Shareholders on 19 May 2009

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# Chairman's report on preparation and organisation of Board's work and internal control procedures presented to the Annual General Meeting of Shareholders on 19 May 2009

as required by the "Financial Security Act" 2003-706 of 1 August 2003 as amended  
(Code de commerce, article L. 225-37; Code monétaire et financier, article L. 621-18-3)

Financial year 2008

Dear Shareholders,

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

For the Crédit Agricole Group, the Chairman's reporting duty as required by the Financial Security Act includes Crédit Agricole S.A. and all the Regional Banks, as well the Group's own major subsidiaries, whether or not they issue publicly traded financial instruments, or as required to comply with good internal control practice.

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

This report has been completed under my authority, primarily in coordination with the heads of Group Control and Audit, of coordination between Executive Management and official bodies, of Compliance, and of Group Risk Management and Permanent Controls, based on existing documentation on internal control and on risk management and oversight within the Group. This report was submitted to the Crédit Agricole S.A. Audit and Risk Committee on 26 February 2009 and was approved by the Board of Directors at its meeting of 3 March 2009.

## » PREPARATION AND ORGANISATION OF BOARD'S WORK

### ► 1. Board of Directors

#### General presentation

Since Crédit Agricole S.A.'s stock market flotation, the company's Board of Directors has comprised 21 voting Directors and one non-voting Director, including:

■ **18 Directors elected by the shareholders' General Meeting:**

- 12 Chairmen or Chief Executives of the Crédit Agricole Regional Banks,
- 1 Director that is a legal entity, SAS Rue La Boétie, represented by a Regional Bank Chairman who is also Chairman of SAS Rue La Boétie,
- 4 outside Directors,
- 1 Regional Bank employee;

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Chairman's report on preparation and organisation of Board's work and internal control procedures  
presented to the Annual General Meeting of Shareholders on 19 May 2009

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- **1 Director appointed by joint decree of the Ministry of Finance and the Ministry of Agriculture, in accordance with the law of 18 January 1988 on the mutualisation of Caisse Nationale de Crédit Agricole, which became Crédit Agricole S.A. on 29 November 2001;**
- **2 Directors elected by the employees of Crédit Agricole S.A. Group;**
- **1 outside non-voting Director appointed by the Board of Directors.**

Crédit Agricole S.A. directors who are Chairmen or Chief Executives of the Crédit Agricole Regional Banks have the status of directors of banking institutions.

Under the terms of the agreement between the Regional Banks and Crédit Agricole S.A. signed at the time of the initial public offering, the Regional Banks, through SAS Rue La Boétie, own the majority of the share capital and voting rights in Crédit Agricole S.A. As such, Crédit Agricole S.A. is not prone to takeover. The composition of the Board illustrates the desire of Crédit Agricole S.A.'s largest shareholder (SAS Rue La Boétie held 55.10% of the

voting rights at 31 December 2008) to give the Regional Banks a majority representation on the Board. As a result, the proportion of outside Directors sitting on the Board of Directors and its special committees is smaller than that recommended by French corporate governance guidelines for controlled companies (AFEP-MEDEF Code of Corporate Governance for Listed Companies, December 2008).

During one meeting, the Board discussed the composition, organisation and modus operandi of the Board and its special committees, in reference to the aforesaid corporate governance guidelines. It concluded that the existing modus operandi enabled the Board and its committees to fulfil their duties with the required effectiveness, objectivity and independence, particularly with respect to preventing potential conflicts of interest and to the equitable consideration of all shareholders' interests.

On the recommendation of the Appointments and Governance Committee, the Board reviewed the situation of all the directors and found that four of them could be considered to be independent Directors in accordance with the aforesaid corporate governance guidelines:

Independent Director	Main office	Office on the Crédit Agricole S.A. Board
<b>Mr Philippe Camus</b>	Co-Executive Manager, Groupe Lagardère	Chairman, Compensation Committee Member of the Audit and Risks Committee
<b>Mr Xavier Fontanet</b>	Chairman & CEO, Essilor International	Member of the Strategic Committee
<b>Mr Michael Jay</b>	Chairman of the House of Lords Appointments Commission Company director	Chairman of the Appointments and Governance Committee Member of the Audit and Risks Committee
<b>Mr François Veverka</b>	Banking and Finance Consultant, Banquefinance Associés	Member of the Audit and Risks Committee

Three of the Board's four special committees are chaired by outside Directors (Audit and Risks Committee, Compensation Committee, and Appointments and Governance Committee). The Chairman of the Audit and Risks Committee became a non-voting Director at the Annual General Meeting of 21 May 2003, for reasons of age limitation. The Board decided to re-appoint him as Chairman of the said Committee, given his independent status (within the meaning of corporate governance recommendations) and in order to ensure continuity. The Chairman of the Crédit Agricole S.A. Audit and Risks Committee also serves as Chairman of the Calyon Audit Committee, of the LCL Risks and Accounts Committee, and, since 2008, of the Crédit Agricole Asset Management Audit Committee. This structure provides a global view of the position of Crédit Agricole S.A.'s three principal subsidiaries.

During 2008, the Board's composition was affected by the following events:

- appointment by the AGM of 21 May 2008 of:
- François Veverka as Independent Director to replace Daniel Lebègue,

- Gérard Cazals, Regional Bank Chairman, to replace Jean-Pierre Pargade,
- Michel Mathieu, Regional Bank Chief Executive, to replace Jean-Roger Drouet.

Furthermore, on the recommendation of the Chief Executive Officer, after hearing the opinion of the Appointments and Governance Committee, Bernard Mary, Regional Bank Chief Executive Officer, was appointed Deputy Chief Executive Officer of Crédit Agricole S.A. effective as of 15 October 2008. Effective on that date, he resigned from his office as Director of the Company. At its meeting of 20 January 2009, on the recommendation of SAS Rue La Boétie, after hearing the opinion of the Appointments and Governance Committee, the Board co-opted Patrick Clavelou, Regional Bank Chief Executive Officer, as Director. The shareholders will be asked to ratify this appointment at the AGM on 19 May 2009.

The list of Directors appears in the section below entitled "Additional information on executive officers and directors".

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

The average age of Crédit Agricole S.A. Directors is 58.5. The Articles of Association provide for a maximum age limit of 65, and 67 for the Chairman.

In accordance with the Group's practice of splitting the guidance, decision-making and control functions from the executive function, the offices of Chairman and Chief Executive of Crédit Agricole S.A. have been separated. This structure was confirmed by the Board at its meeting of 18 March 2002, as permitted by the 'New Economic Regulations' Act of 15 May 2001.

As the provisions against holding a corporate office while being covered by an employment contract apply only to appointments made after the October 2008 AFEP-MEDEF recommendation, they do not apply to the Chief Executive Officer of Crédit Agricole S.A.

The terms and conditions of shareholders' participation in the AGM are set out in articles 20 to 27 of the Articles of Association, which are reproduced in Section 6, "General information", of the registration document.

## Role and *modus operandi* of the Board

### GENERAL INFORMATION

The Board of Directors' Charter sets out the operating procedures of the company's Board and General Management, while taking into account the separation of the offices of Chairman and Chief Executive and the company's duties as a central body under the terms of the Code monétaire et financier. It comprises five articles:

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

This section describes:

- the role of the Chairman of the Board of Directors: "The Chairman guides and organises the Board's work. He calls meetings of the Board and sets the agenda for the meetings";
- the role of the Officers of the Board (consisting of the Chairman and Deputy Chairmen): "The Officers of the Board are responsible for preparing the Board's work. They meet when called by the Chairman as needed";
- the special committees of the Board, which defines the duties, composition and charter of such committees. These are the Strategic Committee, Audit and Risks Committee, Compensation Committee, and Appointments and Governance Committee.

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

- **Powers of the Board of Directors:** In addition to the powers granted by law, "on the recommendation of the Chairman and the Chief Executive Officer, the Board determines the Group's strategy directions, approves strategic investment projects,

defines the general principles applicable to the Crédit Agricole Group's internal financial organisation, and grants the Chief Executive Officer the necessary authorities to implement these decisions".

The Board "is kept informed by the General Management on a regular basis of major risks to which the Group is exposed and reviews the situation concerning risks of all kinds at least once a year". Furthermore, "the Board takes all decisions concerning the Crédit Agricole Regional Banks and falling within the scope of Crédit Agricole S.A.'s duties as central body assigned by the *Code monétaire et financier*".

- **Powers of the Chief Executive Officer:** The Chief Executive Officer has "the fullest powers to act in the name of the company in all circumstances and to represent it with respect to third parties. He must, however, secure the Board of Directors' approval prior to creating, acquiring or disposing of any subsidiaries and equity investments in France or abroad for amounts exceeding €150 million and for any investment, of any kind whatsoever, in an amount exceeding €150 million. If, due to the urgency of the situation, the Board cannot be called to deliberate on a transaction that exceeds this ceiling, the Chief Executive Officer may, with the Chairman's approval, make any decisions that are in the company's interest in the areas set forth above (that is, in areas that are subject to a Board resolution as indicated in the section entitled "Powers of the Board of Directors" above). He reports such decisions to the Board at its next meeting".

#### 3. *Modus operandi* of the Board

"The Board is convened by its Chairman and meets as often as required by the company's interests and at least six times each year. The Chief Executive Officer and any Deputy Chief Executive Officers participate in the Board meetings but do not have the right to vote. The Board may appoint one or several non-voting Directors who participate in the Board meetings".

"Directors concerned by matters deliberated by the Board shall abstain from voting on such matters".

"The Chairman and the Chief Executive Officer are required to supply to each Director all documents or information needed for the Director to fulfil his duties". Prior to Board meetings, a file is sent out to each Director describing items on the agenda and matters that require special analysis and prior information, providing this does not entail any breach of confidentiality. Such documents are sent four days before each Board meeting, on average.

All Board members receive any relevant information on the company, in particular any press releases issued by the company.

"By exception, the Board may hold a meeting by means of videoconferencing, providing that at least three Directors are physically present". Pursuant to the law, videoconferencing is not allowable for the following decisions: review of the annual accounts and management report, and preparation of the consolidated accounts and the report on the Group's management.

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#### 4. Special Committees

Four committees have been created within the Board. Their duties, which are described under the relevant section of the Board's Charter, are set out in Section 2 of this report entitled "Special Committees".

#### 5. Crédit Agricole S.A. Director's Code of Conduct

This charter sets out recommended rules of conduct for Board members, bearing in mind that a Code of Conduct approved by Crédit Agricole S.A.'s Board in July 2003 has been distributed throughout the Crédit Agricole Group. In addition, the directors report all trading in Crédit Agricole S.A. shares whenever the aggregate value of such transactions exceeds €5,000 in a given calendar year.

Following the assessment of Board practices carried out between the end of 2007 and the beginning of 2008, the Board decided to update its rules of procedure and the rules of Procedure of its special committees. These rules will be updated in 2009, under the oversight of the Appointments and Governance Committee.

#### Review of the Board of Directors' work during 2008

The Board was extremely active during 2008. It met eleven times during the year, including in three extraordinary sessions. Board members showed a strong commitment to their duties. The attendance rate was over 90% on average in 2008, with 93% for the originally scheduled ordinary meetings and 82% for the extraordinary sessions.

Against a backdrop of financial crisis, the Board devoted a large part of its work to analysing the consequences of the crisis for Crédit Agricole S.A. and its main subsidiaries and to measures to be implemented to respond to the crisis, based in large part on the work of the Audit and Risks Committee.

The Board paid special attention to monitoring changes in risk exposure. In addition to the review carried out at each closing date, on ten occasions, the Board discussed the Group's situation in terms of risk exposure, primarily by examining:

- credit and market risk scorecards submitted quarterly and annual indicators of the Crédit Agricole Group's risks showing the main changes in counterparty risk, market risk and operational and security risks (after these indicators have been submitted to the Audit and Risks Committee). The Board also heard a report on the main risk limitations and exposures;
- the status of the project to implement Basle II within the Group, including an analysis of credit stress tests to assess the impact of the economic downturn on the Group's entities (default probability and loss given default);

- the "Risk" aspect of the Crédit Agricole S.A. 2008-2010 plan to adjust the Group's risk monitoring and permanent controls system in a shifting environment.

Owing to the Group's difficulties in Corporate and investment banking, the Boards of Crédit Agricole S.A. and of Calyon – Crédit Agricole S.A.'s corporate and investment banking subsidiary – set up an *ad hoc* committee consisting of Calyon Board members and of the Chairman of the Crédit Agricole S.A. and Calyon Audit Committees to analyse the causes of these difficulties, both internal and external. This work was documented in a report that was submitted to the Directors. The conclusions of the report and the recommendations contained therein were presented to the Audit Committee and Board of Directors of the two entities. In 2008, the master risk management plan for Calyon was also submitted to Crédit Agricole S.A.'s Board of Directors for review. Lastly, in September 2008, the Board approved the 2008-2010 refocusing and development plan for Calyon.

The other meetings were principally dedicated to:

- approving the budget for Crédit Agricole S.A. and the Group for 2008;
- approving the annual financial statements and reviewing the half-yearly and quarterly financial statements of Crédit Agricole S.A., the Crédit Agricole S.A. Group and the Crédit Agricole Group, after their review by the Audit and Risks Committee, and after the Chairman reported to the Board. Prior to approving the interim statements, the Board also heard the conclusions of the statutory auditors on their work, after these were submitted to the Audit and Risks Committee;
- the proposed Crédit Agricole S.A. share issue and the support measures adopted on this occasion to improve the Group's operational efficiency;
- the Group's refinancing and liquidity position, in a climate of strain in the money market that persisted throughout most of the year, and the procedures adopted to handle this situation in the best possible way;
- reviewing the annual internal control report for 2007 and the interim report on internal control (for the first half of 2008), which was drawn up in conjunction with Group Internal Control and after the report was reviewed by the Audit and Risks Committee;
- in the area of compliance, and after review of the matters by the Audit and Risks Committee: the report on non-compliance risks within Crédit Agricole S.A. Group, including non-compliance risk mapping; a synopsis of the assessment of compliance actions carried out within the Crédit Agricole Group;
- the terms and conditions for determining the fixed and variable compensation of the executive officers, on the recommendation

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of the Compensation committee (see section 4 below). At its November 2008 meeting, the Board familiarised itself with the AFEP-MEDEF recommendations of 6 October 2008 on executive compensation in listed companies. It found that these recommendations are in keeping with the company's corporate governance practices. Consequently, in accordance with the Act of 3 July 2008 transposing European Directive 2006/46/EC of 14 June 2006 into French law, the company has referred to the AFEP-MEDEF code as amended for purposes of preparing this report. On the recommendation of Compensation Committee, and at the request of the *Autorité des Marchés Financiers*, the Board approved the contents of the press release published by Crédit Agricole S.A.;

- the Company's corporate governance: change in the composition of the Board's special committees (appointment of new members to replace Directors who resigned from their seats on the Audit and Risks Committee and the Compensation Committee and appointment of new Chairman of the Appointments and Governance Committee). Furthermore, a new organisational structure was set up at the Crédit Agricole S.A. Group in October 2008, reflecting the priorities of the Group's 2008-2010 strategic plan, i.e. to develop banking and insurance operations, to optimise the strength of the specialised business lines, and to reinforce the Group's strategic, financial and operational oversight functions.

Before submission to the Board, this new organisation was presented to the Appointments and Governance Committee. On the recommendation of the Chief Executive Officer, the Committee issued a favourable recommendation on the nomination of two new Deputy Chief Executive Officers. The Board approved this recommendation at its meeting of 1 October 2008. On the recommendation of the Compensation Committee, the Board set the fixed compensation and the criteria for determining the variable compensation of the two new Deputy Chief Executive Officers and adjusted these criteria for the variable compensation of the two Chief Executive Officers appointed in 2007, whose responsibilities were changed under the Group's new organisational structure;

- plans to restructure the Group's operations in securities/financial services, to develop consumer credit operations in Italy, to rationalise its organisation in insurance, and to restructure and geographically refocus its retail banking operations in Morocco and in Africa;
- the refinancing and guarantee system established by the French government through *Société de Financement de l'Économie Française* (SFEF);
- the creation of the Grameen - Crédit Agricole Micro Finance Foundation;
- as Crédit Agricole S.A.'s central body for the Crédit Agricole Regional Banks, review of the Regional Banks' expansion plans in Europe and the situation of Caisse Régionale de la Corse.

After the assessment carried out in 2005, and on the recommendation of Appointments and Governance Committee, in late 2007 and early 2008, the Board decided to commission a new assessment of its operations, with the assistance of an outside consultant. The main conclusions of this assessment were submitted to the Appointments and Governance Committee in February 2008 in a presentation highlighting the improvements made since 2005 and identifying areas for improvement. In mid-2008, the Board discussed the findings of the assessment, which primarily focused on reinforcing the role of the Strategic Committee, with the goal of achieving greater control over the strategic guidelines defined by the Group for its business lines and subsidiaries, and on strengthening the Audit and Risks Committee's role in overall, in-depth risk monitoring and analysis across the Group's business operations. The Board also decided to update its rules of procedure in 2009, primarily to include establishment of a Directors' Charter, and the rules of procedure of the Boards' four special committees, under the supervision of the Appointments and Governance Committee.

## Related party agreements and agreements subject to disclosure

### RELATED PARTY AGREEMENTS

In 2008, one new agreement governed by the provisions of articles L. 225-38 et seq. of the *Code de commerce* was authorised by the Board. Moreover, Crédit Agricole S.A. has completed the work needed to comply with the provisions of the law of 21 August 2007 pertaining to pension plans, provident schemes and end-of-career benefits for senior executives/corporate officers. These agreements and the agreements entered into prior to 2008 that remained in effect during in 2008, were sent to the statutory auditors, who will present their special report on this matter to the Annual General Meeting of shareholders of Crédit Agricole S.A.

### AGREEMENTS SUBJECT TO DISCLOSURE

As required by law, a list of agreements subject to disclosure and their purpose was sent to the Board of Directors, who then advised the Statutory Auditors.

## ▶ 2. Special Committees

Four committees have been created within the Board: the Audit and Risks Committee, the Compensation Committee, the Strategic Committee and the Appointments and Governance Committee.

Committee members are appointed by the Board, on the Chairman's recommendation. Committee members are appointed for the duration of their term of office on the Board. The Board may terminate the office of a Committee member at any time. Likewise, a Committee member may resign from his office at any time. All Committee members, and all other persons who attend Committee meetings, are bound by professional secrecy.

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## Audit and Risks Committee

As of 31 December 2008, the Audit and Risks Committee comprised seven members, including six voting Directors and one non-voting Director:

- Mr Moulard (Committee Chairman), outside non-voting Director;
- Mr Camus, Independent Director;
- Mr Diéval, Crédit Agricole Regional Bank Chief Executive;
- Mr Dupuy, Vice-Chairman of the Board, Crédit Agricole Regional Bank Chairman;
- Mr Mathieu, Crédit Agricole Regional Bank Chief Executive;
- Mr Jay, Independent Director;
- Mr Veverka, Independent Director.

Mr Mary, Crédit Agricole Regional Bank Chief Executive, sat on the Audit and Risks Committee until 15 October 2008, when he was appointed Deputy Chief Executive Officer of Crédit Agricole S.A. On the same day, he resigned from his office as Director. Mr Veverka, Independent Director, was appointed by the Board as member of the Audit and Risks Committee to replace Mr Lebègue. Mr Mathieu, Regional Bank Chief Executive Officer, was also appointed as member of that committee to replace Mr Drouet.

The Group Chief Financial Officer, the Head of Group Risk Management and Permanent Controls, the Head of Group Control and Audit and the Head of Compliance attend meetings of the Audit and Risks Committee.

The *modus operandi* and duties of the Committee are set out in a charter approved by the Board of Directors. The Committee's main duties are:

- to review Crédit Agricole S.A.'s parent company and consolidated financial statements;
- to examine changes and amendments to the significant accounting principles used to draw up the financial statements;
- to ensure that internal control systems and procedures are adequate for the Group's business activities and risks; and
- to express an opinion on proposals to appoint or re-appoint the Statutory Auditors of Crédit Agricole S.A.

The Audit and Risks Committee shouldered a heavy workload in 2008. The Committee met eight times, including in three extraordinary sessions. The attendance rate averaged 93%, with 94% for the originally scheduled ordinary sessions and 91% for extraordinary sessions.

Against a backdrop of financial crisis, the Committee devoted much of its time to reviewing the Group's **risk** exposure:

- exposure to credit markets and correlation risk in Corporate and investment banking, risk control systems within Crédit Agricole S.A. and the subsidiaries;
- annual risk scorecard for 2007, quarterly risk scorecards (for counterparty and market risks), Board's report on the main risk limits and exposures, before presenting these documents to the Board;
- Group's exposure to Madoff risk;
- the Committee also monitored the Group's risk in several business lines (Specialised financial services, property risk, hedge funds, LBO risk, International retail banking) and analysed the risk strategies of several Group entities, in France and in other countries;
- implementation of Basle II project.

Throughout the year, the Committee closely monitored the Group's refinancing situation and liquidity position, the consequences of the crisis and the measures adopted in response to the crisis. More specifically, it examined the centralised financial risk oversight and control system, the strengthened procedures for controlling all types of risk instituted within Group entities and fraud prevention systems.

In addition, the Chairman of the Committee periodically reported to other committee members on the work of other Audit Committees which he chairs (Calyon, LCL and, since 2008, Crédit Agricole Asset Management). With respect to Calyon, the Chairman reported to the Committee on lessons learned and on the findings of the analysis of the internal and external root causes of Calyon's difficulties, which was carried out by an *ad hoc* committee at the request of the Calyon and Crédit Agricole S.A. Boards, before these findings were submitted to the two companies' boards.

The second aspect of the Committee's work involved an in-depth review of the **annual, half-yearly and quarterly financial statements** prior to their presentation to the Board: the conditions the account closing process at each reporting date, review of consolidated results and results for each of the Group's business line, prudential situation, focuses for financial reporting. During this session, the Committee also heard the reports of the Company's Statutory Auditors, based on detailed documents submitted by the auditors at each reporting date.

During its session in April 2008, the Committee heard the reports of the Company's Statutory Auditors without management being present.

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The last aspect of the Committee's work related to **internal audit, internal control, relations with the Regulatory Authorities and compliance**. As such, the Committee reviewed the following:

- internal audit matters:
  - the 2008 audit plan drawn up by Group Control and Audit (approved by the Committee),
  - the annual summary of assignments carried out by Crédit Agricole S.A. Group Control and Audit and the Calyon and LCL Control and Audit departments, as well as the reports on the four audit waves completed during 2008,
  - the external assessment of the Control and Audit function carried out by an outside consultant, in accordance with professional standards. As part of this work, the Committee approved the Procedural Memo on the organisational framework and principles of the Control and Audit Function within the Crédit Agricole S.A. Group and the Audit Charter of Group Control and Audit,
  - the 2009 audit plan drawn up by Group Control and Audit (approved by the Committee) and 2009 audit plans drawn up by the Calyon and LCL Control and Audit departments,
  - monitoring the implementation within the Group of recommendations issued by Group Control and Audit and the Banking Commission;
- internal control matters:
  - the annual report on internal control,
  - half-year information on internal control;
- relations with regulatory and compliance authorities:
  - any major compliance failures in 2007 that may have been under the jurisdiction of a control authority or government authority,
  - the report on non-compliance risks within the Crédit Agricole S.A. Group, for 2007,
  - during the first half of 2008, the synopsis of the assessment of compliance actions carried out within the Crédit Agricole S.A. Group,
  - periodic updates on any compliance failures identified during 2008, one of which was reported to the Board,
  - correspondence from the Banking Commission, prior to submitting it to the Board.

The other meetings were principally dedicated to:

- the Chairman's report to the Annual General Meeting on preparation and organisation of Board's work and internal procedures;
- the proposed Crédit Agricole S.A. share issue and the support measures adopted on this occasion to improve the Group's operational efficiency.

The Chairman of the Audit and Risks Committee reported to the Board on the work accomplished by the Committee. During each meeting, he also reported to the Board on the work accomplished in between Committee meetings. During 2008, as part of the responsibilities assigned to him by the Board, and in his capacity as Chairman of the Audit Committees of the four companies he serves, the Committee Chairman organised over 70 working conferences and meetings (including 40 for Crédit Agricole S.A.) with the heads of the Crédit Agricole S.A. Group business lines, with the heads of the Risk, Finance, Internal Audit and Compliance functions, with the Auditors, and with the Chairman of the Board, the members of the Board and the Chief Executive Officer. In 2008, he also reported on the work of the ad hoc committee mentioned above. Lastly, the Committee Chairman was informed of the findings of the main assignments carried out by the Control and Audit departments of Crédit Agricole S.A., Calyon, LCL and CAAM.

Minutes of each Committee meeting are drawn up and distributed to all the Directors.

### Compensation Committee

At 31 December 2008, the Compensation committee comprised four members:

- Mr Camus (Committee Chairman), Independent Director;
- Mr Sander, Deputy Chairman of the Board and Crédit Agricole Regional Bank Chairman;
- Mr Bru, Crédit Agricole Regional Bank Chairman;
- Mr David, Crédit Agricole Regional Bank Chairman.

Mr Pargade resigned from his office as Director at the May 2008 AGM; the Board appointed Mr David, Regional Bank Chairman, to succeed him as Compensation Committee Member.

The Head of Group Human Resources attends Compensation Committee meetings.

The modus operandi and duties of the Committee are set out in a charter approved by the Board of Directors. Its key duties are to make proposals principally concerning the compensation payable to the Chairman, the fixed and variable compensation payable to the Chief Executive Officer and Deputy Chief Executive Officer(s), the total amount of Directors' fees to be proposed for approval at the Annual General Meeting of shareholders and its allocation among the members of the Board, and the terms and conditions relating to the grant of stock options under plans approved by the shareholders.

The Compensation Committee met five times in 2008, including in two extraordinary sessions. The average attendance rate by Committee members was 95% (100% for regularly scheduled meetings and 88% for extraordinary sessions). The Committee's sessions in 2008 were devoted to the following matters:

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### COMPENSATION PAID TO EXECUTIVE OFFICERS AND DIRECTORS

- Compensation of the Chairman of Crédit Agricole S.A. in respect of 2008, approved by the Board in March 2008.
- Determining the variable compensation of the Chief Executive Officer and Deputy Chief Executive Officers in respect of 2007.
- Criteria for determining fixed and variable compensation of the executive officers (Chief Executive Officer and Deputy Chief Executive Officers) for 2008, by reference to market practices and performance criteria. These proposals were approved by the Board in March 2008.
- Following the appointment of two new Deputy Chief Executive Officers on 15 October 2008, the Committee submitted to the Board recommendations on their fixed and variable compensation and on the adjustment of criteria used to determine the variable compensation of the two incumbent Deputy Chief Executive Officers whose responsibilities were changed when the new organisation of the Crédit Agricole S.A. Group was put in place.
- Lastly, following publication of the AFEP-MEDEF recommendations of 6 October 2008 on executive compensation in companies whose shares are admitted to trading on an organised exchange, the Committee devoted one meeting to analysing these recommendations and submitted to the Board a proposed decision stating that these recommendations are in keeping with the Company's corporate governance practices and that the Company will refer to the AFEP-MEDEF code as amended for purposes of drawing up this report. This decision was set out in a press release, as requested by the *Autorité des Marchés Financiers*.

The principles and rules used to determine the compensation paid to Executive Officers and Directors of Crédit Agricole S.A. are set forth in section 4 below.

### OTHER MATTERS REVIEWED BY THE COMMITTEE

- Directors' fees: after reviewing an analysis of Directors' fees paid by comparable groups, determination of the total amount of Directors' fees for 2008 (approved by the Board in March 2008, then submitted to the AGM) and proposed allocation among Board members (proposal approved by the Board in July 2008), based on their attendance record and any duties arising from their membership on a Special Committee.
- Submission to the Board of a proposal to award options to purchase Crédit Agricole S.A. shares to Crédit Agricole S.A. Group employees within the limits approved by the May 2006 AGM.
- Review of pension benefits for senior executives of the Crédit Agricole S.A. Group.
- Deferred bonus practices: the Committee reviewed a study on market practices (based on an analysis prepared by an outside

consultant) together with the practices applicable within the Crédit Agricole S.A. Group, as well as work initiated to update these practices.

The Chairman of the Compensation Committee reported to the Board on the work accomplished by the Committee at each of its meetings and submitted the Committee's recommendations on matters subject to approval by the Board.

### Strategic Committee

The Strategic Committee comprises six members, including the Officers of the Board (Chairman and Vice-Chairmen), one Chief Executive Officer of a Regional Bank, and one outside Director. At 31 December 2008, the Committee comprised the following members:

- Mr Carron (Committee Chairman), Chairman of the Board of Directors and Crédit Agricole Regional Bank Chairman;
- Mr Sander, Vice-Chairman of the Board, Crédit Agricole Regional Bank Chairman;
- Mr Chifflet, Vice-Chairman of the Board, Crédit Agricole Regional Bank Chief Executive;
- Mr Dupuy, Vice-Chairman of the Board, Crédit Agricole Regional Bank Chairman;
- Mr de Laage, Crédit Agricole Regional Bank Chief Executive;
- Mr Fontanet, Independent Director.

Crédit Agricole S.A.'s Chief Executive Officer, and Head of Strategy also attend Strategic Committee meetings.

The modus operandi and duties of the Committee are set out in a charter approved by the Board of Directors. Its key duties are to conduct in-depth reviews of the Group's strategic planning for its various business lines in France and internationally. As such, the Committee reviews plans for strategic investments or acquisitions. The Committee Chairman reports to the Board on the Committee's work.

The Strategic Committee met five times in 2008, in three scheduled meetings and two extraordinary sessions. The attendance rate was 97% (100% for regularly scheduled meetings and 92% for extraordinary sessions). In 2008, the Committee devoted most of its work to reviewing:

- the Crédit Agricole Group's strategic policy guidelines in the area of sustainable development;
- changes in the competitive climate;
- Crédit Agricole S.A. planned share issue, financial reporting on this transaction and support measures, primarily the sale of noncore assets;

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- the synopsis of strategy reviews within the Group's business lines;
- the 2008-2010 refocusing and development plan for Calyon, prior to its presentation to the Board;
- a plan to expand in consumer finance in Italy, prior to its submission to the Board;
- developments of Crédit Agricole Group's payment instruments and asset management operations.

### Appointments and Governance Committee

At 31 December 2008, the Compensation and Governance Committee comprised five members:

- Mr Jay (Committee Chairman), Independent Director;
- Mr Carron, Chairman of the Board of Directors and Crédit Agricole Regional Bank Chairman;
- Mr Sander, Vice-Chairman of the Board, Crédit Agricole Regional Bank Chairman;
- Mr Chifflet, Vice-Chairman of the Board, Crédit Agricole Regional Bank Chief Executive;
- Mr Michaut, Crédit Agricole Regional Bank Chairman.

In 2008, the Committee's composition was changed by Mr Jay's appointment as Committee Chairman in July 2008 to succeed Mr Lebègue, who resigned from his office as a Director at the May 2008 AGM. Mr Dupuy resigned from the Committee in July 2008.

The Chief Executive Officer of Crédit Agricole S.A. attends meetings of the Appointments and Governance Committee as needed.

The *modus operandi* and duties of the Committee are set out in a charter approved by the Board of Directors. The Committee's duties are:

- to make recommendations to the Board on the selection of voting Directors and non-voting Directors from outside the Crédit Agricole Group, bearing in mind that candidates for directorships who are serving as Chairman or Chief Executive Officer of a Regional Bank are proposed to the Board of Directors via the holding company that controls Crédit Agricole S.A., pursuant to the 'Protocol Agreement' signed prior to the initial public offering of Crédit Agricole S.A. by the Regional Banks and Crédit Agricole S.A. (the provisions of this agreement are set out in the registration document of 22 October 2001 registered by the *Commission des Opérations de Bourse* under number R01-453);
- with respect to Executive Officers and Directors:
  - to issue an opinion on the Board Chairman's recommendations for the appointment of the Chief Executive Officer, in accordance with the Board of Directors' Charter, and on the Chief Executive Officer's recommendations on the appointment of Deputy Chief Executive Officers, in accordance with the Board Charter,

- with respect to the succession of the Executive Officers, the Committee implements a procedure for preparing succession plans for the Executive Officers in the event of an unforeseeable vacancy;
- to oversee the Board of Directors assessment process. In this respect, it recommends any necessary changes in the rules of governance of Crédit Agricole S.A.

The committee met three times in 2008. The attendance rate was 100%.

The Committee proposed that the Board recommend to the shareholders at the AGM the appointment of an independent Director to replace Mr Lebègue, who resigned from his office as Director at the AGM. Mr Veverka's nomination was approved by the shareholders at the AGM of 21 May 2008.

It also reviewed proposals to be submitted to the Board relating to the composition of the special committees following the changes in members sitting on the Board.

In addition, when presenting the new organisation of the Crédit Agricole S.A. Group, in October 2008, the Committee issued a favourable opinion on the Chief Executive Officer's proposal to submit the appointment of two new Deputy Chief Executive Officers of Crédit Agricole S.A. to the Board for approval at its meeting of 1 October 2008.

After the assessment carried out in 2005, and on the recommendation of the Appointments and Governance Committee, the Board also decided to commission a new assessment of its *modus operandi*, with the assistance of an outside consultant. This assessment was conducted between the end of 2007 and the beginning of 2008. Its main findings were submitted to the Committee in February 2008 in a presentation highlighting the improvements made since 2005 and identifying areas of improvement. The Board discussed the results of the assessment in July 2008 and set the guidelines for continuing to improve its operation, primarily by reinforcing the Strategic Committee's role in in-depth oversight of the strategy guidelines defined by the Group for its business lines and subsidiaries and reinforcing the role of the Audit and Risks Committee in risk analysis and monitoring in its different areas of operation. These guidelines will be implemented during 2009, under the Committee's oversight. The Committee will also propose updating the Board's rules of procedure, primarily to include the adoption of a Director's Code of Conduct, and updating the special Committees' rules of procedure.

The Committee examined Crédit Agricole S.A.'s situation with respect to the guidelines applying to independent Directors (AFEP-MEDEF Code of Corporate Governance for Listed Companies, December 2008). It found that Crédit Agricole S.A. has fewer independent Directors than the number generally recommended for companies controlled by a majority shareholder. This shortfall naturally is reflected in the proportion of independent Directors sitting on the special committees.

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The Committee concluded that the existing *modus operandi* enabled the Board and its committees to fulfil their duties with the required effectiveness, objectivity and independence, particularly with respect to preventing potential conflicts of interest and to the equitable consideration of all shareholders' interests.

On the recommendation of the Appointments and Governance Committee, and based on the definition contained in the aforesaid Code of Corporate Governance, the Board reviewed the situation of all of its members and found that Messrs Camus, Fontanet, Jay and Veverka could be considered to be independent Directors insofar as they are not in a position that is likely to influence their independent judgement or to put them in a conflict of interest situation, now or in the future.

### ► 3. Restrictions on the Chief Executive Officer's Powers exercised by the Board of Directors

The Chief Executive Officer has the fullest powers to act in the name of Crédit Agricole S.A. in all circumstances and to represent the Bank with respect to third parties. He may exercise his authority within the limits of the company's object and subject to that authority expressly reserved to General Meetings and the Board of Directors.

Restrictions on the Chief Executive Officer's powers exercised by the Board of Directors are described in section 1 above.

### ► 4. Principles and rules for determining the compensation of executive officers

On the recommendation of the Compensation Committee, the Board determines the compensation payable to Executive Officers and Directors of Crédit Agricole S.A., the amount of which appears in the section entitled "Information on Executive Officers and Directors".

#### Compensation of the Chairman of the Board of Directors

The fixed component of the compensation paid to the Chief Executive Officer of Crédit Agricole S.A. is determined by the Board, on the Compensation Committee's recommendation, based on an analysis of compensation paid to executives holding similar offices in major listed companies. The Board approved this recommendation at its meeting of 4 March 2008.

No provision was made for a separation package or pension benefits for the Chairman at the time of his appointment.

The Chairman receives an allowance to fund retirement benefits and has the use of company housing and a company car. The

amount of this allowance (which is also determined by the Board on the Compensation Committee's recommendation) and the value of the housing benefit appear in the Crédit Agricole S.A. registration document.

The Board did not award the Chairman any stock options under the Crédit Agricole S.A. stock option plans approved by the Board, as authorised by the shareholders at the AGM.

#### Compensation of the Chief Executive Officer and Deputy Chief Executive Officers

##### Fixed compensation

The fixed component of the compensation paid to the Chief Executive Officer and Deputy Chief Executive Officers is determined by the Board, on the Compensation Committee's recommendation, based on an analysis of compensation paid to executives holding similar offices in major listed companies.

##### Variable compensation

The principles underlying the variable compensation of the Chief Executive Officer and Deputy Chief Executive Officers are based on a balance of quantitative and qualitative criteria. The difference between the target and maximum amounts is deliberately limited (to an additional 20% for the Chief Executive Officer and 25% for the Deputy Chief Executive Officers), to encourage them to make decisions that will promote the Group's medium and long term growth.

When the Chief Executive Officer and Deputy Chief Executive Officers were appointed, no provision was made for severance benefits.

At its meeting of 4 March 2008, the Board of Directors of Crédit Agricole S.A. set the 2008 compensation payable of the Chief Executive Officer and the two Deputy Chief Executive Officers appointed in September 2007. As two new Deputy Chief Executive Officers were appointed effective on 15 October 2008, the Board set their compensation at its meetings of 1 October 2008 and 13 November 2008. This compensation was determined based on the principles set out below.

#### COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

The fixed component of the Chief Executive Officer's compensation is determined by reference to market practice for executives holding comparable positions.

The variable component, which is capped, is based on two sets of criteria:

- the first (40%) is based on quantitative criteria. These reflect changes in Crédit Agricole S.A. Group financial performance indicators:
  - net banking income (up to 12%),
  - Crédit Agricole S.A. earnings per share (up to 28%);

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- the second (60%) is determined by a qualitative assessment based on predefined targets. For 2008: handling of the crisis, investments in the control and risk management systems, integration of acquisitions, continuation of the development plan and corporate strategic plan, management of senior executives.

For the quantitative criteria, the Chief Executive Officer's performance is assessed by comparing results achieved with the targets defined by the Board for each indicator. For the qualitative criteria, his performance is assessed based on results.

The bonus is based on a target value of 100% of fixed compensation, up to a maximum of 120%.

Under the terms of his previous employment, before he was appointed as corporate officer of Crédit Agricole S.A., the Chief Executive Officer is covered by a group insurance contract that provides for a retirement bonus, which he wished to keep in effect. Total contributions paid in this respect by his successive employers within Crédit Agricole Group to the insurance company, which are calculated in the name of each beneficiary, are capped at six months' fixed and variable compensation. The sum is paid over in full to the beneficiary, plus accrued income based on the fund's yield, providing that the beneficiary remains within the Crédit Agricole Group until the date on which he becomes eligible for benefits under statutory pension plans.

Accordingly, as it does every year, Crédit Agricole S.A. made a contribution under this contract. This is a component of the Chief Executive Officer's remuneration, which the Board of Directors has approved as such, and it is included under in-kind compensation.

The Chief Executive Officer has the use of a company car.

#### COMPENSATION OF THE DEPUTY CHIEF EXECUTIVE OFFICERS OF CRÉDIT AGRICOLE S.A.

The fixed component of the Deputy Chief Executive Officer's compensation is determined by reference to market practice for executives holding comparable positions.

The variable component, which is capped, is based on two sets of criteria:

- the first (50%), is based on quantitative criteria.
  - The criteria applied to a Deputy Chief Executive Officer in charge of central support functions reflect changes in Crédit Agricole S.A. Group financial performance indicators:
  - net banking income (25%),
  - Crédit Agricole S.A. earnings per share (25%).
  - The criteria applied to a Deputy Chief Executive Officer in charge of "Business line" areas reflect:
  - change in Crédit Agricole S.A. Group financial performance indicators:
    - net banking income (12.5%),
    - Crédit Agricole S.A. earnings per share (12.5%);

- and changes in the performance indicators for his area(s) of responsibility:
  - GOI after risk-related costs and/or net income - Group share of the operations placed under his responsibility (up to 25%);
- the second (50%) is determined by a qualitative assessment based on predefined targets. For 2008, these criteria are centred on how they handled the crisis and the quality of oversight in their areas of responsibility.

The Deputy Chief Executive Officers' performance assessment is presented to the Compensation Committee by the Chief Executive Officer.

The amount of the bonus is based on a target value of 80% of fixed compensation, up to a maximum of 100%.

Following the reorganisation of the Crédit Agricole S.A. Group in October 2008, the criteria for determining the variable compensation of the two incumbent Deputy Chief Executive Officers were adjusted to factor in the change in their area of responsibility. The criteria applicable to the two new Deputy Chief Executive Officers have been defined based on the principles described above.

Under the terms of their previous employment, before they were appointed as corporate officers of Crédit Agricole S.A., Jean-Yves Hocher and J.F. de Leusse are covered by a group insurance contract that provides for a retirement bonus, which they wished to keep in effect. Total contributions paid in this respect by their successive employers within Crédit Agricole Group to the insurance company, which are calculated in the name of each beneficiary, are capped at six months' fixed and variable compensation. The sum is paid over in full to the beneficiaries, plus accrued income based on the fund's yield, providing that the beneficiaries remain within the Crédit Agricole Group until the date on which they become eligible for benefits under statutory pension plans.

Accordingly, as it does every year, Crédit Agricole S.A. made contributions for Jean-Yves Hocher and J.F. de Leusse under this contract. This is a component of the Deputy Chief Executive Officers' remuneration, which the Board of Directors has approved as such, and it is included under in-kind compensation.

The Deputy Chief Executive Officers have the use of a company car.

#### POST-EMPLOYMENTS BENEFITS

The corporate officers of Crédit Agricole S.A. are not eligible for any special pension, provident or severance benefits associated with their corporate offices. Georges Pauget, Jean-Frederic de Leusse, Jean-Yves Hocher and Jacques Lenormand remain eligible for the supplementary pension scheme for senior executives that was applicable to them before the date on which they were first appointed to their corporate office.

The Crédit Agricole S.A. Group has no obligation to provide benefits under a pension plan or provident scheme to Bernard Mary in respect of 2008.

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**SUPPLEMENTARY PENSION SCHEMES FOR GEORGES PAUGET, CHIEF EXECUTIVE OFFICER AND JEAN-FREDERIC DE LEUSSE AND JEAN-YVES HOCHER, DEPUTY CHIEF EXECUTIVE OFFICERS OF CRÉDIT AGRICOLE S.A.**

Georges Pauget, Chief Executive Officer and Jean-Frederic de Leusse and Jean-Yves Hocher, Deputy Chief Executive Officers, qualify for the defined benefit pension plans covering senior executives of the Crédit Agricole Group, which supplement the basic compulsory group pension plans and provident schemes.

Under these differential schemes, the rights of beneficiaries are vested only if they remain within the Crédit Agricole Group until the end of their career. These supplementary benefits are payable starting at age 60 and amount to up to 70% of a basis equal to the average of three years' of aggregate remuneration (fixed and variable), it being specified that the guaranteed amount is capped and that when the benefits become payable, the amounts paid under the terms of the compulsory basic and supplementary pension schemes throughout the beneficiary's career, both with Crédit Agricole and with other employers, are taken into account.

**SUPPLEMENTARY PENSION SCHEME FOR JACQUES LENORMAND, DEPUTY CHIEF EXECUTIVE OFFICER OF CRÉDIT AGRICOLE S.A.**

M. Jacques Lenormand qualifies for a defined benefit pension plan covering the senior executives of the Crédit Agricole Group, which supplements compulsory group pension and provident schemes.

The rights under this plan, which is a top-up type scheme, are vested only if the beneficiary remains within the Crédit Agricole Group until the end of his career. Benefits amount to up to 15% of a basis equal to the average of three years' of fixed remuneration plus variable remuneration and are capped at 15% of fixed remuneration. The supplementary pension is payable to the beneficiary starting at age 60, providing that the beneficiary remains within the Crédit Agricole Group until the date on which he becomes eligible for benefits under statutory pension plans.

**RETIREMENT BONUS FOR JACQUES LENORMAND, DEPUTY CHIEF EXECUTIVE OFFICER OF CRÉDIT AGRICOLE S.A.**

Jacques Lenormand qualifies for the retirement bonus scheme that applies to all employees under the terms of Crédit Agricole S.A. collective agreement, stipulating that the bonus amounts to up to 6 months of fixed salary plus variable compensation and is capped at 4.5% of fixed salary.

**CRÉDIT AGRICOLE S.A. STOCK OPTION PLANS - BONUS SHARES**

The Chief Executive Officer and Deputy Chief Executive Officers are eligible for the award of stock options under stock option plans for Crédit Agricole S.A. established by the Board.

No options to buy Crédit Agricole S.A. shares were awarded to executive officers in 2007 or 2008. When the previous stock option plans were established, the percentage of options awarded to executive officers was small, and the rules for exercising the options were the same as for all beneficiaries, including executive officers. The principles for awarding options to buy Crédit Agricole S.A. shares are set out in the Notes to the Financial Statements.

The Board of Directors decided not to submit to the AGM of 19 May 2009 a resolution to approve a new authorisation to award stock options or to award bonus shares.

**Compensation of Directors**

Board members receive Directors' fees. On the recommendation of the Compensation Committee, the Board determines the amount of total Directors' fees to be submitted to the shareholders for approval at the General Meeting. The conditions for allocating Directors' fees, as described below, are determined by the Board on the recommendation of the Compensation Committee.

Compensation of Board members is based entirely on their attendance at Board meetings. Directors receive the same compensation for attending extraordinary sessions as regularly scheduled meetings, up to a maximum of the total amount approved, and each Board member may compensate between regularly scheduled meetings and extraordinary sessions.

The Chairmen of the four special Board committees receive an annual set fee, which varies by committee. Committee members receive a set fee for each committee meeting they attend.

The amount of the set fee per Board meeting and committee meeting is determined by the Board each year.

The Board has also set up a system for reimbursing Board members for travel expenses, based on costs incurred by each member for attending Board and committee meetings. This system is renewed by the Board each year.

**COMPENSATION FOR SERVING IN OFFICES WITHIN GROUP COMPANIES (CALYON, LCL)**

The total of fees payable to Directors of Calyon and LCL is determined by those companies' Board of Directors and submitted to their shareholders for approval at their AGM.

The allocation of fees paid to the Directors of those companies is based on their attendance at Board meetings and their participation in their Boards' special committees.

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## » INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The Crédit Agricole Group's internal control system complies with all legal and regulatory requirements as well as with Basel Committee recommendations.

The internal control system is defined as all procedures and mechanisms designed to manage and control operations and risks of all kinds and to ensure that all transactions are carried out in a manner that is secure, effective and proper, in terms of complying with laws, regulations and internal standards, in accordance with the references listed in item 1 below.

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

- application of instructions and guidelines determined by executive management;
- financial performance, through effective and adequate use of the Group's assets and resources, and protection against the risk of loss;
- timely provision of comprehensive, accurate information required to take decisions and manage risks;
- compliance with internal and external regulations;
- prevention and detection of fraud and error;
- accuracy and completeness of accounting records and timely production of reliable accounting and financial information.

However, all internal control systems have their limitations, due primarily to technical or human deficiencies.

In accordance with the Group's principles, the internal control system has a broad scope of application to cover supervision and control of activities and to measure and monitor risks on a consolidated basis. Each Group entity applies this principle to its own subsidiaries, thereby ensuring a consistent internal control system throughout the entire Group. The system implemented by Crédit Agricole S.A., in line with the standards and principles set forth below, is adapted and deployed across the various business lines and risks at each level within the Crédit Agricole Group in order to optimise compliance with regulatory requirements applicable to banking operations.

Through the procedures, tools and reporting systems that have been implemented in this standardised framework, information on the operation of the internal control systems and their adequacy (permanent and periodical controls, reports on risk monitoring measurements, corrective action plans, etc.) is delivered on a regular basis to the Board, the Audit Committee, the Executive Officers and management.

### ► 1. General internal control environment

The general internal control environment and principles are in keeping with the provisions of the *Code monétaire et financier*<sup>(1)</sup> CRBF regulation no. 97-02 as amended on internal control in financial institutions and investment companies, the AMF General Regulation and Basel Committee recommendations on internal control, risk management and solvency.

These national and international external standards are supplemented by internal standards specific to Crédit Agricole:

- a body of permanent rules (both external regulations and internal rules) governing the entire Crédit Agricole Group, compliance with which is compulsory, and more particularly rules concerning accounting (Crédit Agricole chart of accounts), financial management, risk management and permanent controls;
- the Code of Conduct of the Crédit Agricole Group;
- recommendations of the Regional Banks' Executive Committee for Internal Control;
- a set of procedures governing the Crédit Agricole S.A. Group, concerning the company's organisation and operation, and its exposure to risk. In 2004, Crédit Agricole S.A. adopted a set of procedures for controlling compliance with laws and regulations. These procedures have since been adapted to changes in regulations and deployed within the Group entities, in particular in the areas of financial security (prevention of money laundering and terrorism financing, etc.) and in the identification of failures in applying laws, regulations, professional and compliance standards, for example. These procedures are updated regularly as required, and more particularly to take account of regulatory developments and changes in the internal control scope.

### ► 2. Organisation of the internal control system

To ensure that the internal control systems are effective and consistent throughout the Group, Crédit Agricole Group has established a set of common rules and recommendations based on implementation and compliance with certain underlying fundamental principles.

Each Crédit Agricole Group entity (Regional Banks, Crédit Agricole S.A., banking or investment subsidiaries and other subsidiaries) must apply these principles at its own local level.

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(1) Article L. 511-41.

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## Fundamental principles

The organisational principles and components of the Crédit Agricole S.A.'s internal control system that are common to all Crédit Agricole Group entities cover obligations in terms of:

- reporting to the decision-making body (risk strategies, risk limits, internal control activity and results);
- direct involvement of the executive body in the organisation and operation of the internal control system;
- comprehensive coverage of all business operations and risks, and accountability of all persons involved;
- clear definition of tasks, effective segregation of the commitment and control functions, formal up-to-date authorised limits;
- formal, up-to-date standards and procedures, particularly for the accounting function.

These principles are supplemented by:

- measurement, supervision and control mechanisms for credit risk, market risk, liquidity risk, financial risk, operational risk (transaction processing, quality of financial and accounting information, information systems processes), non-compliance risk and legal risk;
- a control system, forming part of a dynamic and corrective process, encompassing permanent controls, which are carried out by the operating units themselves or by dedicated staff, and periodic controls carried out by Group Control and Audit and internal audit units of subsidiaries.

## Oversight

In accordance with the changes instituted by Regulation 97-02 on internal control and pertaining to the organisation of the control functions, every individual who is responsible for an entity or business line, every manager, employee and department within the Group was reminded of their obligation to report and to be in a position at all times to demonstrate that they have adequate control over their business activities and the associated risks, in accordance with the standards applicable to banking and financial operations, to ensure the sustainable security of each activity and development project and to adjust the control mechanisms to be implemented to the intensity of risk incurred.

This requirement is based on organisational principles and architecture of responsibilities, operating and decision-making procedures, controls and reports to be followed in a formal, effective manner at each level of the Group, including the head offices, business lines, subsidiaries, operational units and support functions.

## THE GROUP INTERNAL CONTROL COMMITTEE

The Group Internal Control Committee, the body that oversees all the systems, held periodic meetings chaired by the Chief Executive Officer of Crédit Agricole S.A.

The purpose of this committee is to reinforce cross-functional actions to be implemented within the Crédit Agricole Group. It is responsible for reviewing internal control issues common to the Group as a whole (Crédit Agricole S.A., subsidiaries of Crédit Agricole S.A., the Regional Banks, resource pooling entities) and to ascertain the consistency and effectiveness of internal control on a consolidated basis. The Committee is a decision-making body and its decisions are enforceable. It is composed of salaried executives of Crédit Agricole S.A. In this respect, it is unlike the Audit and Risk Committee, which is an arm of the Board of Directors. The Committee is responsible for coordinating the three control functions: Control and Audit, Risk Management and Permanent Controls, Compliance.

## THREE CONTROL FUNCTIONS FOR THE GROUP

The Head of Permanent Controls, who is a member of Crédit Agricole S.A.'s Executive Committee, is in charge of the Group Risk Management and Permanent Controls Department, and Head of Group Control and Audit, who is in charge of periodical controls, report directly to the CEO of Crédit Agricole S.A. The Compliance function, which has been overseen by a Group Legal and Compliance Director since the beginning of January 2009, reports to the Deputy Chief Executive Officer, in his capacity as Head of Compliance. The heads of periodical controls, permanent controls and compliance have extensive access to the Audit and Risks Committee and to the Crédit Agricole S.A. Board of Directors.

The control functions are responsible for supporting the business lines and functional units to ensure that all transactions are carried out in a manner that is secure, effective and proper. Responsibilities are divided as follows:

- the Group Risk Management and Permanent Controls Department (DRG) is responsible for oversight and control of credit, market, liquidity, financial and operational risks; it is also in charge of third-line control of accounting and financial information and of monitoring IT systems security and business continuity plan deployment;
- the Compliance Department (DDC) and Legal Affairs Department (DAJ) are responsible for non-compliance and legal risk prevention and control. The Compliance Department is responsible for prevention of money-laundering and terrorism financing, fraud prevention, and compliance with embargos and obligations to freeze assets. The Legal Affairs Department, which is organised as a function, has two main goals: to control legal risk which

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can generate litigation and liability, whether civil, disciplinary or criminal, and to provide the requisite support to the entities and business lines so as to enable them to engage in their business activities while minimizing risks and legal costs;

- Group Control and Audit is responsible for independent periodical control to ensure that all Crédit Agricole Group entities are operating properly.

In addition to the actions of the different control functions, the other Crédit Agricole S.A. central functions, departments and business lines participate in implementing internal control systems on a consolidated basis, either through special Committees or through actions designed to standardise procedures and to centralise data (accounting, management control, etc.).

#### Crédit Agricole S.A. and its subsidiaries

The support functions, departments and business lines in turn are supported by decentralised local units within each legal entity (those direct subsidiaries forming part of Crédit Agricole S.A.'s internal control scope), comprising:

- Internal Control Committees, which meet quarterly. These are executive decision-making bodies, which include the Chief Executive Officer of the unit and the representatives of control functions of the entity and of Crédit Agricole S.A., which are responsible mainly for monitoring the internal control systems within the entity, for reviewing the main risks to which the entity is exposed, for a critical assessment of the internal control systems and internal audit work, for monitoring audits and for overseeing any corrective measures;
- each entity's special Committees;
- a network of dedicated officers and committees in each business line.

#### Crédit Agricole Regional Banks

For the Regional Banks, application of the Group rules and procedures defined above is facilitated by the publication of national recommendations on internal control by the Plenary Internal Control Committee of the Regional Banks and by the Crédit Agricole S.A. central control functions. The Plenary Committee, which is in charge of strengthening oversight of the Regional Banks' internal control systems, is composed of Chief Executive Officers, senior executives and chief internal control officers of the Regional Banks, and of Crédit Agricole S.A. representatives. Its scope has been extended through periodic regional meetings and working and information conferences between the Crédit Agricole S.A. internal control officers and their counterparts at the Regional Banks.

Because of its role as central body, Crédit Agricole S.A. is extremely active and vigilant in the area of internal control. Crédit Agricole S.A.

specifically monitors the Regional Banks' risks and controls through the Regional Banks' Risk Management and Permanent Controls Department and Compliance Department.

