2012 Shelf-registration document

CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

SHELF-REGISTRATION DOCUMENT
CRÉDIT AGRICOLE CIB
2012

AUTORITÉ
DES MARCHÉS FINANCIERS

Only the French version of the shelf-registration document has been submitted to the Autorité des Marchés Financiers. It is therefore the only version that is binding in law. The original French version of the shelf-registration document was filed at the AMF on 18 March 2013 under number D.13-0169 in accordance with article 212-13 of the AMF's Internal regulations. It may be used in support of a financial transaction if accompanied by a transaction circular approved by the AMF. This document was produced by the issuer and is binding upon its signatories.

profile

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

As the leading financial partner of the French economy and a major European player, the Crédit Agricole Group supports its customers' projects in France and around the world across the full spectrum of retail banking businesses and related specialised businesses: insurance, asset management, leasing and factoring, consumer finance, corporate and investment banking.

Underpinned by firm cooperative and mutual foundations, 150,000 employees and the 29,000 directors of its Local and Regional Banks, the Crédit Agricole Group is a responsible and responsive bank serving 51 million customers, 6.9 million mutual shareholders and 1.2 million shareholders.

In its efforts to support the economy, Crédit Agricole also stands out through its dynamic and innovative social and environmental responsibility policy. The Group features in the top 3 of Novethic's rankings concerning corporate social responsibility and responsible reporting by Europe's 31 largest banks and insurance companies.

www.credit-agricole.com

51 million
clients worldwide

150,000
employees

€31 billion
Revenues

€10.6 billion
Gross operating income

€71 billion
Shareholders'equity - Group share

11.8 %*
Core Tier One Ratio

* *pro forma* post completion of Emporiki disposal

The Group's organisation

6.9 million mutual shareholders underpin Crédit Agricole's cooperative organisational structure. They own the capital of the **2,512 Local Banks** in the form of mutual shares and they designate their representatives each year. **29,000 directors** carry their expectations.

The Local Banks own the majority of the Regional Banks' share capital. The **39 Regional Banks** are cooperative Regional Banks that offer their customers a comprehensive range of products and services. The discussion body for the Regional Banks is the *Fédération Nationale du Crédit Agricole*, where the Group's main orientations are decided.

Crédit Agricole S.A. owns around 25% of share capital in the Regional Banks (excl. the Regional Bank of Corsica). It coordinates, in relation with its specialist subsidiaries the various business lines' strategies in France and abroad.

CRÉDIT AGRICOLE S.A.'S SHARE OWNERSHIP

56.3%

of share capital held by the 39 Regional Banks via holding company SAS Rue La Boétie.

43.4%

of share capital held by:

01 Institutional investors: 27.9%

02 Individual shareholders: 11.1%

03 Employees via employee mutual funds: 4.4%

0.3%

treasury shares

A Universal Customer-Focused Bank

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

Savings management

MARKET-LEADING POSITIONS IN FRANCE AND EUROPE

- No. 1 in bancassurance in France
- No. 2 in asset management in Europe
- A key player in private banking in Europe

Specialised business lines

- No. 1 in factoring in France
- A leader in lease financing in France
- A key player in consumer finance

Retail Banking

THE MARKET LEADER IN FRANCE AND A KEY PLAYER IN EUROPE, WITH ALMOST 11,300 BRANCHES SERVICING 32 MILLION CUSTOMERS

39 CRÉDIT AGRICOLE REGIONAL BANKS

Cooperative companies and fully-pledged banks with strong local roots, the Crédit Agricole Regional Banks offer a full range of banking and financial products and services to individual customers, farmers, professionals, businesses, and public authorities.

LCL

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

INTERNATIONAL RETAIL BANKING

Crédit Agricole is implementing its Universal Customer-Focused Banking model internationally and mainly in Europe, in its key Mediterranean countries of operation.

Corporate and investment banking

AN INTERNATIONAL NETWORK IN THE MAIN COUNTRIES OF EUROPE, THE AMERICAS AND ASIA

- Financing activities
- Investment banking
- Debt optimisation and distribution
- Capital markets

Other specialised subsidiaries

- Crédit Agricole Immobilier
- Crédit Agricole Capital Investissement & Finance
- Uni-éditions
- Crédit Agricole Cards & Payments

Sommaire

1 PRESENTATION OF CRÉDIT AGRICOLE CIB

Message from the Chairman and the Chief Executive Officer

Under particularly difficult conditions, Crédit Agricole S.A. introduced structural measures in 2012 to adapt to the new economic and regulatory environment. While the 2012 «net income Group share» was -€6,471 million, this figure should not overshadow the solidity of our banking model, namely that of a universal customer-focused bank. Our customer-focused banking activity and the related business lines are among the strongest in Europe.

In corporate and investment banking, we overhauled Crédit Agricole CIB's economic model, centring it around large non-speculative clients with a much smaller risk profile. We did this while maintaining a strong commercial activity. In 2012, Crédit Agricole CIB also reached, often exceeding, all of the targets that had been set as part of the adaptation plan launched at the end of 2011.

This work included the discontinuation of certain non-priority activities, such as brokerage. The Cheuvreux and Kepler Capital Markets merger and the sale of CLSA by Crédit Agricole CIB to CITICS were both finalised. All of this was undertaken to ensure that Crédit Agricole CIB's expertise can continue to serve the Group and that it can continue to work alongside its clients assisting them with their financing projects.

I am aware that 2012 was a demanding, if not difficult, year for Crédit Agricole CIB's employees. I would like to acknowledge all of their efforts and thank them for their commitment.

At the end of 2012 we made a loss of €880 million. Although this figure reflects the impact of the financial crisis and the cost of restructuring on our accounts, it should not overshadow the strong sales trend shown by Crédit Agricole CIB throughout the year.

For Crédit Agricole CIB, 2012 was a satisfactory year for at least three reasons. Firstly, we successfully completed our deleveraging plan, significantly reducing our risk-weighted assets and our liquidity consumption. Crédit Agricole CIB also succeeded in refocusing on its businesses of excellence, on its portfolio of strategic clients, i.e. large businesses and financial institutions, and on a closer-knit geographical network. Finally, it was satisfactory because market activity levels were good in 2012. At the same time, our new distribution-origination model began to show its relevance.

Crédit Agricole CIB was able to maintain its rankings in its businesses of excellence: in project financing it is ranked third in the world among lead managers in the EMEA region, in euro bond issuance it is ranked fourth in the world, in euro bond issuance by financial institutions it is ranked second in the world, and in loan syndication it is ranked the third largest book runner in the EMEA region (source: Thomson Reuters).

I believe in our capacity to build Crédit Agricole CIB's future and to continue our development. In 2013, we plan to strengthen our efforts and, thanks to our commercial commitments and rigorous management, to accompany our clients in their projects and fully play our role within the Group.

Jean-Paul CHIFFLET

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

Jean-Yves HOCHER

Chief Executive Office
of Crédit Agricole CIB

2012 Key figures

Income statement highlights

€ million	31.12.2012		31.12.2011[2]	
	Crédit Agricole CIB	Ongoing activities[1]	Crédit Agricole CIB	Ongoing activities[1]
Net banking income	4,061	4,359	5,309	4,387
Gross operating income	722	1,823	1,847	2,007
Net income - Group share	(389)	1,263	682	1,267

[1] Restated for "Financial management" (revaluation of debt issue and loan hedges) and restated for impacts of the adjustment plan - see page 100.
[2] Proforma taking into account the new organization of the bank (see page 11) and IFRS 5 treatment of CA Cheuvreux and CLSA.

Balance sheet

€ billion	31.12.2012	31.12.2011
Total assets	905.3	826.0
Gross loans	126.0	172.2
Assets under management (private banking)	71.8	69.1

Headcount end of December 2012

Full-time equivalent	2012	2011
France	4,778	4,938
International	7,376	9,925
Total[1]	12,154	14,863

[1] Private banking contributes to 2,715 in 2012 and 2,340 in 2011.

Financial structure

€ billion or %	31.12.2012[*]	31.12.2011
Shareholder's equity (including income)	15.7	16.1
Tier I capital	16.7	16.6
Basel II risk-weighted assets floored (80% Basel I)	111.9	144.8[**]
Tier I solvency ratio	14.9%	11.5%[**]
Overall solvency ratio	14.9%	12.5%[**]

[*] The floor no longer applies for the year 2012 in accordance with the regulations set by the ACP.
[**] Comparable data off floor (see p139).

Ratings

	Short-term	Long terme	Last rating action
Moody's	Prime-1	A2 [stable outlook]	1 March 2013
Standard & Poor's	A-1	A [negative outlook]	25 October 2012
Fitch Ratings	F1+	A+ [negative outlook]	09 October 2012

2012 Highlights

The year 2012 was a year of transition and adaptation: Crédit Agricole CIB has had to rethink its strategy and organization in an increasingly constrained environment.

To meet regulatory requirements, Crédit Agricole CIB has reduced its balance sheet and refocused its activities and network. The Bank has thus refocused on its areas of excellence, on a portfolio of strategic customers, large companies and financial institutions, as well as on the main financial centers representing 85% of global GDP.

The year 2012 saw the full implementation of the adjustment plan announced in September 2011: the objectives of leveraging and optimizing the use of capital have been exceeded. Financing needs of the Group were reduced by €33 billion at current exchange rates and risk-weighted assets by €51 billion at constant exchange rates, including the Basel III impact.

The year 2012 is marked by structural measures for the Group implemented from a thorough job of adapting to the new financial and regulatory environment: current transfer of the brokers; impairment of goodwill (-€368 million for Newedge and -€115 million for the CIB one), reflecting mainly the impact of the strengthening of prudential requirements and thus reducing fair value of the concerned entities; enhancing operational efficiency; Marylebone operation that generated a decrease of risk-weighted assets by €14 billion.

To adapt to its new environment, Crédit Agricole CIB has established a new model «distribution-origination», strategic adaptation to a new economic paradigm (ever increasing regulatory requirements, less buoyant markets, increased competitive pressure...). Crédit Agricole CIB is committed to maintaining its origination capacity while maintaining the least possible balance sheet assets and develops close relationships with its customers. The implementation of this model is made pursuant to the respect our commitments to CSR (FreD process launched last June).

The adaptation of the organization is part of the new strategy of the Bank.

The contribution of the business lines of the Bank (financing activities, capital markets and investment banking, activities being discontinued) was modified from the third quarter of 2012 to better reflect the recent implementation of this new organization linked to the plan.

The transfers thus concerned:

1. Transfer from the financing activities to the discontinuing activities

- Impaired portfolios of residential underlyings are now run-off.

2. Transfer from the Capital markets and investment banking to the discontinuing activities

- Equity Derivatives excluding corporate and convertible as announced in the adjustment plan
- Trading of commodities as stated in the adjustment plan
- Exotic rates derivatives that were already run-off.