#### BOARD OF DIRECTORS<sup>(1)</sup>

The Board of Directors of Crédit Agricole S.A. is aware of the company's overall organisational structure and approves its internal control system. It approves the company's overall organisational structure and the organisation of its internal control system. It is informed of the organisation, operation and results of the internal control system. In addition to the information it receives on a regular basis, it receives the annual and interim reports on internal control, which are sent to it in accordance with banking regulations and Crédit Agricole S.A. procedures. The Chairman of the Board of Crédit Agricole S.A. receives regular reports summarising the conclusions of audits conducted by Group Control and Audit.

The Board is informed of the main risks incurred by the Company by the Audit and Risks Committee.

The Chairman of the Crédit Agricole S.A. Audit and Risks Committee reports to the Board on the Committee's work in general and, more particularly, on the presentation of the interim and annual report on internal control and on risk measurement and monitoring. As of the date of the Annual General Meeting, the annual report for 2008 will have been presented to the Audit and Risks Committee and duly sent to the French Banking Commission and the Statutory Auditors. It will also have been presented to the Board of Directors.

#### ROLE OF AUDIT AND RISKS COMMITTEE<sup>(2)</sup>

The Crédit Agricole S.A. Internal Control Officers report to the Audit and Risks Committee created by Crédit Agricole S.A.'s Board of Directors.

A key aspect of the Committee's role is to verify the clarity of information provided and to assess the appropriateness of accounting methods and the quality of internal control. As such, it has broad powers to request and receive any information relating to periodical control, permanent control, including accounting and financial control, and compliance control.

It receives periodic reports on the activity management systems and risk measurement. An interim report on internal control and risk measurement and supervision for the first half of 2008 was presented to the Committee at its meeting of 12 November 2008. The annual report for 2008 will be presented to the Committee at its meeting of 23 April 2009.

The Chairman of the Audit and Risks Committee also receives regular reports summarising the conclusions of audits conducted by Group Control and Audit.

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(1) Information on the Board of Directors' work is detailed in the "preparation and organisation of Board's work" section of this report.

(2) Information on the Audit and Risk Committee's work is detailed in the "preparation and organisation of Board's work" section of this report.

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### ROLE OF THE CHIEF EXECUTIVE OFFICER REGARDING INTERNAL CONTROL

The Chief Executive Officer defines the company's general organisation and oversees its implementation by competent qualified staff. He is directly and personally involved in the organisation and operation of the internal control system. In particular,

He defines roles and responsibilities and allocates adequate resources to the internal control function.

He ensures that risk strategies and limits are compatible with the financial position (capital base, earnings) and strategic guidelines set by the Board of Directors.

He oversees the implementation of risk identification and measurement systems that are appropriate for the company's activities and organisation; and ensures that all essential information produced by these systems is reported to him on a regular basis.

He ensures the adequacy and effectiveness of the internal control system through permanent monitoring. He receives information on any failures identified by the internal control system and the proposed corrective measures. In this respect, the Chief Executive Officer receives regular reports summarising the conclusions of audits conducted by Group Control and Audit.

### ▶ 3. Internal control procedures and risk management and supervision within Crédit Agricole S.A.

#### Risk measurement and supervision

Crédit Agricole S.A. has risk measurement, supervision and control systems covering all risks (counterparty risk, market risk, operational risk, structural financial risks, etc.), which are adapted to its business activities and organisation, and form an integral part of the internal control system. Information is reported periodically to the Management Committee, the Board of Directors and the Audit and Risks Committee, notably through the reports on internal control and risk measurement and supervision.

Detailed information on risk management is presented in the management report and in a separate note to the consolidated financial statements.

#### Risk Management and Permanent Controls

The Risk Management and Permanent Controls function was created in 2006 in accordance with Regulation 97-02 as amended and its organisation was rounded out in 2007. In 2008, the function actively focused on risk measurement and control for the Group while optimising its responsiveness and effectiveness.

The Risk Management and Permanent Controls function is responsible both for overall risk management and for the Group's permanent control system. It manages and controls credit, financial and operational risks, in particular those associated with the quality of financial and accounting information and with physical security, IT systems security, business continuity and supervision of key outsourced services.

Risk management is underpinned by a Group-wide system under which the business lines' strategies, including the launch of new business activities or new products, are subject to a risk assessment and to risk limits that are formally applied as part of the risk strategy of each sensitive business and entity. These limits are validated by the Group Risk Management Committee on a periodic basis and whenever there is a change in a business or in risk exposure. They are associated with Group-wide limits, particularly for large counterparties. Mapping of potential risks and measurement and monitoring of identified risks are periodically adjusted as a function of the business activity.

Control plans are proportionately adjusted to accommodate changes in business activity and risks.

The function reports to the Head of Crédit Agricole S.A. Group Risk Management and Permanent Controls, who is not attached to any operational function and in turn reports to the Chief Executive Officer of Crédit Agricole S.A. It brings together the cross-functional departments of Crédit Agricole S.A. (Group Risk Management and Permanent Controls) and the decentralised Risk Management and Permanent Controls functions, which are closest to the business lines, at each Group entity, in France and abroad. At the end of 2008, the function employed over 2,300 full-time equivalents within the Crédit Agricole S.A. Group scope.

Its operation is based on structured governance bodies, including the Internal Control Committees, the Group Risk Management Committee (the forum where the Chief Executive approves the Group's strategies and is informed of its risk exposure), the Regional Banks' Risk Monitoring Committee, the Group Security Committee, the Standards and Methodology Committee, the Basel II Steering Committee, the Permanent Controls Steering Committee, the Business Line Monitoring Committees, which bring together in regularly scheduled meetings the Group Risk Management and Permanent Controls Department and the subsidiaries, and other Committees in charge of the rating and IT systems. The Audit Committee and Board of Directors are kept informed of risk strategies and risk exposure on a regular basis.

In 2008, the Board of Directors (via the Group Risk Management Committee) and the Audit Committee were kept closely informed of the scale of the Group's credit and financial risks. The Group Risk Management Committee re-examined the strategies applied by the Group's business lines and adjusted their intervention limits as needed. Furthermore, a Group-wide approach was developed for sensitive business sectors. In the area of operational risk,

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periodic reports on the Group's exposure to fraud-related risks were submitted to the Board of Directors via the Group Internal Control Committee.

*Ad hoc* risk committees were set up to monitor crisis-related risks, including a weekly crisis committee composed of the Group's economists and risk managers, the Crédit Agricole S.A. Financial Risk Management Committee in charge of market risk, the Regional Banks' Financial Risk Management Committee. In addition, the rules governing the Standards and Methodology Committee were tightened up.

**CRÉDIT AGRICOLE S.A. CROSS-FUNCTIONAL DEPARTMENTS (GROUP RISK MANAGEMENT AND PERMANENT CONTROLS DEPARTMENT)**

Crédit Agricole S.A.'s Group Risk Management and Permanent Controls Department (DRG) is responsible for monitoring and managing the Group's overall risk and permanent control systems.

**Overall management of Group risks**

The Group Risk Management and Permanent Controls Department oversees and measures overall risks for the consolidated entity through specialised units for each category of risk. These units define and implement risk management and consolidation systems (standards, methodologies, IT systems and reporting systems).

Crédit Agricole S.A.'s risk measurement system is comprehensive and accurate. It covers all categories of commitments (on- and off-balance sheet) and positions, and consolidates commitments to companies belonging to the same Group, by aggregating all portfolios and identifying risk levels.

These measurements are supplemented by periodic assessments based on "catastrophic scenarios", which are applied to existing exposures and limits.

The system applies more specifically to financial risks. The special Group financial risk consolidation project initiated at the beginning of 2007 was stepped up, with the priority focused on consolidating global interest rate and trading risks.

In 2008, the Crédit Agricole S.A. Group implemented measurements of risk-weighted assets for calculating capital funds under Basle II based on internal models certified by the French Banking Commission. It used the IRB approach for calculating credit risk and the AMA model for operational risk; the standardised approach was applied where models are to be validated subsequently or to which that approach will be applied on a sustainable basis.

Risk management standards and methodologies were adjusted, with more stringent Group standards for financial risk management process, early-warning procedures for financial risk, review of proposed acquisitions and disposals, counterparty risk measurement rules, risk strategies, and, more generally, the minimum risk management procedures to be applied by majority-owned subsidiaries and by joint ventures.

The DRG framework also includes a "business line Monitoring" function that is in charge of general and individual relationships between each Crédit Agricole S.A. Group subsidiary and the DRG. Officers are appointed to monitor the business lines and are in

charge of the global and consolidated relationship (covering all types of risks) with each Group subsidiary, especially in Corporate and Investment Banking (Calyon).

Regional Bank risks are supervised by a special dedicated function (DRG/DRC), which reports up the line to the DRG.

Crédit Agricole S.A. is in charge of risk supervision. This supervision is carried out by a system for monitoring limits on an ongoing basis and making adjustments whenever they are exceeded, monitoring the operation of accounts, appropriate classification of receivables (particularly doubtful receivables) in keeping with applicable regulations, ascertaining that provisions are sufficient to cover exposure under the control of the Risk Committees, and periodically reviewing major risks and portfolios, particularly those involving "sensitive matters".

In addition to the business line and entity risk monitoring units, Group risks are monitored by reviewing risks within the Group Risk Management Committee and the Regional Banks' Risk Monitoring Committee.

**Group risk controls**

The DRG also coordinates the application of a permanent control system for the Group (definition of key controls by type of risks, organisation of reporting on results to the relevant levels of consolidation within the Group based on differentiated inclusion criteria). In 2008, it deployed a risk control system across the Group as a whole.

**DECENTRALISED RISK MANAGEMENT AND PERMANENT CONTROL FUNCTIONS AT EACH GROUP BUSINESS LINE**

**Within Crédit Agricole S.A. Group**

Deployment at the business line is in the form of a hierarchical function with the appointment of a Risk Management and Permanent Controls Officer (RCPR) for each subsidiary or business line. The Business Line RCPR reports up the line to the Group RCPR and functionally to the executive body of the relevant business line. This safeguards the independence of the local Risk Management and Permanent Controls Departments.

Acting under the responsibility of its own RCPR, each subsidiary or business line secures the resources it needs for managing its risks and to ensure the compliance of its permanent control system, in order to obtain a comprehensive, consolidated view of its risks that will guarantee the entity's sustainability across its internal control scope.

Relationships between each subsidiary or business line with the Group Risk Management and Permanent Controls Department are based on the following main principles:

- each subsidiary or business line applies the Group-wide standards and procedures defined by the DRG;
- each subsidiary or business line defines its own risk strategy, which is approved by the Group Risk Management Committee on the DRG's recommendation, specifying the global limits on the entity's commitments;

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- each subsidiary or business line enters into an operating agreement with the DRG; this agreement is periodically revised and specifies the procedures to be applied within the entity to apply Group risk management and permanent controls rules to its own operations, and namely the format for reporting to DRG;
- authority is delegated from the Group RCPR to the Business Line RCPRs, which report up the line to the Group RCPR in carrying out their duties; these officers are also subject to disclosure and early warning obligations vis-à-vis the Group Risk Management Department;
- a Business Line Monitoring Committee periodically brings together the DRG and the entity to review the quality of the risk management and permanent control system, including in corporate and investment banking (Calyon).

### Regional Banks

Banking regulations on risks apply to each Regional Bank individually. Each Regional Bank has a Risk Management and Permanent Controls Officer, who reports to his Chief Executive Officer and is in charge of risk management oversight and compliance of his entity's permanent control system.

As the central body for the Regional Banks, Crédit Agricole S.A. consolidates the risks borne by the Regional Banks and manages their Risk Management and Permanent Controls function via the Group Risk Management and Permanent Controls Department by circulating the appropriate procedures to the Regional Banks, particularly for implementing the Group permanent control system.

Furthermore, large credit exposures borne by the Regional Banks must be presented to Foncaris, a credit institution that is a wholly-owned subsidiary of Crédit Agricole S.A., which partially guarantees such exposures. The requirement that the Regional Banks must ask Foncaris to guarantee their main transactions (when the amount exceeds a limit defined jointly by the Regional Banks and Foncaris) gives the central body an effective tool for assessing the associated risk before accepting it.

### Internal control system for information systems security and business continuity plans

The Group Risk Management and Permanent Controls Department has set up organisations at Group level, *inter alia* in the areas of governance and security organisation, giving Crédit Agricole unified, consistent oversight across its entire scope and the wherewithal to standardise its systems.

All Group entities (the subsidiaries and Regional Banks) have implemented the system, which entails appointing a person in charge of IT systems security (RSSI), a person in charge of the business continuity plan (RPCA) and setting up crisis units at several levels (entity, community, by business line and nationally).

The RPCA and RSSI are responsible for setting up user and IT backup plans and for ensuring they are operational through

gradual deployment of business continuity plans exercises, and for ensuring IT systems security, primarily in the area of intrusion detection, in compliance with Group regulations and standards. The Group permanent control system provides for a minimum base of mandatory controls for all entities in business continuity plans and IT systems security, with results reported to the Group Risk Management and Permanent Controls Department.

### Internal control system for accounting and financial information

#### ROLES AND RESPONSIBILITIES FOR PREPARATION AND PROCESSING OF FINANCIAL INFORMATION

In keeping with the applicable rules within the Group, the organisational principles and responsibilities of the Group Finance Department functions are set out in a procedure.

The Central Finance Function is organised as a business line within the Crédit Agricole S.A. Group. The heads of the finance function for a business line or subsidiary report up the line to the head of the business line or subsidiary and to the Group Finance Director.

At each business line, the Finance Department acts as a relay for circulating the Group's principles with respect to standards and information system organisation, as a function of each business line's special attributes. In some cases, it also constitutes an intermediate level for preparation of the business line's accounting and business management information. Each Risk Management and Permanent Controls Department within the Group is also responsible for producing risk data used to prepare financial information and for implementing controls to ensure that this information is accurately reconciled with accounting data.

Each business line and/or entity must have the resources to ensure that accounting, management and risk information transmitted to the Group for consolidation purposes is reliable. It must ensure that data conform to Group accounting standards and are consistent with the individual accounts approved by its decision-making body, and it is responsible for reconciliation of accounting and management data.

Within the Group Finance Department, three functions are primarily responsible for preparation of published accounting and financial information: Accounting, Management Control and Financial Communication.

#### Accounting

The main purpose of the Accounting function is to draw up the parent company accounts of Crédit Agricole S.A., the consolidated accounts of the Crédit Agricole S.A. and Crédit Agricole Groups, and segment reporting for the Crédit Agricole S.A. Group based on the definition of the business lines for financial reporting purposes. In accordance with applicable regulations, the Accounting function defines and circulates the accounting standards and principles that apply to the Group. It oversees accounting standards, lays down

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the rules governing the architecture of the accounting information and regulatory reporting system, and manages the accounting processes for account consolidation and regulatory reporting.

### Management Control

In the preparation of financial information, the Group Management Control function works with the Financial Management Division to define the rules for allocating economic capital (definition, allocation policy, consistency of profitability measurement tools) and draws up the medium-term business plan and budget for the Crédit Agricole S.A. Group. To fulfil its mission, Group Management Control sets out procedures and methods of management control and the architecture and rules for managing the Group's management control system.

### Financial Communication

Crédit Agricole S.A.'s Financial Communication and Investor Relations function is responsible for information published in press releases and presentations to shareholders, financial analysts, institutional investors and for the information when contained in documents subject to approval by the Autorité des Marchés financiers (AMF). In this respect, working under the responsibility of the Chief Executive Officer and Crédit Agricole S.A. Group's Finance Director, the Financial Communication function provides the materials used as the basis for presentations of Crédit Agricole S.A. Group results, financial position and changes in the Group's business lines needed to enable third parties to formulate an opinion, particularly on the Group's financial strength, profitability and outlook.

### Procedures for preparation and processing of financial information

Each Group entity has responsibility, vis-à-vis the Group and the supervisory authorities to which it reports, for its own financial statements, which are approved by its decision-making body. Depending on the entity's size, these financial statements are subject to prior review by the entity's Audit Committee, if it has one.

As for the Crédit Agricole Regional Banks, once their financial statements are drawn up, they are approved by the Accounting Division of Crédit Agricole S.A.; this is one of its responsibilities as central body. The Crédit Agricole S.A. Group's consolidated financial statements are submitted to the Audit Committee and approved by the Board of Directors of Crédit Agricole S.A.

Most published financial information is based on accounting data and on management and risk data.

### Accounting data

Figures for each individual entity are drawn up in accordance with the accounting standards applicable where the entity operates. For Group consolidated financial statement preparation purposes, the local accounts are restated to conform to IFRS principles and methods adopted by the Crédit Agricole S.A. Group.

In 2008, Group entities continued to implement projects initiated in 2007 to accelerate the time to publication for the Crédit Agricole Group's consolidated financial statements.

### Management data and risk data

Management data is produced by the Management Control function of the Group Finance Division or the Group Risk Management Division. Each business line and/or subsidiary forwards its management information to Crédit Agricole S.A. after reconciling it with its own accounting information.

Furthermore, external sources of information, such as the European Central Bank and Bank of France, may be used for management data, particularly for calculating market shares.

In accordance with AMF and CESR recommendations, the use of management data for preparing published financial information meets the following guidelines:

- the type of financial information published: historical information, pro forma data, projections or trends;
- a clear description of the sources from which the financial information was drawn. When published data are not extracted directly from accounting information, the sources and definition of calculation methods are mentioned;
- comparability of figures and indicators over time, which implies ongoing use of the same sources, calculation methods and methodologies.

### Description of permanent accounting control system

The permanent accounting control function reports to the DRG. The Group permanent accounting control function is based on cross-linking the network of Risk Management and Permanent Controls Officers of the subsidiaries and Regional Banks. It is directly in charge of carrying out control missions on the functions that prepare Crédit Agricole S.A. Group financial information.

The unit has four key roles:

- to define the standards and organisational and operational principles of permanent controls within the Crédit Agricole Group;
- to assess the quality of Group processes for producing accounting and financial information and the system for monitoring risks associated with this information implemented within the Crédit Agricole Group;
- to supervise and follow up on corrective measures implemented at Group level;
- to report on the assessment of permanent controls on accounting and financial information to the Group's internal control oversight committees and, at their request, to the decision-making body or to the Audit and Risk Committee.

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In 2008, efforts were concentrated mainly on analysing the reported quality monitoring indicators for the account closing process within the Group, which were implemented in 2007. An assessment of the deployment of Permanent Accounting Control procedures within the Crédit Agricole S.A. Group's main subsidiaries was also carried out.

### Relations with the Statutory Auditors

The registration document, its updates, and offering circulars and prospectuses prepared for new share or debt issues, which contain comprehensive financial information, are subject to approval or registration by the AMF.

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

- audit of the parent-company and consolidated financial statements;
- partial audit of half-year consolidated financial statements;
- overall review of quarterly financial information and materials used as a basis for presenting financial information to financial analysts.

As part of the duties assigned to them by law, the Statutory Auditors submit to Crédit Agricole S.A.'s Board of Directors and Audit Committee their observations on the financial and accounting information they have reviewed in carrying out their assignment.

### Non-compliance risk prevention and controls

Crédit Agricole S.A., its subsidiaries and the Regional Banks each have their own compliance department. These functions employed over 608 full-time equivalents within the Crédit Agricole S.A. Group in 2008.

Following the changes in Crédit Agricole S.A.'s organisational structure at the end of 2008, the Compliance Function, which was placed under the responsibility of a Group Head of Legal and Compliance Affairs in January 2009, reports to the Deputy Chief Executive Officer in charge of Crédit Agricole S.A. Group Functions, in his capacity as Head of Compliance under the terms of Regulation 97-02.

Crédit Agricole S.A.'s Compliance Department has functional authority over the Compliance Officers of Crédit Agricole S.A.'s French and foreign subsidiaries. As a central body, this unit is responsible for overseeing, coordinating and managing compliance verification for the Regional Banks. The Compliance Officers of the Crédit Agricole S.A. Group subsidiaries operate completely independently, with a hierarchical reporting line to the entity and a functional reporting line to the Compliance function.

The Group Compliance Department is responsible for developing policies on compliance with:

- the laws and regulations specifically applicable to the Compliance function, their circulation and ascertaining that they are observed;
- rules on prevention of money-laundering and terrorism financing, on management of embargos and freezes on assets, and fraud prevention.

In addition, monthly reports on major compliance failures and compliance reports with updated non-compliance risk maps are sent to the Compliance Department.

The Compliance Management Committee, which is chaired by the Chief Executive Officer, holds plenary meetings on a quarterly basis and takes the decisions needed to prevent non-compliance risks. The Committee periodically reports on its work to the Audit and Risk Committee of the Crédit Agricole S.A. Board of Directors.

Three units within the Group Compliance Department are dedicated to Group entities: Regional Banks, French subsidiaries, international subsidiaries. Three other cross-functional units are responsible for operational controls on payment and securities transactions and systems associated to the application of compliance-related regulations.

As part of actions initiated previously, in 2008, the Compliance Function continued to update the corpus of FIDES procedures, following the transposition into French law of the European Market Abuse, MiFID and Transparency directives.

As part of the programme to implement the Markets in Financial Instruments Directive (MiFID), in 2008, deployment of the Custom Sales application used by the Regional Banks for marketing was continued. Adjustments were made to the application to factor in the impact of the directive in the selling process.

In international retail banking and insurance operations, in 2008, efforts were devoted to continuing the programme to round out local non-compliance risk prevention and control systems, particularly in customer identification, installation of transaction monitoring tools, training and awareness raising, and the framework for bringing new products to market.

A map of Crédit Agricole Group subsidiaries' needs for tools was completed in 2008 to strengthen the compliance systems of Group entities on a coordinated basis. Oversight of deployment within the entities was stepped up with the installation of an online oversight tool for consolidation of data reported by the Group's various entities.

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Other actions included installing real-time surveillance tools for prevention of terrorism financing and compliance with embargos and obligations to freeze assets. As such, tools for monitoring funds flows are being deployed within recently acquired entities in international retail banking.

The market abuse prevention procedures within the retail banking entities was also enhanced by instituting new scenarios for detecting unusual or abnormal trading that could affect the operation of the markets.

In anticipation of the "Third European Directive" on the prevention of the use of the financial system for the purpose of money laundering and terrorism financing, new risk prevention actions were initiated by continuing to roll out client profiling and customer account and transaction monitoring systems via a common application used by all retail banking units, and by a programme to update customer files to include all substantiating documents required by the regulation.

At the end of 2008, an internal and external fraud prevention coordination function was created. It reports to the Compliance function. This decision was taken to prepare for changes in internal control regulations that are scheduled to be introduced in 2009.

### Periodical controls

Group Control and Audit, which reports directly to the Chief Executive Officer of Crédit Agricole S.A., is the highest level of control within the Crédit Agricole Group. It is responsible for periodical controls of the Crédit Agricole Group through its audits, through oversight of the Control and Audit function of the Crédit Agricole S.A. Group, which reports up the line to this function, and for supervision of the Regional Banks' internal audit units.

It also carries out field and office audits in the Regional Banks and in all Crédit Agricole S.A. business units and subsidiaries, including those that have their own internal audit teams.

These periodical audits include a critical assessment of the internal control system implemented by the audited entities. These procedures are designed to provide reasonable assurance that the system is effective in terms of transaction security, risk management and compliance with external and internal rules.

They include verifying that the audited entity complies with external and internal regulations, assessing the security and effectiveness of operational procedures, ensuring that the system for measuring and supervising all risks is adequate, and verifying the reliability of

accounting information. During 2008, the work of Group Control and Audit included auditing various Group units and entities, particularly abroad (Emporiki Bank of Greece, Index Bank in Ukraine, life insurance subsidiaries in Italy and Portugal), preparing for implementation of the new international solvency ratio (Basel II), investigating certain areas or issues severely affected by the financial crisis (market risk oversight, Financial management Division, Crédit Agricole Asset Management) and examining certain regulatory issues. Group Control and Audit also carried out special audits, mainly in Corporate and investment banking, to address situations due to the financial crisis in 2008, or arranged for such audits to be carried out by the internal audit units of subsidiaries.

Group Control and Audit also provides central oversight of the control and audit function for all subsidiaries, including Calyon and LCL, thereby improving the effectiveness of controls by disseminating best audit practices designed to guarantee the security and conformity of transactions carried out by the Group's various entities and to develop common areas of expertise. The function continued to increase staffing. At end-2008, it employed 866 full-time equivalents within the Crédit Agricole S.A. Group (including Group Control and Audit but not including audits of the Regional Banks, which have 370 staff members assigned to this task).

In addition, joint audit assignments are carried out regularly by Group Control and Audit and the subsidiaries' internal audit departments, to encourage exchange of best practices. Special importance is placed on topical and cross-functional investigations.

Through the relevant Group subsidiaries' Internal Control Committees, to which members of each entity's senior management, internal audit department, Permanent Controls Officer and Compliance Officer belong, Group Control and Audit ascertains that audit plans are successfully carried out, that risks are properly managed, and, more generally, that each entity's internal control systems are adequate.

Audits carried out by Crédit Agricole S.A. Group Control and Audit, the internal audit departments and all external audits conducted by supervisory authorities or outside firms are monitored through a formal system to ensure that all recommendations made are implemented through corrective and strictly prioritised action plans, according to a clearly defined timetable.

In 2008, an external assessment of the Control and Audit function was carried out in accordance with professional standards. The findings of this assessment were presented to the Group Internal Control Committee and to the Audit and Risks Committee.

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The Board of Directors of Crédit Agricole S.A., of which I am Chairman, the Audit and Risks Committee and the Chief Executive Officer, due to his own specific responsibilities, are provided with comprehensive information on internal control and exposure to risk, areas of potential improvement and the status of any corrective measures adopted. The internal control system and procedures are updated continuously to meet new developments in regulations, business activities and risks.

All this information is contained in the annual report on internal control and risk measurement and supervision, the annual management report and regular reporting on operations and control.

The Chairman of the Board of Directors  
Crédit Agricole S.A.

René CARRON

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# Statutory Auditors' report

prepared in accordance with Article L. 225-235 of the Code de commerce, on the report prepared by the Chairman of the Board of Directors of Crédit Agricole S.A.

*This is a free translation into English of a 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.*

Year ended 31 December 2008

To the Shareholders:

In our capacity as Statutory Auditors of the Company Crédit Agricole S.A., and in accordance with Article L. 225-235 of the Code de commerce, we report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the Code de commerce for the year ended 31 December 2008.

It is the Chairman's responsibility to draw up and to submit to the Board of Directors for approval a report on the internal control and risk management procedures in place within the Company and providing the other information required by Article L. 225-37 of the Code de commerce pertaining to corporate governance.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information; and
- to attest that this report contains the other information required by Article L. 225-37 of the Code de commerce, it being specified that our role is not to verify the fairness of such other information.

We conducted our work in accordance with professional guidelines applicable in France.

## ► Information on internal control procedures relating to the preparation and processing of financial and accounting information

Professional guidelines require that we carry out procedures to obtain reasonable assurance about the fairness of the information on internal control procedures relating to the preparation and processing of financial and accounting information contained in the Chairman's report. These procedures notably consisted of:

- gaining an understanding of the internal control procedures relating to the preparation and processing of financial and accounting information underlying the information presented in the Chairman's report and of existing documentation;
- gaining an understanding of the work involved in drawing up such information and of existing documentation;
- determining whether any major internal control deficiencies in connection with the preparation and processing of financial and accounting information that we may have identified in the course of our assignment have been properly disclosed in the Chairman's report.

On the basis of this work, we have no matters to report in connection with the information regarding the Company's internal control procedures relating to the preparation and processing of financial and accounting information contained in the Chairman's report, prepared in accordance with Article L. 225-37 of the Code de commerce.

## ► Other information

We certify that the report of 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, 25 March 2009

The Statutory Auditors

PricewaterhouseCoopers Audit

Gérard Hautefeuille

Ernst & Young et Autres

Valérie Meeus

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# Information on Executive Officers and Directors

The information below concerning the compensation, terms of office and functions of Corporate Officers is required by articles L.225-102-1 and L.225-184 of the French Commercial Code, by the Financial Security Act of 1 August 2003, by EC Regulation No. 809/2004 of 29 April 2004 and by order No. 2004-604 of 24 June 2004. It refers to the AFEP-MEDEF recommendations of October 2008 and to the AMF recommendation of 22 December 2008 on compensation of Senior Executives.

## » COMPENSATION PAID TO EXECUTIVE OFFICERS AND DIRECTORS

TABLE 1 – SUMMARY OF COMPENSATION SHARES AND STOCK OPTIONS AWARDED TO SENIOR EXECUTIVES OF CRÉDIT AGRICOLE S.A.

Gross amount (in euros)	René Carron		Georges Pauget		Jean-Yves Hocher		Jacques Lenormand		Jean-Frederic de Leusse		Bernard Mary	
	Chairman of the Board of Directors		Chief Executive Officer		Deputy Chief Executive Officer <sup>(3)</sup>		Deputy Chief Executive Officer <sup>(4)</sup>		Deputy Chief Executive Officer <sup>(4)</sup>		Deputy Chief Executive Officer <sup>(3)</sup>	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Compensation due with respect to the financial year <sup>(1)</sup> (See detailed information below)	581,620	568,221	2,150,154	1,228,711		111,317	247,667	560,000	174,368	643,458		2,000
Value of options awarded during the year <sup>(2)</sup>		0		0		0		0		0		0
Value of performance shares awarded during the year <sup>(2)</sup>		0		0		0		0		0		0
<b>TOTAL</b>	<b>581,620</b>	<b>568,221</b>	<b>2,150,154</b>	<b>1,228,711</b>		<b>111,317</b>	<b>247,667</b>	<b>560,000</b>	<b>174,368</b>	<b>643,458</b>		<b>2,000</b>

(1) The compensation shown in this table are amounts due in respect of the year indicated. The itemised tables below show compensation due with respect to a given year and compensation received during that year.

(2) No Crédit Agricole S.A. stock options were awarded to Senior Executives in 2007 and 2008. No performance share plan was instituted at Crédit Agricole S.A.

(3) **Jean-Yves Hocher** and **Bernard Mary** have served as Deputy Chief Executive Officers since 15 October 2008.

Compensation paid to Jean-Yves Hocher for 2008 applies only for the last 2.5 months of the year.

As Mr Mary continued to serve as Chief Executive Officer of a Regional Bank until 31 December 2008, he received no compensation for serving as Deputy Chief Executive Officer of Crédit Agricole S.A. in 2008. The amount due and paid to him in 2008 represents Directors' fees for serving as a Director of LCL during the fourth quarter of 2008.

(4) **Jacques Lenormand** and **Jean-Frederic de Leusse** have served as Deputy Chief Executive Officers since 1 September 2007. The compensation they received for 2007 as Senior Executives applied only to the last four months of the year.

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TABLE 2 – GROSS COMPENSATION PAID TO EACH SENIOR EXECUTIVE (IN EUROS)

René Carron Chairman of the Board of Directors, Crédit Agricole S.A.	2007		2008	
	Due <sup>(1)</sup>	Paid <sup>(2)</sup>	Due <sup>(1)</sup>	Paid <sup>(2)</sup>
Fixed compensation <sup>(a)</sup>	420,000	420,000	420,000	420,000
Variable compensation <sup>(b)</sup>	0	0	0	0
Exceptional compensation	0	0	0	0
Directors' fees <sup>(c)</sup>	18,900	18,900	21,450	21,450
Fringe benefits <sup>(d)</sup>	142,720	142,720	126,771	126,771
<b>TOTAL</b>	<b>581,620</b>	<b>581,620</b>	<b>568,221</b>	<b>568,221</b>

- (a) Gross fixed compensation before tax.  
Fixed compensation for 2008 received by René Carron, Chairman, was the same as in 2007.
- (b) Mr Carron does not receive any variable compensation.
- (c) Mr Carron receives fees for serving as Chairman of the Crédit Agricole S.A. Strategic Committee and member of the Appointments and Governance Committee (see table of Directors' fees).
- (d) Fringe benefits consist of payments proposed by the Compensation Committee and then decided by the Board of Directors, to fund retirement benefits and benefits derived from the use of company housing.

Georges Pauget Chief Executive Officer	2007		2008	
	Due <sup>(1)</sup>	Paid <sup>(2)</sup>	Due <sup>(1)</sup>	Paid <sup>(2)</sup>
Fixed compensation <sup>(a)</sup>	920,000	920,000	920,000	920,000
variable compensation <sup>(b)</sup>	607,200	957,100	0	607,200
Exceptional compensation	0	0	0	0
Directors' fees <sup>(c)</sup>	49,000	49,000	52,000	52,000
Fringe benefits <sup>(d)</sup>	573,954	573,954	256,711	256,711
<b>TOTAL</b>	<b>2,150,154</b>	<b>2,500,054</b>	<b>1,228,711</b>	<b>1,835,911</b>

**In 2008, Mr Pauget received €920,000 in fixed compensation. Its variable compensation in respect of the year 2008 was 0.**

- (a) Gross fixed compensation before tax.  
Fixed compensation for 2008 received by Georges Pauget, Chief Executive Officer, was the same as in 2007.
- (b) In 2008, Georges Pauget received €607,200 (amount paid in 2008) in variable compensation due in respect of 2007, as approved by the Board at its meeting of 4 March 2008, according to principles detailed in the Chairman's report.  
As Mr Pauget told the Board, at its meeting of 20 January 2009, that he was prepared to forgo variable compensation for 2008, he shall not receive any payment in this respect in 2009. The Board of Directors, at its meeting of 3 March 2009, accepted his offer, upon proposal from the Compensation Committee.
- (c) The Chief Executive Officer receives fees for serving as Chairman of Calyon and LCL.
- (d) Fringe benefits consist mainly of payments made by the Company to fund retirement benefits.

(1) The amounts shown are sums due for serving in the office in respect of the year indicated.

(2) The amounts shown are sums paid for serving in the office in respect of the year indicated.

The criteria for determining variable compensation are detailed in the Chairman's Report to the General Meeting of shareholders.



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Jean-Yves Hocher Deputy Chief Executive Officer (since 15/10/2008)	2007		2008	
	Due <sup>(1)</sup>	Paid <sup>(2)</sup>	Due <sup>(1)</sup>	Paid <sup>(2)</sup>
Fixed compensation <sup>(a)</sup>			104,167	83,334
Variable compensation <sup>(b)</sup>			0	0
Exceptional compensation			0	0
Directors' fees			0	0
Fringe benefits <sup>(c)</sup>			7,150	7,150
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>111,317</b>	<b>90,484</b>

**In 2008, Mr Hoche received €83,334 in fixed compensation in respect of his 2.5 months office in Crédit Agricole S.A. Its variable compensation in respect of the year 2008 was 0.**

- (a) Jean-Yves Hocher has served as Deputy Chief Executive Officer since 15 October 2008. He has been Head of the «Regional Banks, Payment Instruments and Insurance» area since that date. His annual gross fixed compensation for 2008 was set at €500,000, as from 15 October. This change in compensation did not take effect until January 2009, thereby explaining the difference between amounts due and paid in respect of the last 2.5 months of 2008.
- (b) At its meeting of 3 March 2009, on the recommendation of the Compensation Committee, the Board set Mr Hocher's variable compensation payable in respect of the last 2.5 months of 2008. Mr Hocher forwent it.
- (c) Fringe benefits consist of payments made by the Company to fund retirement benefits and benefits derived from the use of company housing for the last 2.5 months of 2008.

Jacques Lenormand Deputy Chief Executive Officer (since 01/09/2007)	2007		2008	
	Due <sup>(1)</sup>	Paid <sup>(2)</sup>	Due <sup>(1)</sup>	Paid <sup>(2)</sup>
Fixed compensation <sup>(a)</sup>	141,667	141,667	550,000	550,000
Variable compensation <sup>(b)</sup>	100,000		0	100,000
Exceptional compensation	0	0	0	0
Directors' fees <sup>(c)</sup>	6,000	6,000	10,000	10,000
Fringe benefits	0	0	0	0
<b>TOTAL</b>	<b>247,667</b>	<b>147,667</b>	<b>560,000</b>	<b>660,000</b>

**In 2008, Mr Lenormand received €550,000 in fixed compensation. Its variable compensation in respect of the year 2008 was 0.**

- (a) Jacques Lenormand has served as Deputy Chief Executive Officer since 1 September 2007. He is Head of "Retail Banking in France and Group Marketing Strategy" and was also appointed Head of "Crédit Agricole S.A. Group Functions" on 15 October 2008:
- his gross fixed compensation for 2007, for serving as Senior Executive, applied only to the last four months of 2007;
  - at its meeting of 4 March 2008, the Board set his annual gross fixed compensation for 2008 at €550,000, effective as of 1 January 2008.
- (b) At its meeting of 4 March 2008, the Board set Mr Lenormand's variable compensation at €100,000 in respect of the last four months of 2007, based on predefined assessment criteria (amount paid in 2008). At its meeting of 3 March 2009, on the recommendation of Compensation Committee, the Board set Mr Lenormand's variable compensation for 2008, based on predefined assessment. Mr Lenormand forwent it.
- (c) Mr Lenormand receives fees for sitting on LCL's Board of Directors.

(1) The amounts shown are sums due for serving in the office in respect of the year indicated.

(2) The amounts shown are sums paid for serving in the office in respect of the year indicated.

The criteria for determining variable compensation are detailed in the Chairman's Report to the General Meeting of shareholders.

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Jean-Frederic de Leusse Deputy Chief Executive Officer (since 1/09/2007)	2007		2008	
	Due <sup>(1)</sup>	Paid <sup>(2)</sup>	Due <sup>(1)</sup>	Paid <sup>(2)</sup>
Fixed compensation <sup>(a)</sup>	100,000	100,000	550,000	550,000
Variable compensation <sup>(b)</sup>	70,000		0	70,000
Exceptional compensation	0	0	0	0
Directors' fees <sup>(c)</sup>	0	0	45,250	45,250
Fringe benefits <sup>(d)</sup>	4,368	4,368	48,208	48,208
<b>TOTAL</b>	<b>174,368</b>	<b>104,368</b>	<b>643,458</b>	<b>713,458</b>

In 2008, Mr Jean-Frédéric de Leusse received €550,000 in fixed compensation. Its variable compensation in respect of the year 2008 was 0.

- Jean-Frédéric de Leusse has been Deputy Chief Executive Officer since 1 September 2007, in charge of “International Development” and then the “Specialised Business Lines” Group since 15 October 2008:
  - his gross fixed compensation for 2007, for serving as Senior Executive, applied only to the last four months of 2007;
  - at its meeting of 4 March 2008, the Board set his annual gross fixed compensation for 2008 at €550,000, effective as of 1 January 2008.
- At its meeting of 4 March 2008, the Board set Mr de Leusse’s variable compensation at €70,000 in respect of the last four months of 2007, based on predefined assessment criteria (amount paid in 2008).  
At its meeting of 3 March 2009, on the recommendation of Compensation Committee, the Board set Mr de Leusse’s variable compensation, based on predefined assessment. Mr de Leusse forwent it.
- Jean-Frederic de Leusse receives Directors’ fees for serving on the Calyon, CA Egypt and Emporiki Boards of Directors.
- Fringe benefits consist of payments made by the Company to fund retirement benefits and benefits derived from the use of company housing.

Bernard Mary Deputy Chief Executive Officer (since 15/10/2008)	2007		2008	
	Due <sup>(1)</sup>	Paid <sup>(2)</sup>	Due <sup>(1)</sup>	Paid <sup>(2)</sup>
Fixed compensation <sup>(a)</sup>			0	0
Variable compensation <sup>(b)</sup>			0	0
Exceptional compensation			0	0
Directors' fees <sup>(c)</sup>			2,000	2,000
Fringe benefits			0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>

In 2008, Mr Mary received no fixed and variable compensation in respect of his office in Crédit Agricole S.A.

- Bernard Mary has served as Deputy Chief Executive Officer since 15 October 2008. In charge of “Retail, LCL and international retail banking” area. As Mr Mary continued to serve as Chief Executive Officer of a Regional Bank until 31 December 2008, he received no compensation for serving as Deputy Chief Executive Officer of Crédit Agricole S.A. in 2008. He will begin to receive compensation as from 1 January 2009.
- No variable compensation is due to Mr Mary for serving in this office in 2008.
- Mr Mary receives Directors’ fees for sitting on LCL’s Board of Directors. The amount of €2,000 is the amount due and paid in respect of the last 2.5 months of the year.  
  
Until 15 October 2008, Mr Mary received Director’s fees for sitting on Crédit Agricole S.A. Board of Directors which are set forth below.

(1) The amounts shown are sums due for serving in the office in respect of the year indicated.

(2) The amounts shown are sums paid for serving in the office in respect of the year indicated.

The criteria for determining variable compensation are detailed in the Chairman’s Report to the General Meeting of shareholders.

TABLE 3 – DIRECTORS' FEES RECEIVED BY DIRECTORS (NON EXECUTIVE)

Directors	2008				2007
	Crédit Agricole S.A.	Calyon	LCL	Total	Total
<b>Directors elected by the shareholders</b>					
R. Carron	21,450			21,450	<b>18,900</b>
J-M. Sander	60,500	18,000	10,000	88,500	<b>72,850</b>
J-P. Chifflet	52,250	18,000	10,000	80,250	<b>62,550</b>
N. Dupuy	59,400		10,000	69,400	<b>56,650</b>
P. Bru	39,600	22,000		61,600	<b>56,500</b>
Ph. Camus	51,150			51,150	<b>51,050</b>
G. Cazals <sup>(1)</sup>	19,800			19,800	
A. David	39,600			39,600	<b>31,200</b>
B. de Laage	44,000			44,000	<b>44,400</b>
A. Diéval	48,400			48,400	<b>43,800</b>
J-R. Drouet <sup>(2)</sup>	23,100			23,100	<b>38,600</b>
X. Fontanet	22,000			22,000	<b>27,750</b>
C. Giraud	36,300			36,300	<b>31,200</b>
M. Jay	27,225			27,225	<b>19,800</b>
D. Lebègue <sup>(2)</sup>	22,550			22,550	<b>55,050</b>
D. Lefebvre	36,300		10,000	46,300	<b>26,200</b>
B. Mary <sup>(3)</sup>	42,900		2,000	44,900	<b>40,800</b>
M. Mathieu <sup>(1)</sup>	20,900			20,900	
M. Michaut	41,250			41,250	<b>28,200</b>
J-P. Pargade <sup>(2)</sup>	19,800		10,000	29,800	<b>36,500</b>
F. Véverka <sup>(1)</sup>	28,600			28,600	
<b>Directors elected by the staff</b>					
D. Coussens	36,300			36,300	<b>34,200</b>
G. Savarin	36,300			36,300	<b>34,200</b>
<b>Director representing the professional agricultural organisations</b>					
J-M. Lemetayer	33,000			33,000	<b>34,200</b>
<b>Non-voting Director</b>					
H. Moulard	45,500	48,000	30,000	123,500	<b>97,500</b>

(1) As from May 2008.

(2) Until May 2008.

(3) Appointed Deputy Chief Executive Officer of Crédit Agricole S.A. on 15 October 2008.

The total amount of Directors' fees approved by the shareholders of Crédit Agricole S.A. at the AGM of May 2008 was €950,000. This sum was paid by Crédit Agricole S.A. as follows, in accordance with the following principles applied as from July 2008:

- for each Board meeting attended, each Director received €3,300 and the Non-voting Director received €2,750;
- the Chairman of the Board received fees only in his capacity as Chairman of the Strategic Committee and as member of the

Appointments and Governance Committee. His compensation for serving as Chairman of the Board (see Table 2 above) is determined by the Board, based on the recommendation of the Compensation Committee;

- the Chairmen of the Audit and Risks Committee, of the Strategic Committee, of the Compensation Committee and of the Appointments and Governance Committee received additional annual lump-sum fees of €18,000 for the Audit and Risks

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Committee, €16,500 for the Strategic Committee Chairman and €11,000 for the Compensation Committee and the Appointments and Governance Committee;

- members of the Audit and Risks Committee and of the Strategic Committee received an additional €2,200 per Committee

meeting attended and members of the Compensation and of the Appointments and Governance Committees received an additional €1,650 per Committee meeting attended.

**TABLE 4 – STOCK OPTIONS AWARDED TO SENIOR EXECUTIVES IN 2008 BY CREDIT AGRICOLE S.A. OR ANY OTHER COMPANY OF THE GROUP**

No stock options were awarded to Senior Executives in 2008.

**TABLE 5 – STOCK OPTIONS EXERCISED BY SENIOR EXECUTIVES IN 2008**

No Crédit Agricole S.A. stock options were exercised by Senior Executives in 2008.

**TABLE 6 – PERFORMANCE SHARES AWARDED TO EXECUTIVE OFFICERS AND DIRECTORS IN 2008**

Not applicable. No performance share plan was instituted at Crédit Agricole S.A.

**TABLE 7 – PERFORMANCE SHARES MADE AVAILABLE IN 2008 FOR EXECUTIVE OFFICERS AND DIRECTORS**

Not applicable. No performance share plan was instituted at Crédit Agricole S.A.

**TABLE 8 – STOCK OPTIONS AWARD HISTORY**

**Situation of Executive Officers in office as of 31 December 2008**

Crédit Agricole S.A. stock option plans	Plan 1	Plan 2	Plan 3
Date of Board meeting	15/04/2003	23/06/2004	18/07/2006
Option attribution date	15/04/2003	05/07/2004	06/10/2006
First exercise date	15/04/2007	05/07/2008	06/10/2010
Expiry date	15/04/2010	05/07/2011	05/10/2013
<b>Number of options</b>			
awarded to all beneficiaries	4,614,334	11,843,796	12,029,500
Exercise price	13.38 €	18.78 €	33.61 €
<b>Number of options awarded to executive officers<sup>(1)</sup></b>	<b>43,791</b>	<b>103,579</b>	<b>195,000</b>
of whom			
■ Georges Pauget	43,791	76,321	100,000
■ Jean-Yves Hocher			25,000
■ Jacques Lenormand			35,000
■ Jean-Frederic de Leusse		27,258	35,000
■ Bernard Mary			

(1) This table shows the options awarded to the executive officers in office on 31 December 2008 and not those awarded to executive officers in office on the date on which the plans were set up.

Other information on the plans is provided in the table showing historical information on the plans appearing in Note 7.6 of the Notes to the Financial Statements.

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**TABLE 9 – STOCK OPTIONS AWARDED TO THE TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND WHO HOLD THE LARGEST NUMBER OF OPTIONS, AND OPTIONS EXERCISED BY THOSE EMPLOYEES IN 2008**

Description of Crédit Agricole S.A. stock option plans	Total number of options awarded and/or options exercised or shares purchased	Weighted average price									
			2003	2004	2005			2006	2007	2008	
Date of AGM that authorised the plan			22/05/2002	21/05/2003	21/05/2003	21/05/2003	21/05/2003	21/05/2003	17/05/2006	17/05/2006	17/05/2006
Date of Board meeting			15/04/2003	17/12/2003	23/06/2004	25/01/2005	19/07/2005	16/11/2005	18/07/2006	17/07/2007	15/07/2008
Option award date			15/04/2003	17/12/2003	05/07/2004	25/01/2005	19/07/2005	16/11/2005	06/10/2006	17/07/2007	16/07/2008
Options awarded in 2008 <sup>(1)</sup>	74,000	14.42 €									74,000
Options exercised in 2008 <sup>(2)</sup>	76,139	15.59 €	45,828	30,311	0						

(1) Stock options awarded during the period by the issuer or by an entity within the scope of eligibility for stock option plans to the ten employees of the issuer or of an entity within that scope who received the largest number of options.

(2) Options held on shares of the issuer or by an entity within the aforesaid scope, exercised during the year by the ten employees of the issuer or of an entity within that scope who purchased or subscribed for the largest number of options.

Additional information on stock option plans is provided in the table showing historical information on the plans appearing in Note 7.6 of the Notes to the Financial Statements.

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TABLE 10 – COMPLIANCE WITH OCTOBER 2008 AFEP/MEDEF RECOMMENDATIONS

Senior executive officers	Employment agreement <sup>(1)</sup>		Supplemental pension scheme <sup>(2)</sup>		Compensation and benefits due or likely to be due upon termination or change in office		Compensation under a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>René Carron</b> Chairman Date term began: 20/05/1999		x		x		x		x
<b>Georges Pauget</b> Chief Executive Officer Date term began: 12/09/2005	x		x			x		x
<b>Jean-Yves Hocher</b> Deputy Chief Executive Officer Date term began: 15/10/2008	x		x			x		x
<b>Jacques Lenormand</b> Deputy Chief Executive Officer Date term began: 01/09/2007	x		x			x		x
<b>Jean-Frederic de Leusse</b> Deputy Chief Executive Officer Date term began: 01/09/2007	x		x			x		x
<b>Bernard Mary</b> Deputy Chief Executive Officer Date term began: 15/10/2008		x	x			x		x

- (1) The AFEP/MEDEF recommendation against holding a corporate office while being covered by employment contract applies only to the Chairman of the Board and the Chief Executive Officer. This recommendation will apply to offices filled after the publication date of the October 2008 AFEP/MEDEF recommendation.
- (2) Information on supplemental pension schemes is provided in the Chairman's Report to the General Meeting of shareholders reproduced above.

## ► Stock options- bonus shares

The Board of Directors decided not to submit to Crédit Agricoles S.A.'s AGM OF 19 May 2009 proposals regarding the granting of stock options plans or bonus shares.

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## » OFFICES HELD BY EXECUTIVE OFFICERS AND DIRECTORS

### BOARD OF DIRECTORS OF CRÉDIT AGRICOLE S.A. AT 31 DECEMBER 2008

#### René CARRON

**Main office within the company:** Chairman of the Board;  
Chairman of the Strategic Committee and member of the Appointments and Governance Committee

Born in 1942

Date first appointed: 20/05/1999 – Term of office ends: 2011

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 11,617

Business address: CRCAM DES SAVOIE

4, avenue du Pré-Félin BP 200  
74942 Annecy-Le-Vieux

#### Main offices outside the company:

##### ■ in Crédit Agricole Group companies

Chairman, CRCAM des Savoie

Deputy chairman, FNCA

Director, Sacam and Sacam Participations

Director, Fondation du Crédit Agricole Pays de France

Director, Crédit Agricole Solidarité et Développement

Director, Scicam

Executive Committee Member, Gecam (EIG)

##### ■ in any company outside Crédit Agricole Group

#### listed company:

Member of the Supervisory Board, Lagardère

Director, GDF Suez (ex. Suez)

Director, Fiat S.p.A.

#### non listed company:

Chairman, Farm (Fondation pour l'Agriculture et la Ruralité dans le Monde)

Deputy Chairman, CNMCCA

Permanent Representative of Crédit Agricole S.A.

Director, Fondation de France

Chairman, Cica

Director, "Grameen Crédit Agricole Microfinance Foundation"

#### Other offices held within the past five years:

##### ■ in Crédit Agricole Group companies

Chairman, Local Bank of Yenne (until 2004)

Director, Sofinco (until 2004)

Chairman, Gecam (EIG) (until 2004)

Director, SAS Sapacam

##### ■ other offices

Director and Vice-Chairman, Banca Intesa (until December 2006)

Chairman of the Supervisory Board, Eurazeo (until June 2005)

Director, Rue Impériale (until 2004)

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(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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**Representative of SAS Rue La Boétie  
Jean-Marie SANDER****Main office within the company:** Vice-Chairman of the Board;  
Member of the Strategic Committee, Appointments and Governance Committee and Compensation Committee

Born in 1949

Date first appointed (SAS Rue La Boétie): 21/05/2003 - Term of office ends: 2009

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 14,635Business address: CRCAM D'ALSACE-VOGUES  
1, place de la Gare - BP 440  
67008 Strasbourg Cedex**Main offices outside the company:**■ **in Crédit Agricole Group companies**

Chairman, CRCAM d'Alsace-Vosges

Chairman, FNCA

Chairman, SAS Rue La Boétie

Chairman, SAS Sacam International

Vice-Chairman, SAS Sacam Développement

Chairman, Sacam Participations

Director, LCL and Calyon

Chairman of Management Committee, Gecam (EIG)

Director, Sacam

Director, Scicam

Director, Cirecam (EIG)

Executive Committee Member, Adicam SARL

Legal representative of the Chairman (SAS Sacam Participations) in the following companies: SAS Ségur, SAS Miromesnil, SAS Sacam Santeffi,

SAS Sacam Assurance Caution, SAS Sacam Pleinchamp, SAS Sacam Fireca, SAS Sacam Progica, SAS SACAM Avenir.

■ **in any company outside Crédit Agricole Group****listed company:**

-

**non listed company:**

Non-voting Director, Société Electricité de Strasbourg

**Other offices held within the past five years:**■ **in Crédit Agricole Group companies**

Director, Predica (until April 2004)

■ **other offices**

Chairman, CNMCCA (until May 2007)

Chairman, Conseil économique et social d'Alsace (until November 2007)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Jean-Paul CHIFFLET

**Main office within the company:** Deputy Chairman of the Board;  
Member of the Strategic Committee and Appointments and Governance Committee

Born in 1949

Date first appointed: 31/01/2007 - Term of office ends: 2010

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 4,060

Business address: CRCAM CENTRE-EST

1, rue Pierre-de-Truchis-de-Lays  
69410 Champagne-au-Mont-d'Or

### Main offices outside the company:

#### ■ In Crédit Agricole Group companies

Chairman, CRCAM Centre Est

Secretary-General, FNCA

Director, FNCA

Chairman, SAS Sacam Développement

Deputy Chairman, SAS Rue La Boétie

Chief Executive Officer, SAS Sacam International

Director: LCL, Calyon, Crédit Agricole Financements S.A. (Suisse), SAS Sacam, SAS Sacam Participations, SCI cam, GIE AMT

Executive Committee Member, Adicam Sarl

Secretary-General of the Executive Committee, Gecam (EIG)

Director, Fédération Rhône-Alpes du Crédit Agricole

#### ■ In any company outside Crédit Agricole Group

listed company:

-

non listed company:

Director, Siparex associés (SA)

#### ■ other (regional offices)

Deputy chairman, Comité des Banques de la région Rhône Alpes (Association)

Director, Lyon Place Financière et Tertiaire (Association)

Chairman, Founder in Rhône Alpes of IMS, Entreprendre pour la cité.

### Other offices held within the past five years:

#### ■ in Crédit Agricole Group companies

Chairman, Carvest (until May 2008)

Director, EIG Attica (until June 2007)

Chairman, Director, Pacifica (until June 2007)

Director, Predica (until June 2007)

Director, Banque de Gestion Privée Indosuez (until March 2007)

Member of the Executive Committee, SAS Sacam Santeffi (until February 2007)

Director, Crédit Agricole Capital-Investissement et Finance (until March 2007)

Director, SA Deltager (until March 2007)

Deputy Secretary-General, FNCA (until 2006)

Director, Apis CA

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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**Noël DUPUY**

**Main office within the company:** Deputy chairman of the Board of Directors;  
Member of the Strategic Committee and the Audit and Risks Committee

Born in 1947

Date first appointed: 21/05/2003 - Term of office ends: 2009

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 6 839

Business address: CRCAM TOURAINE ET POITOU

Boulevard Winston-Churchill  
37041 Tours Cedex

**Main offices outside the company:**

■ **in Crédit Agricole Group companies**

Chairman, CRCAM de la Touraine et du Poitou

Deputy chairman, FNCA

Deputy chairman, Local Bank of la Vallée de l'Indre

Director, LCL

Director, Sapacam, Sacam, SCI CAM

Director, Predica, representative of Crédit Agricole S.A.

Director, SOPEXA, representative of Crédit Agricole S.A.