History

1863 Creation of **Crédit Lyonnais**

1875 Creation of **Banque de l'Indochine**

1894 Creation of the first "Sociétés de Crédit Agricole", later termed Caisses Locales ("Local Banks")

1920 Creation of l'**Office National de Crédit Agricole, become la Caisse Nationale de Crédit Agricole** (CNCA) in 1926

1945 **Nationalisation** of Crédit Lyonnais

1959 Creation of **Banque de Suez**

1975 Merger of Banque de Suez and Union des Mines with Banque de l'Indochine to form **Banque Indosuez**

1988 CNCA becomes a public limited company owned by Regional Banks and employees **("mutualisation")**

1996 **Acquisition of Banque Indosuez** by Crédit Agricole one of the world's top 5 banking groups, to create an **international investment banking arm**

1997 La Caisse Nationale de Crédit Agricole apporte ses activités internationales, de marchés et de grande clientèle à sa nouvelle filiale, **Crédit Agricole Indosuez**

1999 **Privatisation** of Crédit Lyonnais

2001 CNCA changes its name to Crédit Agricole S.A. and goes public on 14 December 2001

2003 Successful **takeover bid** for Crédit Lyonnais by Crédit Agricole

2004 Creation of **Calyon**, the new brand and corporate name of the Crédit Agricole Group's financing and investment banking bu siness, through a partial transfer of assets from Crédit Lyonnais to Crédit Agricole Indosuez

6 February 2010 Calyon changes its name and becomes **Crédit Agricole Corporate and Investment Bank**

Simplified organisational chart
of the Crédit Agricole CIB Group's
main subsidiaries and investments at 31 December 2012

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

	CORPORATE AND INVESTMENT BANKING			PRIVATE BANKING (SUBSIDIARIES)
BRANCHES	**EUROPE:** Germany, Belgium, Spain, Finland, Italy, Luxembourg, Poland, United-Kingdom, Sweden	**ASIA:** China, South Korea, Hong-Kong, India, Japan, Singapore, Taiwan, Thailand, Vietnam	**AMERICA:** United-States **MIDDLE EAST:** Abu-Dhabi, Dubai	Crédit Agricole Private Banking and subsidiaries (100%) Crédit Agricole Indosuez Private Banking and subsidiaries (100%) Crédit Agricole Suisse and subsidiaries (100%) Crédit Agricole Luxembourg and subsidiaries (100%) Crédit Foncier de Monaco «C.F.M.» (69%) Crédit Agricole Brasil DTVM (100%)

	CORPORATE BANKING	BROKERAGE	OTHER SUBSIDIARIES CORPORATE AND INVESTMENT BANKING
SUBSIDIARIES	Crédit Agricole CIB Air Finance S.A. (100%) Crédit Agricole Asia Shipfinance Ltd (100%) UBAF - Union de Banques Arabes et Françaises (47%) B.S.F. - Banque Saudi Fransi (31%)	Crédit Agricole Cheuvreux S.A. (100%) CLSA (100%) Newedge (50%)	Crédit Agricole Securities (USA) Inc. (100%) Crédit Agricole CIB Capital Markets Asia BV (Tokyo) (100%) CACIB Algérie SPA (100%) Crédit Agricole CIB Australia Ltd (100%) Crédit Agricole CIB China Ltd (100%) Crédit Agricole CIB ZAO Russia (100%) Banco Crédit Agricole Brasil (100%)

Business lines

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

➢ FINANCING

The financing business combines structured financing and commercial banking.

Structured Finance

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

The Structure Finance business line which was reorganized in late 2012 under the new business model of Crédit Agricole CIB has adapted its organization to address three major issues :

- Maintaining excellence in the quality of services provided and the building of close relationships with its clients to maximize revenue associated with financing. The intensification of cross sell and the selection of value-added operations generating commissions are therefore crucial.
- Optimization, in a constrained environment, of the management of scarce resources by maintaining existing leadership positions. The acceleration of the rotation of the assets must be implemented through improvement and diversification of distribution channels.
- Stronger transversality between the Structured Finance business lines and the rest of the bank, thanks to enhanced managerial presence.

To do this, the organization of the front offices of Structured Finance has evolved into creating three activities involving the different sectors present in SFI.

Asset Finance Group

◆ Aircraft and rail financing

Engaged for more than thirty-five years in the aeronautics sector, and enjoying an excellent reputation in the markets, Crédit Agricole CIB has always preferred long-term striving to build lasting relationships with major airlines, airports and business related services to air transport (maintenance, ground services, etc..) to understand their priorities in terms of activity and funding requirements.

Present for several years in the rail industry in New York and Paris, Crédit Agricole CIB continues to expand its offering in Europe.

◆ Shipping Financing

Crédit Agricole CIB has been financing for thirty years ships for French and foreign shipowners and acquired expertise in this field and a solid reputation.
This business line supports a modern and diversified fleet of over 1100 ships to an international clientele of shipowners.

◆ Real Estate and Hotels

Crédit Agricole CIB's real estate and hotels department operates in 13 countries.
Crédit Agricole CIB provides advice to real estate professionals and to companies and institutional investors that want to optimize the value of their properties.

Energy & Infrastructure Group

◆ Natural resources, infrastructure and power

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

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

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

Leverage & Commodities Finance

◆ Transaction commodity finance

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

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

◆ Acquisition Financing

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

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

Commercial Banking

Client Coverage & International Network (CIN)

The CIN pole provides coverage of large companies in France and abroad, and more specifically France, coverage of midcap companies, public authorities and regional institutional.

Apart from its role of global coverage, CIN is responsible for assisting clients in monitoring their operational needs and international trade.

Crédit Agricole offers its clients, importers or exporters, financing and securing solutions for their international trade operations.
The Export & Trade Finance business is based on a commercial network of specialists spread across nearly 30 countries.

Commercial Bank in France has products and services that rely on the expertise of specialized business lines of Crédit Agricole CIB as well as the capabilities of networks of Crédit Agricole Group (Regional Banks, LCL) and its specialized subsidiaries.
More precisely, the Commercial Bank offers domestic and international cash management products, short and medium term trade finance, syndicated loans, leasing, factoring, international trade (letters of credit, receipts, pre-financing export, buyer credits, forfaiting, etc.) of domestic and international guarantees, guarantees of market, of risk management and exchange rates.

In terms of Islamic finance, Crédit Agricole CIB provides easy access to Shariah compliant solutions in many areas.

Debt Optimisation & Distribution (DOD)

Debt Optimization & Distribution is responsible for corporate clients and financial institutions, the origination, structuring and arranging medium and long term credits.

Syndicated loans are an integral part of capital raising for large companies and financial institutions. Crédit Agricole CIB offers its customers a complete range of products such as project finance or financing leverage.

Under the model «Distribute to Originate « DOD is responsible for accelerating the rotation of balance sheet assets of Crédit Agricole CIB and negotiate partnerships with investors interested in subscribing to Corporate credits under their own diversification of asset allocation.

Banque Saudi Fransi (BSF)

Banque Saudi Fransi is 69.9% owned by Saudi interests and 31.1% by Crédit Agricole CIB. Universal bank active mainly in Saudi Arabia, the BSF has a network of 86 branches spread across the country and grouped into three regional divisions, located in Riyadh, Jeddah and Al Khobar. Its equity reach €4.58 billion at 31 December 2012 and in 2012 it realized a NBI of €1 billion and a net profit of €609 million, up 3.6% compared to 2011. It employs a total of 2,678 employees at 31 December 2012. In addition to its retail customers, the bank has recognized expertise in the corporate market where it is a leader with nearly 15% market share with great expertise on the activities of trade finance, structured finance and capital markets. It has a subsidiary investment bank active in brokering activities, asset management, bond and primary equity and merger and acquisition advice.

➢ CAPITAL MARKETS AND INVESTMENT BANKING

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

Global Markets Division

This business line covers all trading activities and the sale of market products intended for corporates, financial institutions and major issuers.

Owing to a network of 21 trading floors, including five liquidity centers in Londres, Paris, New York, Hong Kong and Tokyo, Crédit Agricole CIB offers its customers strong positions in Europe, Asia and the Middle East, a targeted presence in the USA, and additional entry points into local markets.

In order to provide clients with solutions tailored to their specific problems, teams of Global Markets Division (GMD) are organized around an expanded customer division, the Global Markets Clients division ; two product poles (Credit and Rates, Foreign exchange and Treasury) and a cross-functional center.

All sales and trading entities are supported by dedicated research teams.

Global Markets Clients division

The Global Markets Clients division brings together all the Global Markets functions which are customer oriented:

- the Coverage of Financial Institutions department,
- the Corporate and Investor Clients department,
- the Origination department
- the Securitisation departement.

The Coverage of Financial Institutions department focuses on the activities of Global Markets, but it remains at the service of all the business lines of Crédit Agricole CIB in connection with this customer segment.

The combination of all these activities within a single customer Division provides a better alignment between the coverage activities of financial institutions and activities of market sales, which are a key issue in the development of Global Markets.

In addition, bonds origination and securitisation activities are also incorporated, and are at the heart of Crédit Agricole CIB scheme for major customers of the Bank, in order to facilitate their access to the various sectors of the debt market.

Credit and Rates division

The Credit and Rates division gathers:

- the activities of Global Debt Markets,
- the activities of linear interest rate derivatives,
- the activities of nonlinear interest rate derivatives,
- the structuring and product development activities.

The Credit business operates in credit and debt instruments made for issuers (States, government agencies, financial institutions and large companies) and investors worldwide. It is present in all major financial centers and has dedicated trading centers in London, New York, Hong Kong and Tokyo.

Rate business line operates in all interest rate derivatives, linear and nonlinear, covering flow products such as rate and foreign exchange swaps (over 2 years) and liquid bonds, mainly on G-10 markets and emerging markets. It also offers Inflation derivatives and Cross Assets.

Foreign exchange and Treasury division

The Foreign exchange business line operates mainly in three categories of foreign exchange instruments : foreign exchange Spot and Forward, foreign exchange options and precious metals. The offered products range from spot exchange to more sophisticated products such as investment-oriented foreign exchange structured products, currency risk hedging and optimization of passive cash. Each product can be adapted to specific needs. This business line now includes the precious metal part of the «Commodities» activity (trading on gold, silver, platinum and palladium).

The Crédit Agricole CIB teams are present on the emerging currencies (Eastern Europe, Asia, Latin America, North Africa and the Middle East) as well as major international currencies (euro, sterling, yen, Swiss franc, U.S. dollar, Australian dollar, Scandinavian currencies).

The Treasury business line ensures the liquidity of the Bank's position. Its goal is to obtain low-cost resources and provide financing at market price to its customers, internal and external, within the limits of credit risk and market risk. It is responsible for the Bank's compliance with liquidity regulatory requirements, including prudential ratios (Banque de France Ratio and Liquidity Coverage Ratio in the future as well as mandatory reserves).

Treasury also manages the Crédit Agricole CIB group liquidity reserve.

The activities of the Treasury business line revolve around five liquidity centers located in London, Paris, New York, Tokyo and Hong Kong, with an active presence in 15 other countries, which provide liquidity of major currencies. Liquidity centers control and contribute to the management of liquidity of branches and subsidiaries in each region. This structure allows a consolidated management and vision of Credit Agricole CIB's cash by providing continued access to global money markets.

Crédit Agricole CIB manages local multicurrency emissions programs, allowing to broaden its investor base. Products that comply with Islamic law have also been developed.

Cross-functional pole

The Transverse functions pole's mission is to support the development of responses to new regulatory constraints, to optimize the use of scarce resources of Global Markets and to ensure, with the support functions, the evolution of the operational need device necessary for the development of business. It includes the Controls and Operations department and the Management of Scarce Resources department, responsible in particular of monitoring and management of the CVA (Credit Value Adjustments) optimization, of risk-weighted assets and of collateral.

Brokerage and Equity Derivatives

Derivatives brokerage

◆ Newedge

Newedge was created on 2 January 2008 through the merger of Calyon Financial and Fimat (Société Générale group). Its core business consists of brokerage services for listed derivatives.

Newedge offers institutional clients a full range of clearing and execution services covering futures and options on financial products and commodities, as well as money market instruments, bonds, foreign exchange, equities, and commodities on OTC markets.

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

Newedge operates across 85 equity and derivatives markets worldwide, with 21 locations in 15 countries.

Equity derivatives

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

The adjustment plan announced on 14 December 2011 put on record the cessation of activities related to equity derivatives except for Corporate and Convertibles activities transferred to the Investment banking activity. At the end of 2012, the arbitrage, flow and funds activities are off.

Investment Banking

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

◆ Equity Capital Markets Primaire

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

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

◆ Strategic Equity Derivates

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

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

◆ Global Corporate Finance

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

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

➢ PRIVATE BANKING

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

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

In 2011 and 2012, subsidiaries and branches dealing with private banking were united under a joint holding company (with the exception of the Miami branch which remains within Crédit Agricole CIB) to strengthen the synergies between entities.

The Private Banking holding includes the Crédit Agricole Switzerland, Crédit Agricole Luxembourg, Compagnie Financière de l'Asie (main indirect shareholder of Crédit Foncier de Monaco), Crédit Agricole Brasil SA DTMV and Crédit Agricole Private Banking Servicios y Representaciones entities.

On 22 February 2012, Crédit Agricole S.A. has brought to Credit Agricole Private Banking, the CA Indosuez Private Banking company (formerly BGPI) and on 19 October 2012, the private banking activity performed in Spain.