■ **in any company outside Crédit Agricole Group**

**listed company:**

Member of the Supervisory Board, Eurazeo

**non listed company:**

Member, Comité National de l'Assurance en Agriculture

**Other offices held within the past five years:**

■ **in Crédit Agricole Group companies**

Director, Idia Participations and Sofipar (until December 2007)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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### Pierre BRU

**Main office within the company:** Director; Member of the Compensation Committee

Born in 1950

Date first appointed: 25/05/2000 - Term of office ends: 2010

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 803

Business address: CRCAM NORD MIDI-PYRÉNÉES  
219, avenue François-Verdier  
81000 Albi

#### Main offices outside the company:

##### ■ in Crédit Agricole Group companies

Chairman, CRCAM Nord Midi-Pyrénées

Chairman, Sodagri

Director, Calyon and Member of the Compensation Committee

Director, Inforsud Gestion (SA)

Director, Local Bank of Pont-de-Salars

Director, personal office: Inforsud Editique; Inforsud FM; Inforsud Diffusion

##### ■ in any company outside Crédit Agricole Group

###### listed company:

-

###### non listed company:

Director, personal office: Graphi (SAS); Mérico Deltaprint; Chabrilac

Chairman, SAS NMP Développement

Executive Manager, GFA du Pont des Rives and GAEC Recoules d'Arques

Director, Grand Sud Ouest Capital

Non-voting Director, SEM 12

Chairman, Institut Universitaire Technologique de Rodez

#### Other offices held within the past five years:

##### ■ in Crédit Agricole Group companies

Director, Sci cam, Sacam and Sacam Participations (until 2006)

Member and Treasurer of the Board, FNCA (until 2006)

Director, Gecam (EIG) (until 2006)

Chairman, Regional Bank Quercy Rouergue (Regional Bank merged with Regional Bank Nord Midi-Pyrénées in May 2004)

Chairman-Chief Executive Officer, Inforsud Gestion (until December 2004)

Chairman, Commission nationale de négociation and Commission des relations sociales, FNCA (until December 2004)

Director, Camarca et CRCCA (Caisse de Retraite Complémentaire du Crédit Agricole)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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**Philippe CAMUS****Main office within the company:** Director; Chairman of the Compensation Committee; Member of the Audit and Risks Committee

Born in 1948

Date first appointed: 18/05/2005 - Term of office ends: 2011

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 6,666

Business address: LAGARDÈRE

4, rue de Presbourg  
75116 PARIS**Main offices outside the company:**■ **in Crédit Agricole Group companies**

-

■ **in any company outside Crédit Agricole Group****listed company:**

Co-Executive Manager, groupe Lagardère

Director, Schlumberger

Chairman of the Board of Directors, Alcatel Lucent

**non listed company:**

Deputy Chairman, Deputy Chief Executive Officer, Sté ARJIL commanditée - Arco (SA)

Member of the Supervisory Board, Lagardère Active (SAS)

Director, Editions P. Amaury (SA)

Permanent Representative of Hachette SA on the Board of Directors of Hachette Distribution services (SA)

permanent Representative of Lagardère SCA on the Board of Directors of Lagardère services (ex. Hachette SA)

Chairman and Chief Executive Officer, Lagardère North America Inc.

Honorary Chairman, Gifas

Director, Cellfish Media, LLC

Senior Managing Director, Evercor Partners Inc.

**Other offices held within the past five years:**■ **in Crédit Agricole Group companies**

-

■ **other offices**

Director, Accor (until September 2008)

Member of the Supervisory Board, Hachette Holding (ex. Hachette Filipacchi Médias) (SAS) (until December 2007)

Permanent Representative of Lagardère SCA on the Board of Directors of Lagardère Active broadcast (Monaco) (until December 2007)

Director, La Provence (SA) (until October 2006)

Director, Nice Matin (SA) (until October 2006)

Chairman, EADS (until May 2005)

Director, Sté Dassault Aviation (until May 2005)

Executive Co-Chairman, Sté EADS N.V. (until May 2005)

Executive Co-Chairman, Sté EADS participations B.V. (until May 2005)

Chairman, Groupement des industries françaises aéronautiques et spatiales (until May 2005)

Member of the Compensation Committee, Airbus (until May 2005)

Member of the Partners' Committee, Airbus (until May 2005)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Gérard CAZALS

Main office within the company: Director

Born in 1947

Date first appointed: 21/05/2008 - Term of office ends: 2009

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 162

Business address: CRCAM DE TOULOUSE ET DU MIDI TOULOUSAIN  
6-7 PLACE JEANNE D'ARC – BP 40 535  
31 005 TOULOUSE Cedex 06

### Main offices outside the company:

#### ■ in Crédit Agricole Group companies

Chairman, CRCAM de Toulouse et du Midi Toulousain

Director, Sofinco

Member of the Supervisory Board, CA Titres (SNC)

Chairman of the Crédit Agricole Local Bank of Cintegabelle

Permanent Representative and Director, Grand Sud Ouest Capital

Member, Commission Financière & Bancaire de la FNCA

Chairman, CAMPY (Regional Federation of CRCAM de Midi-Pyrénées), in reference with CAMPY: Member of the Economic and Social Committee;

Director, AGRIMIP

#### ■ in any company outside Crédit Agricole Group listed company:

–

#### non listed company:

–

### Other offices held within the past five years:

#### ■ in Crédit Agricole Group companies

Director, holding "Midi-Toulousain Developpement"

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Information on Executive Officers and Directors

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**Alain DAVID****Main office within the company:** Director; Member of the Compensation Committee

Born in 1945

Date first appointed: 18/05/2005 - Term of office ends: 2010

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 2,588Business address: CRCAM D'ILLE-ET-VILAINE  
45, Boulevard de la Liberté  
35000 Rennes**Main offices outside the company:**■ **in Crédit Agricole Group companies**

Chairman, CRCAM d'Ille-et-Vilaine  
 Chairman, Commission des ressources humaines de la FNCA  
 Chairman, Délégation fédérale de négociation de la FNCA  
 Permanent guest of the Bureau Fédéral  
 Member, Commission Agriculture de la FNCA  
 Director, Uni Expansion Ouest  
 Director, Camca  
 Deputy Director of the Board of Directors, Camarca  
 Deputy Director of FNCA to AG CCPMA retraite et prévoyance, Camarca et CRCCA  
 Chairman, Crédit Agricole Handicap et emploi Association  
 Chairman and Director, Caisse locale du Grand Fougeray  
 Chairman, Intercommunalité du pays du Grand Fougeray

■ **in any company outside Crédit Agricole Group listed company:**

-

**non listed company:**

Director, Crédit Immobilier de Bretagne, Société d'Aménagement et de Développement d'Ille-et-Vilaine  
 Executive Manager, SCI Bruseca, Divad  
 Chairman, Conseil de l'hôpital local de Grand Fougeray

■ **others:**

Mayor, Grand Fougeray  
 Member, CES de Bretagne, representative of Crédit Agricole  
 Deputy chairman, Chambre de Commerce de Rennes  
 Chairman, délégation de Redon

**Other offices held within the past five years:**■ **in Crédit Agricole Group companies**

Member, Commission des ressources humaines de la FNCA (March 2005)

■ **other offices**

Executive Manager, SARL A. David (December 2008)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Bruno de LAAGE

**Main office within the company:** Director; Member of the Strategic Committee

Born in 1951

Date first appointed: 17/05/2006 - Term of office ends: 2010

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 1,661

Business address: CRCAM DE L'ANJOU ET DU MAINE  
40, rue Prémartine  
72083 Le Mans Cedex 09

### Main offices outside the company:

#### ■ in Crédit Agricole Group companies

Chief Executive Officer, CRCAM de l'Anjou et du Maine  
Chairman, EIG Atlantica  
Director, Uni Expansion Ouest  
Deputy Secretary-General, FNCA

#### ■ in any company outside Crédit Agricole Group listed company:

–

#### non listed company:

Director, VEGEPOLYS (Pôle du Végétal Spécialisé d'Angers)

### Other offices held within the past five years:

#### ■ in Crédit Agricole Group companies

Chairman, John Deere Crédit SAS (until December 2008)  
Director, Crédit Agricole Titres (until November 2008)  
Director, Cacif (Crédit Agricole Capital Investissement et Finance) (until November 2008)  
Director, Société Euro Securities Partners (until November 2008)  
Director, Uni-Éditions (until September 2007)  
Member of the Executive Committee, Adicam SARL (until June 2007)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Information on Executive Officers and Directors

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**Alain DIÉVAL****Main office within the company:** Director; Member of the Audit and Risks Committee

Born in 1948

Date first appointed: 19/05/2004 - Term of office ends: 2011

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 3,351Business address: CRCAM NORD DE FRANCE  
10, square Foch  
59800 Lille**Main offices outside the company:**■ **in Crédit Agricole Group companies**

Chief Executive Officer, CRCAM Nord de France

Chairman of the Board of Directors, Crédit Agricole Belge, Keytrade Bank

Chairman-Chief Executive Officer, SA MRACA

Chairman-Chief Executive Officer, SA Vauban Finance

Chairman-Chief Executive Officer, SA Participex

Member of the Executive Committee, SAS Belgium CA

Director, CA Cheuvreux, Société de Capital Risque régionale Finorpa, SA Vauban partenaires, SAS Creer

Director, Crédit Agricole Titres

■ **in any company outside Crédit Agricole Group listed company:**

-

**non listed company:**

Chairman, SA Sedaf

Chairman, SAS IM Nord

Chairman, SAS Arcadim

Director, SA Furet du Nord de France

**Other offices held within the past five years:**■ **in Crédit Agricole Group companies**

Member, Commission développement (FNCA) and marketing monitoring Committee; Member, Comité d'orientation de la promotion (COP)

Secretary-General, Camca (until 2006)

Chairman, Club Telecom (until July 2004)

■ **other offices**

Chairman, Comité régional des Banques Nord - Pas-de-Calais (until 2005)

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(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).



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### Xavier FONTANET

**Main office within the company:** Director; Member of the Strategic Committee

Born in 1948  
 Date first appointed: 29/11/2001 - Term of office ends: 2011  
 Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 4,802  
 Business address: ESSILOR INTERNATIONAL  
 147, rue de Paris  
 94127 Charenton Cedex

**Main offices outside the company:**

■ **in Crédit Agricole Group companies**

-

■ **in any company outside Crédit Agricole Group**

**listed company:**

Chairman-Chief Executive Officer, Essilor International  
 Director, L'Oréal

**non listed company:**

Chairman, EOA Holding Co Inc. (USA)  
 Director, Essilor of America Inc. (USA), Nikon-Essilor Co Ltd. (Japan), Shanghai Essilor Optical Company Ltd. (China), Transitions Optical Inc. (USA), Transitions Optical Holding B.V. (Netherlands), Essilor Manufacturing India PVT Ltd (India), Essilor India PVT Ltd (India)  
 Director, Fonds stratégique d'investissement (SA)

**Other offices held within the past five years:**

■ **in Crédit Agricole Group companies**

-

■ **other offices**

Chairman, Medef Ethics Committee (until 2007)  
 Director, Beneteau (until January 2005), Transitions Optical Ltd. (Ireland) (until July 2004), IMS - Entreprendre pour la Cité (Association) (until October 2005), Essilor Laboratories of America Holding Co Inc. (USA) (until March 2004)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

### Carole GIRAUD

**Main office within the company:** Director representing Crédit Agricole Regional Bank employees

Born in 1965  
 Date first appointed: 29/11/2001 - Term of office ends: 2009  
 Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 14  
 Business address: CRCAM SUD RHÔNE-ALPES  
 15-17, rue Paul-Claudé BP 67  
 38041 Grenoble Cedex 9

**Main offices outside the company:**

■ **in Crédit Agricole Group companies**

In charge of organisation and running of the retail network operations, CRCAM Sud Rhône Alpes

■ **in any company outside Crédit Agricole Group**

**listed company:**

-

**non listed company:**

-

**Other offices held within the past five years:**

■ **in Crédit Agricole Group companies**

Webmaster analyst, CRCAM Sud Rhône-Alpes (until December 2008)  
 Electronic communication management analyst, CRCAM Sud Rhône-Alpes (until 2005)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Information on Executive Officers and Directors

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**Michael JAY**

**Main office within the company:** Director; Chairman of the Appointments and Governance Committee; Member of the Audit and Risks Committee

Born in 1946

Date first appointed: 23/05/2007 - Term of office ends: 2011

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 100

Business address: HOUSE OF LORDS  
London, SW1A 0PW

**Main offices outside the company:**

- **in Crédit Agricole Group companies**

–

- **in any company outside Crédit Agricole Group**

Chairman, House of Lords Appointments Commission

**listed company:**

Director, Valéo

Independent Director, Associated British Foods (ABF);

**non listed company:**

Deputy Chairman, Bussiness for New Europe

Director, Candover Investment PLC

Partner, Bupa

- **others:**

Member of the House of Lords; Chairman of the Appointments Commission

Member of Globe, inter-parliamentary group on climate change

**Other offices held within the past five years:**

- **in Crédit Agricole Group companies**

–

- **other offices**

Director (Trustee) British council (until 2006)

Permanent Secretary-General, Ministry of Foreign Affairs (United Kingdom) and of the Commonwealth (2002-2006)

Personal Representative of the British Prime Minister at the G8 summits in Gleneagles and Saint Petersburg (2005-2006)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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### Dominique LEFEBVRE

Main office within the company: Director

Born in 1961

Date first appointed: 23/05/2007 - Term of office ends: 2009

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 3,238

Business address: CRCAM VAL DE FRANCE

1, rue Daniel Boutet  
28002 Chartres

#### Main offices outside the company:

##### ■ in Crédit Agricole Group companies

Chairman, CRCAM Val de France

Chairman, Competitiveness and Customer Satisfaction Committee, Industrial Development Steering Committee

Director LCL, Sacam Participations

Member of the Board and Deputy chairman, FNCA, member of the Adicam Steering Committee, Information Systems Strategic Committee, Strategic Committee for Purchasing

Director, HECA

##### ■ in any company outside Crédit Agricole Group listed company:

-

##### ■ non listed company:

-

##### ■ Other

Farmer

#### Other offices held within the past five years:

##### ■ in Crédit Agricole Group companies

Chairman, Pleinchamp (until June 2008)

Member of the Fireca Strategic Committee (until June 2007)

*(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).*

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## Information on Executive Officers and Directors

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**Michel MATHIEU****Main office within the company:** Director; Member of the Audit and Risks Committee

Born in 1958

Date first appointed: 21/05/2008 - Term of office ends: 2011

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 210

Business address: CRCAM du LANGUEDOC

Avenue de Montpellieret  
34977 LATTES**Main offices outside the company:**■ **in Crédit Agricole Group companies**

Chief Executive Officer, CRCAM du Languedoc

Director, Banco Popolare FriulAdria

Member of the Board, FNCA

Member, Commission de Politique Financière et Bancaire de la FNCA

Member, Commission Mixte "Cadres dirigeants"

Member, Comité de Pilotage Marketing de la FNCA

Member of the Board of Directors, IFCAM

Member of the Supervisory Board, Crédit Agricole Titres

Director, Deltager

■ **in any company outside Crédit Agricole Group listed company:**

-

**non listed company:**

Director, Centre Monétique Méditerranéen (CMM)

**Other offices held within the past five years:**■ **in Crédit Agricole Group companies**

Member of the Board of Directors, Crédit Agricole Solidarité et Développement

Member of Cotec (Comité stratégique de la technologie) to the FNCA

Representing CRCA du Languedoc as a Caisse adhérente of the EIG EXA

Representing CRCA du Languedoc in PATRI-IMMO

Member of the Supervisory Board, SAS SOFILARO

■ **other offices**

Member of the Executive Committee, Club IBM

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Michel MICHAUT

**Main office within the company:** Director; Member of the Appointments and Governance Committee

Born in 1947

Date first appointed: 19/05/2004 - Term of office ends: 2011

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 3,327

Business address: CRCAM DE CHAMPAGNE BOURGOGNE  
269, faubourg Croncels  
10000 Troyes

### Main offices outside the company:

#### ■ in Crédit Agricole Group companies

Chairman, CRCAM de Champagne Bourgogne

Chairman, Crédit Agricole Leasing

Director, Camca

Member, Comité d'orientation de la promotion

Member of the Board of Directors, FNCA Chairmen Association

Member, FNCA Employee Relations Committee and Federal Negotiating Delegation

Executive Board Member, Adicam

#### ■ in any company outside Crédit Agricole Group

**listed company:**

—

**non listed company:**

—

#### ■ others

Chairman and Vice-Chairman of the Supervisory Board of the Crédit Agricole Section of the Groupement pour le Développement de la Formation Professionnelle et de l'Emploi dans les services du monde rural (GDFPE)

Member, EIG Agricompetences

### Other offices held within the past five years:

#### ■ in Crédit Agricole Group companies

Chairman, Fédération des CRCAM de Bourgogne and Member of the Board FNCA (until 2004)

#### ■ other offices

Partner and Executive Manager, GAEC de la Baderie in Lixy (Until 2006)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Information on Executive Officers and Directors

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**François VEVERKA****Main office within the company:** Director; Member of the Audit and Risks Committee

Born in 1952  
 Date first appointed: 21/05/2008 - Term of office ends: 2011  
 Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 700  
 Business address: BANQUEFINANCE ASSOCIÉS  
 84 Avenue des Pages  
 78 110 Le VESINET

**Main offices outside the company:**

- **in Crédit Agricole Group companies**  
 Director, LCL, Member of the Accounting and Risks Committee
- **in any company outside Crédit Agricole Group listed company:**  
 —
- **non listed company:**  
 Advisor in financial and banking activities (Banquefinance Associés)
- **others:**  
 Member of the Financial Committee, Fondation pour la recherche médicale  
 Teacher at ESCP-EAP and at Ecole Polytechnique Fédérale of Lausanne

**Other offices held within the past five years:**

- **in Crédit Agricole Group companies**  
 —
- **other offices**  
 Member of the Executive Committee, CFF (until February 2008)  
 Chief Executive Officer, Compagnie de Financement Foncier (until February 2007)  
 Executive Managing Director for institutional affairs for all Standard & Poor's european activities (until December 2006)  
 Executive Managing Director Europe, Standard & Poor's Credit Market Services (until December 2004)

(1) Shares directly held by Executive Officers and Directors (excluding these held through employee share ownership plans).

**Daniel COUSSENS****Main office within the company:** Director representing employees  
Head of Commercial Marketing for Institutional Investors, Local Authorities and the Professions

Born in 1949  
 Date first appointed: Juin 2006 - Term of office ends: 2009  
 Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 3,863  
 Business address: CRÉDIT AGRICOLE S.A.  
 ECP/AG  
 91-93, boulevard Pasteur  
 75015 Paris

**Main offices outside the company:**

- **in Crédit Agricole Group companies**  
 —
- **in any company outside Crédit Agricole Group listed company:**  
 —
- **non listed company:**  
 —

**Other offices held within the past five years:**

- **other offices**  
 —

(1) Shares directly held by Executive Officers and Directors (excluding these held through employee share ownership plans).

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### Guy SAVARIN

**Main office within the company:** Director representing employees, Vice Treasurer, CFTC

Born in 1945

Date first appointed: Juin 2006 - Term of office ends: 2009

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 15,071

Business address: CRÉDIT AGRICOLE S.A.

DRH/DI

83, boulevard des Chênes

78000 Guyancourt

**Main offices outside the company:**

■ **in Crédit Agricole Group companies**

Member of the Board of Directors, Adsaca

■ **in any company outside Crédit Agricole Group listed company:**

-

**non listed company:**

-

**Other offices held within the past five years:**

■ **in Crédit Agricole Group companies**

Trade union representative (CFTC) and former Chairman of the trade union of Crédit Agricole S.A. and its subsidiaries (December 2006)

■ **other offices**

National Delegate to Fédération CFTC des Banques (until May 2006)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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### Jean-Michel LEMÉTAYER

**Main office within the company:** Director

Born in 1951

Date first appointed: November 2001 - Term of office ends: August 2011

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 3,232

Business address: FNSEA

11, rue de la Baume

75008 Paris

**Main offices outside the company:**

■ **in Crédit Agricole Group companies**

First Deputy Chairman, Crédit Agricole d'Ille-et-Vilaine

■ **in any company outside Crédit Agricole Group listed company:**

-

**non listed company:**

Director, Unigrains

Director, Sopexa

■ **others**

Chairman, FNSEA

Member, Conseil économique et social; Chairman, Space (Rennes Livestock Fair), Agro Campus Rennes (École Nationale Supérieure Agro et Agro-alimentaire de Rennes), Coopa

Member, FRSEA Bretagne, Chambre régionale d'agriculture de Bretagne and Conseil économique et social régional de Bretagne

Member of the Supervisory Board, Sial

First Deputy Chairman, Ille-et-Vilaine Chambre d'Agriculture

Deputy chairman, Ille-et-Vilaine FDSEA

**Other offices held within the past five years:**

■ **in Crédit Agricole Group companies**

-

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

## Information on Executive Officers and Directors

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**Henri MOULARD****Main office within the company:** Non-voting Director - Chairman of the Audit and Risks Committee

Born in 1938

Date first appointed: Boardmeeting of 21 May 2003 - Term of office ends: 2009

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 100

Business address: TRUFFLE CAPITAL

5, rue de la Baume  
75008 Paris**Main offices outside the company:**■ **in Crédit Agricole Group companies**

Non-voting Director of the Board of Directors, Calyon, LCL and CAAM, Chairman of the Audit Committee, Calyon, of the Accounting and Risks Committee, LCL and of the Audit Committee, CAAM

■ **in any company outside Crédit Agricole Group listed company:**

Director, Burelle SA

Member of the Supervisory Board, Member of the Appointments and Compensation Committee, Unibail-Rodamco

Non-voting Director, Chairman of the Compensation Committee and Member of the Audit Committee, GFI Informatique

Director, InvolyS

**non listed company:**

Chairman, Truffle Capital SAS

Chairman, HM et Associés SAS

Chairman of the Supervisory Board, Dixence SAS

Deputy Chairman of the Executive Committee, Gerpro SAS representing Non-voting Directors

Director, Elf-Aquitaine, Atlamed SA

Chairman, Member of the Supervisory Board and of the Audit Committee, Financière Centuria SAS

Director then Member of the Governance Board, Française des Placements Investissements (SAS) and Chairman of the Appointments Committee

**Other offices held within the past five years:**■ **in Crédit Agricole Group companies**

-

■ **other offices**

Chairman of the Board of Directors, Attijariwafa Bank Europe (until January 2008)

Non-voting Director, Dietswell (until January 2008)

Director and Member of the Audit Committee, Attijari Bank (Tunis) (until October 2007)

Director and Member of the Audit Committee, Attijariwafa Bank (Morocco) (until September 2007)

Director and Member of the Audit Committee, Foncia (2006), Member of the Supervisory Board and of the Audit Committee (until May 07)

Chairman of the Appointments and Compensation Committee, Unibail-Rodamco (2007), Member of the Audit Committee (2005), Director (from 1998 to 2007)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## CRÉDIT AGRICOLE S.A. EXECUTIVE OFFICERS

### Georges PAUGET

**Main office within the company:** Chief Executive Officer; Chairman of the Management Board and the Executive Committee

Born in 1947

Date first appointed: 12/09/2005

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 78,990

Business address: CRÉDIT AGRICOLE S.A.  
91-93, boulevard Pasteur  
75710 Paris Cedex 15

#### Main offices outside the company:

##### ■ in Crédit Agricole Group companies

Chairman, LCL

Chairman, Calyon

##### ■ in any company outside Crédit Agricole Group

###### listed company:

Director, Valéo

###### non listed company:

Director, Fondation de France, permanent representative of LCL

##### ■ others

Chairman and Member of the Executive Committee, French Banking Federation

Advisory Council Member, Paris Europlace

Member of the Partnership Club of TSE (Toulouse Sciences Économiques – Association) representing Crédit Agricole S.A.

Director, Danone Communities (mutual fund)

#### Other offices held within the past five years:

##### ■ in Crédit Agricole Group companies

Deputy chairman and Member of the Executive Committee, French Banking Federation (until September 2008)

Director, Banca Intesa (until December 2006)

Chairman, Cedicam (until 2006)

Director, Banque de gestion privée Indosuez S.A. (until 2006)

Director, Holding Eurocard (until 2006)

Director - Deputy chairman, Pacifica SA (until 2006)

Director - Deputy chairman, Predica SA (until 2006)

Chairman of TLJ SAS and Member of the Executive Committee (until 2006)

Chairman, Uni-Éditions SAS (until 2006)

Director, Predi Retraite (until 2005)

Chief Executive Officer, LCL (until November 2005)

Deputy Chief Executive Officer, Crédit Agricole S.A. (until September 2005)

Director, Bankoia SA (until 2005)

Director, Gecam (EIG) (until 2005)

##### ■ other offices

Director, Europay France (until 2006)

Member of the Supervisory Board, fonds de garantie des dépôts (until 2004), Permanent Representative of Crédit Agricole S.A.

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Information on Executive Officers and Directors

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**Jean-Yves HOCHER**

**Main office within the company:** Deputy Chief Executive Officer in charge of Caisses Régionales development, Payment instruments and Insurance area; Member of Management Board and the Executive Committee

Born in 1955

Date first appointed: 15/10/2008 -

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 2,300

Business address: Crédit Agricole S.A.  
91-93, boulevard Pasteur  
75710 Paris Cedex 15

**Main offices outside the company:**■ **in Crédit Agricole Group companies**

Deputy chairman, Director, Predica  
Non-voting Director to the Executive Board, Cedicam  
Non-voting Director, Pacifica

■ **in any company outside Crédit Agricole Group listed company:**

Director, Gecina, Permanent Representative of Predica

**non listed company:**

Director, Agro Paris Tech (EPCSCP)

**Other offices held within the past five years:**■ **in Crédit Agricole Group companies****Offices vacated during the year 2008:**

Director, ASF, Attica, Banco Espirito Santo (Portugal), BGPI, Crédit Agricole Leasing, CAMCA  
Chairman of the Board of Directors, Crédit Agricole Assurances  
Director, CRESERFI, permanent Representative of Sofinco  
Chairman of the Supervisory Board, Eurofactor  
Chairman of the Board of Directors, FGA Capital S.p.A (ex. FGAFS)  
Chairman of the Board of Directors, Finaref  
Member of the Supervisory Board, Korian  
Director, Médicale de France  
Deputy chairman, Director, Pacifica  
Chief Executive Officer, Predica  
Non-voting Director, Siparex, Permanent Representative of Predica  
Chairman of the Board of Directors, Sofinco  
Chairman of the Supervisory Board, Unipierre Assurance

■ **other offices**

Member of the Board, Member of the Executive Commission, FFSA  
Chairman, French Bancassureurs Group

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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### Jacques LENORMAND

**Main office within the company:** Deputy Chief Executive Officer, in charge of Crédit Agricole S.A. Group functions area; Member of the Management Board and the Executive Committee

Born in 1947

Date first appointed: 01/09/2007

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 5,757

Business address: CRÉDIT AGRICOLE S.A.  
91-93, boulevard Pasteur  
75710 Paris Cedex 15

**Main offices outside the company:**

■ **in Crédit Agricole Group companies**

Director, Crédit Agricole Asset Management, Crédit Agricole Asset Management Group,  
Director, LCL  
Director, Pacifica  
Member of the Management Council – Chairman, Uni-Éditions  
Chairman of the Supervisory Board, SILCA

■ **in any company outside Crédit Agricole Group listed company:**

–

**non listed company:**

–

**Other offices held within the past five years:**

■ **in Crédit Agricole Group companies**

Director, Sofinco (until December 2008)  
Chief Executive Officer, Director, Fireca (until December 2008)

■ **other offices**

Consultant (1998-2004)

(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

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## Information on Executive Officers and Directors

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**Jean-Frédéric de LEUSSE**

**Main office within the company:** Deputy Chief Executive Officer, in charge of the Group Specialised business lines area; Member of the Management Board and the Executive Committee

Born in 1957

Date first appointed: 01/09/2007

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 3,600

Business address: CRÉDIT AGRICOLE S.A.  
91-93, boulevard Pasteur  
75710 Paris Cedex 15

**Main offices outside the company:**■ **in Crédit Agricole Group companies**

Chairman of the Board of Directors, Emporiki Bank  
Deputy Chairman, Crédit Agricole Egypt SAE  
Deputy Chairman, Director, Banco Espirito Santo (BES)  
Director, Bespar, BSF (Banque Saudi Fransi)  
Director, Member of the Executive Committee, Calyon  
Director, CAAM, Crédit Agricole Luxembourg, Sofinco  
Member of the Supervisory Board, UBAF

■ **in any company outside Crédit Agricole Group listed company:**

Member of the Supervisory Board, De Dietrich

**non listed company:**

–

**Other offices held within the past five years:**■ **in Crédit Agricole Group companies**

Chairman, IUB Holding (until July 2008)  
Chairman of the Supervisory board, Lukas Bank (until March 2007)  
Member of the Supervisory Board, Crédit du Maroc (until September 2007)  
Director, Banque Libano- Française (until November 2007)  
Chief Executive Officer, Fédération Nationale du Crédit Agricole (until 2004)  
Head of International Retail Banking and of "Capital Funds" business line, Crédit Agricole S.A. (until 2007)

(1) Shares directly held by Executive Officers and Directors (excluding these held through employee share ownership plans).

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## Bernard MARY

**Main office within the company:** Deputy Chief Executive Officer in charge of Retail area (LCL and International retail banking); Member of the Management Board and the Executive Committee

Born in 1947

Date first appointed: 15/10/2008 -

Number of Crédit Agricole S.A. shares held<sup>(1)</sup> at 31/12/2008: 5,280

Business address: CRÉDIT AGRICOLE S.A.

91-93, boulevard Pasteur

75710 Paris Cedex 15

### Main offices outside the company:

#### ■ in Crédit Agricole Group companies

Director, LCL

Chairman, Belgium CA, Permanent Representative of Nord-Est Regional Bank

Director, BES

Director, Crédit Agricole – NV Landbouwkrediet (CA BELGE)

Executive Manager, EPPES Nord-Est, Permanent Representative of Nord-Est Regional Bank

Director, Icar, Permanent Representative of Nord-Est Regional Bank

Chairman, Lesica

#### ■ in any company outside Crédit Agricole Group

##### listed company:

–

##### non listed company:

–

#### ■ others

Executive Manager, Le Clos Barrois

### Other offices held within the past five years:

#### ■ in Crédit Agricole Group companies

##### Offices vacated during the year 2008:

Director, Caisse Locale de Crédit Agricole Mutuel Développement Partage

Director, CAMCA

Chairman, Cofinep, Permanent Representative of Nord-Est Regional Bank

Chief Executive Officer, CRCAM du Nord Est

Director, Crédit Agricole S.A. (until October 2008)

Member of the Board, FNCA

Director, FRCA Champagne Ardennes

Secretary-General, FRCA Champagne Ardennes

Director, FRCA Picardie

Director, Gecam (EIG)

Director, Gecica (EIG)

Chairman Director, Industries et Agro Ressources Pôle de Compétitivité, permanent Representative of Nord-Est Regional Bank

Chairman, Innovation Nord Est, permanent Representative of Nord-Est Regional Bank

Chairman of NEAIR, Permanent Representative of SAS Nord Est Développement Régional,

Chairman of NECAP, Permanent Representative of Nord Est Regional Bank

Chairman of Nord Est Assur, Permanent Representative of Innovation Nord Est

Director, Points Passerelle du Crédit Agricole

Member, Progica S.A.S.

Chairman, SAS Nord Est Développement Régional, Permanent Representative of Nord Est Regional Bank

Chairman, SAS Nord Est Diversification, Permanent Representative of Nord Est Regional Bank

Member of the Supervisory Board, SAS Nord Est Optimmo

Director, SCI CAM

Member of the Supervisory Board, Siparex Développement, Permanent Representative of Nord Est Regional Bank

Chairman, Société Financière de Courlancy, Permanent Representative of Nord Est Regional Bank

Director, Sofipar

Chairman, Synergie (EIG)

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(1) Shares directly held by Executive Officers and Directors (excluding those held through employee share ownership plans).

## Information on Executive Officers and Directors

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Since Crédit Agricole S.A.'s stock market flotation, the company's Board of Directors has comprised 21 Directors including one executive officer of SAS Rue La Boétie, which is owned by the Regional Banks and owns 54.8% of Crédit Agricole S.A., and 12 executive officers of the Regional Banks in which Crédit Agricole S.A. is a 25% shareholder. The Regional Bank representatives therefore hold a majority of the seats on the Board. This illustrates the desire of Crédit Agricole S.A.'s main shareholder (SAS Rue La Boétie) to give the Regional Banks a broad representation to reflect the Crédit Agricole Group's decentralised structure.

The interests of the Regional Banks and of SAS Rue La Boétie could differ from those of Crédit Agricole S.A. or of other Crédit Agricole S.A. shareholders. This could lead to **potential conflicts of interests** between the duties to Crédit Agricole S.A. of persons serving as both Director of Crédit Agricole S.A. and corporate officer of SAS Rue La Boétie or of a Regional Bank and their duties to SAS Rue La Boétie or to a Regional Bank. For information, it is noted that Crédit Agricole S.A. acts as the central body for the Regional Banks, in accordance with the provisions of articles L. 511-30 to L. 511-32 and L. 512-47 to L. 512-54 of the *Code monétaire et financier*.

There exist no **service contracts** between the members of the administrative or management bodies and Crédit Agricole S.A. or any of its subsidiaries that grant benefits to such members.

To the Company's knowledge, there are no **family ties** among the Corporate Officers, Directors, Chief Executive Officer and Deputy Chief Executive Officers of Crédit Agricole S.A.

Crédit Agricole S.A. complies with the **corporate governance regulations** applicable in France, as described in the Chairman's report submitted to the shareholders at the Annual General Meeting of 19 May 2009, which is reproduced in full in this registration document. It is noted that, in accordance with the corporate governance guidelines issued by the AMF, on 13 November 2008, Crédit Agricole S.A. published a press release stating the following:

*"At its meeting of 13 November 2008, the Board of Directors of Crédit Agricole S.A. familiarised itself with the AFEP-MEDEF recommendations of 6 October 2008 on executive compensation in listed companies. It found that these recommendations are in keeping with the company's corporate governance practices.*

*Consequently, in accordance with the Act of 3 July 2008 transposing European Directive 2006/46/EC of 14 June 2006 into French law, the company refers to the AFEP/MEDEF code as amended for purposes of preparing the report stipulated in Article L. 225-37 of the Code de commerce".*

To the Company's knowledge, as of this date, **no member of an administrative or management body of Crédit Agricole S.A. has been convicted in relation to fraudulent offences** during the last five years.

To the Company's knowledge, as of this date, **no member of an administrative or management body of Crédit Agricole S.A. has been associated with any bankruptcy, receivership or liquidation** during the last five years.

**Details of any official public incrimination and/or sanctions** ruled against any member of an administrative or management body:

At the beginning of May 2004, the CONSOB initiated proceedings against the Italian bank Banca Intesa, its directors and senior executives, and former directors and senior executives of Cariplo, Comit and BAV, for a period running from the beginning of 1999 until the end of 2002.

As part of such proceedings, in March 2005, the Chief Executive Officer of Crédit Agricole S.A. at that time, Mr Jean Laurent and Mr Ariberto Fassati, member of the Executive Committee, received notification from the Italian Ministry of Economy and Finance that it was assessing fines of €33,800 for Mr Laurent and €24,800 for Mr Fassati for breach or inadequacy of internal procedures at the above-mentioned Italian banks with respect to information provided to customers and the suitability of products offered to such customers. These decisions were appealed to the Milan Court of Appeals.

No member of the administrative or management bodies of Crédit Agricole S.A. has been disqualified by a court from acting as a member of an administrative or management body or from participating in the management or conduct of the business of Crédit Agricole S.A. within the last five years.

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## » TRADING IN THE COMPANY'S SHARES BY EXECUTIVE OFFICERS AND DIRECTORS

**Summary of trading in the company's shares by senior executives of Crédit Agricole S.A. and other persons covered by article L. 621-18-2 of the *Code monétaire et financier* during 2008**, for trades exceeding an aggregate ceiling of €5,000 (pursuant to article L. 621-18-2 of the *Code monétaire et financier*

and article 223-26 of the *Autorité des Marchés Financiers* General Regulation).

According to the article 223-26 of the AMF's General Regulation, these trades have been reported to the AMF.

Name and Office held	Trading in the company's shares by members of the Board of Directors and by any persons related thereto
<b>René Carron</b> Chairman of the Board of Directors	Acquisitions and subscriptions of 8,161 shares and 11,448 other financial instruments (Preferential Subscription Rights) for a total amount of €97,791.06 (6 transactions)
<b>Jean-Paul Chifflet</b> Vice-chairman of the Board	Acquisition and subscription of 1,666 shares and 2,055 other financial instruments (share of employee share ownership plans) for a total amount of €58,213.53 (2 transactions)
<b>Philippe Camus</b> Director	Subscription of 1,666 shares for an amount of €17,659.60 (1 transaction)
<b>Alain Diéval</b> Director	Subscription of 1,037 shares for an amount of €10,992.20 (1 transaction)
<b>Xavier Fontanet</b> Director	Acquisitions of 8,402 shares for a total amount of €87,846.02 (2 transactions) Sales of 8,402 shares for a total amount of €87,445.10 (2 transactions)
<b>Dominique Lefebvre</b> Director	Acquisition and subscription of 2,530 shares for a total amount of €38,823.60 (2 transactions)
<b>Michel Michaut</b> Director	Acquisition and subscription of 1,582 shares for a total amount of €13,309.20 (2 transactions)
<b>Daniel Coussens</b> Director	Subscriptions of 1,341 shares for a total amount of €14,214.60 (2 transactions)

Name and Office held	Trading in the company's shares by senior executives/corporate officers and by any persons related thereto
<b>Georges Pauget</b> Chief Executive Officer	Subscription of 18,547 shares for an amount of €196,598 (1 transaction)
<b>Jacques Lenormand</b> Deputy Chief Executive Officer	Acquisition and subscription of 4,000 securities and 12,000 other financial instruments (PSR) for a total amount of €55,474.69 (2 transactions)
<b>Jean-Frédéric de Leusse</b> Deputy Chief Executive Officer	Acquisition and subscription of 3,600 securities for a total amount of €49,860.00 (1 transaction)

### Specific provisions relating to restrictions or interventions of Directors in trading in the company's securities:

Because each director, by definition, is a 'permanent insider', the rules on "windows" for subscription/prohibition against trading in Crédit Agricole S.A. shares apply to each director.

During 2008, the Group's Chief Compliance Officer sent a letter to all executive officers and directors reminding them of their obligations under the European Market Abuse Directive and Markets in Financial Instruments Directive (MiFID) as transposed into French law.

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# Composition of the Executive Committee

As of 2 March 2009

<b>Georges PAUGET</b>	Chief Executive Officer	
<b>Jean-Yves HOCHER</b>	Deputy Chief Executive Officer in charge of Caisses Régionales development, Payment instruments and Insurance area	
<b>Jacques LENORMAND</b>	Deputy Chief Executive Officer in charge of Crédit Agricole S.A. Group Functions area	
<b>Jean-Frédéric de LEUSSE</b>	Deputy Chief Executive Officer in charge of the Group Specialised business lines area	
<b>Bernard MARY</b>	Deputy Chief Executive Officer in charge of Retail (LCL and International retail banking)	1
<b>Mohammed AGOUMI</b>	Deputy Head of International Development	
<b>Bertrand BADRÉ</b>	Chief Financial Officer	2
<b>Jean-Paul BETBÈZE</b>	Chief Economist	
<b>Jérôme BRUNEL</b>	Head of Specialised Financial Services	3
<b>Francis CANTERINI</b>	Head of Group Risk Management and Permanent Controls	
<b>Marc CARLOS</b>	Head of Payment Systems and Services	4
<b>Pierre DEHEUNYNCK</b>	Head of Group Human Resources	
<b>Alain DESCHÈNES</b>	Head of Group IT *	5
<b>Philippe DUMONT</b>	Group Chief Internal Auditor	
<b>Christian DUVILLET</b>	Chief Executive Officer of LCL	6
<b>Ariberto FASSATI</b>	Head of Crédit Agricole S.A. Group in Italy	
<b>Jérôme GRIVET</b>	Deputy Chief Executive Officer of Calyon	7
<b>Paul de LEUSSE</b>	Head of Group strategy*	
<b>Gilles de MARGERIE</b>	Head of Private Banking, Private Equity and Real Estate	8
<b>Alain MASSIERA</b>	Deputy Chief Executive Officer of Calyon	
<b>Bernard MICHEL</b>	Head of Insurance activities	9
<b>Yves PERRIER</b>	Head of Asset Management, Securities and Investor Services	
<b>Alexandra ROCCA</b>	Head of Group Communications	10
<b>Alain STRUB</b>	Chief Executive Officer of Emporiki Bank	
<b>Patrick VALROFF</b>	Chief Executive Officer of Calyon	A
<b>Jean-Pierre VAUZANGES</b>	Head of Regional Banks Development	

\* As from 1st April 2009.



# » Group compliance

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# The Compliance function

*Compliance* concerns the observance of legal and regulatory requirements relating to banking activities. It reinforces the trust of the parties involved (clients, staff, investors, regulators, suppliers) in the bank. Conversely, failure to comply with regulations can result in penal sanctions, sanctions from regulators, legal disputes with clients and, more generally, a risk of damaging the bank's reputation.

The role of Crédit Agricole's Compliance function is to define and implement a policy to prevent the risk of non-compliance, which take the form of the risk of money laundering, financing of terrorism, violation of embargos, market abuse, conflicts of interest, insufficient advice etc.

The Compliance function must also ensure that effective systems are in place to guarantee compliance. In order to this, it:

- translates laws and regulations into Compliance procedures and manuals;
- ensures that employees are trained in compliance issues;
- advises operating staff by giving its opinion on transactions when requested;
- checks that the system works properly and checks transactions.

## DEVELOPMENT OF THE NUMBER OF COMPLIANCE STAFF

	2005		2006		2007		2008	
Number of compliance staff Crédit Agricole S.A. Group	431	0.7%	564	0.7%	580	0.7	608	0.7
<b>TOTAL NUMBER OF EMPLOYEES</b>								
<b>CRÉDIT AGRICOLE S.A. GROUP</b>	<b>62,112</b>	<b>100%</b>	<b>77,063</b>	<b>100%</b>	<b>86,866</b>	<b>100%</b>	<b>88,933</b>	<b>100%</b>

Reference texts provided by the Compliance function include:

- the Compliance Charter, translated by the Group into 10 languages and provided to all new employees;
- the FIDES group compliance programme defined in 2004, comprising procedural memos;
- texts reflecting regulatory changes since 2004 in Compliance.

The Compliance training plan (FIDES) has been rolled out within the Group both in France and abroad.

Training efforts continued in 2008 involving new recruits and employees of newly consolidated entities. Training programmes are systematically deployed in the Group's new companies.

Lastly, increasing importance has been attached to controls and IT equipment facilitating controls.

The keystone of the control system, the Compliance Management Committee, chaired by Crédit Agricole S.A.'s Corporate Secretary, monitors the organisation of group compliance and

the implementation of procedures and training within the Group. It takes note of the principal conclusions of audits as well as any important letters, reports or statements of findings from a regulator relating to laws and regulations in France or abroad, as well as the remedial action undertaken. The committee meets every month.

The compliance function also carries out the following work:

- it maps risks, which allows for the assessment of risks of non-compliance within the Group;
- it provides reports that allow for assessment of the compliance system within the Group;
- it checks compliance with US securities relations which, under the Bank Holding Company Act (BHCA), allows it to carry out reporting on the group's US entities and on US non-bank companies;
- it provides latest-generation financial security tools designed to signal suspicious activity, initially internally and then to the relevant authorities (see Financial security).

# Integration of new entities in international retail banking

In its retail banking activities, in order to accompany the Group's expansion and ensure the secure integration of subsidiaries, Crédit Agricole S.A. has rolled out procedures based on Group standards under the supervision of a team set up for this purpose in 2007 within the Compliance Department:

- compliance officers have been appointed at each international retail banking subsidiary during their consolidation;
- Compliance Management Committees have been set up, usually chaired by local Chief Executive Officers;
- the Group's FIDES compliance procedures have been adapted to its international subsidiaries.

In 2008, the main focus was a continuing with the efforts initiated with a view to enhancing local procedures for the prevention and control of non-compliance risks:

- efforts were implemented relating to the enhancement of procedures for the handling and control of customer identification within the framework of local regulatory requirements and Group standards;
- launches of new products and activities were overseen by dedicated bodies;

- the situation at the various entities in terms of tools for monitoring transactions in order to prevent money laundering and combat financing of terrorism was assessed and, where necessary, enhancements were made fitting in with the local context;
- training sessions and efforts to raise the awareness of employees backed up training plans already in place.

These efforts were rolled out to the most recent scope of international insurance activities, within specialist subsidiaries.

In addition, the organisation and steering of measures to combat fraud are in the process of being reinforced, with the creation in September 2008 of a dedicated cross-functional unit with the aim of structuring Group procedures.

Group procedures, which are assessed internally at least twice a year, help to provide a framework that observes applicable compliance regulations, standards and rules, particularly in terms of combating money laundering and the distribution and provision of services to customers.

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# Financial security

As regards financial security, Crédit Agricole S.A.'s Compliance department is in charge of preventing money laundering, combating financing of terrorism and managing the freezing of assets and embargos.

The Compliance department therefore has specific mechanisms to prevent:

- corruption

All new client relationships require specific authorisation or validation at the appropriate level. This authorisation is based on a satisfactory level of client knowledge. Each Group entity with a relationship with a client must have a "know your customer" file. If on collating such a file it emerges that the client or effective beneficiary is a politically exposed person (PEP), the Financial Security department is asked to conduct further investigations.

A politically exposed person is a person who holds or has held an important public position in a foreign country.

The Financial Security department consults specialist databases to ensure that the politically exposed person is not involved in any cases of corruption. These people are subject to heightened surveillance measures.

- money laundering

On entering into any new client relationship, checks required concerning identification of the client constitute an initial filter for preventing money laundering.

Certain sectors that are deemed sensitive - casinos, gaming, diamonds, gemstones, fine art, charitable organisations, banks governed by sectarian rules - are subject to reinforced vigilance, with systematic use of prior approval by the Financial Security department.

When carrying out transactions, staff - who are duly trained in and aware of measures to combat money laundering - look out for unusual activity.

- financing of terrorism

Efforts to combat financing of terrorism also involve diligence measures carried out on entering into new business relationships in order to find out about and identify the client.

The Crédit Agricole S.A. Group's Compliance department also has a number of tools designed to detect suspicious transactions, which after verification are passed on to the relevant authorities.

TRACFIN is the relevant authority that receives and deals with declarations of suspicious activity passed on to it by Banque de France.

The amounts cancelled by Crédit Agricole under embargos in 2008 totalled just over €71 million. Over the same period, assets frozen totalled €1.3 million.

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The tools used by the Group are described in the following table:

NAME	DESCRIPTION
<b>BACARAT</b>	<ul style="list-style-type: none"> <li>This is a tool for processing records and exchanging information concerning prevention of money laundering and financing of terrorism within the Group (Article 511-34 of the French Monetary and Financial Code).</li> <li>It is intended to record all declarations of suspicious activity by units and subsidiaries. It allows for the recording of all due diligence, advisory and assistance records concerning prevention of money laundering, approvals and opinions given, and legal proceedings, in order to ensure traceability.</li> <li>The tool is used to determine whether a person has already triggered an alert in the past.</li> <li>It is installed in 28 Group units.</li> </ul>
<b>FIRCOSOFT</b> This is the name of a company that provides two tools	<p><b>FIRCOSOFT MESSAGE FILTER</b></p> <ul style="list-style-type: none"> <li>This is a tool used within the framework of measures to combat financing of terrorism, respect of embargos and freezing of assets.</li> <li>It allows for the control of messages on the basis of the provisions of regulation 1791/2006.</li> <li>It allows for real-time monitoring of international payment flows using SWIFT <sup>(1)</sup>.</li> <li>An alert is issued if suspected names (cross-information with one or more lists of terrorists), a country under embargo or an entity subject to freezing of assets is identified.</li> <li>Three of the Group's five filtering platforms (Paris, London, Singapore) use this tool. The other two platforms use comparable local tools (Geneva/Monaco, New York).</li> </ul> <p><b>FIRCOSOFT FILE FILTER</b></p> <ul style="list-style-type: none"> <li>Tool used within the framework of preventing financing of terrorism.</li> <li>It goes through client records and identifies terrorists and politically exposed persons.</li> </ul>
<b>NORKOM</b>	<ul style="list-style-type: none"> <li>Toll rolled out at retail banking entities in France.</li> <li>Profiling and account monitoring tool used to detect money laundering.</li> <li>All account movements are reviewed in order to detect unusual activity, on the basis of predefined scenarios for which parameters can be set.</li> <li>The tool issues alerts that are analysed and can, if necessary, result in a declaration of suspicious activity.</li> </ul>
<b>FACTIVA</b>	<ul style="list-style-type: none"> <li>This is a secure online database identifying whether a person is known to be "politically exposed" or whether a person is a terrorist.</li> </ul>
<b>SYLCAT</b> These are three "home-made" tools	<p><b>TRACKER</b></p> <ul style="list-style-type: none"> <li>Request tool for international payment flows.</li> <li>This allows for the identification of clients working with countries deemed at risk.</li> </ul> <p><b>MONITORING</b></p> <ul style="list-style-type: none"> <li>Equivalent of NORKOM.</li> <li>Tool for detecting unusual activity on a client account within the framework of measures to combat money laundering.</li> </ul> <p><b>LIST</b></p> <ul style="list-style-type: none"> <li>Equivalent of FIRCOSOFT FILE FILTER.</li> </ul>
<b>ACTIMIZE</b>	<ul style="list-style-type: none"> <li>Rolled out at the level of Crédit Agricole Titres, this tool detects market abuse and insider dealing.</li> <li>Rolled out at the level of Calyon and Crédit Agricole Asset Management, it detects market abuse and unusual customer account activity within the framework of efforts to combat money laundering.</li> </ul>
<b>POLARIS</b>	<ul style="list-style-type: none"> <li>Tool for monitoring the investment portfolios of Crédit Agricole Group entities.</li> </ul>
<b>ARPSON</b>	<ul style="list-style-type: none"> <li>Tool for monitoring breaches of thresholds by Crédit Agricole S.A.</li> </ul>

(1) SWIFT: Society for Worldwide Interbank Financial Telecommunication, the head office of which is in Brussels. It operates a worldwide communication system for exchanging "standardised messages" between financial institutions.

Finally, Crédit Agricole is a member of Transparency International France, the leading civil-society organisation dedicated to combating corruption.

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# Private Banking

One of the main duties of the Crédit Agricole S.A. Group's Private Banking business line is to ensure that its day-to-day activities comply with the Group's compliance principles.

The Private Banking division has implemented the FIDES enhanced compliance programme, involving:

- the appointment within each Private Banking entity of a compliance officer responsible for adapting principles on a local level and the application of Compliance measures;
- setting out formal procedures in a number of areas, concerning primarily know-your-customer, and the implementation of specific measures to combat money laundering.

Know-your-customer is a fundamental aspect of Private Banking and must be documented appropriately, based primarily on a "customer profile" providing all information required to identify the person as well as their financial knowledge, sources of income and the origin of their wealth.

Private Banking uses units independent of commercial functions to analyse documentation and ensure its compliance within the framework of the decision-making process.

Procedures exist concerning sensitive or high-risk clients.

In parallel with the know-your-customer system, in accordance with the FIDES programme, Private Banking has also implemented a system using a number of sophisticated tools to prevent money laundering. This system comprises primarily the following:

- private banking entities have tools for detecting suspect names;
- private banking sites use systems to control incoming and outgoing Swift transfers in order to detect undesirable names relating to transfers initiated or received by clients;
- the private banking network has a number of systems to allow for identification of PEPs <sup>(1)</sup> requiring specific diligence in relation to combating money laundering;
- large private banking sites use tools for monitoring account activity in order to detect and analyse deviations from expected behaviour or so-called "at risk" transactions.

Lastly, specific training in measures to combat money laundering is provided to new employees and staff more specifically exposed to this type of risk.

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(1) Politically exposed persons.

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## French retail banking

With 26 million customers, Crédit Agricole's retail branch networks in France, which comprise the Regional Banks and LCL, hold leading positions in almost all areas of the domestic retail banking market. They have achieved this position over the years by building on their historical roots in the regional economy and on their expertise in the personal, small businesses and corporate banking segments. As a responsible leader, Crédit Agricole seeks to cultivate and retain its customers' trust. In so doing, the bank's retail franchises have made commitments in several areas: to support their customers in every stage of life, to offer products that are socially responsible, useful and that meet client expectations.

### » TO BE THERE FOR THEIR CUSTOMERS IN GOOD TIMES AND IN BAD

#### ▶ Promoting access to credit for small and mid-size companies and industries

As the leading financial partner to the French economy, Crédit Agricole has made access to financing a priority. Against a backdrop of economic crisis, it has initiated and implemented actions aimed specifically at small companies.

At the end of 2008, the French government instituted a plan to help small and mid-size companies. It appointed a credit mediator who reviews the financing difficulties encountered by smaller companies, small businesses and farmers and their relationships with the banks. In just over two months, 843 petitions naming the Group were filed with the mediator. By contrast, the Group has one million customers to whom it has granted loans. In other words, fewer than one out of 1,000 Group borrowers turned to mediation and 50% of the Group's initial decisions were upheld by the mediator, compared with an overall average of 37%. In addition, Crédit Agricole has increased lending to small and mid-size companies and industries by nearly 20%<sup>(1)</sup>, thereby evidencing that it is meeting its commitments to customers, including during difficult times.

#### ▶ Supporting hard-hit farming sectors

In 2008, the farming and agrifood sectors were hard-hit by the financial crisis and even more by highly volatile commodities prices. As the leading provider of financing to these sectors, Crédit Agricole has maintained and stepped up its commitments and has stayed by the side of its historical customers (see p. 109).

#### ▶ Preventing exclusion from the banking system

As a universal and mutualist bank, Crédit Agricole seeks to serve all of its customers, including those who have encountered an accident of life. Through Points Passerelle, the group listens to customers and offers mediation with its banking and financial expertise, where employees and/or elected officials meet with, guide and support needy customers. To be eligible for this support, individuals must be prepared to take charge of their difficulties—a necessity for the system to work.

Twenty-more than half-of the Regional Banks, have so far instituted this system, which was initiated in 1979 by the Caisse Régionale du Nord-Est. At the end of 2008, there were 33 active Points Passerelle.

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### » OFFERING RESPONSIBLE PRODUCTS

#### ▶ The right product for the right customer

To ensure that its products meet its customers' best interests and expectations, all new ranges and new activities are systematically reviewed by a new activities and products (NAP) committee before they are brought to market (see p. 110).

In addition, the Crédit Agricole branch franchises have taken the necessary steps to comply with the MiFid (Markets in Financial Instruments Directive), which became effective on 1 November 2007, to ensure that customers are provided information that is clear, fair and not misleading, as specified by the directive.

(1) Figures as of 31/09/2008.



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► **Financing, saving and “alternative” investments**

In 2007, Crédit Agricole launched the **energy conservation loan** (PEE) to finance energy-efficient improvements to existing residential property. The Regional Banks launched these loans in 2007 and the LCL branch network began to market them in 2008.