➢ DISCONTINUING OPERATIONS

The “discontinuing operations” perimeter has been set up during Crédit Agricole CIB’s refocusing and development plan it adopted on 10 September 2008 and expanded with the adjustment plan announced on 14 December 2011 (see highlights of the year 2012).

It encompasses the operations which were the most impacted by the 2008 crisis and the business lines seen as non-strategic within the framework of the adjustment plan:

- Portfolios of the CDO (Collateralized Debt Obligations) and ABS (Asset-Backed Securities) mainly collateralized by American subprime mortgages, commercial real estate mortgages or leveraged loans exposure;
- Structured Credit and “Correlation” products, underlying risk being a corporate credit portfolio represented by a CDS (Credit Default Swaps) ;
- Equity derivatives (excluding corporate and convertible);
- Trading of commodities;
- Exotic rate derivatives that were already in run-off;
- The impaired portfolios of residential underlyings.

2 ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

Data identified in the text by the symbol ✓ has been verified by the firm PricewaterhouseCoopers.

Economic, social and environmental information

Information regarding economic, social and environmental responsibilities are presented around the acronym FReD covering the approach of social responsibility (CSR) of the Crédit Agricole S.A. group. FReD covers the three traditional pillars of CSR through action plans for economic responsibility (Fides : fraud, customer interest, ethics, market equilibrium, financial security), social (Respect: recognition, equality, security, participation, fairness, consistency, territory) and environmental (Demeter : dialogue, externalities, markets, ecosystems, transportation, energy, resources).

In accordance with this Crédit Agricole S.A.'s process, which determines the remuneration of the Group's senior executives, Crédit Agricole CIB has implemented at end of 2011, five action plans for each of the Fides, Respect and Demeter pillars.

A cross-reference table between the FReD axes and indicators of Article L 225-102-1 of the Commercial Code and of the Global Reporting Initiative (GRI) is included at the end of Chapter 102-1 of the Commercial Code and of the GRI.

➢ ECONOMIC RESPONSIBILITY

Building confidence through a committed approach to Compliance

The non-compliance risk deals with non-compliance with legislative provisions, regulations and rules applicable to internal and external activities of Crédit Agricole CIB in banking and financial fields, which can result in sanctions, judicial, administrative or disciplinary disputes with customers and more widely in reputational risk.

The Compliance function aims at strengthening the confidence of the stakeholders involved (customers, employees, investors, regulators, suppliers) in respect of these rules and their implementation. Its mission is twofold :

- protect Crédit Agricole CIB against any action, internal or external, potentially harmful or unlawful. These include the fight against fraud and corruption as well as the mission of financial security (prevention of money laundering, the fight against terrorist financing, assets freeze management and embargoes, knowledge of customers).
- protect the interests of its customers and its reputation in the markets by working against the violation of internal deontological rules (insider trading, internal fraud, conflict of interest, lack of counseling, etc.).

The Compliance function also ensures the effectiveness of the systems in place. To do so, it:

- translates laws and regulations in the proceedings
- trains employees on compliance issues;
- advises on transactions;
- monitors the functioning of the device.

The Compliance Department (CPL) is firmly committed to the process of corporate social responsibility of Crédit Agricole CIB called FReD (Fides, Respect, Demeter) by mobilizing alongside the Human Resource Department (HRD) and the Sustainable Development sector through an engagement on 5 of the 15 leading actions of the first CSR plan launched in early 2012. These actions are progress plans that CPL is committed to achieving over periods of one to two years and aimed at improving ways of being and acting of Crédit Agricole CIB in respect of its customers. At the end of 2012, CPL has reached its ambitious goals related to:

- the deployment of corruption risks mapping,
- the review of the Commission Nationale de l'Informatique et des Libertés (CNIL) goals to strengthen the system of protection of personal data,
- the Fides 2 training (presence training) for part of the Capital Markets department
- the improvement of the transactions reporting,

the fifth project relating to the improvement of the compliance rate of KYCs (Know Your Customer) is close to the target despite a later start than expected.

2013 Plan of Fides Pillar will integrate a new project concerning the new role of CPL regarding the validation and monitoring of professional social mandates replacing the CNIL project and will pursue the other four 2012 actions.

The work of the Compliance function focuses, inter alia, on the following priorities

Priority 1: Fraud

Crédit Agricole CIB has continued to strengthen its fight against internal and external fraud against corruption. The organisation of the fight against corruption was been precised again in 2011 by faîtier governance texts at the Crédit Agricole Group level of Crédit as well as in Crédit Agricole CIB.

In 2012, taking into account the corruption risk in the mapping of operational risks by business line and entity has been refined and the compliance with standards has undergone specific controls.

Priority 2: Customer interest

The bank has a secure process of entering into a relationship with the customer. Protection of customers is based on a comprehensive classification of customers not only in application of the MIF rules applicable in the European Economic Area (increased protection of the non professional customer who is sold a service investment) but more widely at the global level, after an internal process called «internal suitability rating.»

It structures the process of entering into a relationship with the customer to ensure that only safe financial instruments are offered to customers not equipped with a proven knowledge of the markets. Otherwise, a screening of the transaction by the Compliance department has become necessary and it has a veto on the transaction. More widely elsewhere, upstream, the Bank redefined its business strategy since 2009 and remains positioned on the less risky market segments.

This process of entering into a relationship undergoes a priori controls of Compliance, but also a posteriori, with the development of a program called «Treat Your Customer Fairly».

In addition, new activities and products Committees (called Committees NAC / NAP) for each business line in France and abroad in which representatives of the Directorates of Compliance, Legal and Risk & Permanent Controls sit, ensure that all the products and activities proposed in the distribution networks are consistent with the provisions of laws, regulations, codes of conduct and internal procedures specific to the banking and financial activities.

Finally, in 2012, the Bank has also paid attention to strengthen measures to protect non-professional customers as well as professional ones by structuring further its monitoring claims. These should always be recorded, communicated to a Complaint Correspondent appointed in each direction of the Bank, and subject to a reply within two months. All complaints are centralized and monitored under the auspices of the constitutive functions of internal control.

Priority 3: Ethics

The entire compliance system (organization, procedures, training programs) creates an environment conducive to the strengthening of ex ante control. However, when preventive measures have not played their role and a malfunction occurs, it is important that it is::

- detected and analyzed as quickly as possible;
- brought to the attention of line managers, of compliance functions to the most appropriate level within each business line;
- monitored and corrected, and that its causes are eliminated.

Reporting of malfunctions

Centralization of malfunctions cases in the reporting process, as described in the specific governance text, allows to be aware at the highest level of the company, of the Bank's exposure to non-compliance risk. Thus, when a employee has any doubts or reasonably establishes the existence of a malfunction in the field of compliance, he must tell his supervisor that informs one of the officials representing the function (Compliance; Legal) depending on the subject. The device is completed by an alert faculty, allowing the employee, if it finds an abnormality in the normal process of malfunctions reporting or if he considers he undergoes a pressure likely to lead him to the realization of a malfunction, to report this fact to the compliance officer of the entity. The state of dysfunctions is monitored by Compliance correspondents and units of the Compliance Department of Crédit Agricole CIB Headoffice which is in charge of the submission to the Compliance Management Committee. The latter acknowledges the cases and validates the proposals made to close dysfunctions.

Protection of personal data

In order to comply with the regulations and recommendations of the CNIL, Crédit Agricole CIB grouped personal data treatments in eight purposes (the main objective of the establishment of a computer application), which are covered by separate declarations to the CNIL.

Within Crédit Agricole CIB, each business line is responsible for compliance relating to personal data. The business line appoints an interlocutor to represent it in this context.

In June 2012, the European compliance officers have been sensitized to respect the CNIL governance texts within specific purposes that apply locally to them.

The responsible of software project is in charge of reporting the personal data treatment in the analysis file.

Business Contributors and responsibles are advised by the compliance (2 people) which also provides intermediation with the CNIL and the people who seek a right of access, rectification or opposition.

Compliance also follows various projects requiring its opinion regarding the protection of personal data (e.g. : servers outsourcing).

The existing information systems are subject to regular census campaigns and, if necessary, of compliance adjustments.

Training

The Legal and Compliance department of Crédit Agricole S.A. has undertaken a revision of existing FIDES training. This new training program entitled «FIDES, the Islands route», was made available in late 2011 in French and in March 2012 in English.

It has been adapted to the business lines of Crédit Agricole CIB and implemented by Human Resources on the year 2012 for the whole staff.

In parallel, each area of expertise of Compliance continued to provide training (presence training) to targeted populations (Capital Markets, Financial Security, conflicts of interest, sensitive personal...).

Priority 4 : Market stability

European Framework Directive 2003/06/EC of 28 January 2003 sets on on a European level the regulatory framework for market abuse.

Thus, the obligation of vigilance on market operations is a central priority of the Credit Agricole CIB Compliance department.

Prevention of market abuse revolves around three main axes, which are training the concerned employees, the establishment of a dedicated organization and procedures, and controls.

Crédit Agricole CIB has a specific tracking device of market operations at a global level. It generates alerts based on selected criteria and allows control of transactions suspected of being related to a market manipulation or fraudulent use of privileged information.

The objectives of the system as a whole are actually to : detect suspicious transactions, call alerts, report to the relevant regulator if necessary.

Priority 5 : Financial security

As regards financial security, Crédit Agricole CIB applies the FIDES II texts issued by the Compliance department of the Group relative to the prevention of money laundering, the fight against financing of terrorism, freezing assets management and respect of international sanctions. Implementing measures to comply with international sanctions is delegated to the Compliance department in accordance with the Group's decision.

Crédit Agricole CIB has adapted its procedures and tools to the new requirements linked with the transposition into national law of the third European directive.

Thus, when entering into any relationship, the required checks on the identification of the customer are a first filter to prevent money laundering. Prevention is based on the knowledge of customers and effective beneficial owners, completed by information searches through specialized databases. During the business relationship, an appropriate and proportionate vigilance regarding identified risks is exercised. To this end, the computer tools for determining the level of customer risk and detection of unusual transactions assist employees.

The fight against the financing of terrorism also implies a constant comparison of client files to the lists of international sanctions and politically exposed persons.

Crédit Agricole CIB has contributed to the work of the profession driven by the Training Centre of the Banking Profession (CFPB), and deployed the training program to the fight against money laundering and financing of terrorism. This training is complemented by two programs: prevention against Fraud and Group program on compliance issues.

➢ SOCIAL RESPONSIBILITY

Workforce indicators

Methodology

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

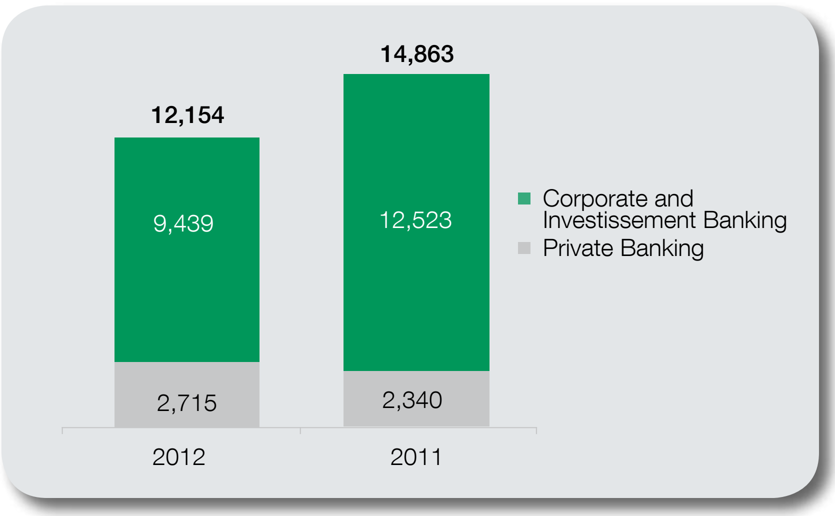
Concerned Entities are those with employees that are consolidated either fully or proportionally (figures are reported according to the percentage of the Group's interest in their capital). According to the rule adopted in the 2012 shelf-registration document, CA Cheuvreux and CLSA entities are not consolidated in the indicators presented here, contrary to 2011. In many cases,

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

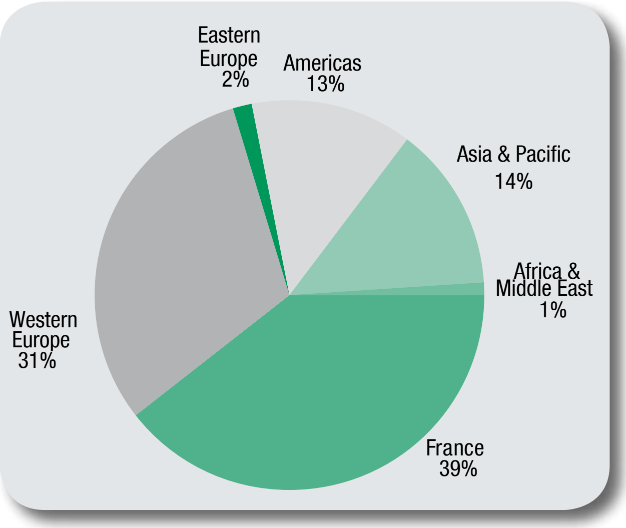
The scope of employees covered (as a percentage of full-time equivalent employees at the end of the year) is presented below for each item or table of this section.

Key figures

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



Headcount by region ✓



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

Outside France (39% of employees), the main contributors are:

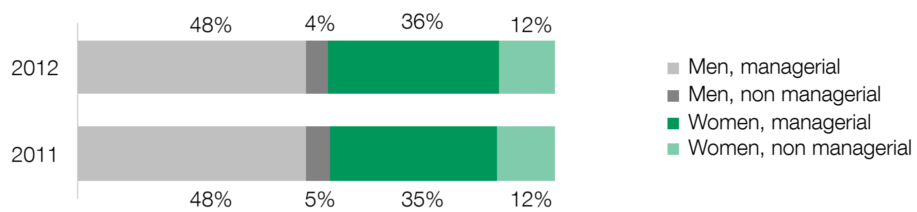
- USA (12% of employees)
- Switzerland (11% of employees)
- United Kingdom (9% of employees)
- Hong Kong (4% of employees)

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

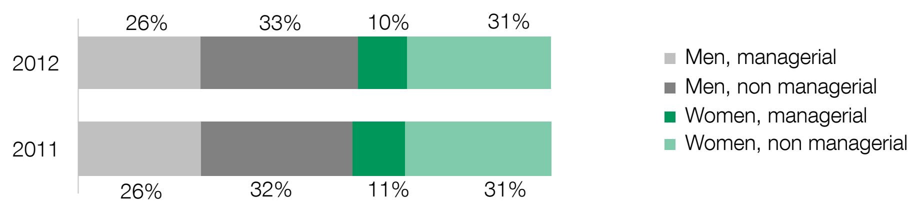
	2012			2011		
	France	International	Total	France	International	Total
Active permanent staff	4,737	7,275	**12,012**	4,868	9,741	**14,609**
Contract staff	41	101	**142**	70	184	**254**
Total active staff	**4,778**	**7,376**	**12,154**	**4,938**	**9,925**	**14,863**
Permanent staff on extended leave of absence	78	ND	**78**	83	ND	**83**
Total Staff	**4,856**	**7,376**	**12,232**	**5,021**	**9,925**	**14,946**

NA : Not Available

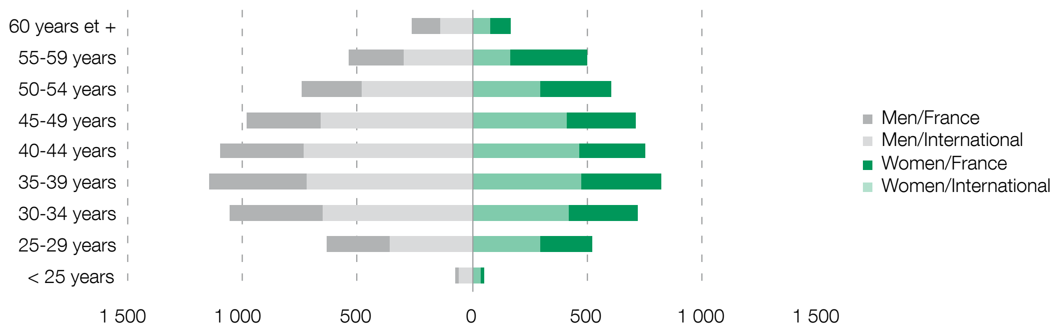
Breakdown of employees in France by gender and category ✓



Breakdown of international employees by gender and category ✓



Age structure (at 31 December 2012) ✓



The average age of Crédit Agricole CIB Group employees is 42, with an average age of 43 for France and 40 abroad.

Number of staff recruited by region ✓

Number	2012			2011
	CIB	Private banking	Total	Total
France	61	9	**70**	420
Western Europe	116	85	**201**	476
Central and Eastern Europe	12		**12**	22
Africa	3		**3**	2
Middle East	7		**7**	5
Asia-Pacific	79		**79**	494
Americas	95	26	**121**	166
Total	371	120	**491**	1 585
% of business scope in France			**95%**	**91%**

Proportion of part-time employees ✓

	2012			2011		
	Managerial	Non-managerial	Total	Managerial	Non-managerial	Total
Part-time staff	293	169	**462**	282	156	**438**
Part-time staff as % of total	7.6%	22.3%	**10.0%**	7.1%	19.7%	**9.2%**
% of business scope in France			**95%**			**96%**

Priority 1: Recognition

Crédit Agricole CIB is committed to promoting a management that is responsible and respectful for individuals. The manager is a key player in the professional development of staff. Therefore, Crédit Agricole CIB continued in 2012 to develop its efforts to professionalize managers and strengthen their role in human resources. Several devices have been created or maintained to allow them to take their full part in this process.

Responsible management

◆ Development of management culture

In a constantly changing environment, managers play a central role in the dissemination and implementation of the strategy of Crédit Agricole CIB. They are the first actors to mobilize teams while supporting skills development of their employees. To cope with the economic and regulatory challenges as well as its transformation challenges, Crédit Agricole CIB launched in early 2012 a training program dedicated to all managers in France and abroad: the Management Academy.

This course aims at building a program for managerials shared by all the managers of Crédit Agricole CIB. It is built on a four skills basis : management, leadership, change management and personal development. Academy of Management permits to adopt shared managerial behaviour, to implement strategic priorities through an individual and collective commitment and to collectively develop solutions to shared problems.

In 2012, the Management Academy hosted 727 managers, 144 in France, 388 in EMEA, 116 in Asia and 79 in America. The rollout will continue in 2013.

Alongside this overall system, since September 2012, a new tool for personal development is available to all managers in the world to support them in their manager mission. «Develop Yourself» and «Develop Your Team» are libraries collecting a hundred of management topics and personal development in English. This simple tool, accessible from the eLearning platform of Crédit Agricole CIB, enables managers to provide practical information to manage better certain situations. Each theme (personal development, leadership, performance evaluation, creativity ...) includes a selection of articles, practical exercises and self testing.

In 2012, as part of the adjustment plan of Crédit Agricole CIB, workshops dedicated to managing change have also been implemented. More than 200 managers worldwide have benefited from them. The main objective was to promote the relay of messages from the CEO and to help managers to disseminate and implement an operational strategy for Crédit Agricole CIB. These exchange workshops also helped managers to understand better the situations and the behaviors of their teams in front of uncertainty, to create benchmarks for their employees on a daily basis. Returns on these workshops have been very positive and managers have enjoyed this process.

◆ Annual assessment

The annual assesment is a fundamental managerial act. It represents a major element for employee management allowing to take stock of the year's performance, skills and goal setting. To professionalize this meeting, Crédit Agricole CIB has proposed five workshops and training to support its managers in the annual evaluation and goal setting:

- Annual meeting: a managerial must act
- Know how to set goals and success indicators SMART
- Driving performance throughout the year
- Assess the skills and define a development plan
- Know how to deal with difficult situations during meetings

As part of the global campaign in 2012, 95.5% of the evaluation meetings between employees and managers were realised against 93% in 2011.

Individual employee management

The priority is to give every employee the means to evolve and to reach the highest level of competence and responsibility. To offer prospects, facilitate mobility, provide training programs, develop appropriate tools, all actions that should contribute to the effective management of employees.

◆ Career and talent management

The evolution of Crédit Agricole CIB strategy and the deployment of its adjustment plan in 2012 reinforce the need to support and develop its employees. Crédit Agricole CIB is committed to deploying a policy career management to allow every employee, regardless of its level in the organization to expand its professional experience in a constructive manner.

As such, actions have been implemented to strengthen the role of the annual evaluation in employees career management and the Group is set to focus whenever possible internal mobility rather than external recruitment. The vacancies are thus the subject of a publication in the internal job stock both in France and abroad. Beyond the usual meeting points provided during the year between employee, manager and HR manager, Crédit Agricole CIB has developed an approach to career management harmonized and shared globally to reflect the international character of its operations and its corporate culture.

Employees assessment process by managers

To facilitate this annual process that takes stock of the individual and collective efforts, achievements and development needs necessary to the success of the Bank, the schedule of evaluation meetings and target setting has changed in 2012. Indeed, evaluation and goal setting were made in two separate campaigns. This new approach is more flexible and has enabled managers who wanted to do so, to formalize the assessment and future goals at the same time or to shift time 2013 goals setting.

The qualitative and quantitative objectives are formalized through specific criteria to evaluate their achievement. The weight of these criteria on the overall assessment depends of each business line. They are defined in accordance with the guidance provided by the business line manager who declines the strategy of the General Management to its own business line.

The process of evaluating the performance and skills may be preceded for some functions by a global campaign of Cross Feedback. Real tool for assessment, Cross Feedback consists in obtaining for the manager, objective evidence from employees who are working in contact with the person being evaluated. For the employee, the Cross feedback allows him to benefit from a specific and concrete feedback from the people he works with on a daily basis within their department or other business lines / support functions of the Bank.

This approach also allows to promote better cooperation between the teams developing the culture of feedback. This is a constructive approach and qualitative one (no ratings) which focuses on the work of an employee in the past year.

This year, the Cross Feedback campaign was held from 24 September to 26 October 2012. More than 2,270 questionnaires were completed by respondents, allowing 439 employees and managers to receive an individualized Cross feedback report.

Mobility and career committees : promote the mobility of employees

The Group device for talent management implemented in 2011 was reinforced in 2012 in collaboration with various entities. Crédit Agricole CIB is fully committed in this process and has a coordinated management framework of talent management with a dual purpose: expanding career opportunities and strengthen support for potential employees.

Mobility committees aiming at facilitating mobility between different functions have been strengthened within Crédit Agricole CIB to develop inter-business lines movements. They are held on a monthly basis to assist in connection with the Group's strategy, strengthening transversality and cross-selling. In addition, a team of specialists of Human Resources and reclassification has been created to support employees wishing to achieve mobility within the framework of the adjustment plan of Crédit Agricole CIB (Mobility Adviser).

Career committees were maintained at the Group level as well as in Crédit Agricole CIB, to identify key resources and potentials to define action plans (development, training, mobility) and develop succession plans for all the members of business lines management committees and support functions ones.

Mobility figures* for 2012

- 237 transfers within business lines
- 289 transfers between business lines
- 91 international transfer on a scope of 18 countries
- 63 transfers to the Crédit Agricole Group

* Crédit Agricole CIB Scope

◆ Training

The training plan for 2012 aspired to accompany the adjustment plan of Crédit Agricole CIB by ensuring that the Bank has the collective and individual skills essential to its new business model.

Crédit Agricole CIB has proposed a training offer made-up of nearly 275 programs on technical and managerial skills.

The priorities of the 2012 training plan:

- to promote collective and cross actions regarding professionalization in order to respond to structural changes of the business lines of Crédit Agricole CIB : provision of a range of targeted training, creation of specific collective actions such as «risk basis»…
- to deploy globally the training program dedicated to managers, the Management Academy, to strengthen their role in the implementation of the strategy of Crédit Agricole CIB and in supporting their teams.
- to support individual training projects of collaborators such as second career assesment.
- to maintain Crédit Agricole CIB commitment in the prevention of psychosocial risks with specific actions undertaken by business line, such as the one carried out by the Global IT & Operations department.
- to enhance the existing eLearning offer with management modules, languages and micro-computer in order to promote access to training.
- to continue the implementation of regulatory and banking changes in eLearning.