At end-2008, nearly 30,000 Regional Bank customers had taken out a “PEE”, compared with 6,300 at end-2007, for a total of €300 million. In 2008, after the product was launched by LCL, the bank wrote over 4,000 PEE loans.

**The zero-interest Eco-loan** (Eco PTZ), the *Grenelle de l’Environnement* flagship loan, was marketed by the Regional Banks retail network starting on 1 April 2009. The Eco PTZ finances renovation work to boost energy efficiency and lower greenhouse gas emissions in older homes. It is not subject to any ceiling on the borrower’s income. The loans will available from LCL in June.

Since the beginning of 2007, all the branch networks have offered their customers the **“Livret développement durable”** (“LDD” sustainable development passbook account), as required by law. Customers can build up to €6,000 in savings in their “LDD” (formerly known as “Codevi”). Today, nearly 7.5 million Regional Bank customers have an “LDD” with aggregate deposits of over €22 billion, and over 1.8 million LCL customers have deposited a total of €5.3 billion in these accounts.

**SHARED-RETURN FUNDS**

Products	Network	Partial coupon recipient
Pacte Solidarité Logement	Crédit Agricole Regional Banks	Fondation Solidarité Mutualiste
Pacte Vert Tiers Monde	Crédit Agricole Regional Banks	Fondation Solidarité Mutualiste
FCP Habitat et Humanisme	LCL	Habitat and Humanity Association
Eurco Solidarité	LCL	Comité Catholique contre la Faim et pour le Développement
Partagis	LCL	Action contre la faim

The Regional Banks and LCL also offer **“social entrepreneurial” products**, such as the danone.communities mutual fund.

This product is a new form of investment that reconciles financial investment with socially responsible innovation, thereby enabling investors to contribute to the economic development of the poorest nations. The mutual fund, which is suitable for all categories of investors, had total assets of €65.5 million at end-2008. It offers five compartments: two are more specifically dedicated to the Danone Group and three open compartments are differentiated by

Over the past several years, certain Group entities have designed and developed solidarity funds or socially responsible investment (SRI) funds offered to all Crédit Agricole customers. Most of these funds are managed by CAAM Group and several types are sold through the Regional Bank and LCL networks:

- **SRI funds**, with portfolios consisting of equities in companies that have the best track record in sustainable development. These companies are selected by cross-referencing a set of extra-financial criteria (environmental, social responsibility, governance) and financial criteria, including an overall risk and reward analysis of the companies, so as to assess their real value over the long term;
- equity funds (Eurosociétale, Europe Gouvernance, CAAM Actions Durables), theme funds (CAAM Funds Aqua Global, an SRI fund focused on water, CAAM Funds Clean Floor, an SRI fund concentrated on clean technologies), and a bond fund (Oblideam Eurospreads), make up the SRI range offered through the branch networks;
- LCL distributes Hymnos, an ethical fund dedicated to Christian values and humanitarian ethics, which picks equities based on the company’s labour, humanitarian and environmental policies;
- shared-return funds, in which part of the profits revert to charitable associations or NGOs in exchange for a tax deduction.

their investment horizon and their risk profile. This mutual fund is invested as follows:

- 90% in SRI equities in the eurozone;
- 10% in a venture capital fund in which the investments are concentrated in projects with a high social impact, in keeping with the missions of the Danone Group: “To bring health through food to as many people as possible”. Most of these investment projects are located in emerging countries.

» **LISTENING TO OUR CUSTOMERS**

The Crédit Agricole networks have developed tools to keep track and to meet customer expectations (see p. 108-109).

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# International retail banking

The business line operates in some twenty countries with over 30,000 employees and 5 million customers, giving the Group a significant presence in retail banking in Europe and around the Mediterranean Basin. Between 2006 and 2008, Crédit Agricole stepped up its international development, with a focus on responsibility and safety through the compliance programme that was rolled out in all the entities. This international expansion was also an opportunity to exchange SER best practice within the foreign subsidiaries.

## » RESPONSIBLE GROWTH IN A SECURE FRAMEWORK

After its acquisitions in Ukraine, Egypt and Greece in 2006 and in Italy in 2007, Crédit Agricole continued to structure its international development:

To ensure a secure framework for international expansion, in 2007, Crédit Agricole created a special unit for this purpose within its Compliance Department. This department ascertains that the Group's compliance guidelines, including the FIDES compliance standards, are circulated within each new foreign subsidiary.

In 2008, the main efforts were devoted to continuing the ongoing programme to supplement local compliance risk prevention and control procedures.

Following are a number of examples:

- committees were set up to oversee new product roll-outs and new activities;

- additional training and awareness-raising sessions were held for employees to supplement the existing training plan.

These actions were deployed across the more recent scope of international insurance operations within the specialised subsidiaries (see p. 89).

In 2008, a network consisting of about ten sustainable development officers was created within the foreign subsidiaries. It is coordinated and spearheaded by a dedicated officer in the International retail banking business line.

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## » GOOD PRACTICES ABROAD

### ► Solidarity with the less fortunate

The **Cariparma FriulAdria Group**, alongside various local community institutions and private organisation, has made a commitment to offer products to help people who encounter financial difficulties. The two banks offer basic banking products to young customers, students, immigrants, young couples, and people who have been disabled by accidents in the workplace on advantageous terms. As an example, "Crédit Confiance" interest-free loans from Cariparma developed in cooperation with the Cariparma Foundation and the city of Parma are intended for families, single people or students who run into temporary financial difficulties and do not receive public welfare.

### ► SRI-oriented organisations

**Emporiki Bank**, which initiated a socially responsible policy several years ago, has reiterated its intent to incorporate SRI into its strategy. In 2008, it created an SRI committee that reports to its Board and is composed of three of its directors. This committee approves SRI action plans within the Greek subsidiary. Emporiki also has a dedicated sustainable development officer.

Like Emporiki Bank, **Meridian Bank**, the Serbian subsidiary, created a social and environmental responsibility (SRI) committee at the beginning of 2009. The committee members include the bank's Chief Executive Officer, Chief Operating Officer, the head of

## International retail banking

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the branch network, the head of corporate communications and the sustainable development officer. The committee will define a socially and environmentally responsible policy, assess the actions that are currently underway and develop new SER guidelines.

### ► Supporting Madagascar's economic development

For the past several years, **BNI**, Crédit Agricole's subsidiary in Madagascar, has applied a socially, economically and environmentally responsible approach in that country. BNI's commitment is reflected mainly in its involvement in the development of microfinance in Madagascar in both urban and rural areas.

BNI is a member of the CECAM network (Crédit Agricole Mutuel savings and loans associations). As such, it is involved in actions

to support solidarity and financing to the farm. A total of nearly €1.5 million microfinance loans have been granted, primarily in rural areas. Alongside four Crédit Agricole Regional Banks (Nord-Est, Reunion, Centre-Loire and Brittany), BNI also supports the CECAM network via the ICAR (*Internationale de Crédit Agricole et Rural*) association.

Furthermore, BNI is a founding member of SIPEM (*Société d'Investissement pour la Promotion des Entreprises à Madagascar*), which promotes financing for businesses in Madagascar. SIPEM's mission is to create a fabric of micro businesses and small companies in Madagascar, primarily in Antananarivo and in areas located near the capital. Since SIPEM was created in 1990, it has provided financing to 6,700 businesses.

BNI supports the development of certain industries, such as the silk industry, to stimulate the economy in the regions and to enable the people to achieve economic self-sufficiency.

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## Specialised financial services

The subsidiaries in this business line all face the same challenge: “how can they incorporate ESG criteria into their loan approval processes, given the variety of their business activities?”

These companies have adopted approaches that are appropriate for their business: **Crédit Agricole Leasing** finances renewable energy projects, while the Group’s consumer credit subsidiaries, **Sofinco** and **Finaref**, have developed processes to open up access to credit while combating over-indebtedness.

### » CRÉDIT AGRICOLE LEASING: UNIFERGIE FINANCES INVESTMENTS IN RENEWABLE ENERGY ASSETS

In 2008, Unifergie, Crédit Agricole Leasing’s subsidiary specialising in “green” financing, continued to expand in the energy and environmental sectors, primarily in three areas: wind, solar and biomass.

Financing renewable energy is the subsidiary’s major business, with over 300 megawatts (Mw) financed, i.e. 80% of its loan book (see p. 144-145).

In 2007, the European Investment Bank (EIB) chose Unifergie as its exclusive partner for renewable energy financing in France. Unifergie received an initial allotment of €100 million, followed by two additional facilities in 2008 and 2009, for a total of €550 million in EIB funds. This type of partnership was hitherto unknown in France in this area.

#### Solar energy projects

Unifergie was also involved in the solar energy sector and served as the lead manager in financing a solar farm project in Alsace. With 36,000 m<sup>2</sup> of solar panels and a capacity of 4.5 Mw, the facility operated by this farmer, who is a customer of Caisse Régionale Alsace Vosges, has become the largest integrated solar energy production facility in the world. The solar buildings also store biomass energy.

A consortium consisting of the Touraine Poitou, Charente-Maritime-Deux-Sèvres, Charente-Périgord Regional Banks and of Unifergie as their representative was commissioned by the Poitou-Charentes

Region to provide €400 million in financing to photovoltaic plant projects in that region over 2009-2012.

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## » CONSUMER FINANCE: DEVELOPING “SOCIALLY RESPONSIBLE CREDIT”

The main ESR issues that the consumer credit subsidiaries face are how to meet the expectations of personal customers for accessing credit and the quality of the customer relationship (see p. 108-109). Offering access to credit to the largest possible number of people requires guaranteeing that the products offered meet the needs of each person and that the repayment schedules are in keeping with their financial position.

Several years ago, Sofinco created ANAP (*Agence Nationale d'Aide aux Particuliers*), an organisation dedicated to helping overindebted consumers. Employees who are trained in this area work with the borrowers to find solutions that are appropriate for their new situation.

Since the end of 2007, Finaref has been working in partnership with Archime'd (*Association de Recherche pour un Crédit Harmonieux*

*et d'Innovation pour la Maîtrise de l'Endettement*) in an experiment to prevent social exclusion by helping people who have no access to credit in three ways:

- financial education through budget counsellors;
- putting the customer in touch with local social welfare organisations to help set up alternatives to credit;
- granting credit, in specific cases, under appropriate repayment and interest rate terms.

Finaref, like Sofinco, belongs to an ASF working group<sup>(1)</sup> consisting of associations that represent consumers and small businesses. In 2008, this group's work focused primarily on preventing over-indebtedness and published a guide on the subject (see p. 109).

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(1) *Association Française des Sociétés Financières.*

# Asset management, insurance and private banking

In asset management, life insurance or private banking, the trust that customers place in those who manage their assets entails integrated responsibilities for Group entities. The €735 billion in assets managed by these business lines reflect this.

These business lines evidence their commitment by structuring their organisation internally, developing products that meet SRI criteria and by integrating social and environmental considerations into their management processes.

## » CRÉDIT AGRICOLE ASSET MANAGEMENT (CAAM), A SOCIALLY RESPONSIBLE INVESTOR

CAAM has made SRI a strategic focus for development. The company has adjusted its organisation by reinforcing and centralising all extra-financial research and analysis within Ideam, its dedicated SRI subsidiary, so as to feed it through to CAAM Group management overall.

To extend the application of environmental, social and governance (ESG) criteria to an increasing number of investment processes as a function of customer needs, an internal tool makes available the ESG ratings of companies or countries to all CAAM Group managers, giving them the same importance as the recommendations made by financial and credit analysts. The extra-financial standards are also designed to be adjusted to the requirements of customer seeking to invest in their own values.

CAAM Group develops and manages a range of traceable products in all asset classes: equities, bonds and money market products. It practices innovative management in future-oriented projects, such

as theme funds (water, clean energies) and in financing sustainable development projects. It also offers a line of employee savings schemes

Ideam is the Group's specialist in managing ethical, shared return and social entrepreneurship funds like the danone.communities fund.

The range of products offered to personal is available from the Crédit Agricole Regional Banks, LCL and the Private Banking network.

In 2006, CAAM Group became a signatory to the Principles of Responsible Investment (PRI), which means that it takes into account ESG issues in analysing investments and in the decision-making process, while gradually integrating SG considerations in all areas of management (see p. 117-119).

## » CRÉDIT AGRICOLE INSURANCE, A BUSINESS LINE WHICH STRUCTURES ITS WAY

All Crédit Agricole Group insurance businesses have been combined into Crédit Agricole Assurances: property/casualty insurance (Predica), non-life insurance (Pacifica), creditor insurance (CACI) and international insurance operations in over twenty countries. This business line is developing SRI actions within its various activities.

As an example, Pacifica offers "green" products and services, including the "green bonus" motor insurance campaign in 2008 and special actions in the area of natural disasters. Predica incorporates SRI considerations into its products and makes socially and environmentally responsible funds available to its customers and

employees. In 2007, Ideam also carried out an assessment of Predica's investments for compliance with World Pact principles, based on the methods developed by the extra-financial rating agency Innovest.

Crédit Agricole Assurances' senior management appointed an officer dedicated to sustainable development in 2008, thereby structuring and reinforcing the process initiated by the Group's insurance business line. The goal of this organisation is to develop an ESG policy that is consistent with Group principles and applied by each company, as part of the insurance industry's sustainable development charter, which was officially adopted at the beginning of 2009.

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### Pacifica mobilises following winter storm Klaus

Given the extent of damages caused by winter storm Klaus hit, Pacifica, the Crédit Agricole Group's non-life insurance company, reinforced its claims handling and payment systems to help its customers.

Under the general claims payment policy, Pacifica's personal customers were eligible for a waiver of the deductible after three years without filing a claim. Some 50% of customers insured through Crédit Agricole are eligible for this waiver.

Given the scale of this storm, Pacifica decided to extend the waiver system to all personal customers who incurred damages because of Klaus insured via Crédit Agricole and who did not have access to that system.

## » MEETING "PRIVATE BANK" COMPLIANCE STANDARDS FOR CUSTOMERS

For many years, the Private Banking line has applied a far-reaching compliance system. The approach is based primarily on FIDES, the Group's compliance enhancement system, and the associated procedures. Training programmes and anti-money laundering systems have been instituted to identify suspect transactions.

Furthermore, as part of their efforts to ensure that products are consistent with customer needs, the Private Banking entities in France and other countries systematically offer their customers funds with underlying assets that meet SRI criteria and environmental theme funds.

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## » INVESTMENTS THAT RESPECT HUMAN RIGHTS

At the end of 2007, Crédit Agricole took a restrictive position in its direct investments for its own account, in companies that were found to be involved in the production, storage and marketing of antipersonnel mines and cluster bombs (as from 2008).

The CAAM Group then decided to cease investing in those companies as part of its SRI asset management programme. It has now extended this policy to all of its active investment mutual funds in keeping with the definitions incorporated into the December 2008 Treaty of Oslo. It will divest itself of these assets gradually over

2009. It will use this time to factor in market conditions, to alert the companies involved and to dialogue with them, in keeping with the CAAM Group's policy of maintaining shareholder's dialogue.

In management under mandate, CAAM Group will keep its prospects and customers informed of its position and build awareness in this area.

Predica has also adopted this policy of not investing in any company that makes or sells cluster or anti-personnel bombs.

# Corporate and investment banking

Social and environmental responsibility considerations are a core component of Calyon's growth strategy. The bank has been exercising these responsibilities for some time within its project finance business via the Equator Principles and in its financial analysis. With the support of a sustainable development officer who was appointed at the end of 2007, the approach initiated by Calyon took on a new dimension this year, when environmental and social responsibility considerations were extended to all of the bank's businesses.

## » APPLICATION OF SOCIAL AND ENVIRONMENTAL CONSIDERATIONS WITHIN CALYON

In 2003, Calyon was the first bank in France to make a public commitment, alongside nine other banks in the world, to the Equator Principles (EP), which are now the unrivalled standard in this area. When considering project finance, the social and environmental impact of all projects involving over \$10 million is assessed and assigned a rating of A, B or C. A for projects with the most critical impact, B for those that have a smaller impact and C for those with little or no impact.

Under this approach, borrowers and developers must assume obligations in managing the project's impacts and controlling its social and environmental risks. (see p. 115-117).

In all, 299 projects had been rated as of 31 December 2008. Of these, 65 were rated during 2008:

- 15 were rated A, including one them in 2008;
- 249 were rated B, 51 of them in 2008;
- 35 were rated C, 13 of them in 2008.

Furthermore, as from 2009, a new directive extends the inclusion of social and environmental risks to all corporate and investment banking operations. As in the case of the Equator Principles, "sensitive" transactions will be submitted to the same *ad hoc* committee, which is responsible for issuing its opinions recommendations. The final decision rests with Calyon's Counterparty Risk Management Committee.

### Evolving sector-based policies

In keeping with Crédit Agricole S.A.'s commitments, in 2008 Calyon updated its policy of financing military materiel and defence equipment. This policy is restrictive vis-à-vis certain equipment. More specifically, it excludes antipersonnel mines and cluster bombs.

Furthermore, during 2009, Calyon will define an energy sector policy for its financing activities in keeping for the Climate Principles, which the Group signed in December 2008.

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## » CRÉDIT AGRICOLE CHEUVREUX, A PIONEER IN SRI RESEARCH

In 2005, CA Cheuvreux, Calyon's brokerage and equity research subsidiary, introduced a socially responsible component in its European financial research, which it distributes through publications and conferences.

Research on environmental (carbon research, Green Tech), social and corporate governance issues is now available and offered to investors.

CA Cheuvreux has won a number of awards for its position as a pioneer in this area. As an example, in 2008, CA Cheuvreux was ranked among the top three in pan-European SRI research by Thomson Extel.

In keeping with this rationale, CA Cheuvreux became the first broker to sign the PRI, a shared initiative of the United Nations and investors that operates under the aegis of UNEP-FI and the Global Compact, thus joining the CAAM Group, which has adhered to these principles since 2006.

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Sustainable development, a proactive organisation

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# Sustainable development, a proactive organisation

In 2008, Crédit Agricole bolstered the human and financial resources devoted to the Group's corporate social responsibility (CSR) policy, in line with the Group's commitments and key priorities.

This reinforced policy was particularly relevant during the financial crisis that hit the global economy during the year.

The Group's CSR efforts were recognised yet again in 2008 when Crédit Agricole S.A. was added to the Dow Jones Sustainability Index Europe. As a result of organisational changes that took place during the year, the Group's CSR policy will now be managed by a Deputy CEO rather than a member of the Executive Committee (the Company Secretary).

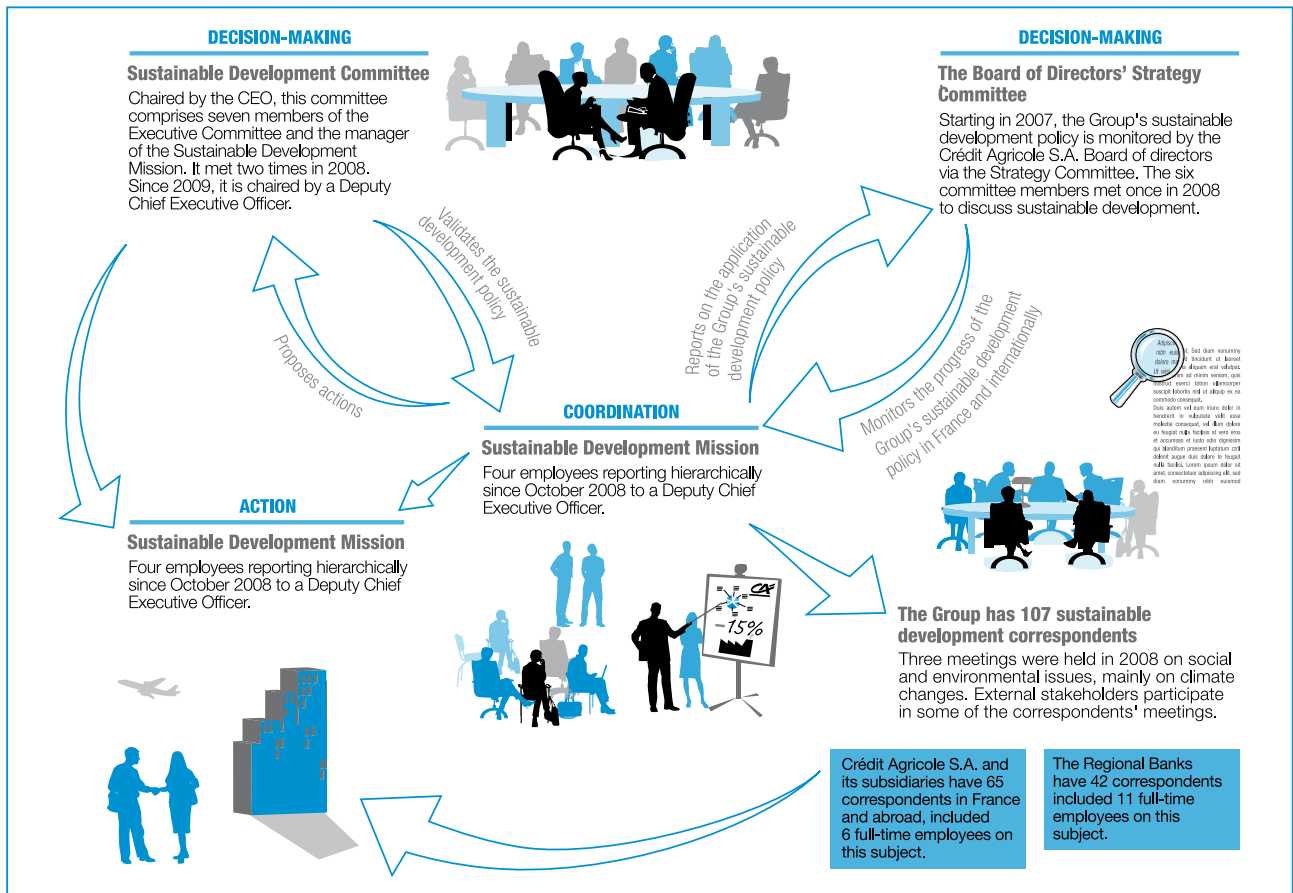
FIND OUT MORE ON THE WEBSITE



<http://www.credit-agricole.com/developpement-durable>



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## Sustainable development, a proactive organisation

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2008 Field of action	Status at year-end 2008	Outlook for 2009
<b>CSR policy management</b>		
<b>Policy monitoring</b> ■ Include CSR* issues in business' annual strategy reviews	Done	
<b>Employee awareness</b> ■ Train employees at Calyon, purchasing, and the Crédit Agricole Training Institute on sustainable development	Done	■ Continue to offer training programmes ■ Train employees at Calyon and the Industry and Sector Research Unit on The Climate Principles
<b>Stakeholder relationships</b> ■ Have BMJ Ratings assess the Group's CSR policy	Done	
<b>CSR data confirmation</b> ■ Continue to confirm data so as to provide a moderate level of assurance	Done	■ Continue the certification process
<b>International retail banking</b> ■ Build a network of sustainable development contacts at foreign subsidiaries	Done	
<b>Economic responsibility</b>		
<b>Social and environmental risks and opportunities</b>		
■ Crédit Agricole Group • Sign up to The Climate Principles	Done	
■ Calyon • Develop a CSR policy for the energy sector • Update the policy for the defence sector • Develop a CSR risk identification and decision-making procedure for the Group's financing activities	Postponed Done In progress	■ Introduce an energy policy in line with The Climate Principles
■ Crédit Agricole Asset Management Group • Add environmental and social governance ratings to fund managers' investment tools	Done	
■ Crédit Agricole Assurances • Create a new Sustainable Development Manager position	Done	
■ Products and services • Energy-efficiency loans - Continue offering these loans at Regional Banks - Introduce these loans at LCL and Cariparma	Done Done	■ Develop new environmentally-focused products for farmers ■ Begin offering an environmentally-focused zero-interest rate loan (Eco PTZ)
<b>Compliance</b> ■ Enhance local risk management and prevention systems to ensure compliance, especially at newly-acquired foreign operations	Done	■ Step-up the fight against fraud in the Group through a new, cross-functional unit ■ Implement the EU's Third Money Laundering Directive
<b>Customer relationship management (CRM)</b> ■ Continue rolling-out the new CRM initiative at Regional Banks ■ Support struggling agricultural sectors ■ Perform a customer satisfaction survey	In progress To be continued Done	■ Consolidate claims at Regional Banks on a national level
<b>Suppliers</b> ■ Establish a list of socially- and environmentally-responsible suppliers ■ Buy "green" office supplies ■ Include the following in the Group's bid specifications: • CSR criteria (including International Labour Organisation rules) • Environmentally-friendly designs	In progress Done Done In progress	■ Recognise socially-and environmentally-responsible suppliers through the Horizon Award ■ Build alliances with suitable companies
<b>Social responsibility</b>		
<b>Crédit Agricole Group human resources</b>		
■ Create a Pan-European HR Committee	Done	■ Train Committee members on CSR
■ Continue implementing the agreement on jobs and skills planning	In progress	
■ Sign the Diversity Charter and create a working group comprised of Crédit Agricole entities	Done	■ Continue implementing diversity improvement initiatives
■ Continue the employee satisfaction surveys at certain subsidiaries	Done	
<b>Assistance for low-income people in France and abroad</b>		
■ Create the Grameen Crédit Agricole Microfinance Foundation	Done	
■ Continue rolling-out support centres (Points Passerelles) at Regional Banks	In progress	
<b>Environmental responsibility</b>		
<b>Mitigate the Group's direct environmental impacts</b>		
■ Perform a second measurement of the Group's carbon footprint in the Paris region	Done	■ Introduce a Business Travel Programme at Crédit Agricole S.A. and Calyon
■ Measure the carbon footprint of 13 Regional Banks	In progress	■ Continue offsetting carbon emissions at constant scope
■ Cut energy consumption 15% in three years (from 2008 to 2010)	In progress	
■ Offset 15,000 tonnes of the CO2 emissions related to the Group's energy consumption by purchasing carbon credits	Done	
■ Expand the Group's environmental scope of consolidation	In progress	

\* CSR: Corporate Social Responsibility.

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# » Economic responsibility

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# Customers

## » CUSTOMERS' RELATION MANAGEMENT

### ▶ Constant monitoring of customer satisfaction

For several years, Group companies developed their own barometers and/or studies to survey customer satisfaction, as well as to define priority measures to be taken in order to improve customer satisfaction.

**LCL** also assesses customer satisfaction on a regular basis. Accordingly, the bank conducts surveys and possesses indicators for the branch network and new distribution channels measuring customer satisfaction and furthering the development of products meeting their expectations.

During 2008, satisfaction surveys showed that 91.4% of customers claim to be broadly satisfied, 55.4% of which are highly satisfied and 82.1% are willing to recommend LCL. At the same time, LCL has implemented a sales ethics indicator intended to check compliance with ethical rules towards customers.

**Finaref** analyses customer expectations via its monthly consumer satisfaction survey. The survey measures customer satisfaction with their recent contacts with Finaref and serves as an operational indicator that can be used to develop action plans in the field. In the first half of 2008, 64.6% of respondents said they were entirely satisfied with their contact with Finaref.

Since 2007, this barometer has been supplemented by a similar tool that is applied specifically to customers who filed "sensitive" claims. Its purpose is to measure these customers' satisfaction with the way their claim was handled.

At **Sofinco**, customer satisfaction is measured through 29 waves of surveys each year with 13,000 existing and prospective customers polled. These studies are carried out in conjunction with specialised market research organisations. They cover all distribution channels (bank branches, telephone, internet) and key moments in the customer relationship, including the "relationship initiation" and "follow-up" stages.

Since 2006, the overall satisfaction rating among borrowers has consistently been higher than 8.7, on a scale of 0 to 10.

Some of Sofinco's foreign subsidiaries, such as Credibom in Portugal and Credit Plus in Germany, also use tools to measure and analyse customer satisfaction.

Each **Regional Bank** has Regional and/or Branch satisfaction surveys that it can use to enhance the individual customer relationship management dimension. To date, Crédit Agricole has surveyed over 500,000 customers of twenty or so Regional Banks.

Based on the national barometer used by the Regional Banks to survey customer expectations, in 2008, 80% of respondents said they were satisfied or extremely satisfied. This score is in line with the average for the banking sector.

### ▶ Close attention paid to complaints

Each Group entity has developed business-specific methods to handle the follow-up and processing of customer complaints as effectively as possible.

**LCL's** customer complaints are handled by the Customer Relationship Department, which runs a hotline that operates 24 hours a day. This department processes all the complaints not resolved at branch level, as well as those made directly to senior management both by customers and noncustomers.

A complaints follow-up and monitoring tool is also available at all sales outlets and enables dissatisfied customers to find out at all times how their complaint is progressing simply by asking at their local branch.

For unresolved complaints, customers may decide to use the mediation process set up in 1996 to facilitate settlements without the need for legal proceedings.

**Sofinco** and **Finaref** both have departments in direct contact with customers and dedicated to complaint handling. These units, as well as the mediation system, are explicitly referred to in credit proposals.

In addition, customer complaints based on compliance failures may be sent directly to the Compliance Officer.

A specific unit providing centralised management of disputes made public by the media has been up and running for several years at both Finaref and Sofinco.

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These subsidiaries' customers may also turn to the Ombudsman of the ASF<sup>(1)</sup>, an association that Sofinco and Finaref have belonged to for several years.

As part of this membership, bimonthly meetings are held with representatives of ten or so consumer associations. The aim of this Consumer-ASF working party made up with equal contingents of banking professionals and consumer association members is to achieve concrete improvements for consumers in consumer finance solutions.

During 2008, discussions focused on preventative and remedial action against overindebtedness and notably the drafting of an

educational guide for the overindebted, providing them with information about the arrangements in place for them.

Although it is still hard to consolidate complaints data, the work performed by the **Regional Banks** led to recommendations concerning the systematic analysis of the effectiveness of complaint handling by conducting surveys of customers with complaints and measuring intensity trends in the relationship between the bank and its customers.

In 2009, the Regional Banks will roll out a project to consolidate all claims at the national level.

## » SUPPORTING CUSTOMERS IN THE FARMING COMMUNITY IN GOOD TIMES AND IN BAD

The agricultural sector was hit particularly hard by the financial crisis in 2008, especially by the soaring commodities prices. In response, Crédit Agricole – the sector's leading financier, with 80% of bank loans to farmers – stepped-up its efforts to back this historical customer base.

### ▶ Long-term farm management solutions

In response to highly volatile international markets, Crédit Agricole has developed sector-specific products for farmers and food cooperatives, including precautionary savings schemes, crop insurance and cash management products, as well as a range of options to guarantee a market price that covers any potential losses.

Similarly, to keep pace with changes in the law and with the farm sector's growing exposure to weather and health-related risks and to the volatility of energy and agricultural commodity prices, Pacifica, Crédit Agricole's non-life insurance company, recently entered into a partnership with Université Paris-Dauphine and Institut Europlace de Finance. The goal is to step up scientific research on insurance products for farmers.

### ▶ Coping with crises together

As a long-term relationship means being there through the good times and the bad, Crédit Agricole has developed a process with the Regional Banks for managing financial difficulties on a case-by-case basis. Financing and risk management solutions allow farmers to survive sector crises in order to keep up their activities and protect their business.

The example of the launch of the cash advance scheme ("Caisse d'Avance de Trésorerie" or CAT) for pork producers in difficulty is a proof. This initiative, spearheaded by Crédit Agricole, concerns a total of five banks and is now wholly private, providing a loan of €100 million for groups of producers, of which €60 million was provided by Crédit Agricole.

Crédit Agricole provided logistics support to the Ministry of Agriculture in distributing aid to farmers in segments that are exposed to the economic and health crises (pig, goat, sheep, cattle, oyster and tree farmers, hothouse operators). Crédit Agricole will also provide significant financial support for the *Barnier Plan*, given its substantial market share.

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(1) Association Française des Sociétés Financières (French Association of Financial Institutions).

## Customers

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## ▶ Encouraging innovation

A number of the Group's entities finance industrial projects relating to new energy sources such as wind energy, biogas, solar and thermal installations and industrial wood fired boilers. In addition to providing direct support, Crédit Agricole helps all agricultural and food manufacturing businesses to adapt to new challenges, particularly as regards environmental issues.

## ▶ Being there on a daily basis, in the city and in the countryside

With its involvement via its branch network and in the *Salon de l'Agriculture*, Crédit Agricole has also been present on the internet since 2001 via *Pleinchamp.com*. The aim of the website is to help farmers to improve their business performance and develop exchanges between professionals, by offering free services and discussion forums.

## » INTERNAL PREVENTION PROGRAMMES

## ▶ Product compliance

As part of the implementation of the FIDES enhanced compliance control programme, a New Activities and New Products Committee (CONAP), comprising representatives of the Compliance department, checks that all products and activities offered within the Regional Bank network are referenced so that regulators can ensure that they comply with legislative requirements, codes of conduct and internal procedures relating to banking and financial services activities.

Similar committees have been set up at LCL, Finaref, Sofinco, Predica, Pacifica, Cariparma in Italy and Lukas Bank in Poland.

New products and new businesses are systematically analysed by these committees prior to their commercial launch to ensure that customer interests are properly observed.

Crédit Agricole has also taken the measures required to ensure that all relevant European subsidiaries comply with the MiFID (Markets in Financial Instruments Directive), which came into effect on 1 November 2007.

In 2008, it continued to set up procedures in these entities to provide information to customers that is clear, fair and not misleading, in keeping with the Directive.

## ▶ Quality approach

Many Group companies use or have used quality systems intended chiefly to enhance customer satisfaction, develop customer understanding among staff and achieve sustained improvements in performance.

In 2008, the "*Carrefours de la qualité*" forums, launched in 2007 as the result of a joint project by IFCAM and Crédit Agricole S.A.,

brought together quality managers, organisation managers and customer relations managers on three occasions. The issues discussed concerned management of customer relations on a day-to-day basis and improving the quality of service received by customers, in terms of both organising and handling the services to which they are entitled.

The Customer Relations team, which in 2007 reported to the Intranet Quality Organisation division, is in charge of handling complaints sent to the Group's Executive Management and coordinating mediation in liaison with regulatory authorities. In 2008, a unit was set up to manage banking mediation at the level of entities in France.

In addition, the Intranet Quality Organisation division became the Process Services Centre, focusing on operating performance and optimising processes, with the aim of converging existing procedures within the Group.

Within the division, the Quality Institute heads up a network of more than 100 quality correspondents from the majority of the Group's units and subsidiaries and designated by their managers.

In 2008, this unit supported entities and encouraged sharing of best practices internally and externally in various areas such as customer relations management, process management and the implementation and running of ISO 9001 management systems.

37 certificates are currently held by the Group's main business lines (Retail Banking, Corporate and Investment Banking, Asset Management and Specialised Financial Services, as well as support functions), compared with 33 in 2007.

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## » PRODUCT RANGE

### ► Socially responsible investment (SRI)

Crédit Agricole's subsidiary Crédit Agricole Asset Management Group, which includes IDEAM, offers socially responsible products.

In 2008, SRI assets managed by Crédit Agricole Asset Management Group amounted to nearly €2.7 billion. Assets under advised management (in the form of an advisory mandate) represented a total of over €1.4 billion.

IDEAM is currently responsible for promoting the range of SRI funds, comprising:

- four equity products;
- one bond product;
- one money market fund, "CAAM Tréso ISR", launched in 2008;
- a range of employee savings products accredited by the *Comité Intersyndical de l'Épargne Salariale* (CIES) since 2002. The seven socially responsible mutual funds in this range are offered to all Crédit Agricole Asset Management customers. SRI employee savings funds grew by 22% in 2008 to €276 million.

IDEAM is also still the Group's specialist in the management of an ethical fund (Hymnos), shared return funds (Euro Solidarité, Partagis, FCP Habitat and Humanisme) and a solidarity-based fund (Danone.communities). These products are marketed in France and abroad to institutional investors, foundations and companies. The range of products offered to retail customers is available from the Regional Banks, LCL and the Private Banking arm.

Since 2006, the Private Banking Network has worked actively to include environmental-theme and SRI-dedicated mutual funds in its range.

As an example, Crédit Foncier de Monaco offers the MEDD institutional fund<sup>(1)</sup> and the CFM EDD fund<sup>(2)</sup> to its personal customers.

Likewise, through its LUX International Strategy (LIS) fund, Crédit Agricole Luxembourg offers a range of funds with SRI-compliant underlying assets. The management philosophy is to protect investor capital, to manage risk, and to include equities of companies approved by the ETHIBEL corporate social responsibility rating agency.

Lastly, the BGPI and Crédit Agricole Suisse product ranges are concentrated on environmental theme funds, with a special focus on clean energy and water.

### ► Green products and services

In keeping with the priorities of the Group's environmental policy, Crédit Agricole entities are developing specific products and services that meet the special needs of their business lines (see page 144).

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(1) Monaco Environnement Développement Durable.

(2) CFM Environnement Durable.

# Shareholders

Crédit Agricole's shareholder communications policy, put in place when the company went public, is founded on the principles of close relationships and open dialogue and is particularly relevant during the current financial crisis.

## » EXTENSIVE INFORMATION FOR INDIVIDUAL SHAREHOLDERS

Crédit Agricole S.A. has been providing individual shareholders with a full range of information since its IPO in December 2001, and following its acquisition of Crédit Lyonnais in 2003. The company's shareholder communications policy has always been focused on building close relationships and facilitating direct contact. This policy has proven its merits in the current financial crisis, as shareholders need clear, specific answers to their questions about the complicated mechanisms behind the turmoil.

Crédit Agricole S.A. organises around 20 shareholder meetings every year across Metropolitan France that are attended by as many as 1,200 people. 22 meetings were held in 2008, along with an Annual General Meeting in Nantes and a presentation at Actionaria, a French shareholder's convention.

During four of these meetings shareholders were able to speak directly with Crédit Agricole S.A. management; during the other meetings, a company expert discussed a particular topic such as investment strategy, the transfer of private wealth, and the global economic and financial climate.

A toll-free number from France is available (0 800 000 777) where shareholders can contact Crédit Agricole S.A.'s investor relations

department directly and hear a recording of certain information 24 hours a day. In 2008 this service won the *Fils d'Or* award from Synerfil and *La Vie Financière* for its reliability and availability. In addition, Finance & Shareholders' website has a shareholder section with a specific email address for shareholder queries.

In 2003 Crédit Agricole S.A. formed a Shareholder Liaison Committee, which now has 12 members representing the company's individual shareholders. The Committee is responsible for gathering feedback on the company's shareholder communications and improving the shareholder newsletters and reports. The Committee meets at least three times a year; the meeting minutes are posted on the Shareholder Liaison Committee section of Finance & Shareholders' website.

Crédit Agricole S.A. also has a Shareholders' Club for shareholders owning at least 50 bearer shares or one registered share. This Club, now 120,000-members strong, aims to inform and educate – mainly through a quarterly Shareholders' Club Newsletter sent to all members.

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## » STRONG TIES WITH INSTITUTIONAL INVESTORS

The Group's communications for institutional investors were in high demand in 2008, due to the many significant major market events during the year and the decisive transactions carried out by Crédit Agricole S.A.

The Group intensified its contacts with financial analysts in order to answer their questions (which came in more frequently than usual) about the status of its various businesses. The institutional investor relations team held meetings in Paris for fund managers wishing to meet Crédit Agricole's senior managers, and the Group's Chief Executive Officer and Chief Financial Officer gave presentations at major international banking conferences.

In conjunction with Crédit Agricole S.A.'s share issue in June 2008, the bank's management team went on an extensive road show covering

the traditional European financial centres as well as the entire North American region, the Middle East, and the main Asian market hubs. During this road show the management team met hundreds of fund managers in just a couple of weeks; some fund managers updated their existing information about Crédit Agricole S.A., while others expressed an interest in the Group for the first time.

In September 2008, the investor relations team organised an Investor Day, another highlight of the financial calendar. This day was focused on the Group's corporate and investment banking business. Around a hundred analysts and fund managers went away with a better understanding of the strategy set forth by Calyon's new management team – a strategy that aims to reinforce Calyon's historical strengths and reduce its overall risk profile.

# Suppliers

Since 2006, the Procurement, Logistics and Operational Security department has been committed to a structured sustainable development approach.

For example, since 2006, the contracts signed by the Crédit Agricole Group with suppliers have systematically taken International Labour Organisation rules into account.

The department's desire to pursue a policy of sustainable procurement is reflected by concrete measures, reinforced by the creation of the position of head of sustainable development within the Procurement department in 2007.

## >> "RATED" SUPPLIERS

A supplier rating programme was initiated at the start of 2008, which entails sending out a CSR questionnaire with each tender invitation. This questionnaire was revised at the end of 2007 in order to take better account of issues relating to the business sector of the companies questioned, as well as their type of structure. On the

basis of analysis of the results, suppliers are given a CSR rating that is included in the multi-criteria analysis grid for tender invitations. So far, around 120 suppliers have been rated and the programme will continue in 2009 with the opening of a supplier area on the website, which will enable them to fill in the questionnaire online.

## >> EMPLOYEE AWARENESS

In 2008, the Procurement, Logistics and Operational Security department stepped up its awareness efforts. A number of training sessions were provided for procurement officers, notably in collaboration with IFCAM, the Group's training institute, working together on the development and testing of a sustainable development module applied to Procurement.

The department has created a toolbox for procurement officers to help them to factor CSR principles into their work. Risk profiles for each area are available to them, allowing them to choose suppliers with full knowledge of the facts.

## >> "GREEN" SPECIFICATIONS

Eco-design principles are being increasingly taken into account in specifications, particularly as regards:

- cleaning and maintenance of green spaces: use of environmentally friendly products;
- office supplies: Crédit Agricole S.A. catalogue with a "green" product range;
- printing: favouring suppliers with the Imprim'vert label and certified by the FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification Schemes);

- office furniture: final choice of furniture respecting eco-design principles, with particular attention paid to the recyclability rate.

The Procurement, Logistics and Operational Security department also provides recommendations to help to identify new processes in the areas of communications, removals, works, buying equipment or even in choosing vehicle fleets.

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## » TURNING TO SPECIAL-NEEDS ASSOCIATIONS

Some services have been assigned to “adapted companies” employing disabled workers, in keeping with the Group’s policy regarding the integration of disabled staff.

For example, Crédit Agricole S.A.’s Procurement, Logistics and Operational Security department, as well as other Group companies such as LCL and Calyon, has worked for a number of years with ANAÏS (*Association Nationale d’Action et d’Insertion Sociale*), a sheltered workshop specialising in printing simple documents.

A contract has also been signed with L’Usine, a company specialising in the integration of disadvantaged people offering prepared meals and catering services. In collaboration with the Integration of Disabled Persons department, the Procurement, Logistics and Operational Security department has also developed a catalogue of advertising articles with the disability-friendly company “La Sellerie Parisienne”.

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# How two businesses incorporated “CSR”<sup>\*</sup> considerations into their operations?

## » THE INVESTMENT AND CORPORATE BANKING

### ▶ The Equator Principles

Calyon is one of around 60 financial institutions that have voluntarily made a commitment to respect the Equator Principles (EP). These principles constitute a methodological support for factoring social and environmental impacts into the project finance process. They allow for the assessment of the risks relating to the environmental and social impacts of projects of more than €10 million.

#### 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;
- C corresponds to projects presenting minimal or no negative social or environmental impacts.

#### Implementation of the EP

The implementation of the EP was developed on the initiative of Calyon'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.

Consisting of operational staff from the project finance business, this unit manages the network of local correspondents.

In addition, Crédit Agricole S.A.'s Industry and Sector Research unit provides additional information about environmental and social issues, allowing for more refined analysis and identification of risks, depending on the business sector.

Lastly, the Equator Principles Committee, which meets formally at least twice a year, validates the classification of projects as A, B or C. However, specific consultations are held for all issues likely to be rated A and for any urgent matters.

In 2008, Calyon developed a new tool to assess the social and environmental impact of projects according to the IFC ratings system. This tool, which allows for closer monitoring of projects, is the result of extensive methodological work and experience accumulated over more than five years. The assessment of projects in Calyon's portfolio was completed in 2007, providing an exhaustive reference framework.

A total of 299 projects in the portfolio were rated as at 31 December 2008, including 65 in 2008:

- 15 projects were given an A rating, including 1 in 2008;
- 249 projects were given a B rating, including 51 in 2008;
- 35 projects were given a C rating, including 13 in 2008.

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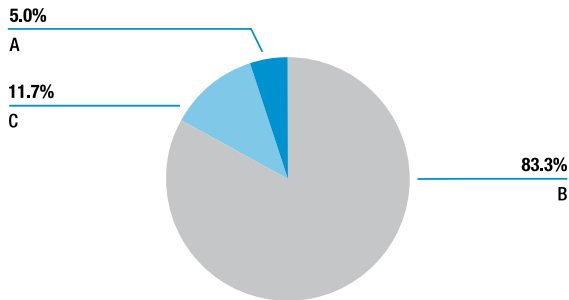
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\* Corporate Social Responsibility.

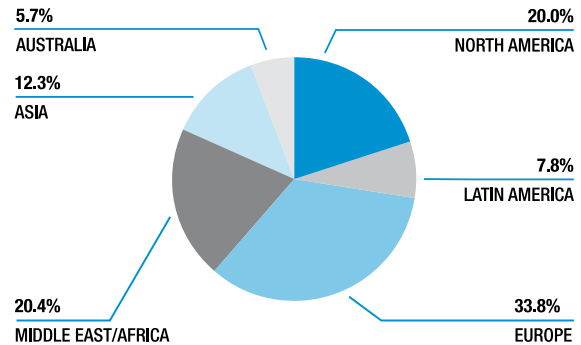
How two businesses incorporated "CSR" considerations into their operations?

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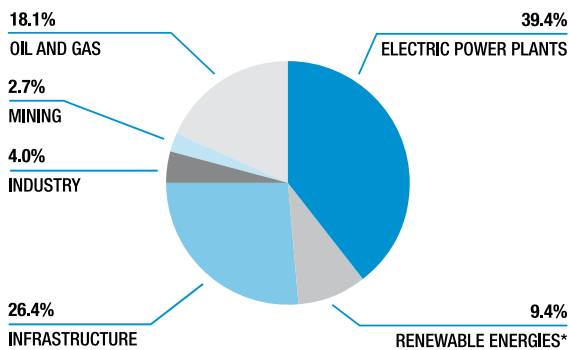
**BREAKDOWN OF RATED PROJECTS IN THE PORTFOLIO BY RATING**



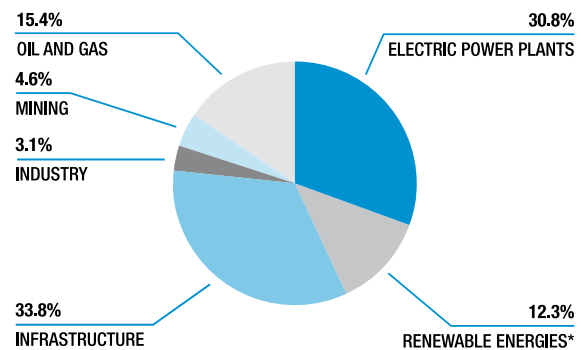
**BREAKDOWN OF RATED PROJECTS IN THE PORTFOLIO BY REGION**



**BREAKDOWN OF RATED PROJECTS IN THE PORTFOLIO BY SECTOR**



**BREAKDOWN OF PROJECTS RATED IN 2008 IN THE PORTFOLIO BY SECTOR**



\* Renewable energies = wind, solar, biomass and hydraulic energy.

### Sharing of best practices and dialogue with civil society

In 2008, Calyon continued to play an active role in a number of working parties set up within the group of EP banks to look at issues such as corporate governance, sharing of best practices and dialogue with civil society (primarily NGOs). Calyon notably jointly headed up the group focusing on the latter issue. Major progress was made in the areas of corporate governance and standardisation of practices, which should be set out formally in 2009.

Dialogue between civil society and Calyon continued throughout 2008, either within the EP banks working party or during shared involvement in seminars. Discussions also continued with regard to financing projects deemed sensitive, such as the Botnia paper pulp plant in Uruguay. After the plant opened, Calyon appointed one of its internal technical experts to ensure close monitoring of the project and passed on its findings to the NGOs concerned.

The sharing of best practices with EP banks and dialogue with civil society will continue and be enhanced in 2009 with the aim of achieving ongoing improvement in how well environmental and social aspects are taken into account in banking activities.

### ► Responsible equity research

Developed in 2005, socially responsible research at Crédit Agricole Cheuvreux, Calyon's brokerage subsidiary, has been fully integrated into its "conventional" equity research. All analysts endeavour to identify corporate social responsibility (CSR) problems and challenges at each company.

In September 2008, Crédit Agricole Cheuvreux was the first broker to sign up to the Principles for Responsible Investment (PRI) established under the aegis of the United Nations. Crédit Agricole Asset Management has also adhered to these principles since 2006.

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By signing up to these principles, the aim is to make all Crédit Agricole Cheuvreux analysts more involved in identifying ESG issues for all sectors covered.

Since 2006, Calyon has also been involved in the Quantitative Finance and Sustainable Development Chair in partnership with EDF and under the aegis of Institut Europlace de Finance.

The aim of the Chair is to bring together quantitative finance specialists, economists and sustainable development experts to re-examine financial and economic instruments supporting sustainable development. In 2008, a scientific “hive” was created which currently has 22 researchers.

## » ASSET MANAGEMENT

By adopting the Principles for Responsible Investment (PRI) in 2006, Crédit Agricole Asset Management Group was one of the first 70 signatories of this initiative and has reasserted its commitment and that of its subsidiaries (IDEAM, its subsidiary dedicated to SRI, and also CPR AM) to supporting responsible finance.

Crédit Agricole Asset Management Group supports this initiative, which corresponds to its view of investors as playing a central and financially responsible role, obliged to take all material factors into account in their investment management, including environmental, social and corporate governance issues.

In 2008, Crédit Agricole Asset Management Group continued with the implementation of PRI on the basis of 5 axes.

### ▶ Ideam: strengthening and centralising SRI research and development

In order to educate all of its entities about responsible finance and to ensure better integration of ESG criteria in its investment management, Crédit Agricole Asset Management Group reinforced and centralised its extra-financial analysis activities and the research and promotion of SRI within its subsidiary IDEAM, which continues to manage the Group’s ethical, solidarity-based and shared return products.

IDEAM’s extra-financial analysts implemented a tool for the collection and processing of data, as well as to generate warning signals and factor in ESG ratings, in interface with the management tool used in conventional asset management. This allows for ESG

data to be distributed to all asset managers at Crédit Agricole Asset Management, who now have access to not only financial analysis of companies but also their extra-financial ratings.

IDEAM has also set up a research team whose role is to highlight the contribution of ESG factors to performance and to integrate them as best possible in building portfolios.

### ▶ Exercising voting rights at AGMs, open dialogue with investees

Crédit Agricole Asset Management Group has taken an active approach to voting in the AGMs of investee companies since 1996.

Since 2003, it has incorporated social and environmental criteria into its voting policy worldwide. Crédit Agricole Asset Management Group takes a proactive stance. It holds pre-AGM discussions with companies, informing them of motions against which it is planning to vote.

In 2008, the proportion of companies replying to letters sent out remained stable at 50%.

The dialogue created has resulted in certain companies making commitments, which have enabled Crédit Agricole Asset Management to change its voting procedures.

In particularly complicated cases, it convenes voting committee meetings attended by asset managers and analysts and chaired by the head of asset management.

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## AGM VOTING BY CAAM IN 2008

<b>Number of AGMs in which CAAM voted</b>	<b>1,037</b>
■ in France	167
■ internationally	870
<b>Number of motions voted on</b>	<b>12,134</b>
<b>Number of motions on which CAAM:</b>	
- voted against	1,327
- abstained	461
Particularly concerning the following themes:	
■ directors' terms of office	649
■ executive compensation	577
■ capital increases	304
<b>Motions put forward by shareholders and supported by CAAM, particularly on the following themes:</b>	<b>259</b>
■ corporate governance (executive compensation and terms of office, anti-takeover poison pills, contributions to political parties)	148
■ social and human rights issues (ILO agreements, antidiscrimination measures, supplier code of conduct)	58
■ environment, health and safety (climate change, GM crops)	53

**In 2008, Crédit Agricole Asset Management changed its voting remit at AGMs.**

The voting remit for 2008 corresponds to all funds managed by Crédit Agricole Asset Management and with equity assets of at least €15 million. The threshold chosen means that funds with insufficient assets are not taken into account, in order to avoid incurring disproportionate costs. Similarly, also in order to control costs and ensure greater efficiency, Crédit Agricole Asset Management has chosen to vote at AGMs where its vote will represent at least 0.1% of the company's share capital. However, at AGMs that it deems important even if its investment does not meet the required level, Crédit Agricole Asset Management may decide to exercise its voting rights. For 2009, the criteria applied will be the same as in 2008 and the voting remit will therefore be the same.

As part of its policy of dialogue with shareholders, Crédit Agricole Asset Management – as well as its CSR subsidiary, IDEAM – supports the Carbon Disclosure Project (CDP), the Extractive Industries Transparency Initiative (EITI), the Institutional Investors Group on Climate Change (IIGCC) and the Pharmaceutical Shareowner Group (PSG). These are collective and coordinated international initiatives with the aim of encouraging companies to improve their practices and public authorities to adopt incentive measures.

### ► Participating in financial markets organisations and international think tanks

CAAM is a founding member of the “*Observatoire pour la Responsabilité Sociale des Entreprises*” (ORSE – Corporate Social Responsibility Observatory) and a member of the Forum for Socially Responsible Investment and of Eurosif. As such, it participates in a large number of French and international working groups.

CAAM is also active within AFG, the *Institut Français des Administrateurs* (IFA), and *Société Française des Analystes Financiers* (SFAF).

In 2008, CAAM helped to organise and to finance the Annual Forum for European Responsible Investment (FAIRE).

CAAM sponsored Paris Europlace's European forum, “Strengthening the Contribution of Finance to Sustainable Development: Long-term Challenges, Proposals for Europe” during the French presidency of the European Union.

In 2008, CAAM also joined a Global Reporting Initiative (GRI) working group of approximately 15 international investors from different parts of the investment chain including pension funds, asset managers and brokers to develop further guidance to companies seeking to measure and report their economic, environmental, and social performance. Additionally, CAAM has joined the working group responsible for determining the global reporting guidelines specifically tailored for the food processing sector.

### ► Contributing to research

In 2008, the Scientific Committee that CAAM set up in April 2007 continued its work on corporate governance and published its findings on the theme of “Equity and Development” in *Les Carnets de la Finance Responsable* (Responsible Finance Papers) intended for the Group's employees and customers and for the market authorities.

The Scientific Committee reviews ESG issues and their impact on the investment businesses. The Committee is chaired by Crédit Agricole S.A.'s chairman. It is composed of renowned members of the scientific, cultural and political communities, corporate executives and representatives of the Crédit Agricole Group.

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CAAM also participates in organising and financing:

- the first Sustainable Finance and Socially Responsible Investment academic chair dedicated to sponsored by the *Association Française de Gestion (AFG)* and operated by *École Polytechnique* and *Institut d'Économie Industrielle (IDEI)* de Toulouse. Its main goals are to develop research methodology in this area so as better to identify and incorporate extra-financial criteria in financial analysis and to build up a scientific team with international stature dedicated to SRI. The Chair's research will focus on two major areas: “Financial markets, investment strategy and sustainable growth” and “Corporate governance and sustainable finance”;
- the FIR's “Finance and Sustainability” award, which prize, which rewards academic research in this domain.

### ▶ A transparent, progress-oriented approach

CAAM also intends to apply the transparency rules it expects of companies to itself.