This year Crédit Agricole CIB has strengthened its commitment in the fight against psychosocial risks. This will resulted in the systematic validation of all requests from employees and managers to follow these courses. Thus, in 2012, 105 participants have benefited from the seminars «Know how to conceal pressure and efficiency» or «Managing the stress of its employees and its own one.»

In addition, the Global IT & Operations has implemented a specific plan to support its operational managers during the year. A total of 202 managers were trained with the program «Managing the stress of its employees and its own one «. In 2013, this approach will be extended to other departments of Crédit Agricole CIB in France and abroad.

For 2012, the percentage of the payroll of Crédit Agricole CIB dedicated to training is, once more this year, above the legal requirements and reflects the efforts made by the company to develop and strengthen the skills of its teams .

In France, training costs for Crédit Agricole CIB in 2012 amounted to €10.4 million (including compensation of employees during their training periods).

The number of trained employees represents more than 70% of employees in indefinite-term contract at the end of the year. On average, trained employees in 2012 have benefited from 24.4 hours of training.

Training policy

	2012 (11 months)*		2011 (11 months)*	
	Number of employees trained	Number of hours training	Number of employees trained	Number of hours training
France	3,431	83,877	3,643	90,487
International	5,326	103,730	5,556	98,854
Total	**8,757**	**187,607**	**9,199**	**189,341**
% of business scope	92%	92%	82%	82%

* Note that December figures are not representative.

Training themes

Number of hours	2012 (11 months)*				2011 (11 months)*	
Themes	Total	%	France	International	Total	%
Knowledge of the Credit Agricole S.A. Group	8,259	4.4%	4,403	3,856	8,835	4.7%
Personnel and business mnagement	13,693	7.3%	5,350	8,343	6,409	3.4%
Banking, law, economics	28,940	15.4%	8,870	20,070	26,345	13.9%
Insurance	360	0.2%	0	360	251	0.1%
Financial management (Accounting, Fiscal policy,…)	11,851	6.3%	6,530	5,321	13,196	7.0%
Risks	9,172	4.9%	5,669	3,504	10,808	5.7%
Compliance	11,479	6.1%	1,528	9,952	8,234	4.3%
Method, organisation, quality	8,167	4.4%	5,421	2,747	10,132	5.4%
Purchasing, Marketing, Distribution	2,591	1.4%	1,862	729	4,369	2.3%
IT, Networks, Telecommunications	6,013	3.2%	1,906	4,108	7,282	3.8%
Foreign languages	46,478	24.8%	21,607	24,871	55,579	29.4%
Office systems, business-specific software, new technology	9,916	5.3%	3,781	6,135	11,247	5.9%
Personnel development and communication	25,264	13.5%	14,598	10,666	21,939	11.6%
Health and safety	3,516	1.9%	1,605	1,912	2,544	1.3%
Human rights and Environment	250	0.1%	140	110	294	0.2%
Human resources	1,659	0.9%	610	1,049	1,877	1.0%
Total	**187,607**	**100%**	**83,877**	**103,730**	**189,341**	**100%**
% of business scope	92%		95%	90%	82%	

* Note that December figures are not representative.

Training areas most representative within the Crédit Agricole CIB are:

Banking and financial trainings which hold first place with 26% of the hours of training plan;

Language trainings remain in second place with 25% of the hours;

Behavioural trainings stand at third place and represent 21% of the plan.

Priority 2: Equality

Gender equality at work

Proportion of women

%	2012		2011	
	%	Of workforce covered	%	Périmètre couvert
Total employees	42.8%	96%	42.5%	88%
Permanent employees	35.9%	95%	37.9%	88%
Group Executive Commitee	3 out of 16	100%	2 out of 14	100%
Management circles 1 & 2(*)	13.4%	100%	12.7%	100%
Top 10% of highest earning employees in each subsidiary ✓	15.8%	87%	17.0%	80%

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

◆ Promoting diversity

As part of the CSR project FReD, Crédit Agricole CIB has set a goal to reach 25% of women in managerial circles at end 2015. For this, the pool of high potentials is reviewed regularly with managers to ensure that more women are included. Specific training programs will also be offered in 2013 to support these women. This device is accompanied by quantitative measurement indicators that will measure realized progresses.

In 2012, three women sit on the Executive Committee of Crédit Agricole CIB (against two in 2011) and six women on the Management Committee (against 5 in 2011).

Negotiations for the signing of an agreement on professional equality will also begin in early 2013. The applications cover the fields of employment, training, compensation and career management and the balance between private life and professional life.

Since October 2010, potentiELLES, the network of Crédit Agricole CIB launched at the initiative of women, proposes a forum to discuss and reflect on their careers and to sensitize management to gender equality. At end 2012, it had over 350 members.

Crédit Agricole CIB also supports Financi'Elles, the federation of women executives networks in the banking, finance and insurance sectors which was established in March 2011, and that brings together the major players in our sector (BNP Paribas, Société Générale, Caisse des Dépôts, BPCE, Axa, HSBC, Barclays) to consider issues regarding diversity. The Executive Management of Crédit Agricole CIB has signed the White Paper of Financi'Elles and made five commitments on the subject of gender equality. In this context, Crédit Agricole CIB participated in September 2011 to the voluntary consultation of all the men and women executives of these companies in France (33% of participants). This permanent study is intended to be renewed every two years to obtain quantitative data on the progress of gender equality.

◆ Women leaders

Crédit Agricole S.A. is a partner of EVE program, created at the initiative of Danone to develop women's leadership in the participating companies. Aimed at young talent as well as experienced managers, the EVE program welcomes mainly women, but is also open to men. Through this partnership, five women of Crédit Agricole CIB were involved in the third edition of this seminar, which took place in Evian in December 2012 and gathered almost 300 participants from various economic sectors.

Employment and integration of disabled people

In France, Crédit Agricole S.A., since 2005, applies a proactive policy in favor of the employment of disabled people. The first Group agreement signed in 2005, was renewed in 2008 and again in 2011. The third agreement is a logical continuation of the efforts made for the past six years and covers all the Group entities.

To promote the integration of disabled people in France, Crédit Agricole CIB has established individual accompaniment measures and developed awareness-raising among all employees.

◆ Retention

The agreement provides adjustments to the work environment at the forefront of technological innovation to facilitate the job retention of disabled workers: hearing aids, larger screens, deployment of the telephony tool Tadéo and Themis system of fire alarm for all deaf employees, transportation financing, implementation of teleworking, accessibility for the visually impaired employees of the online business report, developing the use of sign language translation for conferences or training.

This coaching can also take the form of adapted training, psychological monitoring, or coaching to support the professional development of disabled employees.

◆ Raising awareness

To improve the integration of its deaf employees, Crédit Agricole CIB, for the second consecutive year, offers all its employees in France courses of French Sign Language (LSF). While in 2011, 174 people had attended courses for beginners, more than half of them wanted to continue their learning in 2012. New courses have been introduced to allow them to do so. In addition, new courses were organized for beginners. Thus, more than 2,300 hours of learning have been taught in 2012. In order to sustain the process, level 1, 2 and 3 courses will be available in January 2013.

Crédit Agricole CIB has also participated for the second year to «Handigolf», a golf competition for teams, organized in partnership with the Hanploi, which helped raising five managers to the disability topic. In fact, teams made-up of company managers and high level disabled golfers were able to demonstrate that disability and skills can go hand in hand.

◆ Use of disability-friendly companies

In addition to direct actions for the employment of disabled people, Crédit Agricole CIB has developed the use of sheltered employment sector and disability-friendly companies (Adapted Companies and Institutions and Help Services by Work) signing in 2012 a contract with a disability-friendly company dealing with printing business cards in France. Computer recycling management, maintenance of green areas, 50% of printing works and negative responses to Paper applications are multi-year services entrusted to sheltered workshops. Occasionally, sheltered workshops have taken place in 2012 in the field of communication and for the realization of buffets and lunch trays. Within the FReD project, the objective of Crédit Agricole CIB is to assign two new significant and recurrent services to the sheltered employment sector and disability-friendly companies before the end of 2013.

Youth employment and diversity of backgrounds

◆ Pre-recruitment

Crédit Agricole CIB, since 2006, continues an active policy of pre-recruitment through its commitment regarding the professional integration of young people. This policy is reflected in the development of work-based training programs in France and a procedure for identifying potentials among its interns, its work-study trainees and VIE (International Voluntary Abroad) to create a pool.

In 2012, Crédit Agricole CIB has welcomed 450 new interns in France, 163 new work-study trainees in France and 71 VIE in its international subsidiaries.

Pre-recruitment ✓

Internships and work-study training in France (average monthly Full-Time Equivalent)	2012	2011
Work-study training	220	214
Interns	244	327
% of business scope in France	96%	93%

In France, work-study trainees and interns represent more than 9% of active indefinite-term contract employees at year-end.

◆ Nos quartiers ont des talents («Our neighborhoods have Talent»)

Crédit Agricole CIB has been present during the national days of «Our neighborhoods have Talent» and has hosted several roundtables to help graduates in their career. The association «Our neighborhoods have Talent», of which the Group has been a partner since 2007, guides towards employment young graduates and Bac +4, from «sensitive» neighborhoods through sponsorship between individual managers and recent graduates. Crédit Agricole CIB has about 20 volunteer mentors coaching students and graduates who are seeking employment, within the framework of partnership with this organization.

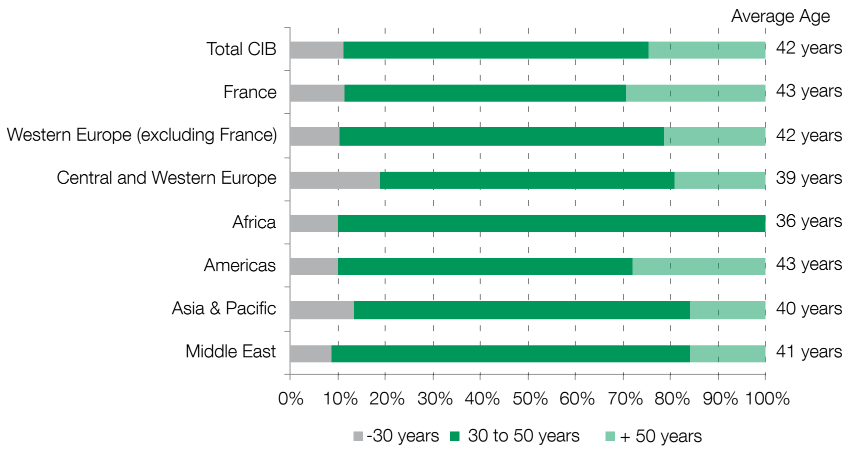
In addition, in accordance with the diversity policy of the Crédit Agricole Group, the recruitment team participates in numerous activities promoting diversity of recruited profiles (e.g. participation in dedicated forums, resume coaching, mock interviews, etc.)..

Age equality

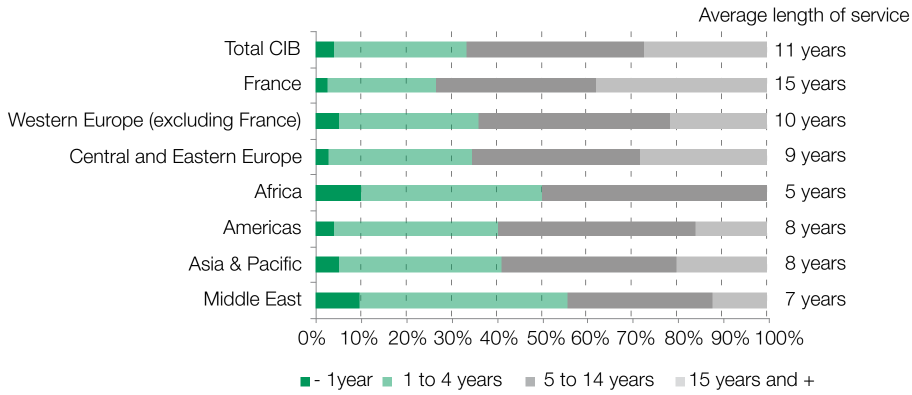
◆ Agreements/plans for senior staff

In 2012, Crédit Agricole CIB in France continued the action plan developed in 2010 for seniors. In this context and since this signature, 86 volunteers being 45 years old and older benefited from a second career assessment. This interview is conducted by HR managers to carry out an assessment on the career and project of the staff. It provides an opportunity to conduct a comprehensive study on development possibilities and consider, where appropriate, relevant training devices.