In 2007, CAAM requested the extra-financial rating agency VIGEO to assess its environmental and social responsibility. The assessment covered CAAM, excluding its French and foreign subsidiaries, and resulted in comprehensive mapping of the company's risks and opportunities.

According to VIGEO, “the results show that CAAM has made a significant commitment, that it takes into account the whole scope of social corporate responsibility and that it has adopted a consistent progress strategy.”

CAAM's objective is to consolidate its strengths and to work on the areas of improvement that were identified. In 2008, a project group was set up to institute an action plan and to follow up on the resulting measures. This group reports to a Steering Committee consisting of Executive Committee members and the heads of the business lines.

CAAM also provides information on its ESG policy and on the actions it has taken in this area on a section of website ([www.caam.com](http://www.caam.com)) dedicated to Responsible Finance.

In keeping with its self-imposed transparency rule, CAAM has published its own score, which assesses its performance in implementing the principles of responsible investment (PRI). Each year, an external consultancy firm conducts a comprehensive survey of PRIs based on a questionnaire that is sent to the signatory parties and that is used to measure progress.

Lastly, CAAM engages in employee awareness-building actions via an intranet dedicated exclusively to sustainable development, which is designed to educate employees on the guiding principles of sustainable development and to inform them of the measures that the Group has adopted in this area.

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# » Social responsibility

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# Human resources

## » METHODOLOGY

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

Entities covered by this reporting are those with employees that are consolidated either fully or proportionally. Consequently, information relating to the Regional Banks - representing around 76,000 employees - is therefore not included in this report as they are consolidated under the equity method.

Each item presented below is accompanied by an indication concerning the scope of employees covered (as a percentage of full-time equivalent employees at the end of the year).

Different consolidation rules have been applied:

- for entities that are proportionally consolidated, data is stated proportionally to the Group's equity interest in the entity;
- for information relating to training, the method used was changed in 2008: all of this information is now calculated on the basis of the first 11 months of the year, as December is not a representative month and generally marginal in terms of activity compared with the other months of the year;

- unless stated otherwise <sup>(1)</sup>, data is stated from the employer's viewpoint and not that of the beneficiary. The difference relates to employees seconded to one entity by another (with no changes to the employment contract), who report to their host entity from the beneficiary's viewpoint and to their contracting entity from the employer's viewpoint;
- unless stated otherwise, the population in question is that of "active" employees. The notion of active implies:
  - a legal tie in the form of a "standard" permanent or temporary contract of employment (or similar for international activities),
  - inclusion on the payroll and in the position on the last day of the period,
  - working time of at least 50%.

Examples of social practices illustrating the following data and comments were collected by means of censuses conducted among human resources directors of a representative sample of Crédit Agricole S.A. Group entities.

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(1) Excluding tables of full-time equivalent employees by business line and region in the "key figures" section, which are extracted from the monthly internal report on Crédit Agricole S.A. Group employees as at 31 December 2008, treated from a beneficiary viewpoint.

## ► I. Supporting a growing and changing group

### A) Key figures

#### 1. NUMBER OF EMPLOYEES BY BUSINESS LINE

Business line	2008		2007		2006	
	Headcount (FTE)	%	Headcount (FTE)	%	Headcount (FTE)	%
French retail banking	21,980	24.7 %	22,478	25.9 %	23,764	30.8 %
International retail banking	30,535	34.3 %	27,156	31.3 %	19,799	25.7 %
Specialised financial services	11,342	12.8 %	13,179	15.2 %	11,540	15.0 %
Asset management, insurance, private banking	8,635	9.7 %	7,947	9.1 %	7,498	9.7 %
Corporate and investment banking	12,287	13.8 %	12,118	14.0 %	11,122	14.5 %
Proprietary asset management and others	4,154	4.7 %	3,988	4.5 %	3,340	4.3 %
<b>CREDIT AGRICOLE S.A. GROUP</b>	<b>88,933</b>	<b>100 %</b>	<b>86,866</b>	<b>100 %</b>	<b>77,063</b>	<b>100 %</b>
O/w France	41,152	46.0 %	41,039	47.0 %	41,050	53.0 %
O/w International	47,781	54.0 %	45,827	53.0 %	36,013	47.0 %
World scope	100 %		100 %		100 %	

» Changes in the number of employees take account of the impact of changes to the scope of consolidation in 2007 and 2008. Details of these changes are given in the "Activities and results of the Crédit Agricole S.A. Group" section of the management report and in note 2.1 to the financial statements (the scope of consolidation is presented in note 12).

It also takes account of the effects of changes in the allocation of certain entities between the various business lines. The main change is the inclusion of all Lukas Bank employees in international retail banking in 2008.

Lastly, for some small entities, the scope of monitoring of employees may differ from the allocation of these entities by business line in the accounting scope of consolidation.

Note that the number of employees rose by 2.4% over the year, mainly due to international activities, the weighting of which within the Group increased further (+0.9 percentage points). Unlike the previous year, organic growth accounted for nearly 40% of this change compared with 15% in 2007.

The change in the number of employees between 2007 and 2008 - with an increase of 2,067 full-time equivalents - is due to organic growth (additional 797 full-time equivalents), changes relating to acquisitions (additional 1,158 full-time equivalents) and transfers of activities (additional 112 full-time equivalents).

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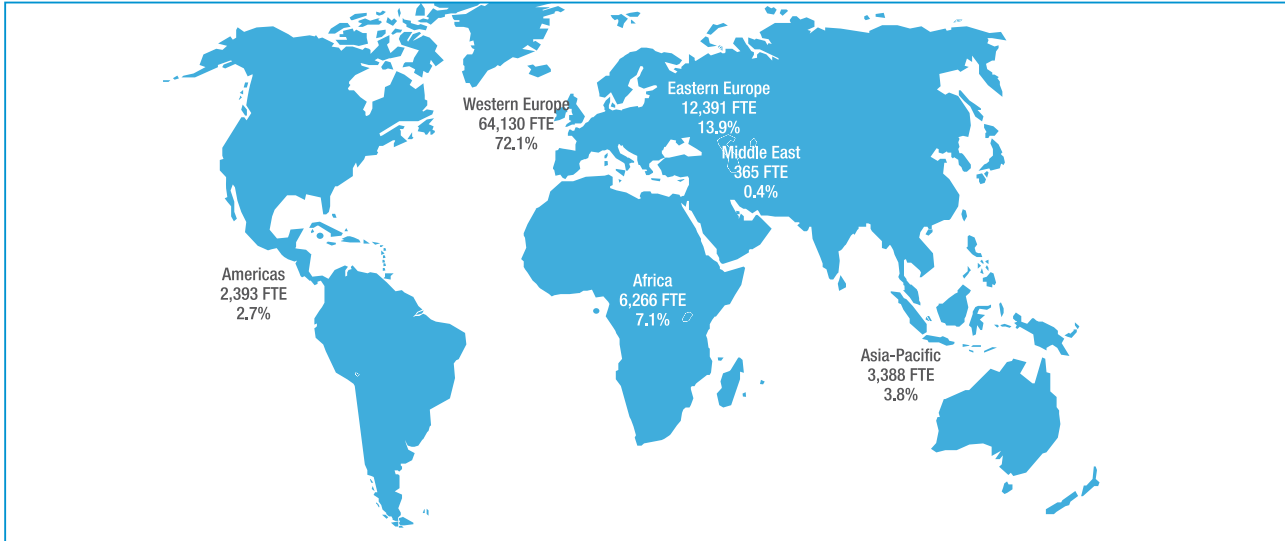
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## 2. NUMBER OF EMPLOYEES BY REGION



» More than 85% of the Crédit Agricole S.A. Group's employees are based in Europe.

Outside France (46% of employees), the countries with the most employees are:

- Italy (11.1% of employees);
- Poland (7.1% of employees);
- Greece (6.6% of employees);

In terms of business lines, Europe and Africa consist mainly of retail banking and specialised financial services.

Other regions are focused more on corporate and investment banking and asset management.

## 3. NUMBER OF EMPLOYEES BY TYPE OF CONTRACT

## NUMBER OF EMPLOYEES BY TYPE OF CONTRACT (FULL-TIME EQUIVALENT)

	2008			2007			2006		
	Fr	Inter	Tot	Fr	Inter	Tot	Fr	Inter	Tot
Active permanent staff	40,578	44,256	84,834	40,326	41,836	82,163	40,330	33,096	73,426
Contract staff	574	3,525	4,099	712	3,991	4,703	720	2,917	3,637
<b>Total active staff</b>	<b>41,152</b>	<b>47,781</b>	<b>88,933</b>	<b>41,038</b>	<b>45,827</b>	<b>86,866</b>	<b>41,050</b>	<b>36,013</b>	<b>77,063</b>
Permanent staff on extended leave of absence	2,536	858	3,394	4,138	n.m.	4,138	5,092	n.m.	5,092
<b>TOTAL STAFF</b>	<b>43,688</b>	<b>48,639</b>	<b>92,327</b>	<b>45,176</b>	<b>45,827</b>	<b>91,004</b>	<b>46,142</b>	<b>36,013</b>	<b>82,155</b>

## B) Recruitment and loyalty policies

The Group's recruitment policy is based on the following:

- respecting the commitments of the Diversity Charter;
- encouraging internal mobility and pre-recruitment via internships, work-based training and international voluntary placements;
- recruiting new graduates with potential for development and experienced staff to support functions from a Group perspective.

## 1. MAKING THE GROUP MORE ATTRACTIVE AND RECRUITMENT

Business line	Number of permanent staff recruited*						Total 2008	2007
	FRB	IRB	SFS	AMIPB	CIB	PAM		
<b>Region</b>								
France	1,348	-	636	395	320	280	2,979	3,092
Western Europe (excl. France)	-	1,305	498	369	170	4	2,346	2,250
Central and Eastern Europe	-	2,968	258	-	63	-	3,289	3,399
Africa	-	979	1	2	6	-	988	440
Middle East (incl. Turkey)	-	-	-	3	23	-	26	97
Asia-Pacific	-	-	-	55	214	-	269	307
North and South America	-	23	-	44	108	-	175	386
<b>TOTAL 2008</b>	<b>1,348</b>	<b>5,275</b>	<b>1,393</b>	<b>868</b>	<b>904</b>	<b>284</b>	<b>10,072</b>	
<b>2007</b>	<b>1,315</b>	<b>4,318</b>	<b>1,384</b>	<b>927</b>	<b>1,640</b>	<b>387</b>		<b>9,971</b>
% of business scope							95%	95%

\* Including consolidated permanent and contract staff.

\*\* FRB = French retail banking; IRB = International retail banking; SFS = Specialised financial services; AMIPB = Asset management, insurance, private banking; CIB = Corporate and investment banking; PAM = Proprietary asset management and other.

» The volume of staff recruited in 2008 was similar to that of 2007 in all business lines apart from corporate and investment banking, which saw a slowdown as a result of the economic situation. The Group continued with its recruitment policy, focusing primarily on French and international retail banking, which accounted for a total of 65% of new joiners. Within LCL, the retail/small business customers network accounted for the majority of permanent staff recruited in 2008. Customer advisors made up half of all new staff recruited, followed by retail and small business branch advisors.

Recruiting talented employees is one of the key tenets of the Group's strategy in order to support the development of its business lines and its international expansion.

As part of this aim, the Group has developed a comprehensive strategy to develop its brand as an employer, allowing for the coordinated promotion of its reputation among target students, new graduates and experienced candidates.

Focusing on its unique position under the slogan "Go further with the No. 1", the Group has devised an employer advertising strategy emphasising the diversity of its brands and its business lines. A corporate and subsidiary media plan relating to recruitment has been launched in the press, online, on community websites and on social networking sites. The creation of innovative dedicated websites for Cedicam and the Group Audit department ([www.jointheproject.eu](http://www.jointheproject.eu) and [www.inspectiongenerale.recrutement.net/](http://www.inspectiongenerale.recrutement.net/)) in 2008 illustrates these efforts to support the Group's subsidiaries and business lines.

These external communications efforts have also been supported by closer ties with schools and universities and the formation of partnerships.

This includes the launch of the "Capitaine d'écoles" scheme, which currently comprises over 150 Group employees in daily contact with students. This scheme is based on the principle of making employees who attended France's leading universities such as HEC, ESSEC, Sciences Po and Université Paris-Dauphine into

ambassadors for the Group, in order to form ties with future graduates and thereby boosting the visibility and attractiveness of the Crédit Agricole Group. Various partnerships have helped to strengthen these exchanges and the development of relationships between employees and candidates from all educational backgrounds. The Group is a founding partner of La Manu, an agency for university students, and the "Nos Quartiers ont des Talents" network, and has also joined the HEC Foundation. In 2008, it won the Global Management Challenge, an international business competition.

As a result of these efforts, the Crédit Agricole Group has made considerable progress in France's "50 Ideal Employeur" (top 50 dream employers) rankings, moving up 14 places in two years to No. 29. (Universum/Le Monde)

In addition to these joint efforts, a number of subsidiaries have developed local initiatives in order to make their recruitment policies more effective.

For example, in order to reach a wider audience, Finaref launched an original campaign distributing flyers using "Cyclovilles". A particularly dynamic policy of targeting schools enabled it to recruit interns on temporary or permanent contracts and employees on professional training contracts. Finaref also launched a co-opting programme, enabling its employees to recommend the company to people they know. The submission of curriculum vitae is regarded as a sign that they are proud to be part of the company and of their commitment to the company.

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## 2. PRE-RECRUITMENT

Internships and work-based training placements in France	2008	2007
Work-based training	1,278	1,170
Interns	991	937
% of business scope in France:	99%	99%

In France, young people on internships or work-based training placements represented 5.5% of active permanent staff at the end of the year.

Outside France, an average of 1,000 interns had the opportunity to make a contribution to the Group and develop their professional skills.

The Group's pre-recruitment policy was particularly evident at LCL in 2008, which took on around 500 young people on work-based training contracts, which constitutes an important means of fostering loyalty among new recruits.

At Sofinco, as part of a "breeding ground" for new staff, around 80 young people on work-based training contracts are in permanent positions, thereby making up part of the company's recruitment of permanent staff.

More generally, the Group is involved in the Copernic programme developed by Sciences Po Paris, which consists of welcoming students from Eastern Europe and training them before recruiting them.

## 3. INTEGRATION AND LOYALTY

A number of efforts have been made in this area.

For recently hired managers in France, the Group organised the "Sésame" seminar, during which they learn about the Group's various entities and business lines and its social and environmental responsibility policy.

At their own level, the Group's subsidiaries are extremely active and vigilant with regard to employee integration.

At LCL, new recruits systematically receive integration and technical training before taking up their position.

Crédit Agricole Leasing has enhanced its two-day integration seminar by offering an interactive e-learning component.

The first integration training course, which lasts for one year, was launched in 2008. This course is intended for recruits to the institutional and corporate clients and real estate departments of Crédit Agricole Leasing.

Meanwhile, Eurofactor has developed a one-day training programme about the company called "Archimède", led by members of the Executive Management Committee and Directors.

Many of the Group's international entities use the same model for integration seminars for new recruits.

## C) Employment management policies

## 1. HUMAN RESOURCES MANAGEMENT

The human resources management agreement signed at the level of the Crédit Agricole S.A. Group at the end of 2006 is still in effect. This agreement fits in with the Group's desire to anticipate and accompany major developments in terms of both the number of employees and their skills.

This medium-term management approach, conducted jointly with the various business line operating managers, allows for the identification and implementation of the necessary adjustment measures in terms of training, mobility, recruitment and redeployment.

## 2. SUPPORTING THE DEVELOPMENT OF ORGANISATIONS

In keeping with a policy implemented by the Crédit Agricole S.A. Group a number of years ago, the restructuring measures undertaken in 2008 involved the implementation of specific resources for the support or redeployment of the employees concerned.

As part of the refocusing of its business activities, Calyon implemented an employee adaptation plan in 2008 involving 500 job cuts (around half of which in France). Within this framework, an Advisory Information Area was set up for the duration of the plan to provide French employees impacted by the plan or taking voluntary redundancy with information and support with regard to internal or external mobility.

In retail banking, LCL – as part of its 2008-10 Competitiveness Plan – conducted specific information and advisory interviews with candidates for the early retirement plan, holding around 1,400 interviews in 2008. It should also be noted that this plan, with departures on an entirely voluntary basis, is complemented by a mobility plan.

Over the period from 2008-10, this voluntary redundancy plan will concern 3,017 people in addition to around 3,000 natural departures, allowing for the integration of more than 3,000 employees at the same time.

Crédit Agricole Leasing, has taken measures to encourage mobility in business lines that have been identified as "sensitive" within the framework of human resources management. For example, Crédit Agricole Leasing encourages sales and marketing assistants to move to sales and marketing positions and helping management business lines to improve the service provided to customers.

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## D) Employee development and support policies

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

### 1. CAREER MANAGEMENT AND MOBILITY POLICY

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 manner.

Regular assessment interviews are organised, generally once a year. These assessments cover two aspects: performance and appropriateness for the position in terms of skills. In most cases, interview guidelines are used in conducting these assessments and a number of management training programmes are provided within the Group's entities. The results of each assessment are set out formally and used in determining training, compensation and mobility management.

In addition to assessments, regular interviews are conducted with human resources managers to allow employees to discuss the reasons for their satisfaction or dissatisfaction, as well as their aspirations in terms of development and training.

### 2. TRAINING POLICY

The Group has a pro-active training policy to ensure that its employees meet the requirements of their position and that they are employable on a long-term basis.

	2008 (11 months)*	2007 (12 months)
<b>Number of employees trained</b>		
France	32,518	35,423
International	26,382	21,959
<b>TOTAL</b>	<b>58,900</b>	<b>57,382</b>
% of business scope	85%	79%
<b>Number of hours training</b>		
France	1,104,768	1,000,390
International	1,029,860	967,472
<b>TOTAL</b>	<b>2,134,628</b>	<b>1,967,862</b>
% of business scope	89%	85%

\* Change of method (as December is not a very representative month).

» Training expenses, including in particular the running costs of training departments and salaries of employees undergoing training on top of external training costs, represented in total 2.8% of fixed and variable individual compensation paid in 2008, at nearly €100 million. In France, training expenses represented nearly 4% of total compensation.

The number of employees undergoing training represented nearly 79% of permanent staff present at the end of the year.

On average, employees undergoing training in 2008 received 36 hours of training compared with 31 hours in 2007.

Some of this training was provided in the form of e-learning, in order to allow access to as many employees as possible while respecting their time organisation and restrictions both in France and abroad.

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Significant investment is being made in the international retail banking network, which represents the largest number of employees overall. The aim is to raise and standardise the level of skill and knowledge of entities in this business line in the different countries in which the Group operates, focusing primarily on customer advisors and branch managers. This platform covers basic actions, mainly via e-learning and sharing of best practices and experience between countries.

Other cross-functional initiatives have also been implemented, such as:

- the “*Tempo*” programme, allowing all employees to learn about the Group as a whole beyond their business line or entity;
- the “*Campus CASA*” programme, intended for management staff. The main aim of this programme is to develop the international and multi-cultural nature of the Group’s managers;
- programmes intended for management staff also include the “*Perspectives internationales*” programme launched in 2006, the aim of which is to support the Group’s international expansion and strengthen its cohesion through specific efforts targeting managers pursuing an international career.

The most notable initiatives developed by the various entities in 2008 include:

- at LCL, the introduction of Pacifica insurance training, combining training in products, tools and professional accreditation;
- in late 2007/early 2008, Crédit Agricole Leasing launched its first training courses, with the aim of either supporting employees in their new business line or developing the expertise of those already in their position. These training courses alternate between theoretical and practical on-the-ground training. Crédit Agricole Leasing also organised training courses with the sales training college. A total of 160 employees underwent training in 2008 to take up a new position or develop their skills. A “customer relations by telephone” training programme was also introduced for managers in the equipment leasing customer service department and dispute recovery department (100 employees).

In 2008, the sustainable development department provided 20 training programmes in social and environmental responsibility for 1,000 employees in France (buyers, managers, new recruits).

## TRAINING THEMES

(number of hours of training)	2008 (11 months)				2007 (12 months)	
	Total	%	France	International	Total	%
Banking, law, economics	544,576	25.5%	218,366	326,210	508,002	25.8%
Insurance	535,731	25.1%	479,617	56,114	421,364	21.4%
Languages	187,722	8.8%	56,400	131,322	184,621	9.4%
Office systems, software, new information and communication technology	153,352	7.2%	38,132	115,220	91,026	4.6%
Financial management (accounting, tax etc.)	143,447	6.7%	26,109	117,338	150,055	7.6%
Personnel and business management	119,686	5.6%	73,343	46,343	129,929	6.6%
Purchasing, marketing, distribution	79,213	3.7%	19,745	59,468	70,109	3.6%
Personal development, communication	76,770	3.6%	39,879	36,891	101,566	5.2%
Knowledge of the Crédit Agricole S.A. Group	75,536	3.5%	44,499	31,037	61,424	3.1%
IT systems, networks, telecommunications	54,100	2.5%	33,100	21,000	58,223	3.0%
Compliance	45,548	2.1%	5,613	39,935	60,664	3.1%
Methodology, organisation, quality	44,458	2.1%	25,780	18,678	26,378	1.3%
Risk	30,900	1.4%	19,753	11,147	59,115	3.0%
Human resources	23,466	1.1%	19,439	4,027	20,444	1.0%
Health and safety	16,474	0.8%	3,163	13,311	21,795	1.1%
Human rights and the environment	3,649	0.2%	1,830	1,819	3,147	0.2%
<b>TOTAL</b>	<b>2,134,628</b>	<b>100%</b>	<b>1,104,768</b>	<b>1,029,860</b>	<b>1,967,862</b>	<b>100%</b>
% of business scope	89%		99%	80%	90%	

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### 3. INVESTMENT IN HUMAN RESOURCES IT SYSTEMS

PeopleC@re, the new career management tool to be shared by the various entities of the Crédit Agricole S.A. Group, was launched in 2008. This tool is the result of the collective efforts of the human resources teams of the Group and its subsidiaries. It is intended to improve efficiency in terms of human resources management (quality, costs, timing). It also aims to help to deploy a shared human resources culture and practices.

PeopleC@re is potentially targeted at all Crédit Agricole S.A. Group entities, both in France and abroad. Accessible by both employees and managers, as well as human resources managers, PeopleC@re is based on latest-generation technologies, allowing for easy access and navigation, as well as a high level of interactivity between users.

A number of features have already been developed:

- PeopleC@re Gestion, with employee profiles, allowing all employees to access their human resources data, assessment interviews and management interviews online;

- PeopleC@re Formation, which allows human resources professionals to manage the training plans of the entities for which they are responsible.

These features have been implemented in whole or in part at four pilot entities:

- Sofinco has rolled out the tool at all of its offices in France, with all of the available features (PeopleC@re Gestion and PeopleC@re Formation);
- Calyon has implemented PeopleC@re Gestion at one business line in France and abroad and is preparing to extend it to all employees;
- Crédit Agricole S.A. and LCL have rolled out PeopleC@re Formation and are planning to roll out PeopleC@re Gestion.

Based on the experience of its pilot users, PeopleC@re will be implemented on a broader scale in 2009 at subsidiaries that have already been equipped, and will be rolled out gradually at a number of other Crédit Agricole S.A. Group entities.

## ► II. Compensation policy

### A) Compensation

Within the framework of the specific characteristics of its business lines, legal entities and country legislation, the Group is developing a compensation system ensuring that employees are paid fairly and in a way that motivates them, recognising their individual and collective performance.

#### 1. INDIVIDUAL SALARIES IN FRANCE

##### AVERAGE BASE MONTHLY SALARIES FOR ACTIVE PERMANENT EMPLOYEES AT END-DECEMBER IN FRANCE

(in euros)		2008	2007
Management	Men	4,771	4,700
	Women	3,866	3,819
	Total	4,381	4,330
Non-management	Men	2,222	2,231
	Women	2,192	2,167
	Total	2,201	2,186
<b>TOTAL</b>	<b>MEN</b>	<b>3,874</b>	<b>3,801</b>
	<b>WOMEN</b>	<b>3,802</b>	<b>2,740</b>
	<b>TOTAL</b>	<b>3,258</b>	<b>3,196</b>
% of business scope in France		98%	99%

► The salaries presented here are based on weighted averages, taking account of the employee structure in 2007 and 2008. They include both joiners and leavers and annual salary reviews.

87% of employees in France work for an entity that implemented basic pay rises for all or some employees, in respect of general measures. Note that nearly 19,000 employees in France benefited from individual pay rises in 2008.

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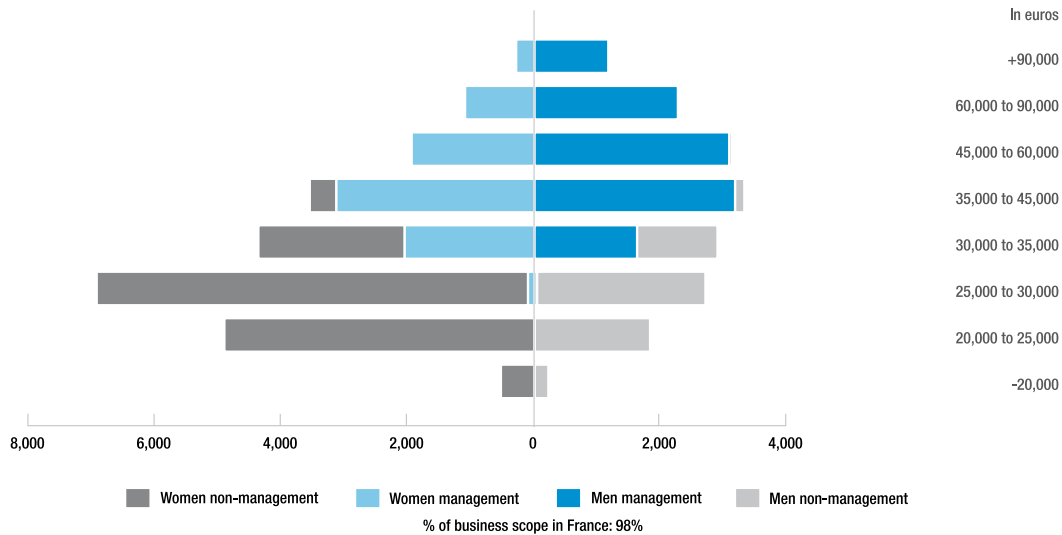
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## ANNUAL FIXED REMUNERATION AT END-DECEMBER 2008 FOR EMPLOYEES IN FRANCE



Skills and the level of responsibility are remunerated by way of a fixed salary that reflects the specific attributes of each business line or country. In the majority of Group companies, a variable

component relating to individual performance (bonus, commission) is implemented based on targets set.

## 2. COLLECTIVE VARIABLE COMPENSATION (IN FRANCE)

## COLLECTIVE VARIABLE COMPENSATION PAID IN RESPECT OF THE PREVIOUS YEAR'S RESULTS

	2008			2007		
	Total	No. of beneficiaries	Average	Total	No. of beneficiaries	Average
Profit-sharing	€99,956k	56,418	€1,772	€64,858k	45,442	€1,427
Incentive plan	€89,810k	41,176	€2,181	€173,050k	49,816	€3,474
Employee savings plan top-up	€21,161k	31,027	€682	€20,773k	34,209	€607
<b>TOTAL</b>	<b>€210,927K</b>			<b>€258,681K</b>		
% of business scope in France			98%			96%

» The fall in the amount of collective variable compensation paid in 2007 and 2008 in respect of prior years relates to the early stages of the financial crisis, which impacted 2007 results, particularly at the corporate and investment banking subsidiaries and consolidated subsidiaries of Crédit Agricole S.A.

### 3. EMPLOYEE SHAREHOLDERS

Employee shareholding, which is firmly anchored in the Crédit Agricole Group's business culture, has developed over the years. Since the Crédit Agricole S.A. IPO in 2001, the Group has carried out capital increases reserved for employees in France and a certain number of other countries every two years. The last capital increase was in 2007, bringing the total employee shareholding rate to 6.2%.

At the end of 2008, more than 100,000 employees and former employees in France and worldwide were shareholders of Crédit Agricole S.A., holding 4.4% of share capital. The rate of employee shareholding relative to the end of 2007 decreased automatically as a result of two factors: the €5.8 billion capital increase carried out in July 2008 and the leveraged offer reserved for Group employees in 2003.

#### B) Promotions

Promotions in France	2008			2007		
	Women	Men	Total	Women	Men	Total
Promotion within non-managerial category	1,982	786	2,768	2,531	988	3,519
Promotion from non-managerial to managerial	406	270	676	516	387	903
Promotion within managerial category	535	794	1,329	568	860	1,428
<b>TOTAL</b>	<b>2,923</b>	<b>1,850</b>	<b>4,773</b>	<b>3,615</b>	<b>2,235</b>	<b>5,850</b>
%	<b>61.2%</b>	<b>38.8%</b>	<b>100%</b>	<b>61.8%</b>	<b>38.2%</b>	<b>100%</b>
% of business scope in France			98%			94%

» The number of promotions decreased between 2007 and 2008 due to exceptionally high levels of promotion in 2007 following the reorganisation of the commercial network at LCL, given that LCL accounts for over 50% of employees in France.

#### ► III. Development of company-wide agreements

The 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.

#### A) Company-wide agreements at 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, held its constituent meeting in June 2008. This new body, which does not replace national bodies for dialogue with employees, provides a forum for information and discussion about economic, financial and social issues, which in view of their strategic importance deserve

to be tackled on a pan-European level. The creation of this body forms part of the Group's international expansion. It comprises 27 employee representatives from a total of 18 European countries and executive representatives of the Crédit Agricole S.A. Group and the *Fédération Nationale du Crédit Agricole*.

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. Created in 2004, it provides a forum for information, exchanges and dialogue, allowing for understanding of the challenges facing the Crédit Agricole Group in all of its business lines, its financial, economic and social situation, and its strategic directions and changes.

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 strategic plans shared by a number of Group entities, cross-functional aspects of the Group's operation and the development strategies of each business line. Eight committee meetings took place in 2008.

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**B) Company-wide agreements within Group entities****NUMBER OF COMPANY-WIDE AGREEMENTS SIGNED IN FRANCE BY THEME**

	2008	2007
Salary and related	56	48
Training	2	4
Staff representation bodies	11	14
Employment	1	2
Working time	20	12
Diversity and professional equality	1	5
Other	24	8
<b>TOTAL</b>	<b>115</b>	<b>93</b>
% of business scope in France:	99%	97%

» “Other” includes in particular agreements concerning changes to the scope of consolidation, for example with the integration of Natixis employees into CACEIS and the transformation of IT economic interest group SILCA into an employing company.

**▶ IV. Social responsibility**

In keeping with its growing international presence - with 53.4% of employees based outside France in 2008 compared with 46.7% in 2006 - the Group has reasserted its support of the Universal Declaration of Human Rights and compliance with International Labour Organisation conventions, in addition to its adhesion to the United Nations Global Compact since 2003. The steering of initiatives to be followed relating to this theme, initially under the responsibility of the Corporate Secretary, a member of the Crédit Agricole S.A. Executive Committee, has been assigned to the Group Human Resources Director, also a member of the Executive Committee, within the framework of the Group's reorganisation at the end of 2008.

Reflecting its commitment to its values, the Crédit Agricole S.A. Group has paid particular attention to diversity for a number of years, and in 2008 stepped up its efforts to promote diversity.

Following Finaref and Sofinco in 2005 and 2006, the Crédit Agricole S.A. Group and its subsidiaries LCL, Calyon, Crédit Agricole Leasing, Eurofactor, Crédit Agricole Asset Management, BGPI, Predica and Pacifica signed the Diversity Charter in early 2008. This charter - which fully reflects the Group's values, in particular responsibility and openness - involves a number of major commitments. These include the roll-out of efforts to raise awareness and train staff in diversity, respecting and promoting non-discrimination and the desire to capitalise on the Group's intrinsic diversity in terms of its business lines, countries and history.

In 2008, the Crédit Agricole S.A. Group created a “Diversity Club”, which brings together representatives of its various subsidiaries to share internal and external best practices relating to diversity and to develop new initiatives.

**A) Non-discrimination policies and integration of minorities****1. HELPING NEW GRADUATES AND JOB-SEEKERS**

In September 2008, the Crédit Agricole S.A. Group signed a partnership agreement with the “Nos Quartiers ont des Talents” association. This association, formed in 2005 in Seine Saint-Denis via the local MEDEF union, plays a key role in the “Espoir Banlieues” project to support young people in the suburban areas. More than 70 Group employees sponsor candidates with higher education qualifications from underprivileged areas with the aim of helping them into work by coaching them on how to find a job.

For example, in the Evry labour pool, Sofinco has implemented a number of measures to help with the integration of young people from minority groups. In June 2008, the Diversity forum was organised in partnership with IMS-Entreprendre pour la Cité and job interview training schemes were set up. The 200 candidates, all of whom undergo pre-selection, were invited to one or more personal interviews, depending on the job profiles offered by the companies. As part of the same drive, Sofinco is using some of its apprenticeship tax to finance establishments supporting diversity in target groups, such as resources for disabled children and schools and colleges in priority urban areas. This allows the establishments concerned to develop new training facilities, acquire equipment, renovate premises and finance educational projects.

As an illustration, Calyon Japan has also implemented initiatives to support minority groups in accordance with local laws.

**2. INITIATIVES TO RAISE AWARENESS**

the Group's entities are committed to developing initiatives to raise awareness about diversity:

- In 2008, Eurofactor prepared for the roll-out in 2009 of efforts to raise awareness among managers in France about discrimination and diversity. These efforts are centred around an e-learning module created by anti-discrimination agency Halde;
- since 2007, Sofinco has also raised awareness among its young managers of the principle of non-discrimination in the workplace and has set up a “skills sponsorship” programme in collaboration with a local organisation, under which managers agree to conduct two interviews each month with young people from disadvantaged areas. The meetings take place during working hours at Sofinco offices;
- within the Group's international entities - in particular at Calyon - programmes to raise awareness are used in the form of e-learning.

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**3. RECRUITMENT**

To build on its conventional recruitment policy of hiring staff with two to five years' higher education, LCL signed an agreement with French national employment agency ANPE in 2008 to hire people in the later stages of their career or with experience outside the banking sector. Based on the so-called "skills-based" method, this process has resulted in the recruitment of 50 people from a very wide range of backgrounds. LCL has also signed up to the "Espoir Banlieues" programme, making a commitment to receive at least 50 people from disadvantaged urban areas or areas covered by the "Contrat urbain de cohésion sociale" (urban social cohesion scheme) for a period of three years. This target was fully met in 2008.

Sofinco has developed local relations with local organisations, schools, colleges, polytechnics and universities and is involved in local forums in conjunction with the Evry municipal authorities or the Chamber of Commerce and Industry. In 2008, the subsidiary introduced a training course on job interviews, including a specific component relating to diversity and non-discrimination. A total of 20 managers underwent training in 2008.

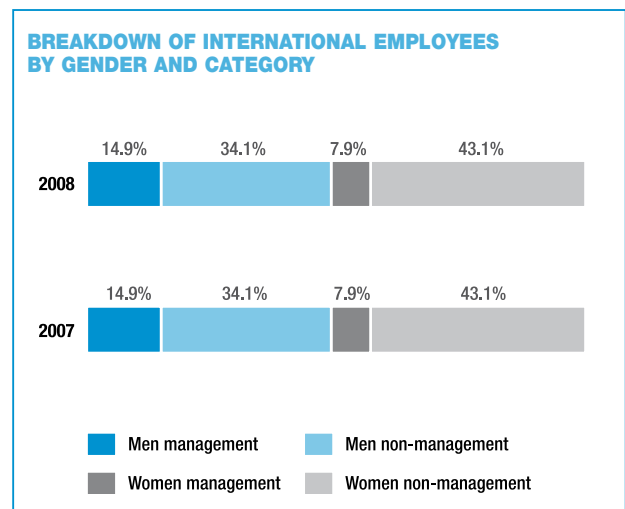
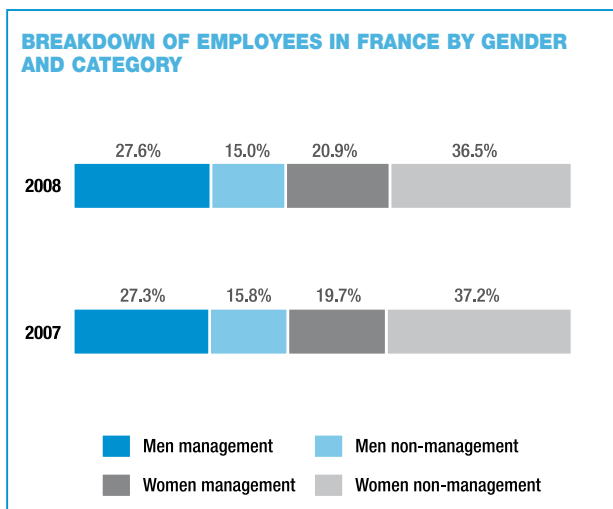
Thanks to a partnership with the ANPE, Finaref is also looking to source candidates from a wider range of backgrounds and to implement diversity principles. It has started to recruit staff using the simulation method, which entails putting applicants into specific situations in order to identify their skills, so that they are selected without taking account of their educational qualifications or prior experience. It has also formed a partnership with the ANPE within the framework of call centre recruitment. Since 2007, a so-called "recruitment company charter" has also been in place, which is systematically signed with the recruitment company before

entering into any contractual relationship, with the aim of ensuring equal treatment in recruiters' appraisals of applicants.

**B) 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:

- in December 2007, LCL (whose equality scheme launched in October 2006 has been confirmed) signed an agreement setting precise targets for areas such as promotion of women, particularly at the highest management levels. An e-learning training programme relating to the importance of equality and the key role played by managers was implemented for new managers as part of their training when taking up their new role;
- for the third consecutive year, Predica signed an agreement concerning equality between men and women in the workplace, which involves in particular specific targets for reducing wage gaps and specific support for female employees on maternity or adoption leave. A summary indicator measuring the difference between men's and women's salaries has been introduced as a quality indicator for the human resources department. In three years, the wage gap between men and women has decreased by 28% to 3.75% at the end of 2008;
- at the end of 2007, Sofinco signed an equality agreement that led in particular to the implementation of indicators followed by an equality commission made up of employee representatives and human resources managers. As part of its wage policy, Sofinco is endeavouring to develop the promotion of female managers.



» The proportion of managerial staff in France is continuing to rise and now represents 49% of employees. The proportion of female managers increased by more than 1 percentage point between 2007 and 2008.

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Proportion of women (%)	31/12/2008		31/12/2007	
	%	% of workforce covered	%	% of workforce covered
Total employees	54.0	97	53.8	96
Permanent employees	55.0	96	53.3	95
Group Executive Committee	2 out of 23	100	2 out of 21	100
Management circles 1 and 2*	14.5	100	12.6	100
Top 10% of highest earning employees in each subsidiary	25.0	93	24.0	93

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

### C) Employment of disabled workers

Following on from the 2005-08 Group agreement, the Crédit Agricole S.A. Group has signed a new agreement covering its operations in France for the period from 2008 to 2010. This agreement aims in particular to recruit 115 disabled employees over the period<sup>(1)</sup>. Note that in 2008, of a target of recruiting 38 disabled staff, 45 were recruited.

At Group level, around 1,500 specific actions such as adapting workstations, travel conditions, technological equipment, support and various forms of aid have allowed 400 employees to remain in their jobs or benefit from improved working conditions. Under the aegis of the central unit for the employment of workers with disabilities and the Procurement Department, the Group's entities are making greater use of work centres for disabled people and "adapted" companies.

A review of the career development of disabled staff within the Group was conducted in 2008 in the form of interviews with 95 people in order to establish the appropriate measures to be taken.

The group has factored the management of disabled people into its relations with schools – in particular with the Handimangement scheme, which aims to raise students' awareness of disabilities – and its involvement in forums and events.

Crédit Agricole S.A. is also the partner of a project to create a shared platform to enable deaf or hard-of-hearing employees to communicate by telephone. Raising the awareness of managers and all employees has taken a variety of forms, with events based on the theme of disability or theatre workshops with the aim of promoting the employment of workers with disabilities.

As a founder a member of the *Handiformabanques association*, LCL is involved in projects throughout France with the CFPB (banking profession training centre) and the AFPB (French national association for the professional training of adults), in order to recruit branch advisors or call centre advisors. In 2008, 12 people joined LCL via this association. On the occasion of the employment of disabled people week, Finaref took on disabled staff via an "adapted" company managed by Afeji, the association against exclusion. Disabled workers from the company are able to join Finaref after a period of work-based training. Finaref has signed its third company agreement concerning the employment of workers with disabilities for the period from 2007-09.

In addition, in Italy, Cariparma signed an agreement with trade union organisations in late 2008 concerning training, social responsibility and activities of disabled workers.

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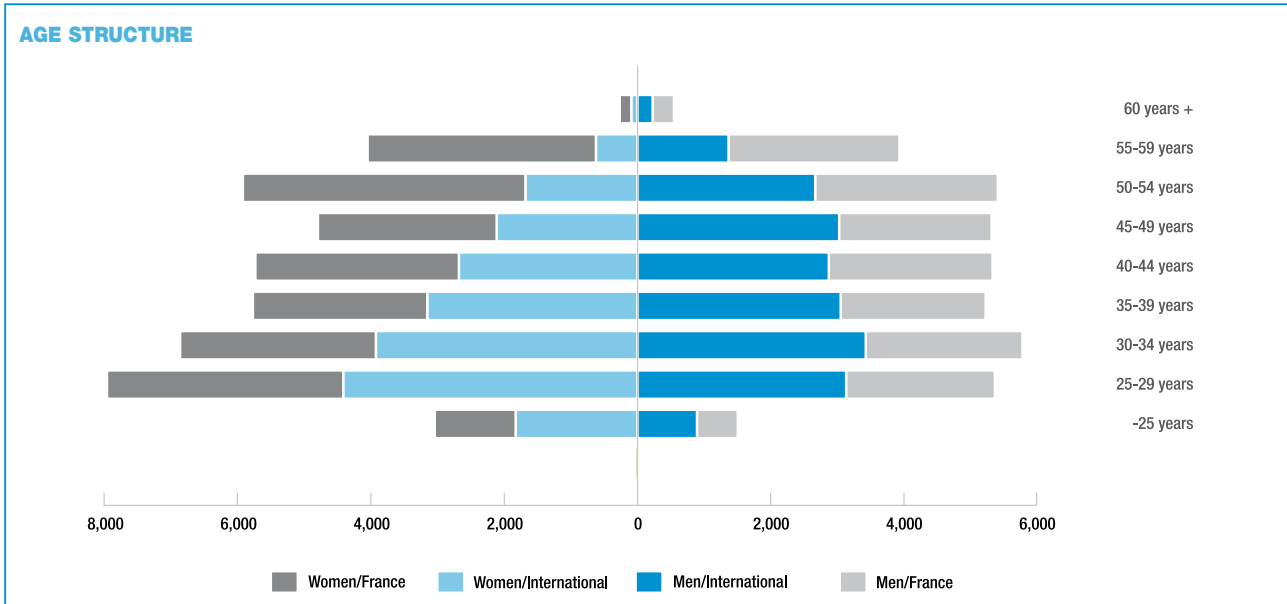
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(1) The previous agreement's target of 110 in 2005-07 was achieved.

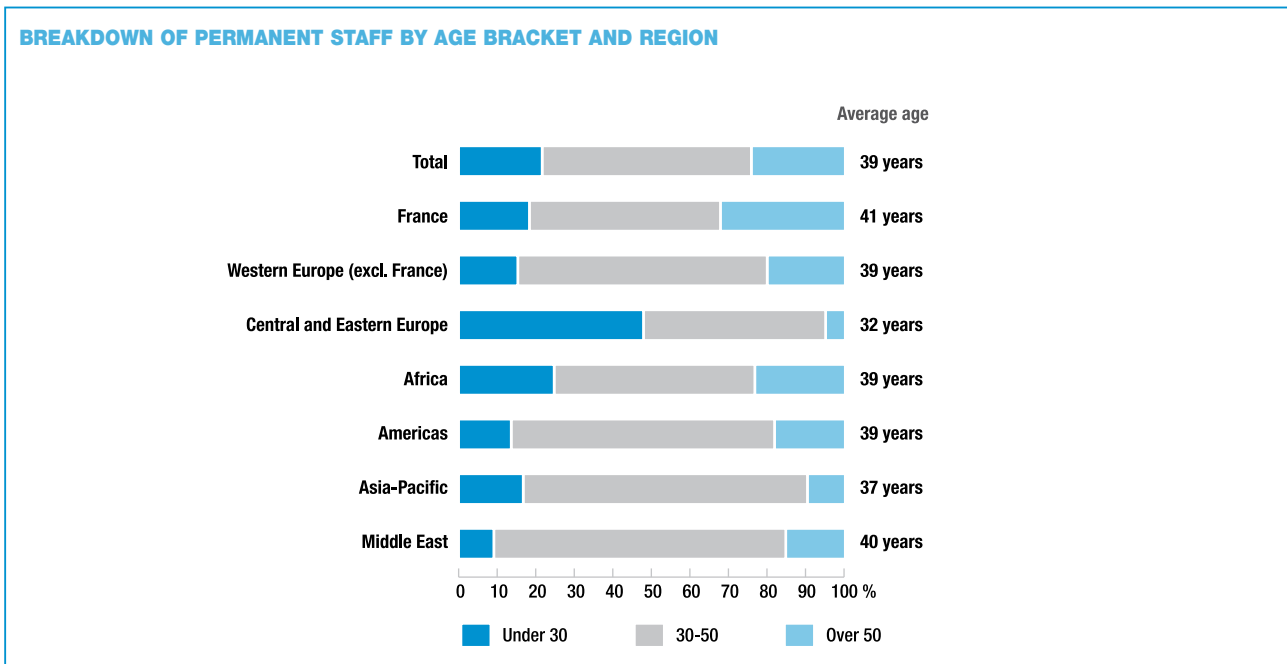
D) Age management and developing the employability of older staff

1. DEMOGRAPHIC DATA



» The average age of Group employees is 39, or 41 in France and 37 in other countries.

The proportion of employees aged under 30 (21.6%) increased by 1.3 percentage points between 2007 and 2008, while the proportion of those aged over 50 (24.3%) fell by 1.8 points.



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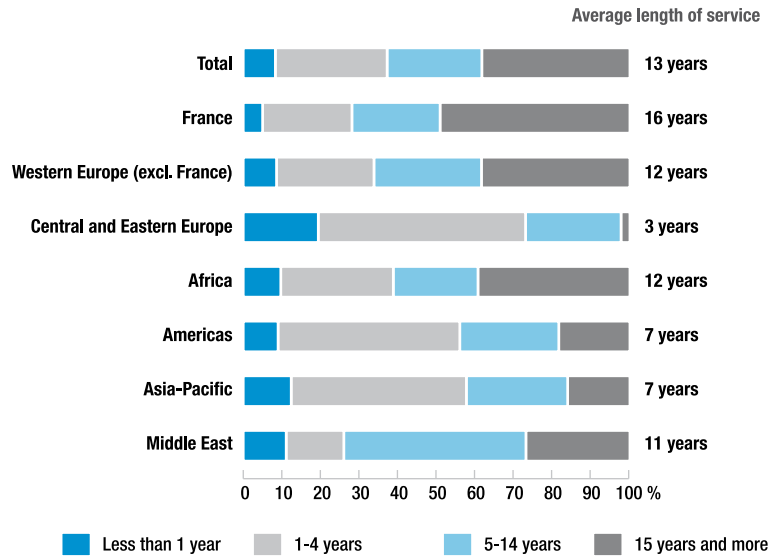
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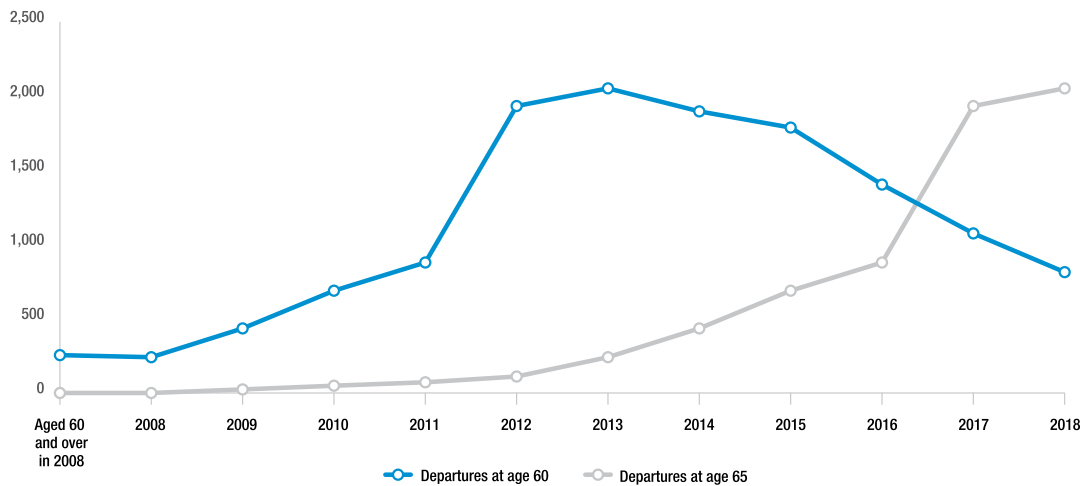
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## BREAKDOWN OF PERMANENT STAFF BY LENGTH OF SERVICE BRACKET AND REGION



## PROJECTED NUMBER OF EMPLOYEES WHO WILL REACH AGE 60 AND 65 OVER THE NEXT 10 YEARS IN FRANCE



In order to adapt its age management policy, Crédit Agricole S.A. organised meetings in 2008 to identify the expectations of employees aged over 55<sup>(1)</sup>. In parallel, individual cases were put forward to managers for a special interview with the employees concerned, with the aim of collecting information about their career development, training and assessments and to find out about their expectations.

Skills assessments are being developed by a number of entities for employees aged over 45 wanting to review the second half of their career.

(1) This initiative follows other types of discussion groups bringing together new employees and those who have been with the Group for five years.

## E) Other areas of social and environmental responsibility

### 1. LISTENING TO STAFF AND EMPLOYEE SATISFACTION SURVEYS

A number of subsidiaries introduced employee satisfaction surveys in 2008.

Pacifica has set up working parties to define a plan of action following a survey in which 85% of employees participated. Following an initial satisfaction survey conducted in 2007, Bank Al Saudi Al Fransi implemented specific measures in 2008 to improve the day-to-day life of its employees and make a precise assessment of the results.

### 2. STRESS PREVENTION AND MANAGEMENT

The Group endeavours to develop efforts to raise awareness and provide training in preventing and managing stress.

Some subsidiaries provide their employees with personalised support.

For example, Finaref gives its employees access to a direct telephone line to speak to psychologists to help them to overcome psychological problems relating to work, their private lives or their families. The service is available 24 hours a day, seven days a week and can be accessed from work or home. Meanwhile, Pacifica introduced a psychological service for its customers in 2002 which has now been extended to its employees.

### 4. COMPANY CONTRIBUTION TO CAUSES OF GENERAL INTEREST

#### WORK-LIFE BALANCE AND PART-TIME WORK

	2008			2007		
	Management	Non-management	Total	Management	Non-management	Total
Part-time staff	1,430	4,753	6,183	1266	4913	6179
Part-time staff as % of total	7.1%	22.3%	14.9%	7.0%	23.1%	15.6%
% of business scope in France			99%			95%

» The proportion of part-time employees decreased slightly between 2007 and 2008. Nearly 88% of part-time staff are women.

#### Children

In France, five Group entities have crèche facilities and more than €8 million has been allocated to crèches and other childcare support services provided for employees.

CACEIS is a financial backer of the "Crayon au soleil" association, which aims to help children in Burkina Faso excluded from the education system, and the "Solidarité Dudu" association for people suffering from Charcot disease.

### 3. HEALTH AND SAFETY IN THE WORKPLACE

Crédit Agricole S.A. has taken a number of measures relating to health in the workplace. Since 2007, the Group has been involved a programme to encourage healthy eating and physical activity for the benefit of all of its employees. The Vivao programme, devised by nutritionists, alternates between steps to improve nutrition and physical exercise. A dedicated website has also been set up to offer employees personalised monitoring of their progress.

Another example is Eurofactor, which has introduced a screening programme for hearing problems.

Some entities have also organised seminars with the aim of reducing dependence on tobacco in a fun way and training in sensitivity to noise, led by company doctors.

Outside France – for example, Lukas Bank, and Calyon in the UK, Japan and Germany – specific initiatives have been implemented with the aim of improving employees' health and well being, such as eye tests, ergonomic working environments and healthcare advice.

In France, 1,300 accidents in the workplace were reported in 2008, stable in comparison to 2007.

The various Health, Safety and Working Conditions Committees held more than 800 meetings within Crédit Agricole S.A. Group entities and more than €40 million has been committed to preventative measures relating to employee safety.

#### Personal support services

Sofinco has made use of the "CESU" system of cheques to pay domestic employees, in parallel with childcare allocations. As a result, in 2008 it paid €185 to each of the 808 employees wanting to make use of the scheme. In October 2008, Sofinco received the award for "Balance and Commitment" from Sodexo, partner of Oras, the compensation and employee benefits institute, for its pre-financed CESU scheme, intended for all of the subsidiary's employees.

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**Solidarity leave**

Following the multi-year professional development agreement signed in 2007, Eurofactor offers its employees funding of €2,000 to take part in humanitarian missions abroad, which has already been taken up by some employees.

With *Courte Échelle*, Crédit Agricole S.A. and its works council support employees' involvement in community associations. The aim is to encourage and enhance initiatives of general interest and helping others outside employees' professional lives. Projects relating to solidarity, the environment and culture are eligible for funding of up to €3,000.

**Contribution to causes of national interest**

Finaref offered French AIDS campaign Sidaction use of part of its telephone logistics in March 2008, encouraging its employees to volunteer to man the telephone lines to take pledges from viewers. A total of 320 Finaref employees volunteered, collecting donations of €414,000. In addition, Finaref donated €8,300 corresponding to 830 hours worked by the volunteers over the three days.

## ▶ V. Other indicators

## PERMANENT STAFF DEPARTURES

Permanent staff departures by reason	2008				2007			
	Fr	Inter	Total	%	Fr	Inter	Total	%
Resignation	1,090	3,661	4,751	55.5%	1,188	2,427	3,615	42.7%
Retirement and early retirement	1,163	1,000	2,163	25.3%	1,829	914	2,743	32.4%
Redundancy and dismissal	273	714	987	11.5%	234	1,085	1,319	15.6%
Death	44	39	83	1.0%	65	33	98	1.2%
Other reasons	403	177	580	6.8%	314	369	683	8.1%
<b>TOTAL</b>	<b>2,973</b>	<b>5,591</b>	<b>8,564</b>	<b>100%</b>	<b>3,630</b>	<b>4,828</b>	<b>8,458</b>	<b>100%</b>
% of business scope:			95%				94%	

» The volume and structure of departures in 2008 are very similar to those of 2007, although with a reduction in the number of staff retiring in France.

## RETIREMENTS

	2008			2007		
	Fr	Inter	Total	Fr	Inter	Total
Retirements	1,163	1,000	2,163	1,829	914	2,743
■ Management	443			524		
■ Non-management	720			1,305		
% of business scope:			96%			94%

» The many retirements or early retirements in previous years helped to balance out the age structure, which explains the reduction in the number of staff retiring in 2008.