Breakdown of permanent staff



Breakdown of permanent staff



Departures of permanent staff by reason ✓

Permanent staff departures by reason	2012				2011			
	France	International	Total	%	France	International	Total	%
Resignation	67	440	507	45%	163	724	887	69%
Retirement and early retirement	64	44	108	10%	46	42	88	7%
Redundancy	116	336	452	40%	34	186	220	17%
Death	4	2	6	1%	3	4	7	1%
Other reasons	15	37	52	4%	30	54	84	6%
Total	**266**	**859**	**1,125**	**100%**	**276**	**1,010**	**1,286**	**100%**
% of business scope	96%	95%	95%		100%	82%	88%	

Retirement ✓

	2012			2011		
	France	International	Total	France	International	Total
Retirement	**64**	**44**	**108**	**46**	**42**	**88**
Managerial	40	ND	ND	29	ND	ND
Non-managerial	24	ND	ND	17	ND	ND
% of business scope	96%	95%	**95%**	100%	82%	**88%**

Equality during restructuring period

◆ Adjustment plan of Crédit Agricole CIB

The crisis of sovereign debt, the scarcity of liquidity and the ever strengthening regulatory constraints led Crédit Agricole CIB to change its strategy in the context of an adjustment plan for France and abroad during the year 2012.

The adjustment plan of Crédit Agricole CIB, its consequences on employment and its accompanying measures have been introduced to staff representative through an information and consultation process, which ended on 19 April 2012.

This adjustment plan provides the elimination of 1,550 positions, including 439 in France and the creation of 275 jobs. It is based on the following strategic directions:

- refocusing on its major customers and the development of financial institutions in our customers basis;
- concentration of the international network of 32 countries representing 85% of global GDP;
- development of loans distribution;
- the discontinuation of equity derivatives (excluding Corporate Equity Derivatives and Exchange Traded Funds) and Commodities which do not reach a critical size.

As such, the Crédit Agricole Group is committed to promoting job retention of employees whose position is impacted by promoting internal and external mobility exclusively on a voluntary basis and by putting in place a part/reduced time incentive measure.

This is why the Group decided to implement all means necessary to put in place a full and individualized accompaniment device of employees who have volunteered.

Mobility Advisory Center

Crédit Agricole CIB has established for all eligible employees a reception, information and advisory center. Mobility Advisory Center allows everyone to enjoy a time of sharing and questioning before any committment and to be accompanied in the implementation of its mobility. Mobility Advisory Center teams gather HR managers and external consultants specialized in issues of mobility and reclassification

The Mobility Advisory Center is also coordinated with the HR teams of Crédit Agricole S.A..

The implementation of the adjustment plan in France and abroad followed the timetable set out in the year 2012 and is the subject of a regular communication to the attention of employees.

Priority 3: Security

Absenteeism ✓

	2012							2011		
	Managerial		Non Managerial		Total		Average number of absence days per employee	Total		Average number of absence days per employee
	Women	Men	Women	Men	Number of days	%		Number of days	%	
Illness	13,029	6,061	8,247	2,217	29,554	33%	6.2	29,064	42%	6.1
Accident in the workplace and during travel	272	108	241	26	647	1%	0.1	1,315	2%	0.3
Maternity/paternity	23,193	1,523	4,446	120	29,282	33%	6.2	28,884	42%	6
Authorised leave	5,122	1,500	1,169	232	8,023	9%	1.7	7,858	12%	1.6
Other reasons	5,873	9,427	5,878	1,253	22,431	24%	4.7	1,514	2%	0.3
Total	**47,489**	**18,619**	**19,981**	**3,848**	**89,937**	**100%**	**18.9**	**68,635**	**100%**	**14.3**
% of business scope in France	95%							96%		

Crédit Agricole CIB has built in 2012 a eLearning training module to raise awareness around security for all the people working in the premises of the Bank. The preparatory work was carried out in coordination with the Security service of the Bank, occupational physicians, the Secretary and the Assistant Secretary of the Health, safety and working conditions Committee (CHSCT). This module will be finalized and implemented in early 2013. It includes topics related to safety / security (access control, prevention of accidental fire, alarm procedures), psychosocial risks, gestures, postures and comfort in the workplace and hygiene and health at work.

Continued prevention and awareness of psychosocial risks

◆ Awareness and training on psychosocial risks (RPS)

Joint Committee for the prevention of stress at work has continued to meet in 2012 to prepare a project of agreement to be subject to negotiation in early 2013. The work of this commission has also focused on the development of a tool to measure continuous stress in collaboration with occupational medicine.

On 14 June 2012, a new operational protocol of the moral harassment commission of the CHSCT has also been concluded with the CHSCT in order to introduce a conciliation phase which may precede the formal entry of the Joint Committee.

In addition, within the framework of the FReD project, 229 local managers have received a 2 days training to generate and experience less stress. This approach is intended to be extended in 2013, including globally.

To fight against psychosocial risks, Crédit Agricole CIB made also available to its employees a counseling service, confidential and anonymous, through a hotline.

Reconciliation of professional and personal life

To enable a better balance between work and family life in less restrictive financial conditions, provisions about assisted part-time present in the Adaptation to work plan have been extended to the whole employees of the bank, in a company agreement signed on 27 September 2012.

Priority 4: Participation

The Group encourages the establishment of an active and constructive dialogue with employees and their representatives. This participation can take different forms: direct speaking, surveys, social barometers, collaborative tools and development of a valuable social dialogue.

Social Dialogue

Social dialogue is a reflection of corporate responsibility. The Group is attentive to the development of a constructive social dialogue with a view to conclude structured agreements which carries true commitments.

◆ Social dialogue within the entities of Crédit Agricole CIB France

In Crédit Agricole CIB, social dialogue takes place through multiple instances: The Works Council and its commissions, the Committee of Health, Safety and Working Conditions (CHSCT) and personnel delegates.

The Works Council of Crédit Agricole CIB is made up of 12 members and 12 alternate members.

It is informed and consulted on issues affecting general working conditions resulting from the organization of labor, technology, employment conditions, the organization of working time, skills and ways of compensation. It enjoys the support of the Health, Safety and Working Conditions (CHSCT).

The CHSCT is made up of 12 members and aims at contributing to the protection of the health and safety of workers and improving working conditions. The body was renewed in January 2012.

Crédit Agricole CIB has two staff delegations, one in Courbevoie and the other in Saint-Quentin-en-Yvelines. The Courbevoie delegation is composed of 25 members and 25 alternate members, while the delegation of Saint-Quentin-en-Yvelines is composed of eight members and eight alternate members. Personnel Delegates are mandated to report to the Executive management of the company individual or collective complaints relating to wages, the application of the Labour Code and the law on social protection, health and safety as well as conventions and agreements applicable to the company.

Social dialogue is also exercised in the context of negotiations between unions and the management of Crédit Agricole CIB.

In 2012, these negotiations resulted in the signing of

10 agreements:

- 4 under compensation and peripheral,
- 1 under staff representative institutions,
- 2 regarding working time,
- 1 regarding the adaptation of applicable statutes to BFT employees (Banque Française de Trésorerie) joining Crédit Agricole CIB,
- 1 on the method agreement on the adjustment plan of Crédit Agricole CIB and one additional clause.

Crédit Agricole CIB has accepted all requests for leave based on economic and social training and trade-union training formulated by employees and trade unions, which represented 169 days in 2012.

Crédit Agricole CIB concluded on 20 March 2008 a company agreement on the conditions for the exercise of social and labor law. This agreement defines the conditions for the exercise of corporate offices, means of operation of trade unions, the terms and conditions of the new means of communication, including access to the intranet and electronic mail, and terms of career development of staff representatives.

This initial agreement was completed by an additional clause signed on 27 September 2012 which helped materializing the impact of legislative and regulatory changes (Law of 20 August 2008 on the renewal of social democracy).

Number of company-wide agreements signed in France by theme ✓

	2012	2011
Salary and related	8	12
Training	0	
Staff representation bodies	1	4
Employment	4	
Working time	2	1
Diversity and professional equality	0	
Other	3	2
Total	**18**	**19**
% of business scope in France	95%	96%

Priority 5: Equity

Compensation policy

Within the specifics of its business lines, its legal entities and specific laws depending on the countries, the Group strives to develop a system of compensation that ensures employees of challenging and competitive retributions in respect of its reference markets.

This compensation policy seeks to reward performance, whether individual or collective, in accordance with the values of fairness and merit that characterize the Group.

Skills and level of responsibility are paid by the basis salary in accordance with the specificities of each business line in their local market, to offer in each of the markets where the Group is present, competitive and attractive compensations.

In Crédit Agricole CIB, variable compensation plans related to individual and collective performance are established based on the achievement of objectives and results of the entity.

Variable remuneration base is fixed taking into account the risk profile of the business line and all the costs, including the cost of risk, liquidity, return on equity. The variable remuneration is based on the determination of envelopes per activity and of which individual distribution to employees is determined by the management based on an overall assessment of performance, individual and collective, in connection with financial and non financial goals defined individually and collectively.

◆ Variable compensation policy for employees covered by CRD III

Policies and rules of variable compensation for risk-taking collaborators and control functions as well as members of the executive bodies are in compliance with the provisions of Regulation 97-02 as amended by the Decree of 13 December 2010 which transposes French European directive known as «CRD III».

Variable remuneration of these employees are partly deferred over several years and are finally acquired at the term under performance conditions. At least 50% of these bonuses are paid in Crédit Agricole S.A. shares or equivalent instruments.

Crédit Agricole CIB extends the mechanism of the deferred to the variable compensation of employees who are not covered by the above provisions of Regulation 97-02, for a sake of cohesion and alignment on the overall performance of the company.

The quantitative and qualitative information relating to personnel covered by the provisions of Regulation 97-02 will be detailed in a special report in accordance with Article 43.2 of the Regulation. This report will be published before the General Assembly in 2013 to approve the 2012 financial statements.

◆ Governance of compensation policies

The Compensation Committee of Crédit Agricole CIB provides the deployment within its activities of the principles defined by the Compensation Committee of the Crédit Agricole S.A. Group:

- It establishes the proposals submitted to the decision of the Board of Directors relative to the remuneration policy under the principles established by Crédit Agricole S.A.. More specifically, it ensures that the impact of risk and capital requirements inherent to the concerned activities are taken into account when determining the variable compensation envelopes (amount, distribution).
- In terms of compensation, it ensures compliance with regulatory provisions and professional standards and in particular those concerning employees covered by the provisions of Regulation 97-02.
- In addition to the remuneration of corporate officers, it examines individual situations regarding variable compensation for the most significant amounts (one million or more).

◆ Compensation of Group Executive managers

The remuneration policy for senior executives of the Group's objective is to reconcile the demands of an increasingly competitive market with the expectations of shareholders, of collaborators and clients so that the Group can bear its aspirations, as a major leading actor of the banking market, nationally and internationally.

Direct compensation of Group executives consists of a fixed salary and a variable compensation determined annually, basing on economic goals for the first half, and non-economic ones (management objectives, customer satisfaction and creating societal value) for the other half.

In addition, long-term variable remuneration in shares of performance will encourage performance on economic and social targets. Its progressive acquisition on 3 years is subject for a third to the societal performance of the Group as measured by the Group's CSR (FReD).

The executives are involved in the supplementary pension scheme of Crédit Agricole S.A..

In 2012 and for the second consecutive year, fixed remuneration of executive managers have been frozen given the particular context.

◆ Employee shareholders

Since 2001, Crédit Agricole S.A. has a policy of employee share ownership and had regularly processed to capital increases reserved for employees, in France and twenty countries worldwide. These operations have enabled them to become shareholders of Crédit Agricole S.A. for a minimum period of five years enjoying a discount on the subscription price.

Given a very uncertain financial context in 2012, the implementation of such an operation was not timely. However, the employees have the possibility to acquire at any time Crédit Agricole S.A. shares thanks to their company savings plan through mutual fund invested in shares of Crédit Agricole S.A..

For the record, at the end of 2011, Crédit Agricole S.A. has implemented a plan to grant free shares for all Group employees. Thus, 60 were granted to each employee in November 2011. The collective nature of this plan is consistent with the objective of promoting the social responsibility of the company.

At end 2012, the share capital held by employees and former employees of the Crédit Agricole S.A. Group amounts to 4.43%.

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

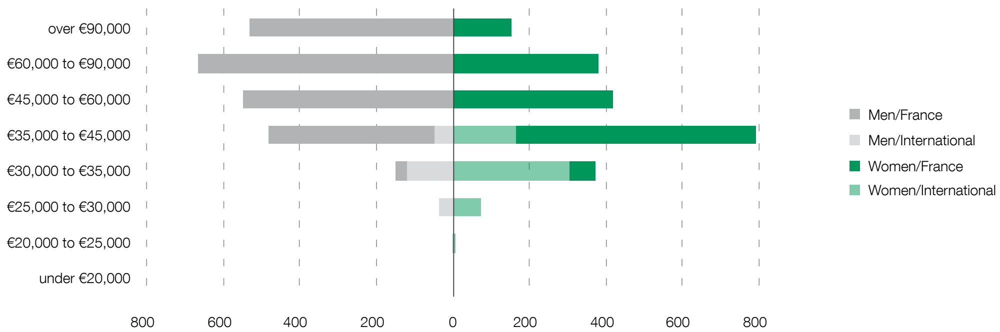
	2012			2011		
	Gross amount paid *(in '000 €)*	Number of beneficiaries	Average amount *(in €)*	Gross amount paid *(in '000 €)*	Number of beneficiaries	Average amount *(in €)*
Profit-sharing	927	584	1,587			
Incentive plan	28,772	5,739	5,013	31,767	5,109	6,218
Employee savings plan top-up	10,781	4,996	2,158	9,717	4,463	2,177
Total	**40,480**			**41,484**		
% of business scope	95%			96%		

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

in €	2012			2011		
	Men	Women	Total	Men	Women	Total
Managerial	6 265	4,714	5,603	6,363	4,753	5,689
Non-managerial	2,709	2,772	2,755	2,787	2,764	2,771
Global	**5,965**	**4,226**	**5,136**	**6,028**	**4,252**	**5,201**
% of business scope			95%			96%

The salaries presented here are based on weighted averages taking into account the actual structures observed in 2011 and 2012. They include both movements inbound / outbound and annual salary reviews.

Annual fixed remuneration at end-December 2012 for employees in France



◆ Collective variable compensation policies: incentive plan and profit-sharing

- Permanent profit-sharing agreement, concluded on 30 June 2004,
- Amendments to the Crédit Agricole CIB profit-sharing agreement concluded on 24 June 2010, updating the terms of the profit-sharing agreement concluded on 30 June 2004 as regards the ability to ask for immediat full or part payment of the profit-sharing and the terms of information of beneficiaries,
- Incentive plan agreement for 2010, 2011 and 2012.
- Amendment to the incentive agreement signed on 26 May 2011 updating the provisions of the incentive agreement of 24 June 2010 on the right to assign incentive payments to the Savings Plan for Collective Retirement (PERCO).
- Amendment to the incentive agreement signed on 29 June 2012 updating the provisions of the incentive agreement of 24 June 2010 concerning the definition of the rule for calculating the reserve for the incentive.

Priority 6: Consistency

Crédit Agricole CIB is committed to fostering the involvement of its employees in external professional projects or non-professional projects that are consistent with its values.

Employee involvement outside Crédit Agricole CIB

◆ Employee involvement in schools

Crédit Agricole CIB encouraged its employees to get involved in relationships with schools to share its capital and know-how, particularly through the device of «School Captains» of Crédit Agricole group.

Many managers and employees join HR teams in the schools Forums in France and abroad, to share their experience with students.

Other actions are also implemented in the form of educational partnerships (case studies, lectures, presentations of our business lines) and participation in admission juries. Conferences as well as company visits are also organized for students.

In 2012, the schools-relationships team continued its actions with financial associations of engineering schools, business schools, and universities, through their funding of events and projects.

Finally, punctual meetings (such as breakfasts) are internally organized to allow employees to share their experiences with students and work-study trainees of the company.

◆ Employee involvement in solidarity actions

Crédit Agricole CIB intends to promote and encourage the involvement of its employees in specific areas of solidarity, assistance to the poors, the environment and the public interest.

As such, a solidarity day was held on November 26 2012 for the Telethon of the Financial Community. This act consists in selling the products of the association AFM Telethon and also in encouraging runners to participate to the race on 7 December.

Indeed, this year Crédit Agricole CIB has organized the Telethon of the Financial Community, a solidarity event that brings for nearly twenty years players in the world of finance (banks, insurance companies, financial intermediaries, business lawyers, tax specialists...) during a race on 7 December at Paris Bercy. A total of 284 employees of Crédit Agricole CIB ran nearly 4,000 laps allowing an additional donation from Crédit Agricole CIB of €12,000, bringing the total donation from Crédit Agricole CIB Telethon to €90,000.

Internationally, the employees of Crédit Agricole CIB are also encouraged to participate in sports and charity events such as the homeless World Cup soccer in London or challenge «Oxfam Trailwalker 2012» and the boat race «Stanley International Dragon boat race» in Hong Kong.

Priority 7: Territory

Historically, the Crédit Agricole S.A. group, true to its values of solidarity and closeness, pays particular attention to the actions made to improve the education, health and access to culture where the group entities are present, in France and abroad.

Culture

Allow access to the world of culture and contribute to the great events of today and tomorrow is the commitment that leads the Group.

In this context, Crédit Agricole CIB has supported the production of the show «West Side Story» as part of its partnership with the Théâtre du Châtelet.

➢ ENVIRONMENTAL RESPONSIBILITY

Crédit Agricole CIB is working to reduce its direct environmental footprint through the reduction of energy and paper consumption, the implementation of a Company Travel Plan and the deployment of recycling facilities.

Recognizing that environmental and social impacts caused by its financing activity are far superior to its direct environmental footprint, Crédit Agricole CIB seeks to increase the positive impact of its activities through a «Sustainable Banking» activity while reducing the environmental and social risks including the introduction of CSR sectoral policies and the extension of due diligences based on the Equator Principles.

Priority 1: Dialogue

General environmental policy

Crédit Agricole CIB is careful to limit its environmental footprint by minimizing its own consumption and emissions based on its commercial objectives. In the context of the fight against global warming, Crédit Agricole CIB has made in 2012 a carbon footprint on its activities in France and its main sites abroad in 2011 (see priority 2).

Crédit Agricole CIB has initiated a certification «HQE Exploitation» for the headquarters building. The certification audit is expected in the second quarter of 2013. On the 14 targets of this process, 10 are already reached (site and environment-Energy Management-Water Management-Waste Management-Maintenance-Occupant comfort-Visual comfort-Olfactory comfort- Materials and Construction).

Given its activity, taking into account environmental and social impacts related to financing provided by the bank is nevertheless one of the key issues of sustainable development for Crédit Agricole CIB. The management system of the environmental and social risks associated with the activity is presented on the priority 3.

These issues are addressed by Crédit Agricole CIB in conformity with the general guidelines proposed by the Sustainable Development Department of Crédit Agricole S.A. and validated by the Sustainable Development Committee of the Crédit Agricole Group. They are subject to two governance texts. A Sustainable Development pole attached to the General Secretariat of Crédit Agricole CIB coordinates the implementation of sustainable development activities. An ad hoc committee, the Committee for the Evaluation of operations with a Social or Environmental Risk (CERES), chaired by the Head of the Compliance function, valids transaction notations under Equator Principles, provides advice and recommendations on operations classified as sensitive as regards monitoring of environmental and social aspects and approves the CSR sectorial policies prior to their approval by the Strategy and Portfolio Committee.

Training on the fundamentals of sustainable development, the Equator Principles and the Climate Principles are available to all headquarters staff for several years. Ad hoc training is also carried out with various business lines.

In 2012, a general awareness plan of employees was launched under FReD. This awareness focuses on issues of sustainable development, commitments of Crédit Agricole and FReD approach. The goal is to sensitize more than 80% of employees by the end of 2013.

To sensitize employees from Ile-de-France to the consumption of paper, the evolution of the average consumption per person per day since the beginning of 2009 is shown in graph on the intranet portal. Consumption statistics of each print center are also displayed.

Relationships with the people or organizations interested by the activity of the company

Crédit Agricole CIB is a partner of the Quantitative Finance and Sustainable Development Chair at the University Paris Dauphine and Ecole Polytechnique. The specificity of this project supported from the beginning by Crédit Agricole CIB is to bring together specialists in quantitative finance, mathematicians and specialists of sustainable development. The work is carried out by a team of twenty senior researchers in France and North America and are supervised by a Scientific Committee of high quality with two professors at the College de France: Pierre-Louis Lions and Roger Guesnerie.

It is within this framework that was initiated in 2010 important works on the quantification of CO2 emissions related to finance and investments of the Bank. No proven methodology does exist for the activity of CIB bank, so work initially focused on the definition of a methodological framework. The first methodology has been defined bursting emissions officially reported by countries under the United Nations Framework Convention on climate change based on macro-sectors and allocating emissions of each pair (sector, country) to financial players according to their share of financing and investments.

Crédit Agricole CIB has also participated in 2012 in various presentations and meetings with stakeholders (analysts, NGOs, students).

Priority 2: Externalities

Pollution and waste management

Because of its activity, Crédit Agricole CIB is not responsible for significant pollution. However, the bank achieved a carbon footprint of 85% of its business excluding brokers (in number of people) (see below) and provides important care to recycle waste.

Thus, in Paris, 100% of paper and cardboard collected is recycled.

Electronic equipment, batteries and bulbs and used pens and also empty ink cartridges are collected and sorted for recycling.

A special effort was brought to London since 2011 on the recycling of food waste and electronic equipment. Food waste collected are transformed into high quality compost (PAS 100 standard), which is used by farms in the area of Kent. Various aids for recycling are available on the intranet.

Climate change

The carbon footprint produced in 2012 for the French sites of Crédit Agricole CIB and on its main offices abroad, namely Germany, Spain, Hong Kong, India, Italy, London, New York, Shanghai, Singapore and Tokyo (covering 85% of employees excluding brokers), leads to a value of 73,800 teqCO2 in 2011. The biggest items concern the movement of people (39%) and energy (29%). This area is considered sufficiently representative, it can be estimated that the overall carbon footprint of Crédit Agricole CIB according to ADEME methodology would be, excluding brokerage, of 86,800 teqCO2 of which 71% not linked with Energy (denominated perimeter «scope 3»).

Various actions are implemented to reduce the carbon footprint of the Bank. They range from energy savings (see priority 6) to Corporate Travel Plan developed in 2009 based on the previous carbon footprint (see priority 5) to also the establishment of a postage in «green letter» which allows a significant reduction of polluting emissions for the letters involved.

Crédit Agricole CIB is also engaged in a continuous improvement process designed to better understand climate issues related to its loan portfolio. The work carried out in the framework of the Quantitative Finance and Sustainable Development Chair and on the quantification of CO2 emissions in 2011 led to the development of a methodology and a first quantification of the emissions caused by financing and investments activities of the bank between 100 and 200 Mt CO2 equivalent. This work continued in 2012 and per-mitted to refine the order of magnitude that emerges today at about 100 Mt CO2 equivalent for induced annual emissions. This value reflects the carbon intensity of activities financed by Crédit Agricole CIB and corresponds to the active role of the Bank in financing the global economy

A first elemental mapping has also been established and has guided the choice of CSR sectoral policies under development (see priority 3).

The financing of renewable energy is an integral part of the strategy of Crédit Agricole CIB which is one of the first players in financing these projects. The bank got engaged in this sector, since 1997, with the funding from its first wind farms in 2008 and with the financing of a solar energy project in Spain. Business line of Project Finance funded a total of 270 wind farms totaling about 11,700 MW and 26 solar power plants totaling nearly 1,000 MW of installed capacity. In number of cases, renewable energy represented 69% of the financing activity of power projects in 2012.