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## ABSENTEEISM IN FRANCE (NUMBER OF CALENDAR DAYS)

Reason for absence	2008							2007 *		
	Management		Non-management		Total		Average number of absence days per employee	Total		Ave. days' absence
	Women	Men	Women	Men	No. of days	%		No. of days	%	
Illness	59,196	50,551	223,498	66,172	399,417	55.0%	9.4	370,948	56.0%	10.2
Accidents in the workplace and during travel	3,265	1,611	10,886	3,462	19,224	2.6%	0.5	19,528	2.9%	0.5
Maternity/paternity	81,438	4,124	141,780	2,088	229,430	31.6%	5.4	192,971	29.1%	5.3
Authorised leave	14,260	12,956	25,669	12,899	65,784	9.1%	1.6	59,848	9.0%	1.6
Other reasons	3,074	2,285	4,425	2,591	12,375	1.7%	0.3	18,874	2.9%	0.5
<b>TOTAL</b>	<b>161,233</b>	<b>71,527</b>	<b>406,258</b>	<b>87,212</b>	<b>726,230</b>	<b>100%</b>	<b>17,2</b>	<b>662,169</b>	<b>100%</b>	<b>18.1</b>
% of business scope in France							99%			94%

\* Note that a correction was made to LCL's figures for 2007, for which the number of days' absence was undervalued significantly due to retroactive technical adjustments made at the end of the year.

» The 10% increase in the number of days' absence relates partly to a sharp rise in the number of staff going on maternity and similar leave, and partly to more extensive coverage of the scope of consolidation, accounting for 5.6% and 4.4% of the total increase respectively.

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# » Environmental responsibility

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## Managing direct impacts

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For many years, the Crédit Agricole Group has been committed to reducing its direct and indirect impact on the environment. This reflected in particular by its adherence to the United Nations Global Compact since 2003. In addition, Calyon signed up to the Equator Principles in 2003 and Crédit Agricole Asset Management to the Principles for Responsible Investment in 2006.

The Group has also made tackling climate change one of the priorities of its environmental policy. This commitment was reinforced in late 2008 with the adoption of the Climate Principles, a code of best practice designed for the financial industry coordinated by The Climate Group.

For Crédit Agricole, this initiative involves in particular the development of a commercial and risk management policy, taking climate change into account in all of the Group's business lines, as well as in cross-functional departments such as procurement and human resources.

Management of The Climate Principles has been assigned to a member of Crédit Agricole S.A.'s Executive Committee.

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### » ENVIRONMENTAL MANAGEMENT

#### ► Group policy

In keeping with its efforts to reduce its direct impact on the environment and its desire to combat climate change, Crédit Agricole has committed itself to measures to reduce its greenhouse gas emissions.

The Group has therefore set itself the target of reducing its energy consumption in the Paris region by 15% over a period of three years from 2008. This target is based on the results of the Group's 2006 and 2008 carbon footprint assessments, on the basis of which three cross-functional groups focusing on energy, transport and procurement were created. The first two groups became operational in 2007 and the third in 2008.

In addition to reducing energy consumption, the energy management group also worked on offsetting carbon dioxide emissions at the Crédit Agricole S.A. Group's sites in the Paris region. This proposal was also validated by the Sustainable Development Committee. In order to do this, Crédit Agricole has adopted the clean development mechanisms established under the Kyoto protocol and has chosen to invest in carbon certificates from a biomass plant in Brazil. It was therefore able to offset carbon dioxide emissions of 15,000 tonnes by buying these certificates. The certificates were bought from a carbon offsetter and deposited into an account initially opened on the French national registry (SERINGAS). In order to avoid reselling, the certificates were cancelled directly in this account. The numbered certificates bought therefore cannot go back onto the international quota trading market.

Following a number of meetings in 2007, which in particular allowed for the refinement of transportation rules for Crédit Agricole employees, the transport group continued with its review of Group policies in 2008. A business travel plan will be introduced at Crédit Agricole S.A. and Calyon in 2009.

Following the meetings held in 2008, the procurement group defined a number of measures, details of which are given in the section on relations with suppliers.

#### ► The Crédit Agricole Immobilier approach

Crédit Agricole Immobilier, a subsidiary of Crédit Agricole S.A., is the Group's real estate arm, covering nearly all of its real estate activities (with the exception of real estate financing): development, asset management, public and private sector contracting management, rental property management, transactions and property used in operations.

Crédit Agricole Immobilier manages the Group's operating premises across four sites in the Paris region, with total floor space of almost 500,000 m<sup>2</sup> in 2008.

Having made a commitment to an environmental policy since 2006, Crédit Agricole Immobilier stepped up its efforts in this area in 2008.

In 2007, the management process for the Sites and Services business line, which covers operating premises activities, obtained ISO 14001 certification. This certification was extended in 2008 to include the business line's works and implantation activities.

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In keeping with this certification, as well as the target of reducing the energy consumption of buildings in the Paris region by 15% by 2010, Crédit Agricole Immobilier introduced new measures in 2008:

### Monitoring of energy consumption at buildings in the Paris region

An Environmental Quality Management team created in 2007, comprising technical managers for each unit in the Paris region, met once a month, mainly to monitor the development of energy consumption and to implement the measures needed to achieve the reduction targets set.

In 2008, the scope of this energy consumption monitoring was extended on a test basis to three subsidiaries: Sofinco/Finaref in France, Emporiki in Greece and Cariparma in Italy.

The scope will be extended further in 2009 to include new Group companies in France and abroad. Monitoring of energy consumption will also be enhanced thanks to the purchase of energy consumption management software in 2009.

### Making buildings more energy-efficient

In 2008, some of the Group's incandescent light bulbs were replaced during bulb replacement programmes. This will continue with each replacement programme.

Within the framework of extensive building renovations or equipment changes, Crédit Agricole Immobilier conducts comparative studies in order to come up with the most environmentally-friendly solutions and with the aim of reducing the impact on the environment.

In this respect, new energy audits of two buildings with high energy consumption were conducted in 2008 in order to identify what work needs to be done in order to obtain environmental certification.

## » ENVIRONMENTAL INDICATORS

As in previous years, an energy and water consumption audit was carried out of part of the Crédit Agricole S.A. Group's operations in the Paris region (i.e. 500,000 m<sup>2</sup>), managed by Crédit Agricole Immobilier.

The study concerned premises in the Paris region divided between the four areas occupied by the Group and its subsidiaries managed by Crédit Agricole Immobilier.

In 2008, the scope of energy consumption reporting was extended on a test basis to Sofinco/Finaref, Emporiki and Cariparma. Only Emporiki's energy and water consumption could be included in the scope of consolidation, as the other entities' consumption

Furthermore, when looking for new buildings to manage or new premises for the Group, Crédit Agricole Immobilier prioritises developments with:

- THPE (very high energy efficiency) labelling, with HQE® (High Environmental Quality) certification for tertiary activities (construction and project management of offices, warehouses etc.);
- Habitat et Environnement® certification for housing.

For example, the three new buildings at the future LCL head office (45,000 m<sup>2</sup>) will be constructed in accordance with HQE® certification principles concerning construction, energy, water and waste management, employee health and safety, as well as THPE principles.

Crédit Agricole Immobilier's target is for 80% of housing to have Habitat et Environnement® certification in 2009 compared with 50% in 2008, and for 50% of its tertiary activities to have environmental certification.

### Involving service providers and suppliers in the initiative

In 2009, a list of suppliers offering environmentally-friendly products will be compiled in collaboration with Crédit Agricole S.A.'s procurement department.

In addition, an environmental charter listing the various environmental criteria to be observed in construction projects will be sent out to employees of Crédit Agricole Immobilier's property development department in 2009.

Lastly, guidelines for works providers concerning site waste management, including environmental considerations such as waste sorting at sites and use of environmentally-friendly products, will be developed in 2009.

was not exploitable as at 31 December 2008. The reliability of the reporting procedures of the entities defined will be ensured in order to continue to extend the scope of consolidation.

Energy and water consumption indicators are presented in the form of tables summarising consumption over the year, measured according to the new scope of consolidation, on an updated basis.

In addition, data for each year shall be expressed in kWh or m<sup>3</sup> per m<sup>2</sup> and per year in order to make comparisons easier.

Lastly, the consolidated data below is on a rolling basis from November 2007 to November 2008.

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## Managing direct impacts

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## ► Energy consumption

The total scope managed by Crédit Agricole Immobilier across the Group's four main sites in the Paris region amounted to over 500,000 m<sup>2</sup> in 2007.

However, only consumption for which the Group pays directly, i.e. over 485,000 m<sup>2</sup>, is taken into account in the following table. Consumption included in rental charges is not stated separately at present.

The indicators chosen for this year concern electricity, gas and district heating consumption. Heating oil is not collected at present.

Data in the table refer to the 2008 reporting of fluid and energy consumption meters.

All energy consumption is also consolidated in the form of an indicator expressed as the tonnes of carbon dioxide equivalent depending on the different energy sources.

## ENERGY CONSUMPTION IN 2008

ENERGY		Crédit Agricole Immobilier	Emporiki
ELECTRICITY	Scope concerned	(%)	99
		m <sup>2</sup>	480,635
	Consumption	kWh	96,727,452
	Ratio	kWh/m <sup>2</sup> /year	201
	tCO <sub>2</sub> e/year		4,593*
GAS	Scope concerned	(%)	100
		m <sup>2</sup>	79,592 **
	Consumption	kWh	3,503,288
	Ratio	kWh/m <sup>2</sup> /year	44
	tCO <sub>2</sub> e/year		813*
District heating	Scope concerned	(%)	85
		m <sup>2</sup>	91,209 **
	Consumption	kWh	7,981,668
	Ratio	kWh/m <sup>2</sup> /year	88
	tCO <sub>2</sub> e/year		1,712*

\* Calculated on the basis of the following carbon dioxide emission factors:

- Electricity and gas (France and Greece): emission factors of V4 of the ADEME carbon assessment (Bilan CarboneTM);
- District heating: CPCU emission factor and V4 of the ADEME carbon assessment (Bilan CarboneTM).

2007 figures have been re-updated on the basis of these new coefficients.

\*\* Only a small portion of buildings in the scope taken into account use gas or district heating.

## COMPARISON WITH 2007 (CRÉDIT AGRICOLE IMMOBILIER SCOPE)

ENERGY (kWh/m <sup>2</sup> /year)	2007	2008	% change
Electricity	211	201	-4.74%
Gas	56	44	-21.43%
District heating	89	88	-1.12%



## ► Water consumption

### WATER CONSUMPTION IN 2008

		Crédit Agricole Immobilier	Emporiki
WATER	Scope concerned	%	47%
		m <sup>2</sup>	226,686
	Consumption	m <sup>3</sup>	64,304
	Ratio	m <sup>3</sup> /m <sup>2</sup> /year	0.39

### COMPARISON WITH 2007 (CRÉDIT AGRICOLE IMMOBILIER SCOPE)

(in € m <sup>3</sup> /m <sup>2</sup> /an)	2007	2008	Change
WATER	0.918	0.99	+7.84%

The increase of the ratio of water consumption per m<sup>2</sup> is due to major leaks at two facilities containing cooling towers, which use a large amount of water.

## ► Waste

Since 2007, paper recycling facilities have been in place at Crédit Agricole S.A. Group sites in the Paris region, managed by subsidiary Crédit Agricole Immobilier.

Segmented office waste bins to allow for paper to be separated from other waste have been installed at all premises (i.e. 500,000 m<sup>2</sup>).

In 2008, 1,906 tonnes of paper was collected, all of which could be recycled.

Extended to all of the Group's sites in the Paris region since 2006, the battery and ink cartridge collection and recycling system allowed for the collection of nearly 550 kg and the reconditioning of 9,185 cartridges in 2008 (including LCL).

In addition, at the end of 2007, SILCA (Crédit Agricole S.A.'s IT production economic interest group) launched a system for the recycling of obsolete IT equipment.

This project, initiated in 2006, consists of two phases:

- deletion of hard disk contents by in-house staff using a software application validated by the Group's security bodies;
- assessment of the working condition of equipment, which is then sent for sorting at workshops owned by Emmaüs as part of its partnership with Crédit Agricole S.A.

Equipment in working order is reused by Emmaüs <sup>(1)</sup> and equipment that is no longer usable is destroyed in an environmentally-friendly manner.

This also fits in with the Group's social concerns, as it allows for the optimisation of Crédit Agricole S.A. premises near Tours and safeguards Crédit Agricole S.A. Group employees' jobs in the region.

Following a pilot scheme in 2007, efforts were ramped up further in 2008, when over 3,500 monitors and 2,000 central units were collected. A significant increase is planned for 2009 due to a high level of equipment renewals at LCL and the inclusion of machines from certain Regional Banks, the first of which is likely to be Caisse Régionale de Val de France with around 1,000 workstations.

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(1) French association working to combat poverty, oppression and exclusion.

# Managing indirect impacts

In keeping with the priorities of the Group's environmental policy, each Crédit Agricole entity has developed products and services addressing the challenges facing their business line.

## » GREEN PRODUCTS AND SERVICES

In 2007, Crédit Agricole launched the "PEE" energy savings loan, in connection with the "*Livret développement durable*" (LDD) savings account, providing financing under preferential terms for energy-saving works in old homes, such as insulation, solar heating, wood burners, windows etc. Customers can benefit from a deferred payment period. Having been distributed by the Regional Banks since 2007, the LCL network began to market PEE loans in 2008.

At the end of 2008, nearly 30,000 Regional Bank customers had taken out PEE loans (compared with 6,300 at the end of 2007), representing an amount of €300 million.

Cariparma FriulAdria has also made a commitment to supporting energy-saving initiatives. Cariparma has designed a range of products intended to encourage use of alternative energy sources, such as Fiducia Contante Energia Solare, a loan to finance the installation of solar panels in homes, allowing for repayments to be spread out.

IDEAM, Crédit Agricole Asset Management's CSR subsidiary, has also included a water-themed fund in its product range since 2007. The "CAAM Funds-Aqua Global" fund invests in a

selection of international companies that generate at least 25% of their revenues from water activities such as collection, diversion, treatment, recycling and purification. At the end of 2008, the product won the prize for Best Water, Food, Agricultural Forestry Fund in the Climate Change Investment Awards.

Besides, CAAM launched, in the end of March 2009, a SRI thematic sub-fund, CAAM Funds Clean Planet, which invests in technologies with a smaller environmental footprint. Via this sub-fund, CAAM gives investors the opportunity to support the development of companies working in the areas of renewable energy, energy efficiency and waste treatment.

Lastly, in September 2008, Pacifica—the Group's property and casualty insurance company—offered a 15% reduction on civil liability insurance for vehicles with carbon dioxide emissions of less than 130 g/km for a period of three months. Pacifica also offers its personal and business customers products that take account of climate restrictions in protecting policyholders and their property as a result of storms, natural catastrophes, hail and ice. These products are also offered to farmers in the form of "harvest insurance" and "climate uncertainties".

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## » FINANCING ENVIRONMENTAL INVESTMENT

The Crédit Agricole S.A. Group also provides financing for environmentally-friendly investments, mainly via its subsidiaries in France and abroad in various activities such as leasing, corporate finance and project finance.

In 2008, Unifergie—the Group's Sofergie unit (fund for energy efficient investments in industry)—continued its developments in the fields of energy and environmental protection, focusing on three main areas: wind energy, photovoltaic energy and biomass energy.

## Managing indirect impacts

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Unifergie continued to support the development of the wind energy sector in France with the construction of 19 new wind farms representing total capacity of 240 MW, bringing its market share to 23%. The wind energy industry is the first industry in which Unifergie has developed expertise based on project finance deals.

Unifergie is also involved in the photovoltaic energy industry, financing a dozen or so installations representing cumulative capacity of 12 MWp<sup>(1)</sup>. Unifergie has established a concrete presence in mainland France, the French overseas departments and territories and Spain.

Its largest project - representing capacity of 4.5 MWp - is for a farming client of Caisse Régionale Alsace Vosges, in the form of solar buildings providing shelter for biomass.

Unifergie has also set up a number of power plants using biofuel representing capacity of 40 MW.

Lastly, within the framework of its partnership with the European Investment Bank, two photovoltaic fields in Spain and a 24 MW biomass plant in Belgium were financed in 2008.

Crédit Agricole Private Equity, which endeavours to take environmental considerations into account in its activities, looks to support company managers implementing a research and development policy with the aim of limiting the adverse effects of their production on the environment.

It was with this in mind that in 2006 the Group's private equity subsidiary launched the first institutional venture capital fund ("FCPR") for renewable energies (wind energy, biomass, hydroelectricity, solar thermal and photovoltaic power, geothermal energy, biofuels etc.), as well operating infrastructures for the sector.

The strategy of this "renewable energies" fund, which currently has assets of €109 million, is to invest in companies, such as developers, specialist real estate developers, equipment manufacturers and operators, as well as to finance energy projects. Two and a half years after its launch, the fund has invested in 12 projects (60% of the aforementioned capital), with 60% in wind energy, 20% in solar energy and 20% in hydroelectricity and biomass.

In 2008, Calyon continued with its initiatives to finance renewable energy projects, which form an integral part of its Project Finance business. Over the last 10 or so years, Calyon has made a commitment to the sector, financing its first wind farms in 1997 and a solar energy project in Spain in 2008. Renewable energies now account for 15% of financing for electricity production projects, compared with 10% in 2007 (and 18% in terms of the number of transactions, in view of the lower average unit value).

Emporiki Bank also supports the development of projects encouraging use of renewable energies and co-generation procedures, having provided financing of nearly €340 million for projects in these sectors.

## » PARTNERSHIPS, EXTERNAL INITIATIVES

For a number of years, Crédit Agricole has supported environmentally-friendly initiatives.

In partnership with the Farre association (Forum for environmentally-friendly agriculture), it has initiated campaigns to raise farmers' awareness of innovative environmentally-friendly practices or to explain the improvements made in the farming industry to city dwellers.

It has developed its collaboration with the biological farming industry, devising a technical and economic guide with FNAB (the French biological farming federation) in 2005, as well as forming a partnership with Agence Bio in 2008 to conduct in-depth analysis of the various industries and support their development, encouraging the most innovative companies in the sector.

In 2006, Crédit Agricole began a three-year commitment to support the work of the French birds protection league in assessing biodiversity in 160 farms and proposing possible areas of improvement. In 2009, Crédit Agricole will support the birds protection league in compiling a register of common birds in France, alongside the French Natural History Museum.

In addition, Crédit Agricole is raising awareness of fair trade among its employees and the farming industry in partnership with the Max Havelaar association. On the occasion of the 2008 Fairtrade Fortnight, a meeting between a number of producers from Mali, India, Peru and France was organised with chambers of agriculture.

(1) MWp (megawatt peak): Watt peak is the unit used to measure the power output of a photovoltaic installation by time unit.

# »» A partner of the civil society

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An active strategy at the heart of our business

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# An active strategy at the heart of our business

As a major player at the heart of the French regions and a privileged observer of economic and social reality, Crédit Agricole stands up for values of proximity and solidarity. Whether it be protecting clients from bank exclusion or supporting professional microcredit in France and developing microcredit worldwide, its actions all aim at contributing to fair and responsible development.

## » PROTECTING CLIENTS FROM BANK EXCLUSION

As a universal and mutual bank, Crédit Agricole has at heart to offer services to all its clients, including the most vulnerable. The Regional Banks have therefore initiated measures to help such clients get through difficult times.

## » SUPPORTING PROFESSIONAL MICROCREDIT IN FRANCE

The Regional Banks are committed to encourage all business creators and rescuers, including those excluded from traditional banking, and have taken a number of initiatives in recent years. Cooperation with *Plates-formes d'initiative locale* (Pfil, platforms for local initiative), has helped to create or rescue over 30,000 companies in three years. Working in partnership with programmes to provide support for business creation such as ADIE<sup>(1)</sup> to which 16 Regional Banks provide nearly €900,000 in funding.

Certain Regional Banks also cooperate with networks such as "France Active", "Boutiques de gestion" (management boutiques), "Entreprendre" or de-centralised structures such as business incubators. Other Regional Banks complement these initiatives with their own measures to foster business creation or help professionals overcome a difficult patch.

## » DEVELOPING MICROCREDIT WORLDWIDE

Microfinance projects have been carried out abroad, primarily through the foundations to which Crédit Agricole belongs.

**FARM**<sup>(2)</sup>, a foundation headed by René Carron, Chairman of Crédit Agricole S.A., is an initiative supported by a group of companies to help promote agricultural development and the agrifood sector

in developing countries. In 2008, FARM launched pilot projects to provide support to crop farming in Sub-Saharan Africa. Against this backdrop, the Foundation participated in the International Conference on Agriculture in 2009, alongside representatives of African partners that are working on various projects.

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(1) ADIE: Association pour le Droit à l'Initiative Économique: a network providing support and financing for unemployed people looking to start their own businesses.

(2) FARM: Fondation pour l'agriculture et la ruralité dans le monde – Foundation for Agriculture and Rural Life in the World.

## An active strategy at the heart of our business

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In February 2008, Professor Muhammad Yunus, founder of Grameen Bank and laureate of the 2006 Nobel Peace Prize, René Carron, Chairman of Crédit Agricole S.A. and Georges Pauget, Chief Executive Officer of Crédit Agricole S.A., announced the creation of a foundation dedicated to fighting the war on poverty in developing countries, using microfinance and “social business” as its weapon of choice.

This joint initiative grew out of the shared values and convictions of the Grameen Group and Crédit Agricole: active solidarity, dignity for all regardless of their income and social standing, enabling individuals to take charge of their own life as entrepreneurs, microcredit as a viable tool to help the poor, primarily women, to live a better life.

With an endowment of €50 million, the Foundation’s mission is to lend funds, provide guarantees and in some cases to acquire equity interests in microfinance institutions in developing countries, primarily in Africa and Southeast Asia. The Foundation targets local institutions that do not have ready access to domestic or international sources of funding and that are dedicated primarily to promoting economic and social development for the poorest people. It places special emphasis on institutions that work with farming and rural communities.

The **Grameen Crédit Agricole Foundation** is now operational. It held its first Board of Directors meeting in early October 2008, which was chaired by René Carron, and approved its first loans at the end of 2008.

#### An Armenian success story

In Armenia, in 1995, Crédit Agricole was instrumental in creating the Agricultural Cooperative Bank of Armenia (ACBA Bank), which is dedicated to financing the needs of small farmers and has supported its development based on a universal banking model. ACBA is 72% owned by 700 municipal associations comprising 50,000 members and is now the leading bank in Armenia. ACBA now has a network of 35 branches across the country, with over 700 employees.

Since the inception of this venture, Crédit Agricole acted as a partner in transferring know-how, providing financial support through donations from the Regional Banks via the *Fonds de Coopération* du Crédit Agricole, as well as in defining the banking partnership.

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Showing solidarity, in France and abroad

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# Showing solidarity, in France and abroad

Our commitment to solidarity, whether it be at Group or Regional Bank level, relayed by our employees or even our members and clients, has covered a wide range of areas over the past 30 years, materialising in long-term partnerships.

## » SOLIDARITY AT LOCAL LEVEL

### ► €22 million for civic commitment in local territories

The Regional Banks wish to share the advantages of their local ties with the territories they are based in. Most of them contribute to a local development fund, 7 of them have created a foundation

and 12 an association. All in all, the Regional Banks granted €20 million in 2008 to finance 8,000 projects, of which 38% for territorial development, 37% for solidarity, 16% for economic development and 9% for national heritage. A total investment of €22 million if one includes the *Crédit Agricole Solidarité et Développement* association (see below) and national foundations.

(in millions of euros)	Amount invested in local development and support initiatives
<b>Crédit Agricole S.A. Group</b>	<b>54.2</b>
<i>including Grameen Crédit Agricole Foundation</i>	50
<b>Regional Banks</b>	<b>20</b>
Fondation du Crédit Agricole Pays de France	0.9
Crédit Agricole Solidarité et Développement	0.7
Fondation Solidarité Mutualiste	0.2
Programme Solidarité Logement	0.3

» The creation of the €50 million funded Grammen Crédit Agricole foundation for the international development of microfinance was one of the main events of 2008.

### ► A cross-border commitment

Every year, the *Crédit Agricole Solidarité et Développement* association and the *Fondation Solidarité Mutualiste* provide financial support to Group projects both in France and abroad.

We also share this commitment to solidarity with our clients via specific mutual funds such as *Pacte Vert Tiers Monde*, as well as with our employees via programmes such as *Sahel Vert II*, run by the NGO *Eau Vive* with an association of Crédit Agricole employees.

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## » FOR A LIVING HERITAGE

The Fondation du Crédit Agricole Pays de France is a pioneer in sponsoring the preservation of cultural heritage. Over the past 30 years, it has funded nearly 1,000 projects designed to preserve and enhance France's cultural heritage, reflecting Crédit Agricole's commitment to a "living heritage" that is accessible to the largest possible number of people.

As the leading private-sector partner to the Château de Fontainebleau, Crédit Agricole has also provided support to the *Cité de l'Architecture et du Patrimoine* since it opened in 2007.

Crédit Agricole has extended its operations internationally with the *Patrimoine sans Frontières* association through actions to preserve endangered heritage sites. In 2008, it participated in the project to restore the Gabriel Millet photo library on the Balkans.

## » ENCOURAGING EDUCATION AND RESEARCH IN FRANCE

To help make education accessible to the largest possible number of people, Crédit Agricole supports the academic community at all stages, from the youngest of students through to advanced research.

In 2008, Crédit Agricole took new initiatives in this area. Its partnerships with the associations "*Un Avenir Ensemble*" and "*Nos Quartiers ont du Talent*" aim to increase the chances of academic success for children from poor families through a variety of scholarships and sponsorship arrangements.

Its association with the French university community makes Crédit Agricole a pioneer in sponsoring economics research, as evidenced by its sponsorship of *Université d'Auvergne* and TSE (*École d'Économie de Toulouse*).

Crédit Agricole's involvement in business and financial education includes support to the Turgot Prize for the best financial economics Book and the Prix du Livre d'Économie, which rewards books that foster better understanding of political and socio-economic issues.

### A commitment to fighting hunger

Crédit Agricole remains true to its roots in the farming and rural communities. As such, and as an extension of the actions of CASD and FSM, it is involved in the international war on hunger.

In 2006, Crédit Agricole helped to launch the FARM Foundation for the promotion of agriculture in developing countries. In 2008, the Group continued to support this undertaking through an economic support programme to develop microfinance and fight poverty through the Grameen Crédit Agricole Microfinance Foundation (see p. 148).

Alongside *Action Contre la Faim* (ACF), in 2005, Crédit Agricole created the Partagis shared-return fund, which enabled the association to collect over €200,000 in 2008. Since 2009, Crédit Agricole has also been a partner of *Course Contre la Faim* (Race Against Hunger) organised by ACF each year.

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# Risk factors

This part of the management report sets out the type of risks to which the Group is exposed, their extent and the systems used to manage them.

The information presented in accordance with IFRS 7, relating to disclosures on financial instruments, covers the following types of risks\*:

- credit risk (including country risk): risk of losses arising from default by a counterparty leading to that counterparty's inability to meet its commitments to the Group;
- market risks: risks of losses arising from changes in market parameters (interest rates, exchange rates, prices, credit spreads);
- particular risks attributable to the financial crisis;
- structural asset/liability management risks: risks of losses arising from changes in interest rates (global interest-rate risk) and exchange rates (currency risk) and the risk of not having the necessary resources to meet commitments (liquidity risk), including risks in the insurance sector.

To cover all risks inherent in the banking business, additional information is provided concerning:

- operational risks: risk of losses resulting primarily from the unsuitability or failure of processes, systems or people in charge of transaction processing;
- legal risks: risks arising from the Group's exposure to civil or criminal proceedings;
- compliance risk: risks relating to failure to comply with laws and regulations governing the Group's banking and financial activities.

Management of the risks inherent in banking activities lies at the heart of the Group's internal control system. All staff involved in banking activities, from the initiation of transactions to their final maturity, play a part in that system.

Measuring and supervising risk is the responsibility of the dedicated Risk management and permanent controls function (DRG – Group Risk Management Department), which is independent of the business lines and reports directly to the Executive Management.

Although risk management is primarily the responsibility of the business lines, which oversee growth in their own operations, DRG's task is to ensure that the risks to which the Group is exposed are consistent with the risk strategies defined by the business lines

(in terms of global and individual limits and selection criteria) and compatible with the Group's growth and profitability objectives.

DRG performs consolidated Group-wide monitoring of risks using a network of risk management and permanent control officers who report hierarchically to the head of Risk Management and Permanent Controls and functionally to the executive body of their entity or business line.

To ensure a consistent view of risks within the Group, DRG has the following duties:

- it defines and/or validates methods and procedures for analysing, measuring and monitoring credit, market and operational risks;
- it helps with critical analysis of the business lines' commercial development strategies, focusing on the risk impact of these strategies;
- it provides independent opinions to the Executive Management on risk exposure arising from business lines' positions (credit transactions, setting of market risk limits) or anticipated by their risk strategy;
- it lists and analyses entities' risks, on which data are collected in risk information systems.

The Financial Management unit of the Group Finance Division (DFG) manages structural asset/liability risk (interest-rate, exchange-rate and liquidity risk) along with the refinancing policy and supervision of capital requirements.

The Executive Management's supervision of these risks is carried out through ALM Committee meetings, in which DRG takes part.

DRG organises a periodic review of the main credit-risk and market-risk issues through quarterly risk committee meetings, which address the following issues: policies on risk-taking, portfolio analysis and analysis of risk-related costs, market limits and concentration limits. These risk committees cover all of the Crédit Agricole Group's risks (including those of the Regional Banks) and are chaired by the CEO of Crédit Agricole S.A.

The DRG regularly informs Crédit Agricole S.A.'s Audit Committee about risk exposures, the methods used to measure them and its recommendations for managing them in accordance with the policies defined by the Board of Directors.

In response to the special circumstances created by the financial crisis, the Group strengthened its system for monitoring the different risks to which it is exposed.

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\* These disclosures are an integral part of the consolidated financial statements for the year ended 31 December 2008 and as such are covered by the statutory auditors' report.

## » CREDIT RISK

A credit risk is realised when a counterparty is unable to honour its obligations and when the carrying amount of these obligations in the bank's books is positive. The counterparty may be a bank, an industrial or commercial enterprise, a government or an entity controlled by a government, an investment fund or a natural person.

The exposure may be a loan, debt security, deed of property, performance exchange contract, performance bond or unused confirmed credit 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.

### ► I. Objectives and policy

The risks taken by Crédit Agricole S.A. and its subsidiaries must comply with the risk strategies approved by the Group's Risk Management Committee, which is a sub-committee of Crédit Agricole S.A.'s Executive Committee and is chaired by its CEO. Risk strategies are adjusted to each business line and its development plan. They set out global limits, intervention criteria (types of eligible counterparties, nature and maturity of eligible products, collateral required) and arrangements for delegating decision-making authority. These risk strategies are adjusted as required for each business line, entity, business sector or country. Business lines are responsible for complying with these risk strategies, and compliance is controlled by the risk management and permanent control officers.

Crédit Agricole S.A. and its subsidiaries seek to diversify their risks in order to limit their counterparty risk exposures, particularly in the event of a crisis affecting a particular industry or country. To achieve this, Crédit Agricole S.A. and its subsidiaries regularly monitor their total exposures (taking into account internal calculation methods, depending on the type of exposure) by counterparty, by trading portfolio, by business sector and by country.

Calyon, the Group's corporate and investment banking arm, also carries out active portfolio management in order to reduce the main concentration risks borne by the Crédit Agricole S.A. Group. The Group uses market instruments and mechanisms such as credit derivatives and securitisation to reduce and diversify counterparty risk, and this enables it to optimise its use of capital. Similarly, potential risk concentration is mitigated by syndication of loans with outside banks and use of risk mitigation instruments (credit insurance, derivatives, sharing risk with Oseo Garantie).

## ► II. Credit risk management

### 1. Risk-taking: general principles

All credit transactions require in-depth analysis of the customer's ability to repay the debt and the most efficient way of structuring the transaction, particularly in terms of security and maturity. This analysis must comply with the risk strategy of the business line concerned and with all limits in force, both individual and aggregate limits. The final lending decision is based on an internal rating and an independent opinion given by a representative of the risk management and permanent control function as part of the authorisation system in place. The Group Risk Management Committee and its chairman constitute the Group's ultimate decision-making authority.

The principle of a risk limit applies to all types of counterparty, whether business enterprises, banks, financial institutions, governments or quasi-governmental entities.

Each lending decision requires an analysis of the relationship between the risk taken and the expected return. In the corporate and investment banking business, an *ex-ante* calculation of the transaction's expected return is carried out (RAROC – risk-adjusted return on capital).

### 2. Risk measurement methods and systems

#### 2.1. INTERNAL RATING AND CREDIT RISK CONSOLIDATION SYSTEMS

In late 2007, the Commission Bancaire authorised the Crédit Agricole Group to use internal rating systems to calculate regulatory capital requirements for credit risk on the greater part of its retail and corporate loan books.

Governance of the rating system relies on the Standards and Methodologies Committee (CNM), chaired by the Group's head of Risk Management and Permanent Controls, whose task is to validate and disseminate standards and methodologies relating to measuring and controlling risks within Crédit Agricole group.

In retail banking, each entity has the responsibility of defining, implementing and substantiating its rating system, in accordance with the Group standards established by Crédit Agricole S.A. LCL and the consumer finance subsidiaries (Sofinco, Finaref and Lukas Bank) have their own credit rating systems. The Regional Banks have common risk assessment models which are managed at the Crédit Agricole S.A. level. Back-testing procedures for the parameters used in calculating the regulatory capital requirement

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have been defined and are operational in all entities. These parameters are gradually being integrated more closely into each entity's risk management system.

For the large-customer category, a single fifteen-grade rating scale has been established on the basis of a segmentation of risk so as

to provide a uniform view of default risk over a full business cycle. The scale comprises thirteen ratings (A+ to E-) for counterparties that are not in default (including two ratings for counterparties that have been placed under watch) and two ratings (F and Z) for counterparties that are in default.

Crédit Agricole S.A. Group rating	A+	A	B+	B	C+	C	C-	D+	D	D-	E+	E	E-
Indicative Moody's rating equivalent	Aaa	Aa1-Aa2	Aa3-A1	A2-A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1-B2	B3	Caa-Ca-C
Indicative Standard & Poor's rating equivalent	AAA	AA+-AA	AA-/A+	A/A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+/B	B-	CCC/CC/C

Within the Crédit Agricole S.A. Group, the large-customer category comprises primarily sovereigns and central banks, corporates and specialised financings as well as banks, insurance companies and other financial companies. An internal rating method tailored to the type-specific risk profile, based on quantitative and qualitative criteria, is applied to each type of customer within the category. For corporate clients, Crédit Agricole Group entities have common internal rating methodologies. A rating is assigned when a relationship with the counterparty is first initiated, and that rating is updated upon each request for a credit limit and upon any event that could affect risk quality. The rating assignment must be approved by a unit independent of the front office. The rating is reviewed at least annually. To ensure that each counterparty carries one and only one rating within the Crédit Agricole S.A. Group, a single entity in the Group is responsible for rating it.

The rating oversight process implemented by Crédit Agricole S.A., its subsidiaries and the Regional Banks aims to ensure:

- uniformity in the handling of default events on a consolidated basis;
- proper utilisation of the internal rating methodologies;
- reliability of the data supporting the internal rating;
- back-testing of the internal rating methodologies, which is performed annually. For large customers, the oversight results are presented to the Standards and Methodologies Committee as well as the Group Risk Management Committee.

Furthermore, Crédit Agricole S.A., its subsidiaries and the Regional Banks continue to focus on improving the risk-tracking system for:

- single-client and group risk management, which is designed to ensure accurate identification of counterparties on which there is a risk and to improve cross-functional single-client information management, which is crucial to ensuring rating uniqueness and consistent allocation of exposures to Basel portfolios. This work is part of efforts to improve the data used to monitor risk and calculate regulatory ratios;
- the closing process, which aims to improve the capital adequacy ratio production process at each balance sheet date, mainly to ensure the reliability and completeness of the data used to calculate the ratios.

Having internal rating systems deployed throughout the Group enables it to implement counterparty risk management based on Basel II-type indicators. In corporate and investment banking, expected loss, economic capital and risk-adjusted return measurements are used in the processes for making loan approval decisions, defining risk strategies and setting risk limits.

Efforts during 2008 were devoted in particular to complying with commitments made to the Commission Bancaire as part of the authorisation process, to coordinating the roll-out work and to deploying the second and third pillars of Basel II. Control procedures were strengthened to enhance reliability, with procedures for reconciling accounting data with risks, procedures for managing and administering data, and specific procedures for monitoring ratings.

2.2. CREDIT RISK MEASUREMENT

The measurement of credit risk exposures includes both drawn facilities and confirmed unused facilities. To measure counterparty risk on capital markets transactions, Crédit Agricole S.A. and its subsidiaries use an internal method for estimating the underlying risk of derivative financial instruments such as swaps and structured products.

The risk basis is the sum of the positive market value of the instrument and an add-on coefficient applied to the nominal amount. This add-on coefficient represents the potential credit risk arising from the change in market value of derivative instruments during their residual lifespan. It is calculated using the type and residual lifespan of the instrument, based on a statistical observation of movements in its underlying instruments. Crédit Agricole S.A. and its subsidiaries use 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.

Moreover, to reduce exposure to counterparty risks on derivatives, Crédit Agricole S.A.'s corporate and investment banking businesses, through the medium of Calyon, usually enter into netting and collateralisation agreements with their counterparties.

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### 3. Supervision system

Rules for dividing and limiting risk exposures, along with specific decision-making and monitoring processes relating to commitments, are used to prevent any excessive concentration of the portfolio.

#### 3.1. PROCESS FOR MONITORING CONCENTRATIONS BY COUNTERPARTY OR GROUP OF RELATED COUNTERPARTIES

The consolidated commitments of all Crédit Agricole Group's entities are monitored by counterparty and by group of related counterparties. A group of related counterparties is a set of French or foreign legal entities that are connected, regardless of their status and economic activity, in such a way that the total exposure to this group can be measured on the basis of exposure to one or more of these entities. Commitments to a counterparty or group of counterparties include all loans granted by the Group as well as corporate finance operations, bond portfolios, financing commitments and counterparty risks relating to capital market transactions. Exposure limits for counterparties and groups of counterparties are recorded in the internal information systems of each subsidiary or business line.

Each operating entity reports the amount of its commitments by risk category on a monthly or quarterly basis to the Group Risk Management and Permanent Controls division. Exposures to major non-bank counterparties, i.e. those on which the aggregate commitments of the Crédit Agricole Group exceed €300 million after netting, are reported separately to the Group Risk Management Committee.

At year-end 2008, lending commitments of Crédit Agricole S.A. and its subsidiaries to their ten largest non-sovereign, non-bank customers amounted to less than 7% of the total non-bank portfolio (less than 6% at 31 December 2007), showing good diversification of that portfolio.

For the Regional Banks and LCL, major counterparty risks are monitored mainly via the Foncaris subsidiary. At 31 December 2008, Foncaris provided a 50% guarantee on €9.1 billion of the Regional Banks' and LCL's exposures to major counterparties (€8.1 billion at 31 December 2007).

#### 3.2. PORTFOLIO REVIEW AND SECTOR MONITORING PROCESS

Periodic portfolio reviews conducted by entity or business line serve to identify counterparties whose credit quality is deteriorating, update counterparty ratings, monitor risk strategies and check on changes in concentration ratios. Portfolio reviews are also conducted by business sector. Lastly, the corporate and investment banking business has a portfolio modelling tool that it uses to test how well portfolios hold up under stress scenarios.

#### 3.3. PROCESS FOR MONITORING COUNTERPARTIES IN DEFAULT AND ON CREDIT WATCH

Counterparties in default and on credit watch are monitored closely by the business lines, in collaboration with risk management and permanent control officers. They are also the object of formal monitoring by the entities' sensitive exposure committees and quarterly consolidated monitoring by the Group Risk Management Committee and the Audit Committee.

#### 3.4. CONSOLIDATED RISK MONITORING PROCESS

Every quarter, the Group Risk Management Committee examines the risk scorecard produced by the Group Risk Management and Permanent Controls division. This document gives the Committee a detailed review of the Group's risk situation on a consolidated basis across all business lines. In addition, detailed periodic reviews of banking risks, country risks and the main non-banking risks are conducted during Group Risk Management Committee meetings.

In 2008, consolidated risk monitoring continued to benefit from deployment of the Basel II reforms, particularly as regards improvements in internal rating systems, consolidated counterparty management and the scope covered by the risk centralisation system.

#### 3.5. STRESS SCENARIO IMPACTS

Credit stress scenarios are applied periodically in conjunction with the business lines to assess the risk of loss and consequent changes in capital requirements in the event of a sharp deterioration in the economic and financial environment. The results of these stress tests are examined in meeting of the Group Risk Management Committee or the Executive Committee. In 2008 these results were also provided to the Board of Directors of the Crédit Agricole S.A. Group.

### 4. Credit risk mitigation mechanisms

#### 4.1. COLLATERAL AND GUARANTEES RECEIVED

Guarantees and collateral are intended to provide partial or full protection against credit risk.

The principles governing the eligibility, utilisation and management of collateral and guarantees received as security are defined by the Crédit Agricole Group's Standards and Methodologies Committee (CNM), in accordance with the CRD system implemented as part of the Basel II capital ratio reform. This common framework ensures a consistent approach across the Group's various entities. It documents aspects that include the conditions for prudential recognition, valuation and revaluation methods of all the various credit risk mitigation techniques that are used: security in the form of property (land and buildings, aircraft, ships, etc., especially for asset financing), security in the form of guarantees, public export credit insurance, private credit insurance, financial guaranty insurance, credit derivatives, and cash collateral. The entities are in charge of implementing this framework at the operational level (management, monitoring of valuations, implementation).

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Details of guarantee commitments received are presented in Note 8 of the notes to the consolidated financial statements.

Regarding financial assets obtained by enforcement of guarantees or credit enhancement provisions, the Group's policy on assets that have come into its possession by this means is to sell them as soon as possible.

#### 4.2. USE OF NETTING CONTRACTS

If a master contract has been agreed with a counterparty to permit it, Crédit Agricole S.A. and its subsidiaries net their exposures to that counterparty. Crédit Agricole S.A. and its subsidiaries also use collateralisation techniques (deposits of cash or securities) to reduce their position risks.

#### 4.3. USE OF CREDIT DERIVATIVES

In managing its banking book, the Group's corporate and investment banking business uses credit derivatives and a range of risk-transfer instruments including securitisation. The aim is to reduce concentration of corporate credit exposures, diversify the portfolio and reduce loss levels. The risks arising from such

operations are monitored by Calyon's Market Risk Management division with the help of indicators such as VaR (value at risk) on all cash transactions through which Calyon buys or sells protection for its own account.

The notional amount of protection bought by Calyon in the form of credit derivatives outstanding at 31 December 2008 was €22 billion (€14.7 billion at 31 December 2007). The outstanding notional amount of protection sold by Calyon was €976 million (€2.0 billion at 31 December 2007).

### ► III. Exposure

#### 1. Maximum exposure

The maximum exposure to credit risk of Crédit Agricole S.A. and its subsidiaries corresponds to the carrying amount of financial assets (loans and receivables, debt instruments and derivatives) before the effect of non-recognised netting agreements and collateral.

#### MAXIMUM EXPOSURE TO CREDIT AND COUNTERPARTY RISK OF THE CRÉDIT AGRICOLE S.A. GROUP

<i>(in millions of euros)</i>	31.12.2008	31.12.2007
Financial assets at fair value through profit or loss (excluding variable-income securities and assets representing unit-linked contracts)	538,326	400,052
Derivative hedging instruments	12,945	10,622
Available-for-sale assets (excluding variable-income securities)	158,288	130,568
Due from banks (excluding internal transactions)	80,624	88,440
Loans and advances to customers	349,037	302,444
Held-to-maturity financial assets	18,935	21,136
<b>Exposure of on-balance sheet commitments (net of impairment)</b>	<b>1,158,155</b>	<b>953,262</b>
Financing commitments given	154,031	171,332
Financial guarantee commitments given	102,640	100,463
Reserves -- financing commitments	(402)	(262)
<b>Exposure of off-balance sheet commitments (net of reserves)</b>	<b>256,269</b>	<b>271,533</b>
<b>TOTAL NET EXPOSURE</b>	<b>1,414,424</b>	<b>1,224,795</b>

Source: Notes 3.4, 6.2, 6.4, 6.5, 6.8, and 8 of the Notes to the financial statements.

At 31 December 2008, the maximum exposure to credit risk of Crédit Agricole S.A. and its subsidiaries amounted to €1,414.4 billion (€1,224.8 billion at 31 December 2007), up 15.5% on the year.

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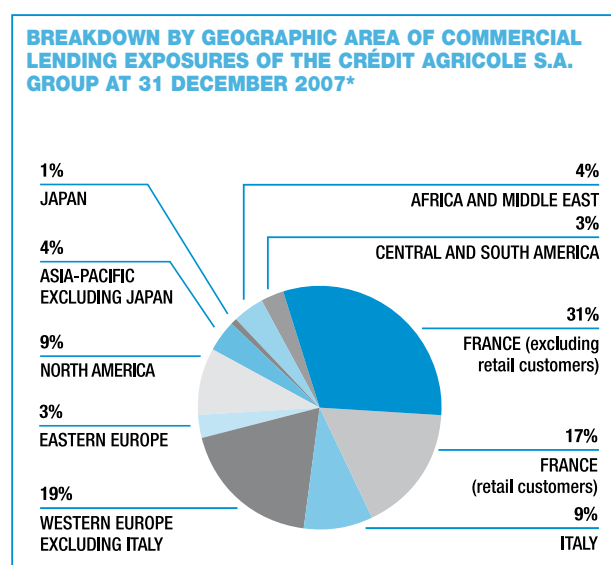
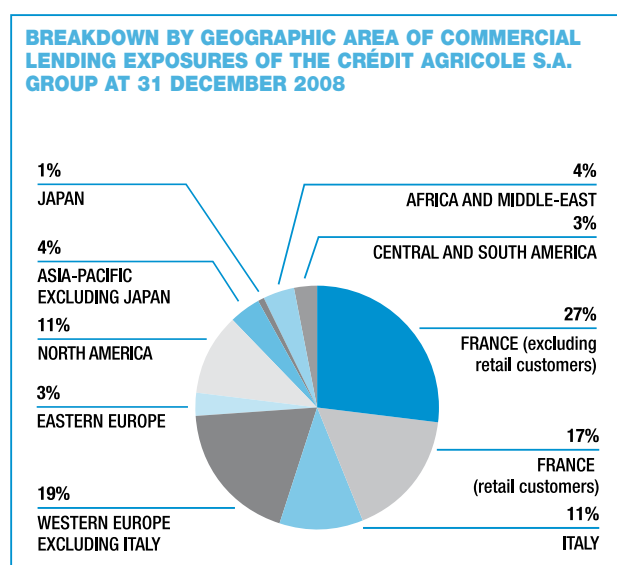
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## 2. Concentration

The analysis of concentration by geographic area and by business sector relates to the Group's commercial lending exposure (both on and off the balance sheet) to non-bank customers (€597.7 billion at 31 December 2008, compared with €589.9 billion at 31 December 2007\*).

### 2.1. PORTFOLIO DIVERSIFICATION BY GEOGRAPHIC AREA

On the non-bank customer commercial lending portfolio, the breakdown by geographic area covers a total of €586.2 billion at 31 December 2008, compared with €556.8 billion at 31 December 2007\*. The breakdown reflects the risk country or region of commercial lending.



The methodology of breakdown held on outstandings at 31 December 2008 was applied in a homogeneous way on outstandings at 31 December 2007.

The proportion of exposure to the France area decreased by 4% and was offset by increases, mainly in Italy, resulting from the acquisition of Ducato by Agos and expansion of the Group activities in that area. The increase in North America is due entirely to currency appreciation and to sovereign exposures. In the other geographic areas, the proportions of exposures were stable.

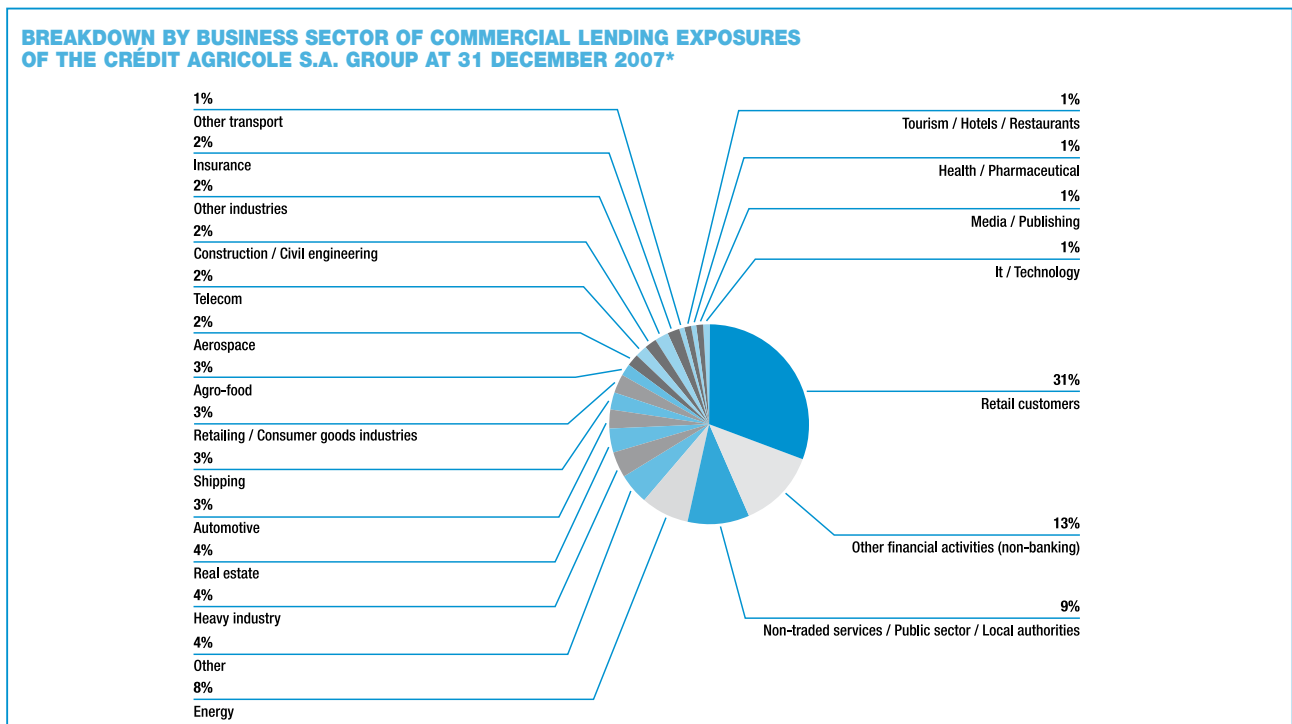
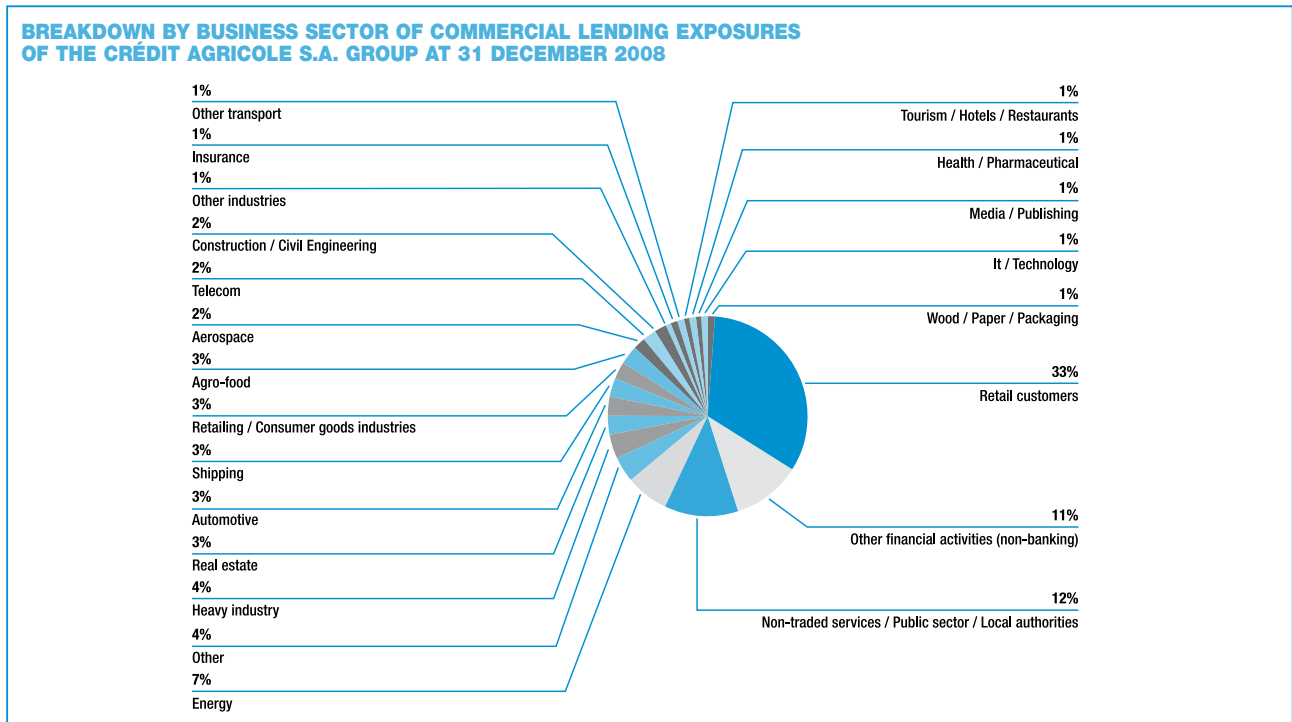
Note 3.1 to the financial statements presents the breakdown of loans and receivables and credit commitments to customers and credit institutions by geographic area on the basis of accounting data.



\* 2007 figures provided for purposes of comparison are unaudited.

**2.2. PORTFOLIO DIVERSIFICATION BY BUSINESS SECTOR**

On the non-bank customer commercial lending portfolio, the breakdown by business sector covers a total of €578.6 billion at 31 December 2008, compared with €508.2 billion at 31 December 2007\*. The breakdown reflects the risk business sector of commercial lending to customers exposure.



The methodology of breakdown held on outstandings at 31 December 2008 was applied in a homogeneous way on outstandings at 31 December 2007.

\* 2007 figures provided for purposes of comparison are unaudited.

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The proportion of exposure to retail customers increased following the acquisition of Ducato in Italy by Agos, in consumer credit activities, and by expansion of LCL and Emporiki activities.

Commercial lending exposures to the non-traded services, public sector and local authorities sector consist mainly of deposits with central banks of developed countries.

The energy sector decreased slightly as a proportion of the total, reflecting the impact on trading businesses of lower oil and commodity prices. Energy-sector exposure remains well diversified in terms of borrowers and types of financing.

Real estate lending also decreased, reflecting the Group policy to limit exposures to this weakened sector.

In other sectors, there were no significant changes over the period.

### 3. Quality of outstandings

#### 3.1. ANALYSIS OF LOANS AND RECEIVABLES BY CATEGORY

The breakdown of loans and receivables due from credit institutions and customers is presented as follows:

Loans and receivables <i>(in millions of euros)</i>	31.12.2008	31.12.2007
Neither past due nor impaired	410,979	382,980
Past due but not impaired	12,371	3,697
Impaired	13,562	10,580
<b>TOTAL</b>	<b>436,912</b>	<b>397,257</b>

The portfolio of loans and receivables at 31 December 2008 consisted in 94.1% of amounts that were neither past due nor impaired (96.4% at 31 December 2007).

Under IFRS 7, a financial asset is past due when a counterparty has failed to make a payment when contractually due. The Group considers that there is no identified credit risk on past-due loans and receivables, as 93% of these are less than 90 days in arrears.

#### 2.3. BREAKDOWN OF LOANS AND RECEIVABLES BY TYPE OF CUSTOMER

Concentrations of loans and receivables and commitments given to credit institutions and customers are presented in Note 3.1 to the consolidated financial statements.

The gross amount of loans and receivables outstanding (€436.9 billion at 31 December 2008) increased by 10% in 2008 (from €397.3 billion at 31 December 2007). The total is split mainly between large corporates (42%) and retail customers (35.1%), compared with 40.4% and 33.6% at 31 December 2007.

Credit institutions proportion decreased to 18.4% of these outstandings at 31 December 2008, compared with 22.2% at 31 December 2007.

Similarly, the financing commitments given relate mainly to large corporates (72.5%) and retail customers (21.8%), compared with 70.4% and 24.1% at 31 December 2007.

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This percentage includes amounts that are technically overdue owing to the timing difference between the date on which the payment is received and the date on which it is credited to the customer's account.

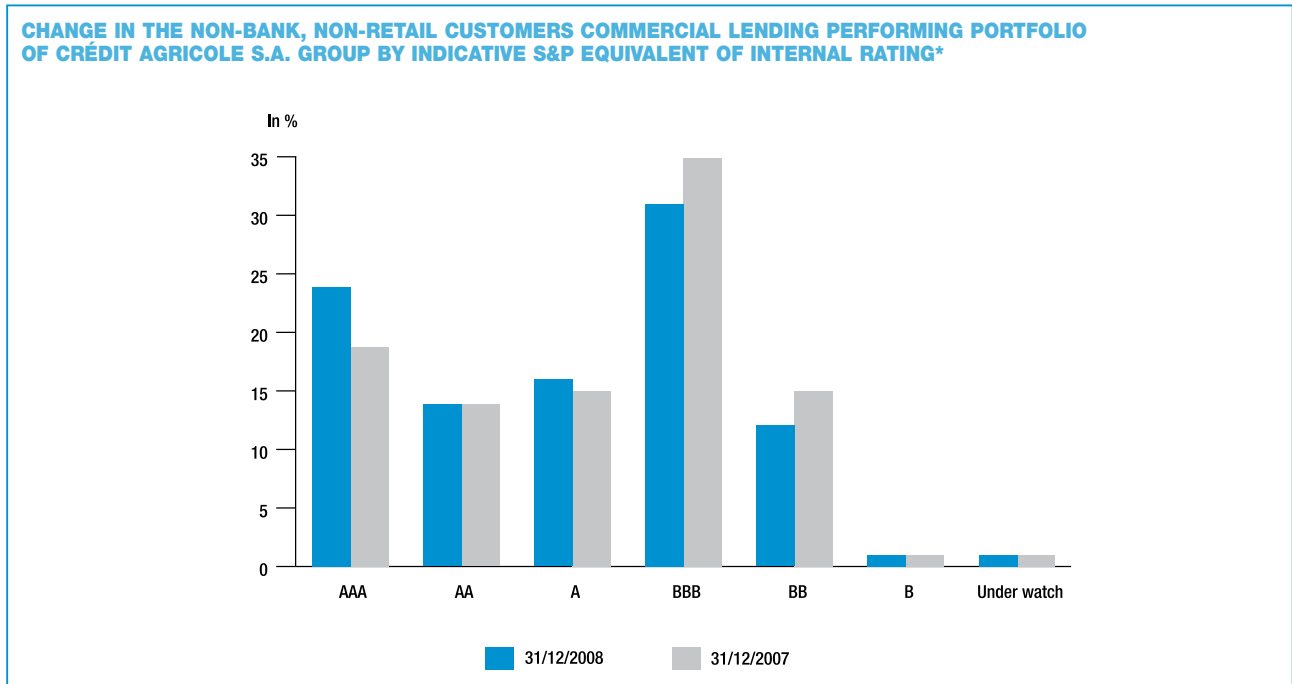
Details of financial assets that were past due or impaired at the balance sheet date are presented in Note 3.1 to the consolidated financial statements.

**3.2. ANALYSIS OF OUTSTANDINGS BY INTERNAL RATING**

The internal rating policy used by the Crédit Agricole Group aims to cover the entire customer portfolio, i.e., retail customers, corporate customers, banks and financial institutions, government agencies and local authorities.

On the commercial lending portfolio to non-bank, non-retail customers only (€409.7 billion at 31 December 2008, compared

with €444.2 billion at 31 December 2007\*), borrowers rated as performing accounted for 86% of the total (€354.8 billion at 31 December 2008, compared with €331.8 billion at 31 December 2007). The breakdown of this portfolio is presented according to the Standard & Poor's equivalents of the Group's internal ratings.



This breakdown reflects a portfolio of good quality that improved in 2008. At 31 December 2008, 85% of exposures related to borrowers with investment-grade ratings (84% at 31 December 2007\*), and 1% related to borrowers under close supervision (almost stable relative to 31 December 2007).

**3.3. IMPAIRMENT AND RISK COVERAGE**

**3.3.1 Impairment and risk coverage policy**

The policy for 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, recognised when objective indications of impairment are identified on one or more homogeneous subgroups within the credit risk portfolio. These allowances are intended to cover deterioration in the risk profile of exposures to certain countries, business sectors or counterparties, not because they are in default but because their rating has been lowered. Impairment allowances on a portfolio basis are also made in retail banking.

**3.3.2 Impaired financial assets**

The breakdown of impaired loans and receivables due from credit institutions and customers by 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.

At 31 December 2008, the total of impaired loans and receivables stood at €13.6 billion (compared with €10.6 billion at 31 December 2007), of which €5.6 billion was on bad debts (compared with €5.8 billion at 31 December 2007). These consist of non-performing loans and commitments on which the Group sees the potential for non-recovery. Impaired assets accounted for 3.1% of the Group's gross balance-sheet outstandings at 31 December 2008 (2.7% at 31 December 2007). They were covered by €6.7 billion of impairment allowances (€6.1 billion at 31 December 2007), including finance lease transactions but not including collective impairment allowances.

Performing loans and receivables that were renegotiated amounted to €1.3 billion at 31 December 2008 (€1.7 billion at 31 December 2007).

\* 2007 figures provided for purposes of comparison are unaudited.

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#### 4. Risk-related costs

The Crédit Agricole S.A. Group's overall risk-related costs amounted to €3.2 billion at 31 December 2008, compared with €1.9 billion in 2007. The increase is attributable primarily to corporate and investment banking and international retail banking.

Details of the movements that affected the risk-related costs are presented in Note 4.8 to the consolidated financial statements.

#### 5. Counterparty risk on derivatives

The counterparty risk on derivative instruments is the potential credit risk calculated and weighted in accordance with prudential standards. The exposures of the Crédit Agricole S.A. Group to potential risk on derivatives are presented in Note 3.1 to the consolidated financial statements.

### ▶ IV. Country risk

#### 1. Country risk monitoring and management system

Country risk is the risk that economic, financial, political or social conditions in a foreign country will affect the financial interests of the Bank. This risk does not differ in nature from "elementary" risks (credit, market and operational risks). Rather, it is an aggregate of risks resulting from vulnerability to a specific political, macroeconomic and financial environment.

The system for assessing and keeping watch over country risk within the Crédit Agricole S.A. Group is based on the Group's own rating methodology. Internal country ratings are based on criteria relating to the structural solidity of the economy, ability to pay, governance and political stability. Annually reviewed limits and risk strategies are applied to each country whose rating is lower than the threshold specified in the procedures.

Oversight of country risk is being enhanced by regular reporting and reviews based on a portfolio approach and making greater use of quantitative tools. This approach is supplemented by scenario analyses aimed at testing the impact of adverse macroeconomic and financial assumptions. These tests enable the Bank to develop an integrated view of the risks to which it may be exposed in situations of extreme tension.

The Group manages and controls its country risks according to the following principles:

- activities exposed to country risk are defined and identified through the development and monitoring of analytical country risk management tools;

- acceptable country risk exposure limits are determined through annual reviews of country strategies, depending on the vulnerability of the portfolio to country risk. The degree of vulnerability is determined by the type and structure of transactions, the quality of counterparties and the term of commitments. These exposure limits may be reviewed more frequently if developments in a particular country make it necessary. The strategies and limits are validated by Calyon's Strategy and Portfolio Committee (CSP) or Country Risk Committee (CRP) and by Crédit Agricole S.A.'s Group Risk Management Committee (CRG);

- the Bank's corporate and investment banking division maintains a system for regular assessment of country risk and updates the country risk rating quarterly for each country in which the Group does business. This rating is produced using an internal country rating model based on various criteria (structural solidity, governance, political stability, ability and willingness to pay). Specific events may cause ratings to be adjusted before the next quarterly review;

- Calyon's Country and Portfolio Risk Department validates transactions whose size, maturity and degree of country risk could affect the quality of the portfolio.

Country risk exposure is monitored and controlled in both quantitative (amount and term of exposure) and qualitative (portfolio vulnerability) terms through regular specific reporting on all exposures to risky countries.

#### 2. Country risk policy

Economic growth in emerging countries held up well during the first three quarters of 2008, but turned down very sharply in the fourth quarter due to the economic slowdown in the developed countries. Emerging countries that, as a whole, had suffered less from the financial crisis until that time began to see sharp declines in export prices and volumes.

In this worldwide degraded financial and economic context, emerging countries overall still have fundamentals that are much more solid than at the time of the crisis in the late 1990s, by virtue of having reduced their debt and their deficits, kept inflation under better control and built up their foreign exchange reserves. More responsible fiscal and monetary policies are the key that has enabled them to withstand the crisis better this time.

In addition to traditional financing, the strategy of the corporate and investment banking division has been to continue favouring transactions that could enhance the portfolio risk profile, in particular structured finance and trade finance deals.

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The new assets are concentrated mainly in the least risky emerging countries. Ratings, outstandings and limits are monitored on a regular basis for all emerging countries, especially those of greatest concern for economic, financial or political reasons.

**3. Change in exposure to country risk**

The non-bank commercial lending exposures of the Crédit Agricole S.A. Group (on and off the balance sheet) at risk on emerging countries come mainly via Calyon, via UBAF (47% owned by Calyon) and via international retail banking. These commitments include guarantees received (export credit insurance, cash deposits, securities pledged, etc.).

At 31 December 2008 these exposures amounted to €45.8 billion (€41.6 billion at 31 December 2007\*).

Concentration of exposures to emerging countries remained overall stable in 2008 compared with 2007: the top 20 countries accounted for 80% of the portfolio at year-end 2008, compared with 82% at year-end 2007\*.

Three geographic areas are predominant: the Middle East and North Africa, Eastern Europe and Asia.

**MIDDLE EAST AND NORTH AFRICA**

The Middle East and North Africa is the leading area of exposure, with outstandings of €17.0 billion (37.1% at 31 December 2008, compared with 34.5% at 31 December 2007\*).

The exposures are concentrated in the United Arab Emirates, Egypt, Morocco, Saudi Arabia, Turkey and other countries around the Persian Gulf.

**EASTERN EUROPE**

Exposures in this region accounted for 24.8% of the Group's emerging-country risks (€11.4 billion at 31 December 2008). They are concentrated in five countries: Russia, Poland, Hungary, Czech Republic and Ukraine. At 31 December 2007\*, this region accounted for 27% of emerging-country risks (€11.2 billion).

**ASIA**

Asia represents the third-largest exposure to emerging countries, with 19.6% of outstandings at year-end 2008 (19% at year-end 2007\*), or €9 billion (€7.9 billion at 31 December 2007\*). Activity remained concentrated in the main countries of the region (China, Hong Kong and India), as a result of their strong growth momentum.

**LATIN AMERICA**

At year-end 2008 this region represented 9.4% of the exposure to emerging countries, with outstandings of €4.3 billion concentrated in four countries: Mexico, Brazil, Uruguay and Chile (compared with 9.7% and €4 billion at year-end 2007\*).

**SUB-SAHARAN AFRICA**

This region represented exposure of €4.1 billion at year-end 2008, of which 34% was to South Africa (€4.0 billion at year-end 2007, 47% to South Africa\*).

>> **MARKET RISK**

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, including:

- interest rates: interest-rate risk is the risk of a change in the fair value of a financial instrument or the future cash flows from a financial instrument due to a change in interest rates;
- exchange rates: currency risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates;
- prices: price risk is the risk of a change in the price or volatility of equities and commodities, baskets of equities or stock market indices. The instruments most exposed to this risk are floating-rate securities, equity derivatives and commodity derivatives;
- credit spreads: credit risk is the risk of a change in the fair value of a financial instrument resulting from movement in the credit

spreads for indices or issuers. For more exotic credit products, there is also the risk of a change in fair value arising from a change in correlation between issuer defaults.

► **I. Objectives and policy**

The Crédit Agricole S.A. Group has a specific market risk management system with its own independent organisation, monitoring and consolidation procedures, risk identification and measurement methods.

The system covers all market risks arising from capital market activities, mainly arbitrage and directional positions taken by the trading desks. The investment portfolios of the finance divisions are monitored separately.

\* 2007 figures provided for purposes of comparison are unaudited.

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▶ **II. Risk management****1. Local and central organisation**

The Crédit Agricole S.A. Group has two distinct but complementary levels of market risk management:

- at the central level, the Group Risk Management and Permanent Controls division coordinates all Group-wide market risks supervision and control issues. It standardises data and data processing to ensure consistency of consolidated risk measurement and of controls. It keeps informed the executive body (Crédit Agricole S.A. executive officers) and the administrative body (Board of Directors, Audit Committee) on how well market risks are contained;
- at the local level, for each Crédit Agricole S.A. Group entity, a risk management and permanent controls officer monitors and controls market risks arising from the entity's activities. Within Calyon, the Risk Management and Permanent Controls division relies on decentralised teams of risk controllers, generally based abroad. These control functions are performed by three teams: risk management, quantitative analysis and activity tracking, with assistance from cross-functional teams.

Operating agreements between the central and local levels determine the level of information, format and frequency of the reports that entities must transmit to Crédit Agricole S.A. (Group Risk Management and Permanent Controls division).

**2. Decision-making and risk monitoring committees**

Two governance bodies are involved in the management of market risk at the Crédit Agricole S.A. Group level:

- the Group Risk Management Committee, chaired by Crédit Agricole S.A.'s CEO, examines the market situation and risks incurred on a quarterly basis. The Committee reviews the utilisation of limits, any significant breaches of limits and incidents, and the analysis of net banking income from a risk standpoint. This committee approves the aggregate limits on each entity's market risks when it presents its risk strategy and makes the main decisions in the matter of risk containment;
- the Standards and Methodology Committee meets periodically and is chaired by the head of Group Risk Management and Permanent Controls. Its brief includes approving and disseminating standards and methods concerning the supervision and permanent control of market risks.

In addition, each entity has its own local risk management committee. The most important of these is Calyon's Market Risk Management Committee, which meets twice a month and is chaired by the Executive Management member in charge of risks.

It is made up of Calyon's head of market risk management and the risk managers responsible for specific activities. This committee reviews Calyon's positions and the results of its capital market activities and verifies compliance with the limits assigned to each activity. It is empowered to make decisions on the entities' requests for temporary increases in limits.

▶ **III. Market risk measurement and management methodology****1. Indicators**

Market risk management is based on a combination of several indicators that are subject to global or specific limits. These indicators fall into three main categories: Value at Risk (VaR), stress scenarios and complementary indicators (risk factor sensitivities, combined qualitative and quantitative indicators). The measurement system for these indicators relies on a process of evaluating positions for each entity that is subject to market risk. The permanent control process includes procedures for validating models and also procedures for structuring the back-testing of models.

**1.1. VAR**

The central element of the market risk measurement system is Value at Risk (VaR). VaR can be defined as the maximum theoretical loss on a portfolio in the event of adverse movements in market parameters over a given timeframe and for a given level of confidence. The Crédit Agricole S.A. Group uses a confidence level of 99%, a timeframe of one day, and one year of historical data. In this way, market risk incurred by the Group in its trading activities can be monitored on a daily basis by quantifying the estimated maximum level of loss in 99 out of 100 cases, after inclusion of a number of risk factors (interest rate, currency, asset prices, etc.). The inter-correlation of such factors affects the maximum loss amount. The netting figure is defined as the difference between total VaR and the sum of VaRs by risk factor. It represents the effects of netting among positions held simultaneously on different risk factors. A procedure known as back-testing (comparing each day's result against VaR estimated the day before) is used to confirm the relevance of the methodology.

The main method used to measure VaR is the historical VaR method. Monte Carlo methods are used only for a portion of Calyon's commodity-related activities.

Among the entities contributing to the Crédit Agricole S.A. Group VaR, Calyon uses an internal VaR model that has been approved by the regulatory authorities.

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The process of measuring a historical VaR for risk positions on a given date D is based on the following principles:

- compilation of a historical database of risk factors on positions held by Crédit Agricole S.A. Group entities (interest rates, share prices, exchange rates, commodity prices, volatilities, credit spreads, correlation, etc.);
- determination of 261 scenarios corresponding to 1-day changes in risk factors, observed over a rolling 1-year period;
- adjustment of parameters corresponding to date D according to the 261 scenarios;
- remeasurement of the day's positions based on the 261 scenarios.

The 99% VaR figure based on the 261 scenarios is equal to the average of the second and third worst risks observed.

The VaR calculation methodology undergoes constant improvement and adjustment to take into account, among other things, the changing sensitivity of positions to risk factors and the relevance of the methods to new market conditions. For example, efforts are made to incorporate new risk factors and to achieve finer granularity on existing risk factors.

**Limitations of the historical VaR calculation**

The main methodological limitations of the VaR model are the following:

- the use of one-day shocks assumes that all positions can be liquidated or covered in one day, which is not always the case for certain products and in certain crisis situations;
- the use of a 99% confidence interval leaves out losses that could occur outside that interval. VaR is consequently an indicator of risk under normal market conditions; it does not take into account movements of exceptional magnitude;
- VaR does not provide any information on amounts of exceptional losses (outside the 99% confidence interval).

**Back-testing**

On Calyon's capital market activities, which are the main contributor to Group VaR, the relevance and limitations of the VaR model are checked by back-testing. The purpose of back-testing is to verify after the fact whether the number of exceptions (days when actual losses exceeded estimated VaR) was within the 99% confidence interval (a loss exceeding estimated VaR should occur only two or three times a year). For 2008, eight exceptions were seen at the level of Calyon's aggregate VaR (i.e., on eight days, the one-day loss estimated on the previous day was lower than the actual loss).

**1.2. STRESS SCENARIOS**

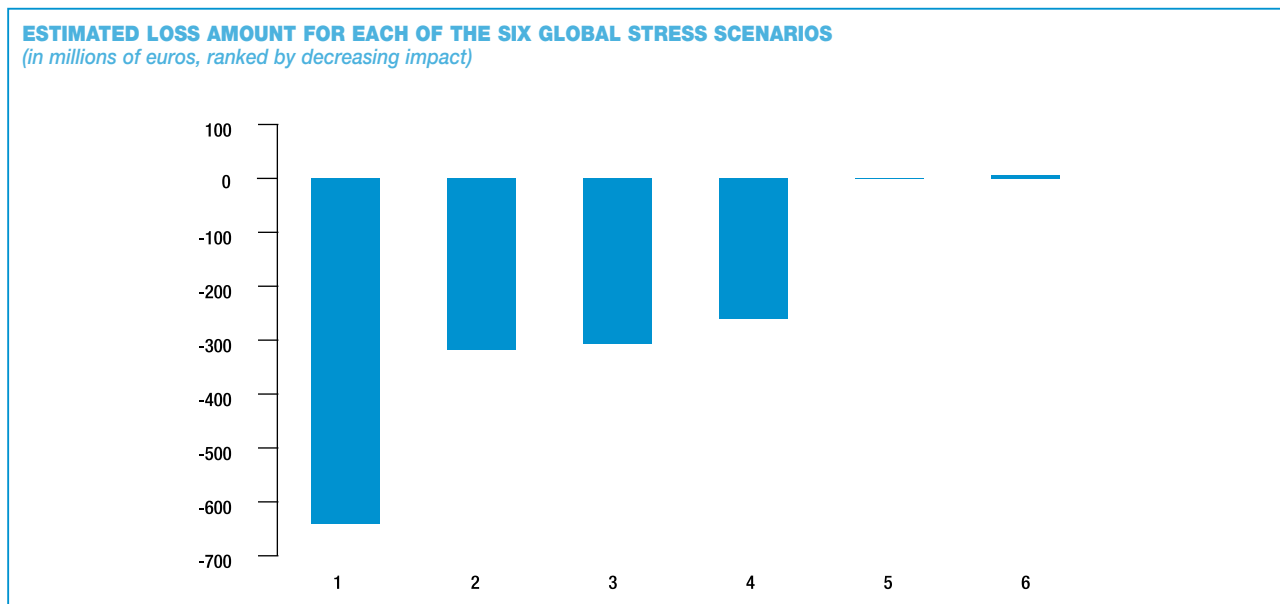
The second quantitative element of market risk indicators is the stress scenarios. These complement the VaR measure, which does not capture the impact of extreme market conditions. Stress scenarios are calculated following Group principles to simulate extreme market conditions. Three complementary approaches are used:

- historical scenarios, which consist in replicating the impact on the current portfolio of major crises observed in the past. The past crises used as historical stress scenarios are the 1994 bond market crisis; the 1998 credit market crisis, with falling equity markets, sharply rising interest rates and declining emerging-country currencies; and the 1987 stock market crash;
- hypothetical scenarios anticipating plausible shocks, which are developed in conjunction with economists. The hypothetical scenarios used are economic recovery, with rising equity and commodity markets, flattening yield curves, appreciation of the USD and narrowing credit spreads; and liquidity crunch, with flattening yield curves, widening credit spreads and falling equity markets;
- adverse scenarios, which consist in modifying the assumptions to simulate worst-case situations based on the portfolio structure at the time the scenario is run.

Stress calculations are made on a regular basis or on request for portfolios at all levels, from the most specific to the most general. The main results are presented to the Market Risk Committee.

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The Crédit Agricole S.A. Group pays particular attention to the stress scenarios produced by Calyon for its capital market activities. At 31 December 2008, Calyon's risk levels as measured by these six different global stress scenarios were the following:



In addition to providing standardised reports on a regular basis, the subsidiaries' market risk control units are required to keep the Group Risk Management and Permanent Controls division informed of any event that could significantly affect the status of market risks borne by the subsidiaries.

### 1.3. COMPLEMENTARY INDICATORS (SENSITIVITIES, ETC.)

Other complementary indicators are also produced as part of the risk containment system. These include indicators of sensitivity to various risk factors, loss alerts, stop-loss indicators, nominal amounts, outstandings, remaining terms, and so on. Limits may be set on values of these indicators. These indicators provide finer-grained measurements of exposure to different market risk factors and serve to fill out the summary picture of risks supplied by VaR and stress scenarios.

## 2. Use of credit derivatives

As part of its capital markets activities, Calyon has developed a business in credit products (trading, structuring and selling

products to customers) that entails the use of credit derivatives. The products currently traded are simple credit default swaps (CDSs) in which credit spreads are the main risk factor. The business in complex structured products is being phased out.

All of these positions are measured at fair value, with deductions for model and parameter uncertainties.

These activities are managed through a system of market-risk indicators and limits designed to cover all risk factors. These indicators are:

- VaR (historical, 99%, daily, including spread risk and correlation risk);
- credit sensitivity;
- sensitivity to correlation;
- sensitivity to interest rates.

Independent teams are responsible for valuing positions, calculating risk indicators, setting limits and validating models.

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### ► IV. Exposure (Value at Risk)

The change in VaR on capital markets activities of the Crédit Agricole S.A. Group between 31 December 2007 and 31 December 2008, broken down by major risk factor, is shown in the table below:

#### BREAKDOWN OF VaR (99%, 1-DAY)

(in millions of euros)	31.12.2008	Minimum	Maximum	Average	31.12.2007	Minimum	Maximum	Average
Fixed income	55	17	117	32	24	9	28	15
Credit	56	28	172	67	33	7	220	48
Foreign exchange	7	2	14	5	3	1	6	3
Equities	9	5	33	16	16	10	23	16
Commodities	1	1	2	1	2	1	3	2
Netting	(33)			(44)	(25)			(32)
<b>CRÉDIT AGRICOLE S.A. GROUP VaR</b>	<b>88</b>	<b>32</b>	<b>194</b>	<b>77</b>	<b>53</b>	<b>18</b>	<b>200</b>	<b>52</b>

*For 2008, Calyon's capital market activities are taken to be those within the scope of the regulatory VaR measure. This scope includes the effect of the reclassifications allowed under the amendment to IAS 39 (applied with retroactive effect from 1 October 2008).*

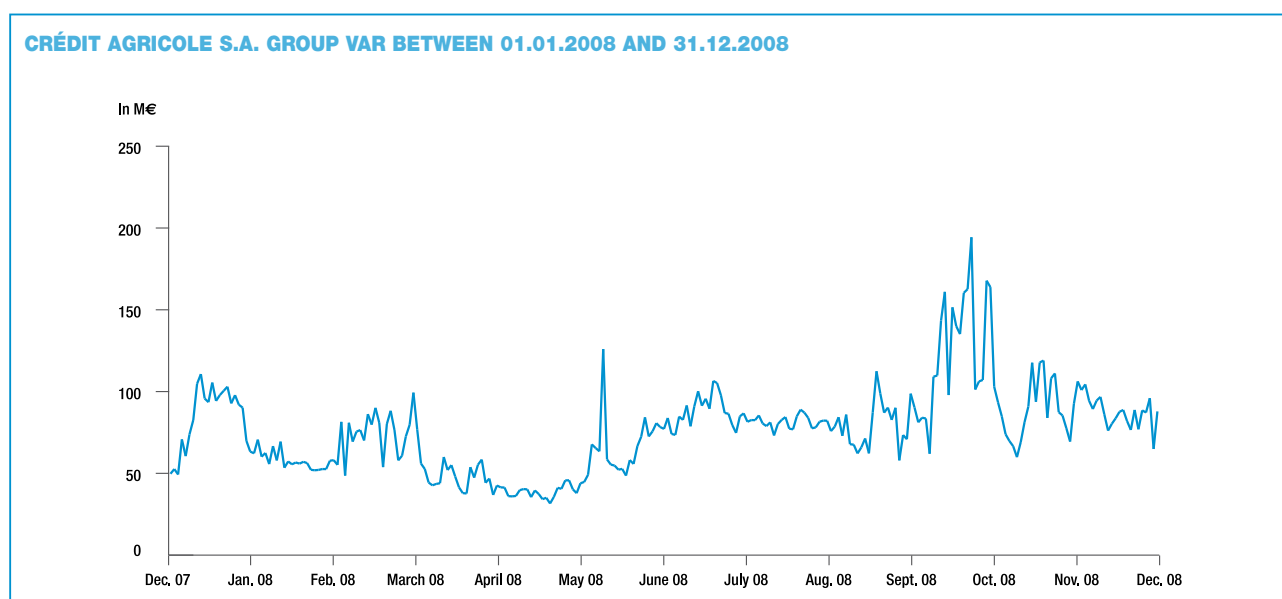
Total VaR for the Crédit Agricole S.A. Group is derived by summing the various individual VaRs. As part of the Group's process of strengthening risk containment, the scope of the activities on which an aggregate VaR indicator is calculated has been expanded. The data at 31 December 2008 consequently include certain financial management activities of Crédit Agricole S.A. on which risks were previously monitored using indicators of sensitivity and nominal amount.

At 31 December 2008, Group VaR was €88 million (€56 million on Calyon alone). The netting offset (-€33 million) is defined as the difference between total VaR and the sum of the VaRs by risk factor:

- credit VaR, which is calculated on credit market activities, was €56 million at 31 December 2008;

- fixed-income VaR, which is calculated on cash and interest-rate derivatives activities, was €55 million at 31 December 2008;
- equity VaR, which is calculated on equity derivatives and fund activities, was €9 million at 31 December 2008;
- foreign-exchange VaR, which is calculated on spot and currency options activities, was €7 million at 31 December 2008;
- commodities VaR was €1 million at 31 December 2008.

The time path of VaR during 2008 is plotted in the following chart:



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This change in VaR reflects extremely high volatility in all markets, particularly during the third quarter. Credit and interest rate risk were the predominant risk factors in VaR. The policy designed to reduce risk profiles reduced VaR and lowered Calyon's regulatory VaR to €56 million at 31 December 2008.

## ► V. Equity risk

Equity risk arises in the trading and arbitrage of equity securities as well as on shares held in the investment portfolio and on treasury shares.

### 1. Equity risk from trading and arbitrage activities

Equity risk from these activities arises from positions taken on shares and stock market indices via the cash or derivatives markets. The main risk factors are prices of shares and shares indices, volatilities of those prices and smile parameters of those volatilities.

Measurement and containment of equity risk is addressed in the description of the processes indicated in section III above.

This risk is monitored by means of VaR. Equity VaRs during 2008 are shown in the table in section IV above. Equity VaR was €9 million at 31 December 2008 compared with €16 million at 31 December 2007.

### 2. Equity risk on investment portfolios

Some Crédit Agricole S.A. Group entities hold portfolios that are invested partly in equities and structured products whose market value depends on prices of underlying equities and equity indices. At 31 December 2008, total outstandings of equity securities in investment portfolios of the Crédit Agricole S.A. Group amounted to €16.9 billion (including the portions of insurance company portfolios attributable to policyholders).

Note 6.4 to the financial statements gives figures on holdings of equities and unrealised gains and losses on equities.

### 3. Treasury shares

In accordance with Articles L. 225-209 *et seq.* of the French Commercial Code and European Commission Regulation 2273/2003 of 22 December 2003, Group shareholders' meeting may authorise the board of directors of Crédit Agricole S.A. to trade in the company's own shares. Crédit Agricole S.A. uses such an authorisation mainly to cover its commitments to employees under stock options or liquidity agreements or to stimulate the market by a liquidity agreement.

Details of the 2008 transactions in own shares under the share buy-back programme are provided in the special report of the Board of Directors to the general meeting, p. 123 of the 2008 Registration document.

At 31 December 2008, holdings of treasury shares amounted to 0.58% of share capital, compared with 0.75% at 31 December 2007 (see Note 8 of the parent company financial statements and Note 6.17 of the consolidated financial statements).

Details of the 2009 share buy-back programme are provided in section 6 of this registration document, "Information on the share capital" (see p. 403 of the 2008 Registration document).

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## » PARTICULAR RISKS ATTRIBUTABLE TO THE FINANCIAL CRISIS

Following recommendations of the Financial Stability Forum, particular risks attributable to the financial crisis are presented below. These risks arise mainly on corporate and investment banking business.

The following exposures are listed by accounting classification. The amendment to IAS 39 adopted by the European Union on 15 October 2008 led to accounting reclassifications as of 1 October 2008 for exposures where the management intention had changed.

### ► I. Real estate ABS

(in millions of euros)	USA		United Kingdom		Spain	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007
<b>RMBS</b>						
Recognised in Loans and receivables <sup>(1)</sup>	278		348		199	
<b>Recognised in Assets at fair value <sup>(2)</sup></b>						
Gross exposure	1,140	1,309	41	941		434
Discount	(925)	(340)	(31)	(22)		(9)
<b>Net exposure in millions of euros</b>	<b>215</b>	<b>969</b>	<b>10</b>	<b>919</b>		<b>425</b>
% subprime underlyings <sup>(3)</sup>	54%	50%				
<b>Breakdown of gross exposure at fair value, by rating</b>						
AAA	5%	45%		89%		98%
AA	6%	50%	12%	4%		1%
A	4%	3%	43%	3%		1%
BBB	8%	2%	12%	4%		
BB	10%		33%			
B	14%					
CCC	16%					
CC	6%					
C	31%					

(in millions of euros)	USA		Spain and United Kingdom		Other	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.12.2008	31.12.2007
<b>CMBS</b>						
Recognised under loans and receivables <sup>(1)</sup>	19		150		145	
<b>Recognised under assets measured at fair value <sup>(2)</sup></b>						
<b>NET EXPOSURE</b>	<b>7</b>	<b>81</b>	<b>7</b>	<b>314</b>	<b>9</b>	<b>296</b>

(1) Exposures to which the amendment to IAS 39 adopted by the European Union on 15 October 2008 was applied from 1 October 2008.

(2) 2008 loss on US asset-backed securities (ABSs): -€118 million net of hedges.

2008 loss on European ABSs: -€282 million net of hedges.

Measured value of the hedges: €557 million at 31 December 2008.

(3) Midprime is included in subprime.

Real estate ABS at fair value are measured based on information provided by outside sources.

Calyon does not have any business in residential loan origination in the United States, Spain and the United Kingdom.

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## ► II. Measurement methodology for super-senior CDO tranches

### 1. Super-senior CDOs measured at fair value

Super-senior CDOs are measured by applying a credit scenario to the underlyings (mainly residential mortgage loans) of the ABSs making up each CDO.

The final loss percentages are determined on the basis of the quality and origination date of each residential loan and the historical behaviour of similar portfolios (prepayments, scheduled payment experience, observed losses).

Loss rates on subprime products:	2005	2006	2007
<b>Closing date</b>			
31.12.2007	10%	20%	20%
31.03.2008	14%	25%	30%
30.06.2008	14%	25%	30%
30.09.2008	17%	31%	37%
31.12.2008	18%	32%	38%

The recognition period for these losses was set at 40 months, with gradual recognition over that period. The valuation obtained in this way was compared with a valuation resulting from the application of ABX indices.

A 15% markdown was applied to super-senior tranches not affected by this scenario.

### 2. Super-senior CDOs measured at amortised cost

Impairment is recognised on these CDOs when credit risk is manifest.

## ► III. Unhedged super-senior CDOs with US residential mortgage underlyings

At 31 December 2008, Calyon's net exposure to unhedged super-senior CDOs was €2.5 billion. As allowed by the amendment to IAS 39, the super senior CDOs that were eligible for reclassification into "Loans and receivables" were transferred to this category at their fair value at 1 October 2008. The remaining tranches measured at fair value consisted of synthetic CDOs.

#### BREAKDOWN OF SUPER-SENIOR CDO TRANCHES MEASURED AT FAIR VALUE

(in millions of euros)	Tranche 1	Tranche 2	Tranche 5	Tranche 6	Tranche 7	Tranche 8 <sup>(1)</sup>	Total
Net value at 31 December 2007	319	538	357	259	233		1,706
<b>Nominal</b>	<b>173</b>	<b>621</b>	<b>415</b>	<b>638</b>	<b>532</b>	<b>488</b>	<b>2,867</b>
Discount	34	93	79	547	398	321	1,472
<b>NET VALUE AT 31 DECEMBER 2008</b>	<b>139</b>	<b>528</b>	<b>336</b>	<b>91</b>	<b>134</b>	<b>167</b>	<b>1,395</b>
<b>Discount rate</b>	<b>20%</b>	<b>15%</b>	<b>19%</b>	<b>86%</b>	<b>75%</b>	<b>66%</b>	<b>51%</b>
Attachment point	51%	51%	51%	40%	30%	40%	
Underlying	High Grade	High Grade	Mezzanine	Mezzanine	Mezzanine	Mezzanine	
% of assets with subprime underlyings produced before 2006	11%	25%	65%	22%	37%	72%	
% of assets with subprime underlyings produced in 2006 and 2007	33%	20%	26%	73%	56%	19%	
% of assets with Alt-A underlyings	30%	16%	1%	-	2%	-	

(1) CDOs hedged by ACA in 2007.

Risk factors

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The impact on 2008 NBI from measuring CDOs at fair value was (€533) million. This includes the net profit or loss on the CDOs measured at fair value until 1 October 2008, as shown in the table below.

The sensitivity to a 10% change in loss scenarios for the loans underlying the CDOs measured at fair value at 31 December 2008 is (€147) million.

**BREAKDOWN BY SUPER-SENIOR CDO TRANCHES RECLASSIFIED IN “LOANS AND RECEIVABLES”**

<i>(in millions of euros)</i>	Tranche 1	Tranche 3	Tranche 4	Tranche 9 <sup>(1)</sup>	TOTAL
Net value at 31 December 2007 measured at fair value	412	48	509		969
Net value at 31 December 2008	388	-	430	348	1,166

*(1) CDOs covered by ACA in 2007.*

**OTHER EXPOSURES AT 31 DECEMBER 2008**

<i>(in millions of euros)</i>	Nominal	Discount	Net
<b>Unhedged CLOs</b>			
CLOs measured at fair value	96	34	62
CLOs included in loans and receivables			1,542 <sup>(1)</sup>
<b>UNHEDED MEZZANINE CDOS <sup>(2)</sup></b>	<b>1,818</b>	<b>1,797</b>	<b>21</b>

*(1) CLOs formerly covered by monoline guarantee in 2007.*

*(2) O/w CDOs covered by monoline in 2007. Nominal amount: €1.2 billion; markdown: €1.2 billion.*

► **IV. Protections**

**1. Protection acquired from monolines to cover exposures on CDOs and other assets, at 31 December 2008**

<i>(in millions of euros)</i>	Gross notional amount of protection acquired	Gross notional amount of hedged items	Fair value of hedged items	Fair value of protection before value adjustments and hedges	Value adjustments recognised on protection
Protection on CDOs (US residential MBSs) with subprime underlyings <sup>(1)</sup>	5,360	5,360	2,711	2,648	2,154
Other protection acquired (other CDOs, CLOs, corporate CDSs, etc.)	12,811	12,811	10,565	2,246	645

*(1) of which Credit Derivative Product Companies (CDPC): notional protection of €953 million, for fair value of €132 million.*

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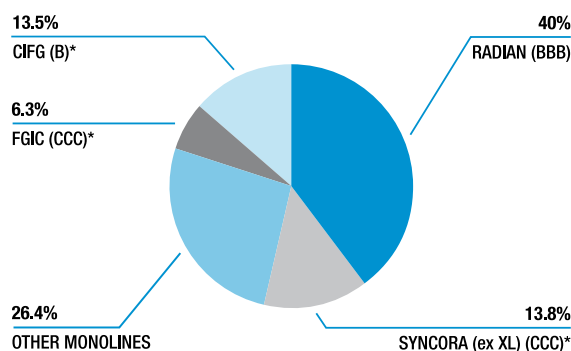
## EXPOSURES TO MONOLINE COUNTERPARTY RISK

(in billions of euros)	31.12.2008	31.12.2007
Notional of monoline protection on US residential CDO hedges	4.4	7.1
Notional of monoline protection on corporate CDO hedges	8.8	14.4
Notional of monoline protection on CLO hedges	3.6	5.1
Notional of monoline protection on other underlying hedges	0.4	0.6
Exposure to monolines on US residential CDO hedges	2.5	3.4
Exposure to monoline protection on corporate CDO hedges	1.5	0.4
Exposure to monolines on CLO hedges	0.6	0.2
Exposure to monolines on hedges of other underlying hedges	0.2	0.1
<b>TOTAL EXPOSURE TO MONOLINES</b>	<b>4.8</b>	<b>4.1</b>
Other hedges bought from bank counterparties	0.0	0.0
<b>Unhedged exposure to monolines</b>	<b>4.8</b>	<b>4.1</b>
Allowances	(2.8)	(2.0)
<b>Net exposure, after allowances</b>	<b>2.0</b>	<b>2.1</b>

In 2008, the €10 billion fall in the notional amount of outstanding positions covered by monolines was due to the elimination of guarantees given by ACA, FGIC and MBIA. Some of the formerly hedged outstanding positions have been included in the

unhedged super senior and mezzanine tranches section. The other outstanding positions are covered by hedges secured from other counterparties.

## BREAKDOWN OF NET EXPOSURE TO MONOLINES AT 31 DECEMBER 2008



\* Lowest rating issued by Moody's or Standard & Poor's as of 31 December 2008.

## 2. Protection acquired from other counterparties to cover exposures on CDOs and other assets, at 31 December 2008

The fair value of protection acquired from other counterparties (multiline insurers, international banks) to cover exposure to the US housing market is €0.7 billion.

## ► V. Leveraged financing (LBOs)

Calyon's outstandings on leveraged financing deals at 31 December 2008 break down as follows:

### ■ Final shares:

These outstandings are recognised in Loans and receivables. Exposure at 31 December 2008 was €6 billion on 176 deals (€5.2 billion on 157 deals at 31 December 2007).

At 31 December 2008, a €445 million collective impairment allowance had been recognised for outstanding positions.

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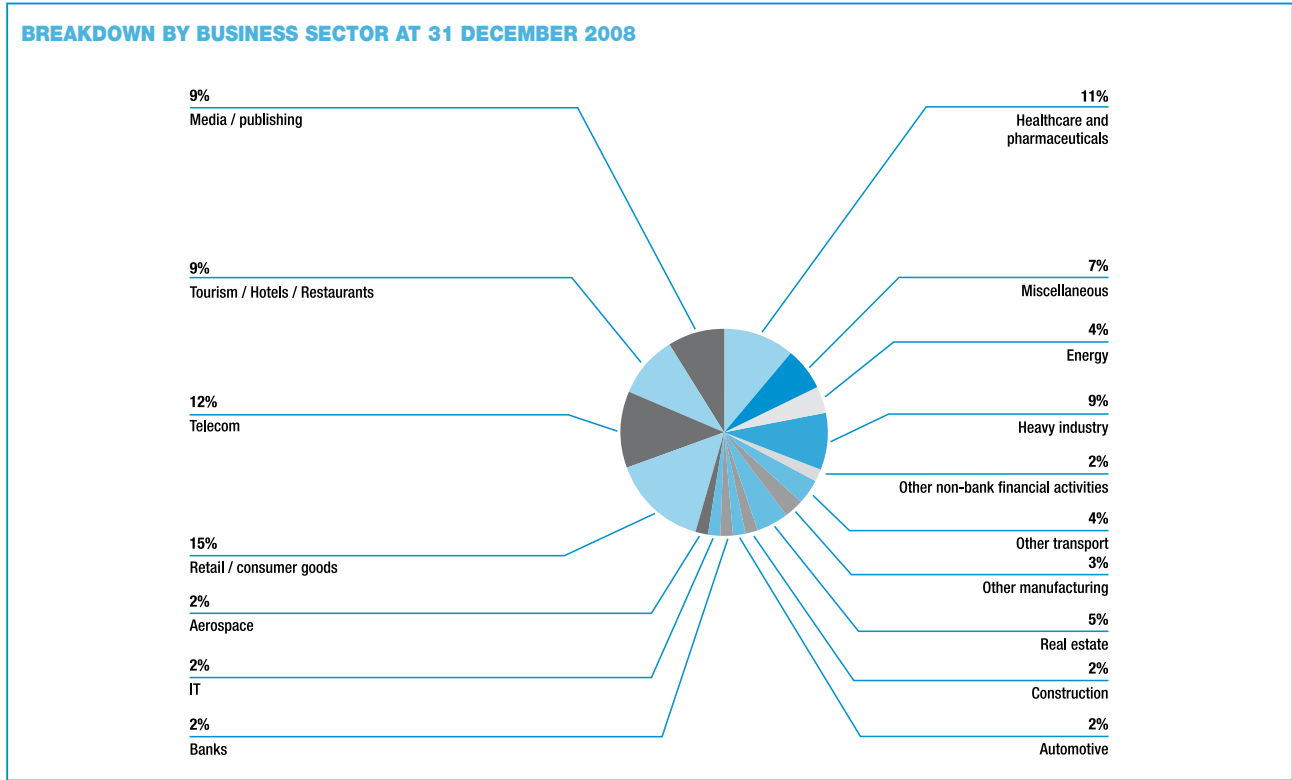
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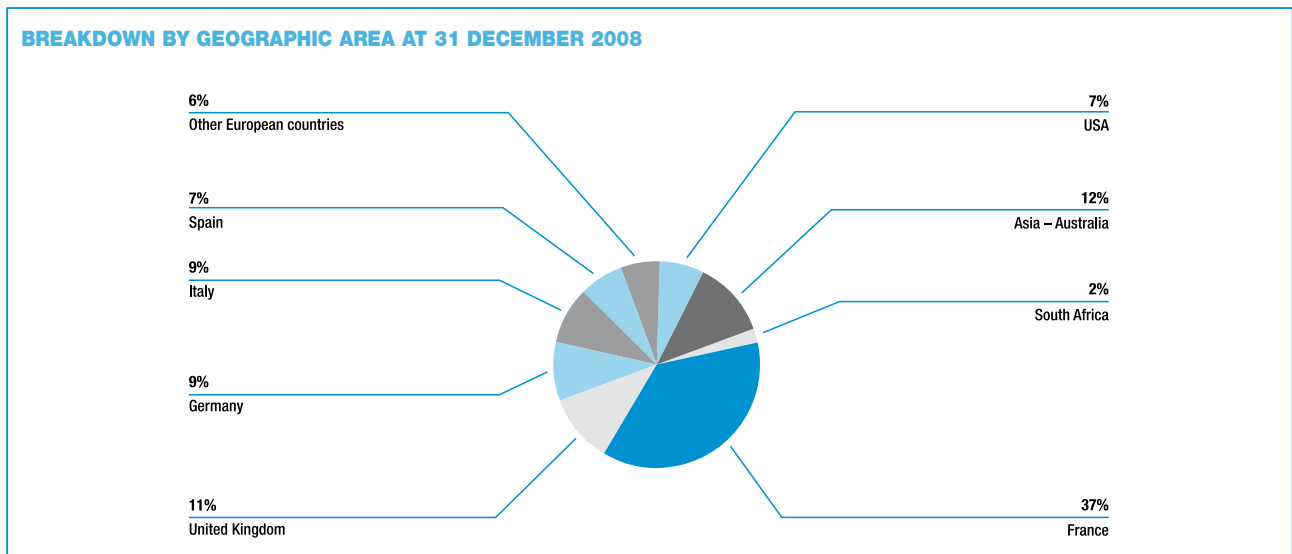
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**Breakdown by business sector:**



**Breakdown by geographic area:**



■ **Shares to be sold:**

These outstandings are recognised under assets at fair value.

Net exposure at 31 December 2008 was €0.5 billion on 5 deals (€1.3 billion on 9 deals at 31 December 2007).

In addition, LCL had leverage financing exposure of €1.9 billion at 31 December 2008.

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## ▶ VI. Securitisation

### 1. ABCP conduits sponsored by Calyon for third parties

#### DETAILS BY ASSET CLASS

Sponsored securitisation conduits at 31 December 2008	Atlantic	LMA	Hexagon	Total
<b>Ratings (S&amp;P/Moody's/Fitch)</b>	<b>A1/P1/F1</b>	<b>A1/P1</b>	<b>A1+</b>	
Country of issue	USA	France + United States	France	
Liquidity lines accorded by Calyon (in millions of euros)	9,616	7,963	658	<b>18,237</b>
Value of assets financed (in millions of euros)	7,900	6,058	786	<b>14,744</b>
<b>Maturity of assets (weighted average)</b>	<b>Atlantic</b>	<b>LMA</b>	<b>Hexagon</b>	
0-6 months	24%	91%	100%	
6-12 months	15%	1%		
More than 12 months	61%	8%		
<b>Breakdown of assets by area of origin</b>	<b>Atlantic</b>	<b>LMA</b>	<b>Hexagon</b>	
United States	100%	2%		
United Kingdom		5%		
Italy		29%		
Germany		15%		
Dubai		8%		
Spain		12%	14%	
France		24%	83%	
Other <sup>(1)</sup>		5%	3%	
<b>Breakdown by nature of assets (as % of assets held)</b>	<b>Atlantic</b>	<b>LMA</b>	<b>Hexagon</b>	
Automobile loans	28%	17%		
Trade receivables	30%	73%	100%	
Commercial real estate loans				
Residential real estate loans	3%			
Consumer credit		8%		
Equipment loans	4%			
CLOs and CBOs <sup>(2)</sup>	4%			
Other	31% <sup>(3)</sup>	2% <sup>(4)</sup>		

(1) Mainly Korea, Belgium and the Netherlands.

(2) Collateralized Loan Securitisation and Collateralized Bond Securitisation.

(3) On Atlantic: commitments on capital call fund investors (19%), commercial loans (4%), securitisation of Swift payments (6%).

(4) On LMA: commitments on capital call fund investors (1.7%).

These conduits are not consolidated. At 31 December 2008, they had issued €15 billion in commercial paper, of which €1 billion is held by Calyon.

Letters of credit issued by Calyon in connection with ABCP financings amounted to €0.9 billion (including €0.8 billion given directly to the conduits).

### 2. ABCP conduits sponsored by Calyon for third parties

Calyon granted €1.2 billion in liquidity facilities to other special purpose vehicles and €0.1 billion in letters of credit.

### 3. Conduits sponsored by a third party

Calyon granted €1.1 billion in liquidity lines.

Calyon does no cash securitisation for its own account and is not a co-sponsor of securitisation for the account of third parties.

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## » ASSET/LIABILITY MANAGEMENT

### ▶ I. Asset/liability management – Structural financial risks

Crédit Agricole S.A.'s Financial Management division defines the principles of financial management and ensures their consistent application within the Crédit Agricole S.A. Group. It has responsibility for organising financial flows, defining and implementing refinancing rules, performing asset/liability management and managing prudential ratios.

Optimising financial flows within the Crédit Agricole S.A. Group is an ongoing objective. Pooling of surplus resources and making it systematically possible to hedge the associated risks helps to achieve this objective.

The principles of the Group's ALM approach ensure that any surpluses and shortfalls in terms of customer resources at the Regional Banks and LCL are centralised in the books of Crédit Agricole S.A. This resource pooling helps in refinancing other Group subsidiaries as needed (including Crédit Agricole Leasing, Sofinco and Finaref).

This system for centralising the management of liquidity at Crédit Agricole S.A. serves to control and optimise cash management, especially since it is accompanied by partial interest-rate matching.

Consequently, the Group has a high level of financial cohesion, with limited diffusion of financial risks, particularly liquidity risk. However, the Group's various entities are responsible for managing the risk that remains at their level, within the limits assigned to them.

Limits are issued by order of the CEO of Crédit Agricole S.A. at meetings of the Group Risk Management Committee and apply throughout the Crédit Agricole S.A. Group:

- subsidiaries that carry asset/liability risks comply with limits set by Crédit Agricole S.A.'s Group Risk Management Committee;
- methods of measuring, analysing and managing assets and liabilities of the Group are defined by Crédit Agricole S.A. Regarding retail banking balance sheets in particular, a consistent system of conventions and run-off planning has been adopted for the Regional Banks and LCL;
- the subsidiaries report measurements of their asset-liability risks to Crédit Agricole S.A. for monitoring and consolidation purposes. Results of these measures are monitored by Crédit Agricole S.A.'s Treasury and ALM Committee;
- Crédit Agricole S.A.'s Financial Management division and Risk Management and Permanent Controls division take part in meetings of the ALM committees of the principal subsidiaries.

### ▶ II. Global interest-rate risk

#### 1. Objectives and policy

Global interest-rate risk management aims to protect the net worth of Group entities and optimise their interest margins.

Capital value and interest margins vary according to the sensitivity of net present values and cash flows on financial instruments, held on or off the balance sheet, to changes in interest rates. This sensitivity arises when the interest-rate reset dates on assets and liabilities do not coincide.

Much of the Group's exposure relates to retail banking. Significant maturity transformation is characteristic of retail banks' balance sheets. As liabilities and equity, they have numerous items of no definite maturity (sight deposits, savings deposits, own equity), whereas their assets consist mainly of term products such as loans.

Exposures stemming from retail banking include:

- in France, the Regional Banks (for which the Group's financial centralisation rules provide structural backing from Crédit Agricole S.A. to cover a substantial portion of the risk) and LCL (for which the financial management arrangement transfers some risks to be managed by Crédit Agricole S.A.);
- internationally, Emporiki and Cariparma in particular.

The activities of other subsidiaries such as Calyon, Sofinco, Finaref, Crédit Agricole Leasing, Lukas and EFL also bear global interest-rate risk.

When new acquisitions are made, Crédit Agricole S.A. organises the incoming entity's adoption of the global interest-rate risk management standards and methods in force and prepares a calibration report on the limits for the entity. This report is then presented to the Group Risk Management Committee for a decision.

#### 2. Risk management

Each entity, in accordance with the Group's limits and standards, manages its exposures under the supervision of its ALM Committee.

The Group's exposure to global interest-rate risk is presented regularly to Crédit Agricole S.A.'s Treasury and ALM Committee.

This committee is chaired by the CEO of Crédit Agricole S.A. and includes several members of the Executive Committee along with representatives of the Risk Management and Permanent Controls division. This Committee:

- examines the individual positions of Crédit Agricole S.A. and its subsidiaries along with consolidated positions at each quarterly closing;

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- examines compliance with limits applicable to the Crédit Agricole S.A. Group and to entities authorised to bear global interest-rate risk under limits set by the Group Risk Management Committee;
- validates the guidelines for global interest-rate risk of Crédit Agricole S.A. managed by the Financial Management division.

This division and the Risk Management and Permanent Controls division are represented on the subsidiaries' ALM committees. They ensure harmonisation of methods and practices across the Group and monitor compliance with the limits assigned to each of the subsidiaries' entities.

Each Regional Bank's situation as regards global interest-rate risk is reviewed quarterly by the Regional Banks' Risk Management Committee.

### 3. Methodology

The Crédit Agricole S.A. Group uses the (fixed-rate) gap method to measure its global interest-rate risk.

This entails calculating the maturity schedules of assets, liabilities, off-balance-sheet items and hedging derivatives that have fixed rates or are sensitive to inflation (particularly those on retail banking balance sheets). These maturity schedules are then aggregated for each period (at monthly and annual steps) on the basis of average outstandings over the relevant period. The maturity schedules take into account risk until the interest rate is reset (the fixed-rate period), for adjustable-rate instruments, or until the contract term, for fixed-rate instruments with a redemption date, while modelling customer behaviour as necessary (early withdrawals or redemptions, etc.).

Calculating the gaps requires modelling the run-off as a function of interest rates on certain balance sheet items in order to be ensure that risks are managed using a prudent risk-return tradeoff. This is the case in particular for items of no definite maturity, such as equity, sight deposits, savings deposits and the like. These models have been validated by the Crédit Agricole S.A. Standards and methodology committee.

Run-off conventions are determined using a methodology that looks at past behaviour of the balance sheet item in question. The models are regularly back-tested.

The reference gap is the gap observed at the balance sheet date. This is the "static" gap. Forecasts of loan production can then be employed to generate a projected gap.

The gaps are consolidated quarterly at Group level. If gap management requires it, some entities measure their gaps more frequently.

The rules that apply in France to the Livret A interest rate, which is a benchmark for part of the deposits collected by the Group's retail banking business (regulated products and others), index a portion of the interest to inflation over a rolling 12-month period. As a result, the Group hedges the risk associated with these balance sheet items using instruments (carried on or off the balance sheet) for which the underlying is an inflation rate.

Option risks are included in the gaps using a delta-equivalent measure of the residual position. A significant portion of these risks is hedged using other option-based products, however.

The Group is primarily exposed to changes in interest rates in the euro zone (real rates, reflecting inflation, and nominal rates). The Group also manages interest-rate positions related to other currency zones, mainly the US dollar and the Polish zloty.

The limits set at Group level and at the level of the entities put bounds on the size of gaps and thus on the resulting global interest-rate risk. The rules for setting limits are intended not only to enable the Group to comply with the second pillar of the Basel II regulations regarding global interest-rate risk but also to limit the impact of changes in interest rates on net income. These limits must be approved by each entity's decision-making body.

Each entity (including Crédit Agricole S.A.) hedges the interest-rate risks borne by it under this method of financial organisation at its own level, by means of forward instruments (forwards, swaps, options, etc.) held either on or off the balance sheet. For example, the implementation of fair value hedging relationships reflects monitoring of fixed-rate gaps.

### 4. Exposure

The Group's interest-rate gaps are broken down by type of risk (nominal rate/real rate) in the various currencies. They measure the surplus or deficit on sources of fixed-rate funds. By convention, a positive (negative) figure represents a downside (upside) risk on interest rates in the year considered. The figure indicates the economic sensitivity to a change in interest rates.

The results of these measures for the Crédit Agricole S.A. Group in the aggregate at 31 December 2008 are as follows (the measurements prospectively factor in transactions that were known as of 31 December 2008 but will be settled only in 2009).

Gaps (in billions of euros)	0-1 year	1-5 years	5-10 years
EUR gaps	(7.1)	3.6	2.1

In terms of NBI sensitivity during the first year (2009), the Crédit Agricole S.A. Group is exposed to an increase in the euro zone interest rate (Eonia) and would lose €71 million in the event of a sustained rise of 100 basis points, giving an NBI sensitivity of 0.44% (reference NBI: €15.96 billion).

Based on these sensitivity figures, the net present value of losses incurred in the next ten years in the event of a 200-basis-point downward shift in the euro zone yield curve is less than 2% of the Crédit Agricole S.A. Group's prudential capital (Tier 1 + Tier 2) after deduction of equity investments.

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Gaps <i>(in billions of euros)</i>	0-1 year	1-5 years	5-10 years
Other currency gaps*	1.3	0.7	0.4

\* Sum of the euro-equivalent absolute values of all gaps in all currencies.

The sensitivity of aggregate 2009 NBI to a change (primarily, to a rise) in interest rates across all other currencies amounts to 0.081% of the 2008 NBI of the Crédit Agricole S.A. Group. The main foreign currencies to which the Crédit Agricole S.A. Group has exposure are the US dollar, the Polish zloty, the Swiss franc and the Moroccan dirham.

The breakdown of senior and subordinated debt by currency of issue and type of interest rate (fixed or variable) is presented in Note 3.2 to the consolidated financial statements.

► III. Currency risk

Currency risk is treated differently depending on whether the currency position is structural or operational.

1. Structural currency risk

The Group's structural currency risk arises from long-term investments by the Group in assets denominated in foreign currencies (equity of the foreign operating entities, whether resulting from acquisitions, transfers of funds from the head office, or capitalisation of local earnings), with the Group's reference currency being the euro.

At 31 December 2008, the Group's main structural foreign currency positions, on a gross basis before hedging, are in US dollar (and currencies pegged to it, such as the South African rand and the Hong Kong dollar), pound sterling, Swiss franc, Polish zloty and Swedish krona.

Currency risks are borne mainly by Crédit Agricole S.A. and its subsidiaries. The Regional Banks retain only a residual risk. Positions are determined on the basis of accounting statements.

In most cases, the Group's policy is to borrow in the currency in which the investment is made in order to immunise that asset against currency risk.

The Group's policy for managing structural foreign exchange positions has two overall objectives:

- first, to immunise the Group's capital ratio against currency fluctuations. Unhedged structural foreign exchange positions are sized to match the portion of foreign-currency risk-weighted assets that is not covered by other types of capital in the same currency;
- second, to hedge the risk of asset depreciation due to changes in exchange rates.

Five times a year, the Group's foreign exchange positions are presented to the Treasury and ALM Committee, which is chaired by the chief executive officer. General decisions on how to manage positions are taken during these meetings

2. Operational currency risk

Operational currency risk arises mainly from revenues and expenses of all kinds that are denominated in currencies other than the euro, including specific and collective foreign-currency provisions, net income generated by foreign subsidiaries and branches, dividends, and the like.

Crédit Agricole S.A. manages the positions affected by income and expenses that are centralised in its books, as does each entity within the Group that bears significant risk. The foreign subsidiaries' treasury departments manage their operational currency risk in their local currency.

The Group's general policy is to limit its operational currency positions and not hedge revenues that have not yet materialised, unless there is a strong probability that losses will materialise and unless the impairment risk is high.

In accordance with the currency risk monitoring and management procedures, operational currency exposure positions are updated monthly, or daily for foreign exchange trading operations.

The balance sheet contributions of the various currencies and financial liabilities in currency of issue are indicated in Note 3.2 to the consolidated financial statements.

► IV. Liquidity and financing risk

Like all credit institutions, the Group is exposed to a risk of not having sufficient funds to honour its commitments. This risk may materialise, for example, in the event of massive withdrawals of customer deposits, a crisis of confidence or a general shortage of liquidity in the market (limited access to interbank and money markets).

1. Objectives and policy

The Group's primary objective in managing its liquidity is to have available the resources needed to operate its business – and to have them at a reasonable cost even in times of crisis.

Liquidity management relies on comparative analysis of sources and uses of funds by schedule, either contractual or modelled using a simultaneously static and dynamic approach, and on a policy of limiting and plugging any shortfalls identified by this analysis. Meeting the liquidity ratio requirement of CRBF Regulation 88-01 of 22 February 1988, which applies to the Group's credit institutions, is likewise an objective.

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## 2. Risk management

Crédit Agricole S.A. is in charge of overall coordination of liquidity management within the Crédit Agricole Group and plays the role of lender of last resort for Group entities.

The Financial Management division of Crédit Agricole S.A. provides overall direction of liquidity by coordinating the treasury departments of the Group for the short term and directing the various issuance formats for the long term.

As regards short-term liquidity, the Financial Management division of Crédit Agricole S.A., working through its treasury department and Calyon's:

- sets the spreads on short-term funds raised under the various programmes for this purpose (mainly negotiable CDs);
- centralises assets eligible for refinancing by the central banks of Group entities' operating territories and specifies the utilisation rate of these assets for tenders;
- monitors current and projected cash positions.

As regards long-term liquidity, the division has the following responsibilities:

- surveying entities' requirements for long-term funds and tradeoffs that might be made;
- planning refinancing programmes to meet these requirements;
- executing and monitoring of these programmes over the course of the year;
- reallocating the funds raised to Group entities;
- setting prices for liquidity provided by means of intragroup cash flows.

The body in charge of these tasks operationally is the Group's Treasury and Liquidity Committee, which reviews all matters relating to liquidity issues ranging from intraday to medium/long-term. This committee is also the point at which the Crédit Agricole S.A. and Calyon treasury departments (the most active in the Group) come together to coordinate calls on the various market compartments, depending on location and type of security issued. It prepares proposed policy directions to the Treasury and ALM Committee for managing the Group's liquidity risks.

The Treasury and ALM Committee, chaired by Crédit Agricole S.A.'s CEO, makes decisions on principles and standards for managing the Group's liquidity. It validates the refinancing programme proposed to the Board of Directors and reviews the measurements of the Group's liquidity position presented by the Financial Management division.

The measures instituted in 2007 to keep a close watch on liquidity were kept in place and extended throughout 2008. These included:

- a weekly contact point for the main liquidity managers and the Executive Management of Crédit Agricole S.A.;

- weekly reporting of the Group's liquidity position to the Executive Management. The weekly report includes a measure of the dynamic liquidity gap and a comparison with liquidity reserves (see methodology described below).

In the context of the 2008 crisis, the Crédit Agricole S.A. Group developed a €35 billion programme of covered bonds (issued by Crédit Agricole Covered Bonds - CACB) backed by mortgage loans and similar assets originated by the retail banking division in France. This programme was presented to the market in September 2008. The first issue was made in January 2009, since the exceptional climate in fourth quarter 2008 had prompted the Group to postpone the inaugural issue. The new issuing entity, CACB, expands the Group's possibilities for issuing secured debt, which had previously been confined to CRH (*Caisse de Refinancement de l'Habitat*).

Also with diversification as the goal, in 2008 Crédit Agricole S.A. established a USMTN programme and expanded its EMTN programme in Australia. These initiatives are an illustration of Crédit Agricole S.A.'s ever-present concern to diversify its sources of refinancing.

In addition, Crédit Agricole S.A., like the seven other founding member establishments, has been able to obtain funds from SFEF (*Société de Financement de l'Économie Française*) since November 2008.

## 3. Methodology

Beginning at the start of 2008 and in keeping with the changed environment, the Group revised and strengthened its system for managing liquidity based on a three-pronged approach of standards, limits and measurements.

In accordance with regulators' recommendations, the underlying principle of the new system is to ensure adequate reserves of liquidity on the one hand and to avoid cash deficits in amounts that would strain refinancing on the other. These efforts are in line with the advanced approach to liquidity risk set forth in the proposed modifications of regulations relating to liquidity risk. Thus:

- the standard has been approved by the risk management committees;
- as of year-end 2008, each Regional Bank and each subsidiary of Crédit Agricole S.A. has a revised set of risk limits;
- a software tool for reporting data on liquidity to Crédit Agricole S.A. has been deployed in the Regional Banks and is being adapted for deployment in Crédit Agricole S.A. subsidiaries.

## 4. Impacts of the financial crisis on liquidity risk management

The year 2008 brought a financial system crisis of exceptional severity, marked by periods of virtually complete shutdown of the interbank lending/borrowing market (notably during the month of October).

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In this setting, the measures instituted in 2007 to keep a close watch on liquidity were kept in place and extended throughout 2008 (cf. section 2 above).

Thanks to its solid capital structure and careful liquidity management, Crédit Agricole S.A. Group was able to maintain a strong liquidity position and keep up its commercial loan production throughout the period:

- in the short-term compartment, the Group's liquidity reserves remained high. These reserves consist in large part of receivables eligible for refinancing by central banks. The measures taken by the European Central Bank (ECB) to relax the eligibility criteria were not used by Crédit Agricole S.A., and even at the height of the crisis, the Group's utilisation of these assets remained moderate;
- in the long-term compartment, the amount of resources raised by the Group, not counting the exceptional refinancing provided by the capital increase (€5 billion) and SFEF borrowings (€3.5 billion), was comparable to the amount raised in 2007.

On the liquidity front, the Group's policy is to assemble the means to do without help from the exceptional measures instituted by central banks and the government and, when those measures end, to be in a position to refinance on its own.

## 5. Exposure

The liquidity ratio is the ratio of cash and other short-term assets to short-term liabilities. It is calculated on a monthly basis, the minimum figure being 100%. It includes prudential capital and is not a consolidated ratio, since Crédit Agricole S.A. centralises refinancing and therefore covers the refinancing requirements of Group entities.

At 31 December 2008, the liquidity ratio of the Crédit Agricole S.A. parent company was 135%, compared with 134% at 31 December 2007.

A detailed analysis of loans and receivables to credit institutions and customers, amounts payable to credit institutions and customers, and liabilities in the form of debt evidenced by certificates and subordinated borrowings by residual maturity is presented in Note 3.3 to the consolidated financial statements.

## ► V. Hedging policy

Within the Crédit Agricole S.A. Group, derivatives are used for three main purposes:

- to meet demand from Group customers;
- to manage the Group's financial risks;
- to take positions for the Group's own account as part of specific trading activities.

Derivatives not held for hedging purposes (within the meaning of IAS 39) are recognised in the trading book. Accordingly, these derivatives are monitored for market risk as well as counterparty risk, where applicable. Certain derivatives may be held for the economic purpose of hedging of financial risks, but without meeting the IAS 39 criteria (prohibition on hedging equity, etc.). For this reason, they are likewise recognised in the trading book.

In all cases, the intent of the hedge is documented at the outset and verified quarterly by appropriate tests (forward-looking and backward-looking).

Each Group entity manages its financial risks within limits set by the Group Risk Management Committee chaired by the CEO of Crédit Agricole S.A.

The tables in Note 3.4 to the consolidated financial statements give the market values and notional amounts of derivative hedging instruments.

## 1. Fair value hedges and cash flow hedges

Global interest-rate risk management aims to reconcile two approaches:

- protection of the Group's net worth, which requires matching balance-sheet and off-balance-sheet items that are sensitive to interest-rate variations (i.e. fixed-rate items, for the sake of simplicity) against instruments that are also fixed-rate, so as to neutralise the variations in fair value that occur when interest rates change. If the matching is done by means of derivatives (mainly fixed-rate swaps, inflation swaps and market caps), the derivatives are classified as **fair-value hedges** if the instruments (micro FVH) or groups of instruments (macro FVH) identified as the hedged items (fixed-rate assets and inflation: customer loans and receivables; fixed-rate liabilities and inflation: sight deposits and savings deposits) are eligible under IAS 39. As mentioned above, these derivatives are recognised in the trading book by default, even though they represent economic hedging of risk.

To check the suitability of hedging, hedging instruments and hedged items are grouped by maturity using contract characteristics or, for certain balance sheet items (particularly deposits), using assumptions based on the financial characteristics of the products and historical behaviour. The comparison between the two maturity schedules (hedges and hedged items) means that hedging can be documented in a forward-looking manner for each maturity;

- protection of the interest margin, which requires neutralising variations in future cash flows associated with instruments or related balance-sheet items that are affected by interest-rate resets on the instruments, either because they are indexed to interest-rate indices that fluctuate or because they will be refinanced at market rates by some point in the future. If this neutralisation is effected using derivatives (mainly interest-rate

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swaps), the derivatives are classified as **cash flow hedge** (CFH) instruments. This neutralisation can also be carried out for balance-sheet items or instruments that are identified individually (micro CFH) or portfolios of items or instruments (macro CFH).

The table below shows the amount of cash flows covered by cash flow hedges, broken down by projected maturity date, for the main relevant subsidiaries, based on forward rates at 31 December 2008.

<i>(in millions of euros)</i>	At 31 December 2008			
	Less than 1 year	1-5 years	More than 5 years	Total
<b>Hedged cash flows</b>	159	1,089	1,441	<b>2,689</b>

## 2. Net investment hedges (currency hedges)

A third category of hedging is protection of the Group's net worth against fluctuations in exchange rates and resulting changes in the value of assets or liabilities held in currencies other than the

Group's reference currency, which is the euro. The instruments used to manage this risk are classified in the **net investment hedge** category.

## » INSURANCE SECTOR RISKS

The Crédit Agricole S.A. Group operates in the insurance sector through French and foreign subsidiaries that market savings and personal risk insurance policies.

Most of the Group's insurance liabilities (92% of the total at 31 December 2008) concern the savings activities of the life insurance company Predica.

Predica manages and monitors four types of risk:

- market risks, principally of an asset-liability nature. These can derive from interest rate risks, equity risks, surrender risks, etc. They must be evaluated on the basis of the guarantees given to policyholders (minimum guaranteed return, minimum pay-out guarantee, etc.);
- counterparty risks on assets in the portfolio (issuer quality) and on reinsurers;
- insurance underwriting risks, particularly related to pricing and medical selection in personal risk insurance;
- operational risks, particularly relating to the execution of processes.

### ► I. Risk supervision and management

Risk assessment is based on an internal model that measures the company's risks in accordance with the CFO Forum standards, by simulating the asset/liability balance using economic methods. The model includes the framework devised as part of the European Solvency II project.

The internal model is focused on the savings and pensions business. It reflects the impact of the insurer's strategy (in terms of asset allocation, policy revaluation, margin deductions, etc.) and policyholder behaviour (mortality tables, simulation of structural and cyclical surrenders, etc.) under various market conditions. Naturally, it takes regulatory constraints into account (minimum policyholder profit-sharing, additions to regulatory reserves, limitations on assets, etc.).

A risk strategy has been formulated and validated by Crédit Agricole S.A.'s risk management bodies. This strategy sets risk targets and limits for the various businesses, including counterparty limits, matching limits, allocation limits, underwriting rules and coverage rules. It has been implemented using risk measurements established with the internal model.

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These risks are reviewed quarterly by Predica's Executive Management and by the Group as part of its consolidated supervision system.

Predica's ALM Strategy Committee meets quarterly to examine risk reports and formulate proposals for managing these risks. These proposals are then put to the Board of Directors.

All of the company's important commercial decisions (product policy, policyholder returns etc.), financial decisions (asset allocation, coverage programme etc.) and insurance decisions (reinsurance programme) are now simulated using the internal model. These simulations contribute to the discussions that are part of the governance process.

Accordingly, the company started reducing its exposure to equities in June 2007 and continued to do so in 2008, as it has done in the property market since 2005.

During 2008, risk strategy deployment was finalised:

- risks of an asset-liability nature are now managed according to stress tests that are part of Predica's internal model to minimise the company's vulnerability;
- the process and risk mapping projects launched in 2007 were completed, with the deployment of risk management and the associated permanent control programmes;
- risks are supervised and consolidated in the context of authorisation limits granted to the group's asset managers. A risk management and monitoring system appropriate to Predica's risk strategy was deployed, strengthening this process.

These stress tests are carried out half-yearly on the principal risk factors: drop in equity markets, increase in volatility, increase in surrender rates, etc. They include analysis of the impact on profitability and on solvency, according to a methodology compatible with Solvency II regulatory project.

▶ II. Market risk

Predica constantly seeks to control financial risks by managing the overall volatility of its investment portfolio value through diversification across all asset classes (bonds, equities, alternative investments, real estate), in order to benefit from their partially decorrelated performance.

- **Interest-rate risk** corresponds to the risk of a change in the value of the bond portfolio as a result of a change in interest rates. Variable-rate investments expose the company to fluctuations in future cash flows, while fixed-rate investments expose it to the risk that instruments in the portfolio will see a fall in fair value.

Predica has adopted hedging and risk management rules covering:

- the risk of a fall in interest rates, particularly given the presence of liabilities that benefit from guaranteed minimum rates. This risk

is managed by setting a minimum 65% weighting for bonds, of which at least 50% must be fixed-rate, and by using hedging instruments (swaps, swaptions, floors);

- the risk of a rise in interest rates, to protect the company in the event of a rise in surrender rates in response to a sharp, sustained increase in long-term yields, making the company's savings policies less competitive in comparison with other savings products. This risk is managed by using instruments (caps) that hedge against the risk of an increase in interest rates, corresponding to 20-35% of bond portfolio outstandings, and by ensuring that around 30% of assets react to rising interest rates.

- **Equity market risk** corresponds to the risk that equity investments will fall in value as a result of a decline in stockmarket indexes.

To manage the volatility of the equity portfolio and optimise its risk/return profile, Predica diversifies its equity holdings broadly, according to geographical, sectoral and investment style criteria.

Starting with end-2006 valuations, stress tests were carried out on the various types of risk (liquidity, yield and solvency and the limits of the risk strategy). These led to a reduction in equity market allocations beginning in the first half of 2007 and accelerating in early January 2008.

As such, in terms of managing risk exposure, the measures implemented in 2007 enabled the Group to withstand the financial crisis of 2008:

- liquidity risk was correctly managed through the available assets limitation (money-market, variable-rate and fixed-rate of two years or more) to around 20% of available assets at end-2008 and by keeping cash balances inside a "tunnel" of ±5% of outstandings.

On this basis, in a stress scenario wherein surrenders were to triple between October 2008 and December 2009, available cash at end-2009 would still be positive. During the last quarter of 2008, surrenders doubled in October then returned to normal in November and December,

- credit risk was contained, as dispersion criteria by issuer and by rating were applied. Exposure to subprimes was very low and exposure to US brokers remained limited, as they had been put on watch in June 2007 with the intention of reducing exposure.

Consequently, provisions for impairment on counterparty risk related to subprimes was €19 million at end-2008 (90% provisioned) and €48 million on Lehman Brothers and IKB,

- asset valuation risk was limited by continued changes in the equities portfolio (4% reduction in carrying amount with a net capital gain on sales of 9%), but all assets used to diversify the portfolio were simultaneously impacted starting in September 2008.

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## ▶ III. Credit or counterparty risk

The second type of financial risk managed by Predica is counterparty risk, i.e. the risk of default by one or more issuers of bonds held in the investment portfolio.

Since 2002, Predica has used an enhanced prudential method for managing counterparty risk, with multiple limits on global portfolio risk and individual risks.

The first method of managing counterparty risk is by setting global limits based on issuer ratings. In the absence of any agency ratings, the rating used is an internal rating awarded by Crédit Agricole - Asset Management's Risk Management Division based on analysis from Crédit Agricole S.A.

Rating	Authorised limits
AAA (and euro zone sovereign issuers)	No limit
BBB + A + AA (excluding euro zone sovereign issuers)	50% maximum
BBB + A	20% maximum
BBB and unlisted	5% maximum

Predica's rules forbid direct ownership of securities rated lower than BBB, except in the exceptional event that a downgrade takes place after purchase and provided the issuer still has the ability to make payments. At end-December 2008, the weighting of this asset class was 0.39%.

In addition, Predica limits the counterparty risk authorised for each issuer, and sets a utilisation rate based on the rating of the counterparty and on the company's gross non-consolidated shareholders' equity at 31 December of the previous year (excluding unrealised capital gains and earnings for the current year).

In order to achieve diversification among the BBB-rated issuers whose bonds are held in the portfolio, the Board of Directors has decided to limit the weighting of the top 10 BBB outstandings (at purchase price) to 75% of Predica's non-consolidated prudential equity capital.

At end-2008, the average rating of the bond portfolio (outstandings of €115 billion) was AA-, with 84% of assets consisting of AAA-rated, AA-rated or eurozone sovereign issues. Provisions for lasting impairment due to counterparty default totalled €118 million.

As regards reinsurance, the policy for monitoring counterparties is based on the following principles:

- diversification of counterparties, with several reinsurers each potentially taking a portion of a single risk;
- reinsurer solvency, through financial ratings and pledging of reinsured reserves;

- continuity of relationships, based on expertise and underwriting partnerships.

## ▶ IV. Liquidity risk

Liquidity risk is the risk that the company may not be able to cover liabilities when they fall due. It may arise from:

- illiquid investments. For this reason, Predica has defined a prudential framework for selecting investments that focuses on their liquidity.

At end-2008, more than 87% of the portfolio consisted of liquid assets listed on liquid, organised markets. Listed real-estate investment companies account for 13.4% of the portfolio;

- a maturity mismatch between investments and insurance policy liabilities. To address this, Predica has defined a prudential framework for managing liquidity as part of its ALM policy.

Predica carries out a payability test to give an initial indication of its liquidity in the event of large-scale policy surrenders (three times the actual level). This report showed that Predica can withstand large-scale surrenders in extreme cases, by carrying out limited sales of its assets.

Specifically, if surrenders were to triple between October 2008 and December 2009, available cash at end-2009 would still be substantially in positive territory. In the event, surrenders in October were much less than this, and in the last two months of the year, the surrender rate returned to the average of the first nine months of the year.

In addition, Predica has defined a responsiveness ratio, aimed at reflecting its ability to find short-term liquidity without risk of loss in value. This ratio is calculated as assets with a term of less than 2 years over the whole portfolio. Assets with a term of less than 2 years include cash, money-market mutual funds, variable-rate or inflation-linked bonds and fixed-rate bonds with less than 2 years to maturity. At end-2008, this ratio stood at 20%.

The redemption profile of subordinated debt is shown in the table below. For perpetual subordinated notes, the maturity is taken to be the date on which the early redemption option expires:

Subordinated debt maturities	Outstanding (in millions of euros)
Less than 1 year	130
1-3 years	201
3-5 years	316
More than 5 years	1,180

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► V. Insurance risk

In life insurance, insurance risk relates to the pricing, when a contract is written, of risks relating to life expectancy or life's uncertainties.

The insurance risk derives from the assumptions underlying the rates applied to insurance cover and to the financial options open to policyholders. These including primarily surrender, prolongation and switching from one contract to another.

Insurance risk breaks down into:

- four elementary biometric risks:
  - mortality risk (coverage in the event of death),
  - longevity risk (coverage in the event the policyholder is living when the policy matures: life annuities, whole life policies etc.),
  - morbidity risk (disability and long-term care benefits),
  - incapacity risk (benefit in the event the policyholder is unable to work);
- behavioural risk is the risk of early surrender (or prolongation, switching, cancellation etc.) of insurance policies compared with the expected level;
- the risk of loading being insufficient to cover operating expenses and commissions paid to distributors.

Insurance risk is measured on the basis of observed differences between the pricing factors used at the time of underwriting and actual annual results on the policy portfolio:

- for biometric risks, the statistical tables used are based either on national or international statistics or on statistics from insurance portfolios (experience tables);
- for surrender risk, projected distribution is based on experience for structural surrenders, and mainly on rules defined by experts for cyclical surrenders (for which there are no statistical observations);
- for loading risk, differences are observed between fees actually charged and fees reported by the insurer.

To limit behavioural risk, the strategy for policyholder profit-sharing takes account of market conditions, using a forward-looking approach. This distribution strategy is based on sensitivity tests as a function of market conditions or loss experience.

As the Crédit Agricole Group's life insurance unit, Predica makes little use of reinsurance, for the following reasons:

- it focuses mainly on individual insurance and savings products;

- personal risk insurance policies mainly consist of a very large number of small risks;
- Predica's financial strength and cautious management mean that the solvency margin required to carry out its activities is comfortably covered.

Given the overall portfolio profile (in terms of aggregate risk and average capital), only catastrophe risk is liable to have a genuine impact on the results of the individual or group personal risk insurance business. Predica's portfolio is covered by BCAC (*Bureau Commun des Assurances Collectives*) in both group death insurance (loan coverage) and individual personal risk insurance (open group), along with partial, complementary coverage of invalidity risk.

As for unit-linked contracts, variations in the value of investments in unit-linked policies are borne by policyholders, depending on whether the policy includes a minimum pay-out guarantee or not. Provisions against minimum pay-out guarantees in the event of death are determined according to an economic method.

► VI. Consolidation of risk

Risks are consolidated using a quarterly risk scorecard, presented at Audit Committee meetings and Predica Risk Management Committee meetings. The scorecard is developed on the basis of business line key performance indicators (asset/liability management, investments, accounting and management control), which make it possible to check that limits are correctly enforced and that the objectives of the risk strategy are achieved.

To increase its visibility, this internal control system has been reviewed quarterly in all Predica departments since the start of 2008, so as to evaluate it regularly in terms of:

- updating of the framework;
- analysis of monitoring results and follow-up on corrective action;
- controlling risks.

The results of each quarterly review are presented at meetings of the Risk Management and Permanent Controls Committee.

An insurance holding company Crédit Agricole Assurances was created at the end of 2008. This will make it possible to consolidate risks over all Crédit Agricole S.A. entities in 2009 and in so doing, to manage dispersion risks.

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## » OPERATIONAL RISKS

Operational risk is the risk of loss resulting from shortcomings or failure in internal procedures, human error, information systems or external events. It includes legal risk but not strategic or reputational risk.

### ► I. Objectives and policy

The operational risk system, adjusted to each Group entity, comprises the following components common to the entire Group:

- *governance of the operational risk management function*: supervision of the system by the Executive Management (via the Operational Risk Committee or the operational risk unit of the Internal Control Committee), role of Risk Management and Permanent Controls officers (Crédit Agricole S.A. and entities) in system oversight and co-ordination, responsibilities of entities in controlling their risks through the network of Operational Risk Managers;
- *identification and qualitative assessment of risks* through risk mapping, and the use of indicators to monitor the most sensitive processes;
- *collection of operational loss data and an early-warning system* to report significant incidents, which are consolidated in a database used to measure and monitor the risk-related costs;
- *calculation and allocation of regulatory capital* for operational risks at consolidated and entity level;
- periodic production of an *operational risk scorecard* at entity level, plus a Group summary.

### ► II. Risk management: organisation and supervision system

The organisation of operational risk management forms part of the overall Risk Management and Permanent Controls function: Operational risk officers, most of whom now cover permanent risk monitoring, report to the heads of Risk Management and Permanent Controls in the various entities.

Crédit Agricole S.A. Group uses an operational risk scorecard covering most of its business lines. This scorecard shows the main sources of risk affecting most business lines, along with exposure profiles differentiated by subsidiary and business line: recurring risk, mainly arising from external fraud involving payment systems in retail banking or stockmarket errors in asset management, higher risk in corporate and investment banking (counterparty litigation and capital markets) and factoring (external fraud).

It also reflects the effect of action plans designed to reduce the impact of exceptional risks (i.e. by strengthening information systems and controls when encountering high unit losses primarily affecting asset management and factoring operations) and to reduce the frequency of recurring risks (electronic banking fraud and heightened monitoring of external fraud in the consumer finance businesses).

Initiatives taken to counter internal fraud in 2007, in particular at Calyon, have been extended through implementation of a system to bring the risk thereof under further control. Measures include reviewing authorisation procedures, strengthening early-warning systems and creating an anti-fraud unit in the Compliance function.

In 2008, following an audit by the Commission Bancaire on the use of the advanced measurement approach (AMA), "Appendix II" differences were resolved so as to adhere to the planned schedule. The work involved in resolving these differences was then audited by the Crédit Agricole S.A. Group's General Inspection, as part of Basel II tracking.

Concerning the part involving *identification and qualitative assessment of risk*, a new risk mapping campaign was initiated. In collaboration with the Group's legal function, legal risks were mapped in addition to operational and compliance risks. The results of these risk mapping efforts will be analysed in the first half of 2009.

To improve operational risk tools even further and promote overall consistency in the Risk Management and Permanent Controls function, an Intranet-based mapping tool was made available to the entities. This tool is closely integrated with the SCOPE permanent controls tool (they share the same framework, there is overlap in reporting, etc.), making it possible to confirm the choices of methodology in the link between risk mapping and risk management (permanent controls, action plans, etc.). Similarly, the current loss compilation tool will be migrated to an Intranet tool in 2009.

Lastly, concerning *calculation and allocation of regulatory capital*, the application chain was secured and automated.

The AMA model will be backtested every six months during a specific Committee, so as to analyse the model's sensitivity to changes in the risk profile of the entities.

### ► III. Methodology

The principal entities of the Crédit Agricole group use the advanced measurement approach: Calyon, CAAM, LCL, Sofinco, Finaref and all of the Regional Banks.

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Risk factors

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The scope of entities using the AMA calculation method is increasing. Agos, the Italian subsidiary of Sofinco, will adopt AMA in the first half of 2009, and work has begun on integrating Cariparma into the system in 2010.

The other group entities will adopt AMA between 2009 and 2012.

**AMA regulatory capital requirements calculation**

The advanced measurement approach for calculating capital requirements with respect to operational risk has the following objectives:

- increase control over the cost of operational risk, and prevent exceptional risks across the Group’s various entities;
- determine the level of capital corresponding to the risks measured, which may be lower than that calculated using the standard approach;
- promote improvements in permanent controls through the monitoring of action plans.

The systems implemented within the Group aim for compliance with all qualitative criteria (making risk measurement an integral part of day-to-day management, independence of the risk function, periodic disclosure of operational risk exposures etc.) and Basel II quantitative criteria (99.9% confidence interval over a 1-year period; incorporation of internal data, external data and analyses of scenarios and factors reflecting the operating environment; incorporation of risk factors that influence the statistical distribution, etc.).

The AMA model for calculating capital requirements is based on a “Loss Distribution Approach” actuarial model, which is unique to the Group. The largest entities handle their own capital allocation based on centrally defined principles.

Internal factors (change in the entity’s risk profile) are taken into account depending on:

- the entity’s organisational changes;
- changes in risk mapping;
- an analysis of the history of internal losses and the quality of the risk management system, in particular via the permanent controls function.

Concerning external factors, the ORX consortium database, which catalogues losses at 50 or so banks throughout the world including Crédit Agricole, is analysed so as to track incidents at other institutions. Depending on the results of this analysis, the stress tests developed in the various Group entities are adjusted.

The model was designed and developed according to the following principles:

- it must form an integral part of the risk policy;
- it must be pragmatic, i.e. the methodology must be applicable to real operating conditions;
- it must have educational value, in order to encourage appropriation by the Executive Management and business lines;
- it must be robust, i.e. it must be able to give estimates that are realistic and stable from one year to the next.

The model has been regularly validated by the Crédit Agricole Group’s Standards and Methodology Committee, chaired by the Head of Group Risk Management and Permanent Controls.

► **IV. Insurance and coverage of operational risks**

The Crédit Agricole S.A. Group has obtained insurance coverage for its operational risks to protect its assets and profits. For high-intensity risks, Crédit Agricole S.A. has taken out Group policies from major insurance companies. These policies harmonise the way in which personal and property risks are transferred and the implementation of specific professional civil liability and fraud insurance programmes for each business line. Business-line subsidiaries are responsible for managing lower intensity risks themselves.

In France, insurance of operating assets (property and IT equipment) includes third-party liability cover for buildings with the highest exposure to the risk of damage. This insurance is supplemented by special guarantee lines for civil operating liability.

Crédit Agricole S.A. has renewed its insurance policies for operating loss, fraud and securities risks, Group professional civil liability, and civil liability for executive officers.

Basel II eligible policies contribute to reducing the amount of capital that must be held against operational risks (within the 20% authorised limit).

High-frequency and low-intensity risks that cannot be insured on satisfactory financial terms are retained in the form of deductibles or are mutualised within the Crédit Agricole S.A. Group by its captive reinsurance subsidiary, whose aggregate exposure does not exceed 6% of the above risks.

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## » LEGAL RISKS

The main legal and tax proceedings outstanding at Crédit Agricole S.A. and its fully consolidated subsidiaries are described in the 2007 Management Report. The cases presented below are those that have evolved since 20 March 2008, the date that registration document no. D.08-0140 was filed with the AMF.

Any legal risks outstanding as of 31 December 2008 that could have a negative impact on the Group have been covered by provisions based on the information available to the Executive Management.

To the best of Crédit Agricole S.A.'s knowledge, there is currently no litigation, arbitration or government proceeding that has had or is likely to have a material impact on the financial health or profitability of the company or the Crédit Agricole S.A. Group.

### ► Litigation and exceptional events

#### Verte France

In 2006, Verte France, a trade union consisting of individuals, filed a new action against Crédit Agricole enjoining Crédit Agricole S.A. and all the Regional Banks to appear before the Paris Correctional Court (*Tribunal correctionnel*).

It alleged that Crédit Agricole improperly allocated part of the Regional Banks' reserves to the financing of the takeover bid for Crédit Lyonnais and asked that the reserves it claimed to be diverted be returned to Crédit Agricole members.

In its ruling of 11 September 2007, the aforementioned court dismissed all of Verte France's claims and ruled that they were excessive.

Verte France appealed against this decision.

In a ruling handed down on 17 December 2008, the Paris Court of Appeal confirmed the lower court decision in all respects, noting in particular that the use of reserves belonging to the Regional Banks to finance part of the takeover bid for Crédit Lyonnais did not constitute an improper use of those reserves.

The Court of appeal also found that Verte France had sought to harm Crédit Agricole, and in this regard, confirmed the order that it pay damages to all Regional Banks and ordered it to pay damages to Crédit Agricole S.A. and to the *Fédération nationale du Crédit Agricole*.

Verte France has not lodged an appeal against this decision, which has become definitive.

#### FGIC

As part of its structured credit business (involving in particular underlying assets in the US residential market), Calyon entered into transactions with US monoline insurers. The UK subsidiary of FGIC, FGIC UK, had agreed to issue a guarantee covering certain assets in a transaction involving Calyon.

On 10 March 2008, FGIC and FGIC UK filed a lawsuit in the State of New York in an attempt to have its commitment declared null and void.

On 17 March 2008, Calyon filed a lawsuit with the UK High Court, seeking recognition of the validity and enforceability of the commitment made by FGIC UK, then withdrew its action on 2 May 2008 in favour of the New York State court in the action initiated by FGIC and FGIC UK.

On 12 May 2008, FGIC UK filed an additional lawsuit with the London High Court of Justice, also seeking to contest the validity of its commitment. On 25 August 2008 FGIC UK and Calyon signed an out-of-court settlement under which FGIC UK paid \$200 million to Calyon.

#### Sacyr-Eiffage

On 6 May 2008, Calyon was placed under investigation for "complicity in the dissemination of false or misleading information, forgery and use of forgery" in its role as an advisory bank to Sacyr Vallehermoso in its public exchange offer for the shares of Eiffage. No judicial supervision measures have been applied in this case.

Calyon believes that it acted in compliance with stockmarket regulations in its capacity as advisory bank.

#### Bernard Tapie-Adidas

Following the order of the Paris Court of Appeal, which had exclusive jurisdiction over the Adidas case, the amount of the fine has been paid. The sum has been placed in trust by the receivers.

CDR and Crédit Lyonnais filed a further appeal in February 2006. On 9 October 2006, the Court of Cassation ruled in favour of Crédit Lyonnais and CDR. This ruling overturned the order of the Paris Court of Appeal and the case has been referred back to the Paris Court, differently composed.

Arbitration took place between the receivers of the Tapie group and CDR. The decision was rendered on 7 July 2008.

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**IFI Dapta Mallinjoud**

The *Commissaire à l'Exécution du Plan* (insolvency professional), acting for the companies of the IFI Dapta Mallinjoud group, initiated joint proceedings against CDR and Crédit Lyonnais on 30 May 2005 before the Commercial Court of Thiers.

The suit alleges that CDR and Crédit Lyonnais committed violations in arranging and financing the IFI group's acquisition of the Pinault Group's furniture business (ex-CIA).

The Riom Court of Appeal, in its order dated 12 July 2006, referred the matter to the Paris Commercial Court.

In its ruling of 24 September 2007, the Paris Commercial Court:

- ordered CDR to pay €2.9 million for unjustified interest charges;
- ordered Crédit Lyonnais to pay €5 million for wrongful action;
- ordered Crédit Lyonnais and CDR to pay €50,000 under Article 700.

The Court did not make the judgment immediately enforceable.

The *Commissaire à l'Exécution du Plan* appealed against the decision on 28 December 2007; the procedure is pending before the Paris Court.

**Strauss/Wolf/Faudem**

US citizens and members of their families who were victims of terrorist attacks attributed to Hamas and committed in Israel between 2001 and 2004 have brought proceedings against National Westminster Bank and Crédit Lyonnais before a New York court.

They claim that these banks were complicit with the terrorists, inasmuch as they each had an account on their books opened (in 1990 in the case of Crédit Lyonnais) by a charity providing aid to Palestinians. The account was allegedly used to transfer funds to Palestinian entities accused, according to the plaintiffs, of financing Hamas.

The plaintiffs, who have not put a figure on the damages they have suffered, are claiming compensation for "injury, anguish and emotional pain".

As the matter and the proceedings currently stand, the plaintiffs have not provided proof that the charity was linked to terrorists, nor that Crédit Lyonnais was aware that its client could have been involved - if this were to be proven - in financing terrorism. The Court has required the plaintiffs to provide such proof if they are to stand a chance of winning the case.

Crédit Lyonnais vigorously denies the plaintiffs' allegations.

The procedure is still in the discovery stage (provision of exhibits, written requests and responses from the parties, witnesses' depositions).

Crédit Agricole S.A. and its subsidiaries are also involved in a number of other legal disputes, including class action suits, in the United States.

► **Binding Agreements**

Crédit Agricole S.A. is not bound to any patent or licence, nor to any industrial, commercial or financial supply contract.

» **NON-COMPLIANCE RISKS**

Compliance risks refer to a potential lack of adherence to rules governing financial and banking activities. These rules may be laws, regulations, professional or ethical standards, instructions, standards of ethical behaviour in a professional environment, or efforts to combat money-laundering, corruption or the financing of terrorism.

A dedicated monitoring system ensures that these risks are controlled and that their impact in terms of financial losses, or legal, administrative or disciplinary sanctions, is minimised. The common objective is to preserve the Group's reputation.

The organisation and main actions relating to compliance are detailed in the key economic performance indicators section of the part of this report dealing with employee, social and environmental information related to the Crédit Agricole S.A. Group.

The prevention, monitoring and control of compliance and reputation risks are detailed in the report of the Chairman of the Board of Directors to shareholders on corporate governance and on the internal control procedures implemented throughout the Company, as required by the French Financial Security Act of 1 August 2003.

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# Excerpt from financial statements

## Excerpts from Note 7: employee benefits and other compensation (Annex to consolidated accounts)

### » SHARE-BASED PAYMENTS

The Board of Directors of Crédit Agricole S.A. has implemented various stock option plans using the authorities granted by extraordinary resolution of the shareholders adopted at the meetings of 22 May 2002, 21 May 2003 and 17 May 2006.

At 31 December 2007, the Board of Directors of Crédit Agricole S.A. had implemented eight stock option plans.

In 2008, another new plan was created.

#### 2003 STOCK OPTION PLAN

On 15 April 2003, the Board of Directors of Crédit Agricole S.A. created a stock option plan for executive officers and certain senior managers of Crédit Agricole S.A. and its subsidiaries, using the authority granted at the AGM held on 22 May 2002. The number of shares that may potentially be issued under this plan is 4,231,847 at a price of €14.59 each, which is equal to the average of the prices quoted during the twenty trading sessions preceding the date of the Board Meeting, with no discount.

Furthermore, using the authority granted at the AGM held on 21 May 2003, Crédit Agricole S.A. also harmonised the various stock option plans existing within the Group by converting the stock option plans granted by certain of its subsidiaries (Crédit Agricole Indosuez, Crédit Agricole Asset Management and Crédit Lyonnais Asset Management) into Crédit Agricole S.A. options. Accordingly, option holders in the three subsidiaries referred to above received Crédit Agricole S.A. stock options plus a cash payment equal to the capital gains generated at 31 December 2003. The number of shares that may potentially be issued under these plans is 6,257,460 at a price of €18.09, which is equal to the average of the prices quoted during the twenty trading sessions preceding the date of the Board Meeting, with no discount.

#### 2004 STOCK OPTION PLAN

On 23 June 2004, the Board of Directors created a stock option plan for executive officers and certain senior managers of Crédit Agricole S.A. and its subsidiaries, using the authority granted by extraordinary resolution of the shareholders at the AGM held on 21 May 2003. In addition, some of these options resulted from the conversion of stock option plans granted by the subsidiary BFT as part of the continued harmonisation of stock option plans within the

Group. The total number of shares that may potentially be issued under this plan is 10,861,220 at a price of €20.48, which is equal to the average price quoted during the twenty trading sessions preceding the date of the Board Meeting, with no discount.

#### 2005 STOCK OPTION PLAN

On 25 January 2005, the Board of Directors converted the existing plan at subsidiary CL Suisse by granting 25,296 Crédit Agricole S.A. options to the beneficiaries using the authority granted by extraordinary resolution of the shareholders on 21 May 2003. The exercise price is €22.57, which is equal to the average price quoted during the twenty trading sessions preceding the date of the Board Meeting, with no discount. On 19 July 2005 and 16 November 2005, the Board of Directors granted options to two new employees. The first received 5,000 options at an exercise price of €20.99 and the second received 15,000 options at an exercise price of €24.47, which is equal to the average price quoted during the twenty trading sessions preceding the date of each Board meeting, with no discount.

#### 2006 STOCK OPTION PLAN

Pursuant to the authorisation granted by the Extraordinary General 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.

The Board of Directors created a stock option plan for executive officers and certain senior managers of Crédit Agricole S.A. and its subsidiaries, for 12,029,500 options at a price of €33.61 per share, for 1,745 beneficiaries.

#### 2007 STOCK OPTION PLAN

Pursuant to the authorisation granted by the Extraordinary General Meeting of 17 May 2006, at its meeting of 17 July 2007, the Board of Directors of Crédit Agricole S.A. created a stock option plan for six employees who had joined the group, at the exercise price of €29.99 per share, which is equal to the average price quoted during the twenty trading sessions preceding the date of the Board meeting, with no discount.

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### 2008 STOCK OPTION PLAN

Pursuant to the authorisation granted by the Extraordinary General Meeting of 17 May 2006, at its meeting of 15 July 2008, the Board of Directors of Crédit Agricole S.A. created a stock option plan, effective on 16 July 2008, for three employees who had joined the group, at the exercise price of €14.42 per share, which is equal to the higher of: 1) the undiscounted average opening price quoted during the twenty trading sessions preceding the date of the Board meeting, or 2) 80% of the average purchase price for Crédit Agricole S.A. shares held in treasury.

Following the capital transactions of November 2003, January 2007 and June 2008, the Board of Directors of Crédit Agricole S.A.

adjusted the number of options and the exercise price under the plans.

As the exercise period for the April 2003, December 2003 and July 2004 plans was open, in accordance with the resolutions adopted by the Board of Directors, it was decided to adjust the number of options and exercise price under these two plans to take into account the November 2003, January 2007 and June 2008 capital transactions.

The following tables show the attributes and general terms of the plans in place at 31 December 2008:

### DESCRIPTION OF CRÉDIT AGRICOLE S.A. STOCK OPTION PLANS

Crédit Agricole S.A. stock options plans	2003		2004	2005			2006	2007	2008	Total
Date of AGM that authorised the plan	22.05.2002	21.05.2003	21.05.2003	21.05.2003	21.05.2003	21.05.2003	17.05.2006	17.05.2006	17.05.2006	
Date of Board meeting	15.04.2003	17.12.2003	23.06.2004	25.01.2005	19.07.2005	16.11.2005	18.07.2006	17.07.2007	15.07.2008	
Option grant date	15.04.2003	17.12.2003	05.07.2004	25.01.2005	19.07.2005	16.11.2005	06.10.2006	17.07.2007	16.07.2008	
Term of plan	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	
Lock-up period	4 years	4 years	4 years	4 years	4 years	4 years	4 years	4 years	4 years	
First exercise date	15.04.2007	17.12.2007	05.07.2008	25.01.2009	19.07.2009	16.11.2009	06.10.2010	17.07.2011	16.07.2012	
Expiry date	15.04.2010	17.12.2010	05.07.2011	25.01.2012	19.07.2012	16.11.2012	05.10.2013	16.07.2014	15.07.2015	
Number of beneficiaries	428	288	1,488	17	1	1	1,745	6	3	
Number of options granted	4,614,334	6,822,658	11,843,796	25,296	5,000	15,000	12,029,500	127,500	74,000	35,557,084
Exercise price	€13.38	€16.60	€18.78	€22.57	€20.99	€24.57	€33.61	€29.99	€14.42	
Performance conditions	No	No	No	No	No	No	No	No	No	
<b>Conditions in case of departure from Group</b>										
Resignation	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	
Dismissal	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	
Retirement	Retain	Retain	Retain	Retain	Retain	Retain	Retain	Retain	Retain	
Death	Retain <sup>(1)</sup>	Retain <sup>(1)</sup>	Retain <sup>(1)</sup>	Retain <sup>(1)</sup>	Retain <sup>(1)</sup>	Retain <sup>(1)</sup>	Retain <sup>(1)</sup>	Retain <sup>(1)</sup>	Retain <sup>(1)</sup>	
<b>Number of options</b>										
Granted to executive officers	43,791		152,642				170,000	0	0	
Granted to the ten largest grantees	476,228	2,567,187	621,471		41,725		790,000	127,500	74,000	
Exercised in 2008	48,873	77,904	10,904							137,681
Forfeited and exercised since inception	2,707,604	1,049,736	1,376,374	2,321			561,500			5,697,535
<b>NUMBER OF OPTIONS OUTSTANDING AT 31 DECEMBER 2008</b>	<b>1,906,730</b>	<b>5,772,922</b>	<b>10,467,422</b>	<b>22,975</b>	<b>5,000</b>	<b>15,000</b>	<b>11,468,000</b>	<b>127,500</b>	<b>74,000</b>	<b>29,859,549</b>
Fair value (as a % of grant price)	31.90%	21.80%	18.00%	18.30%	18.30%	18.30%	28.60%	22.70%		
Valuation method used	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	

(1) If heirs and successors exercise within 6 months of death.

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## HISTORICAL DATA ON CRÉDIT AGRICOLE S.A. STOCK OPTIONS PLANS

Crédit Agricole S.A. stock options plans	2003		2004	2005			2006	2007	2008	Total
Date of Board meeting	15.04.2003	17.12.2003	05.07.2004	25.01.2005	19.07.2005	16.11.2005	06.10.2006	17.07.2007	15.07.2008	
Number of options										
<b>Outstanding at 31 December 2007</b>	<b>1,955,603</b>	<b>5,850,826</b>	<b>11,271,160</b>	<b>22,975</b>	<b>5,000</b>	<b>15,000</b>	<b>11,850,500</b>	<b>127,500</b>		<b>31,098,564</b>
Granted in 2008									74,000	74,000
Forfeited in 2008			792,834				382,500			1,175,334
Exercised in 2008	48,873	77,904	10,904							137,681
<b>OUTSTANDING AT 31 DECEMBER 2008</b>	<b>1,906,730</b>	<b>5,772,922</b>	<b>10,467,422</b>	<b>22,975</b>	<b>5,000</b>	<b>15,000</b>	<b>11,468,000</b>	<b>127,500</b>	<b>74,000</b>	<b>29,859,549</b>

**Coverage of Crédit Agricole S.A. stock option plans**

The 2004 stock option plan (maturity: 2011) and the 2006 stock option plan (maturity: 2013) are covered through Crédit Agricole S.A. options to buy its own shares.

The other stock option plans are covered by own shares held directly by Crédit Agricole S.A.

**Key assumptions used to value the stock option plans**

Crédit Agricole S.A. values the options granted and recognises an expense determined on the date of grant based on the market value of the options on that date. The only assumptions that may be revised during the vesting period giving rise to an adjustment to the expense are those relating to the beneficiaries (options forfeited on resignation or dismissal).

**PLANS**

Date of grant	15.04.2003	17.12.2003	05.07.2004	25.01.2005	19.07.2005	16.11.2005	06.10.2006	17.07.2007	16.07.2008
Estimated life	5 years	5 years	5 years		5 years		7 years	7 years	7 years
Rate of forfeiture	5%	5%	5%		5%		1.25%	1.25%	1.25%
Estimated dividend rate	3.46%	3.01%	3.34%		3.22%		3.03%	4.20%	6.37%
Volatility on the date of grant	40%	27%	25%		25%		28%	28%	40%

The Black & Scholes model has been used for all Crédit Agricole S.A. stock option plans.

**7.7 Executive compensation**

Executive officers refers to all members of the Executive Committee, namely the Chief Executive Officer and Deputy Chief Executive Officers of Crédit Agricole S.A., the Chief Executive Officers of the main subsidiaries and the heads of the Group's core business activities.

Compensation and benefits paid to the members of the Executive Committee in 2008 were as follows:

- short-term benefits: €26 million for fixed and variable compensation, including social security charges and benefits in kind;

- post-employment benefits: €9 million for end-of-career benefits and for the supplementary retirement plan for the Group's senior executive officers;
- other long-term benefits: the amount of long-service awards granted was not material;
- employment contract termination indemnities: not material.

Total Directors' fees paid to members of the Crédit Agricole S.A. Board of Directors in 2008 in consideration for serving as Directors of Crédit Agricole S.A. amounted to €908,175.

These sums include compensation and benefits paid to the Chief Executive Officer and Deputy Chief Executive Officers of Crédit Agricole S.A. shown in the section on "Corporate governance and internal control" of the Registration Document.

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# GRI and NRE cross-reference table

	GRI indicators			Page number
	NRE act decret	Completed	Partly completed	
<b>Vision and strategy</b>				
Reporting entity's vision and strategy with regard to its contribution to sustainable development and statement by the Group CEO		1.1		pp. 3-5, 105-106
<b>Organizational Profile</b>		2.1 to 2.10		The whole document
<b>Reporting</b>		3.1 to 3.13		pp. 94-103, 106, 108-150, 190-191
<b>Governance structure and management systems</b>				
Governance		4.1 to 4.10		pp. 30-86, 105-106, 189
Externally developed initiatives		4.11 to 4.13		pp. 1, 91, 99-103, 106, 115-119, 131, 140, 145, 147-150
Commitments towards stakeholders		4.14 to 4.17		pp. 94-96, 99, 101, 108-119, 120-138, 140-145, 147-150
Management strategy and systems	3.6	5		pp. 3-5, 88-92, 105-106, 121-138, 140-141
<b>Direct economic impacts</b>				
Employees			EC1	pp. 128-130
Customers		IB3/AM3	EC2/INS3	pp. 94-103, 108-111, 147-148
Suppliers			EC6	p. 113
Public sector (including community support activities)	1.6	EC1		pp. 148-150
<b>Indirect economic impacts</b>				
			EC8/EC9	pp. 100-103, 112
<b>Environmental</b>				
<b>Direct impacts</b>				
Materials, energy, water	2.1	EN1/EN3/EN6 to EN8	EN 5	pp. 106, 113, 141-143
Biodiversity	2.2		EN11/EN12/EN14	p. 145
Emissions, effluents and waste	2.1	EN16 to EN18	EN22	pp. 142-143
Transports			EN29	p. 140
<b>Indirect impacts resulting from Crédit Agricole S.A. operations</b>				
Strategy	2.2, 2.6, 2.9	F1		pp. 95, 98, 100-103, 106, 113, 115-119, 144-145
Systems et processes	2.3, 2.6, 2.9	F2 to F5		pp. 106, 115-119, 144-145
"Engagement"		F7/F9 to F11		pp. 5, 100, 102-103, 115-116, 140-145
Environmental products and services		F12/EN 26		pp. 95, 98, 100, 106, 110, 113, 115-119, 140-141, 144-145
Statistics			F13	pp. 115-119, 140-145
<b>Social policy</b>		INT1		pp. 121-138, 187-189
<b>Labor practices and decent work</b>				
Employment	1.1, 1.2, 1.3	LA1	LA2/LA3, INT2	pp. 123-126, 128-130, 132-135, 137
Labor / management relations	1.4		LA4	pp. 130-131

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## GRI and NRE cross-reference table

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	GRI indicators		Page number
	NRE act decret	Completed	
Health and safety (including for subcontractors)	1.4, 1.5		LA6 to LA9 p. 136
Training and education	1.6	LA10 to LA12	pp. 126-128, 131
Diversity and equal opportunity (including disabled workers)	1.3, 1.7	LA13/LA14/INT6	INT7 pp. 106, 131-135, 187-189
<b>Human rights</b>			
Strategy and management (including for subcontractors)	1.9		HR1 to HR3 pp. 101, 106, 131
Non-discrimination	1.3, 1.7		HR4/INT7 pp. 131-135
Freedom of association and collective bargaining	1.4		HR5 pp. 130-131
Child labor, forced and compulsory labor		HR6/HR7	pp. 113, 131
<b>Society</b>			
Community and stakeholder relations	1.8		SO1 pp. 94-97, 99-102, 108-114, 116, 147-150
Bribery and corruption		SO4	SO2/SO3 pp. 88-92, 96, 101
<b>Product responsibility</b>			
Customer health and safety		PR1	pp. 88-92, 94, 96, 110
Products and services		PR3/PR5	PR6 pp. 94-96, 99, 108-111

GRI: Global Reporting Initiative.

NRE: Loi sur les Nouvelles Régulations Economiques (New Economic Regulations Act).

The table shows NRE Act and GRI indicators that have been completely and partially completed.

Other indicators that do not apply to Crédit Agricole S.A.'s operations have not been completed:

GRI indicators EN 2/4/9/10/13/15/19 through 21/23 through 25; Sections 2.4, 2.5, 2.7, 2.8 of the NRE Act.

We are currently not in position to complete the following GRI indicators:

EC 3 through 5/7, F6/8, LA 5, HR 8/9, SO 5 through 8, PR2/4/7 through 9.

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FIND OUT MORE ON THE WEBSITE



<http://www.credit-agricole.com/sustainabledevelopment>

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