Subcontractors and suppliers

Governance text describes the general and operational principles of purchases at Crédit Agricole CIB within the framework of Crédit Agricole S.A. business line. These rules apply to all purchases made by Crédit Agricole CIB units. This text makes a point of attention on the need to include if possible sheltered workshops in the list of bidders. Under these rules, a bidder must indicate its policy in terms of sustainable development and indicates measures to implement this policy, all fields together, through a Sustainable Development questionnaire, and can also attach any additional information deemed useful. The «sustainable development» rating assigned to each bidder is part of the selection criteria and therefore the final rating.

Priority 3 : Markets

Territorial, economic and social impact of the activity of the Company

As important financier of the global economy and a major debt markets player, the activity of Crédit Agricole CIB has territorial, economic and social impacts, positive or negative, proportional to its activity. Crédit Agricole CIB has developed a proactive approach designed to:

- reduce the risks of potential negative environmental or social impacts associated with financing and investment activities. This consideration is based on three pillars: the application of the Equator Principles for operations directly related to a project, CSR sectoral policies and environmental and social sensitivity analysis of transactions.
- promote financial operations called «responsible», where issuers and investors integrate social and environmental components in their investment decisions. The team «Sustainable Banking» is specialized in this activity.

Equator principles

Crédit Agricole CIB is part of a group of 10 banks that have launched the Equator Principles in June 2003. These principles permit the evaluation of risks associated with environmental and social impacts generated by projects of more than $10 million. They apply for the Bank through a process of due diligence and for borrowers by the obligation to develop projects in accordance with the standards of the International Finance Corporation (IFC). These principles have emerged for a few years as a market standard in project finance and their influence now extends to other forms of financing.

◆ Projects assessment

The classification of projects is based on the classification of the International Finance Corporation (IFC) with 3 levels:

- 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 environmentl impacts, generally relating to one site, that are largely reversible and easy to resolve;
- lastly, C corresponds to projects presenting minimal or no negative social or environmental impacts.

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

◆ Implementation of Equator principles

In Crédit Agricole CIB, the implementation of the Equator Principles has been developed at the initiative of the Project Finance business line. The assessment and management of environmental and social risks are primarily performed by business managers on the basis of the classification obtained with special attention to classified A projects. Business managers are supported by a network of local correspondents who provide them with the necessary support in each Project finance structuring geographic center and in permanent contact with a coordination cell.

Industrial and Sectoral Studies (EIS), integral part of Crédit Agricole S.A., provide assistance and additional lighting by offering their expertise on environmental and technical issues and thus allow to refine the analysis and identification of risk depending on the industries. The Coordination Unit, made up of operationals of the Project finance business line, coordinates the practical aspects of the implementation of the Equator Principles. It manages the network of local correspondents, sets up specific training for participants.

The CERES Committee is consulted on all issues likely to be classified as A, prior to their passage in front of the credit committee. It also validates the classification of projects as A, B or C.

◆ Statistics

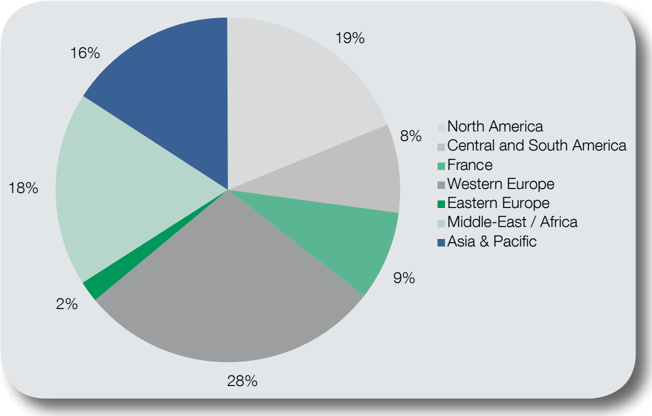
A total of 335 projects have been rated at 31 December 2012, including 36 during the year 2012:

- *24 projects were classified A, of which 3 in 2012,*
- *251 were classified B, of which 27 in 2012,*
- *and 60 were classified C, of which 6 in 2012.* ✓

Sectoral and geographic distributions are the following ones:

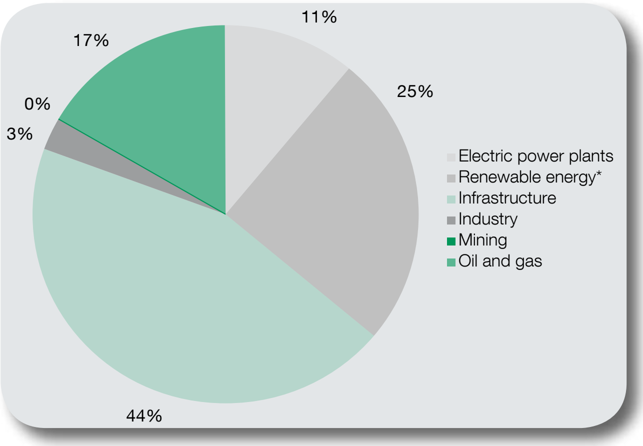
Ranked projects at 31 December 2012

Breakdown by region



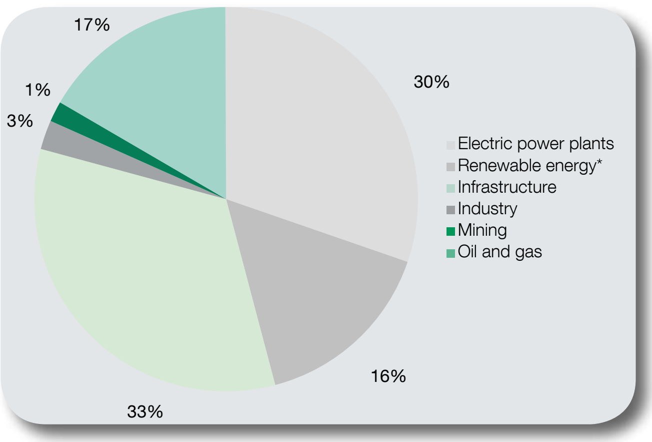
New ranked projects at 31 December 2012

Breakdown by sector



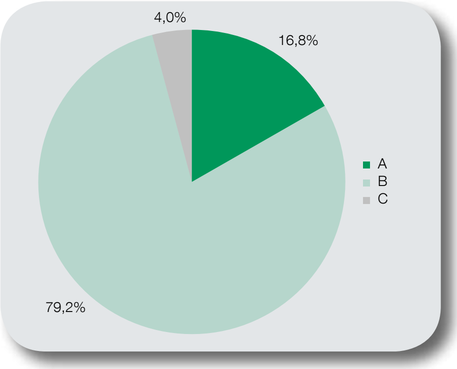
Ranked projects at 31 December 2012

Breakdown by sector



(*) Renewable energy: Wind, solar, biomass and hydraulic

Projects in non high-income OECD countries



◆ Extending the Equator principles

The Equator Principles were developed to meet the constraints and levers existing in the process of project financing within the meaning of the Basel Committee on Banking Supervision. Even if they can not always be applied in the state to other ways of financing, they are nonetheless a useful methodological framework for the recognition and prevention of social and environmental impacts when financing appears linked to the construction of a specific industrial asset (factory, transportation infrastructure...).

Crédit Agricole CIB has been actively involved in the origin of several working groups established within the group of banks that have adopted the Equator Principles. Crédit Agricole CIB has contributed to the development of codes of practice to promote the use of these principles to other ways of financing the activities of project financing. Crédit Agricole CIB, which applies these rules on a best effort basis, is actively involved since 2011 on the reflections launched in the Association of Equator Principles on the enlargement of the scope of these principles, as co-director of the ad hoc working group.

CSR Sectoral policies

Resolutely turned towards the financing of the real economy and supporting major projects that drive sustainably the territories, Crédit Agricole CIB desired to include social and environmental policies in its financing policies criteria. These criteria reflect mainly the citizen issues which seem most relevant for a CIB and in particular with regard to the respect of human rights, the fight against global warming and the preservation of biodiversity.

◆ Policy on financing military and defence equipment

Crédit Agricole CIB applies the sectoral policy of the Crédit Agricole Group on armaments. This policy in particular provides for gradually phasing out loans to companies manufacturing or marketing anti-personnel mines and cluster bombs.

With regard to the financing of military and defence equipment, numerous conditions are imposed concerning the type of transaction, the identity of stakeholders and their approval by official organizations.

◆ Energy sector policy

The purpose of the CSR policy of Crédit Agricole CIB as regards the energy sector is to clarify the general intervention principles and rules concerning financing and investments in this sector in line with the policy of the Crédit Agricole S.A. Group. ***Crédit Agricole CIB sought what were the best practices recognized by international bodies or major professional organizations and formulated analysis and exclusion criteria from these references. The principles and rules apply to all financing and investments of Crédit Agricole CIB and will be revised according to the evolution of its knowledge and appreciation of the issues.*** ✓

Analysis of the environmental and social sensitivity of transactions

Environmental and social sensitivity of transactions is appreciated since 2009 by Crédit Agricole CIB. Thus, the CERES committee makes recommendations prior to the credit committee for all transactions for which it deems necessary a close monitoring of environmental and social aspects.

Leading the industry in responsible finance

Crédit Agricole CIB has created in 2009 a specialized team in responsible finance, which helps our customers in their social and environmental projects (financial advising, fundraising). Managed as a real business line, the Sustainable Banking team registered several successes in 2012. It has played a key role in the development of the Sustainability Bonds markets on which the bank has emerged as a world leader in 2012. The characteristics of these operations are (1) the allocation of raised funds to (re)financing activities or projects with high social and/or environmental impact, (2) the commitment of the issuer in an improvement process and (3) reporting on the financed activities/projects. Involved in over €1 billion of Sustainability Bonds in 2012, the bank expanded its market opportunities to a market that was before confined to supranational issuers by helping the regions of Ile de France, Provence Alpes Côte d'Azur and Nord-Pas de Calais to issue bonds. At the end of the year, Crédit Agricole CIB has innovated by arranging the first responsible issue for a large company: SRI Bond of Air Liquide. This success is consistent with the Group's desire to be a leader in financing the real economy.

Today, Crédit Agricole is thus one of the few banking groups which have such expertise in its investment bank. This team assists our major customers in projects related to social and environmental responsibility, helping to strengthen our role as universal banking.

Priority 4: Ecosystems

Protecting biodiversity

Sectoral policies developed for the Energy sector include analysis and exclusion criteria based on the protection of biodiversity. Particular attention is given to important areas for biodiversity.

Thus, the negative impacts on the most sensitive protected areas such as protected areas or International Importance wetlands covered by the Ramsar Convention constitute exclusion criteria according to these policies.

Priority 5: Transport

Company travel plan

A Travel Plan Company (PDE) was prepared in 2009 on the Ile-de-France perimeter. This plan, for a period of 5 years, includes a section on 3 years concerning business trips that are the source of a major part of transport-related emissions. The objective is to reduce transport emissions by 15% compared to the 2005-2007 average. To do so, the travel policy was revised several times and is a key element of the Company travel plan (eg use of economy class for air travel of less than 4 hours, trips of less than three hours made by train, limiting the use of taxis, shared transfer service between the head office and the Roissy CdG Airport). The number of trips was significantly reduced (a 39% decrease between 2007 and 2012). The share of rail has increased steadily compared with air transport and is now more important.

Crédit Agricole CIB London continued in 2012 its support for the program «Cycle to Work» in favour of bicycle. This program echoes the British government's plan to encourage people to get to work by bike.

Priority 6: Energy

Sustainable use of resources: energy

In accordance with the consolidated reporting of Crédit Agricole S.A., the chosen indicators relate to electricity consumption.

The current scope corresponds to the Crédit Agricole CIB buildings in Ile-de-France. The data covered a period of 12 months from 1 December of the previous year to 30 November of that year.

Electric power consumption

Energy	Consumption (kWh)	% of the estimated measured scope	Ratio (kWh/m²/year)	t eq.CO_2
Electric power	33 362 394	100	296	1 759

Electricity consumption of buildings in Ile-de-France is down 6%; this decrease is explained partly by the diminution of the number of machines hosted in our Technical Computing Local (LTI) and, secondly, by investments made in new technologies: LED lighting, presence detection in public areas, automation of large electrical consumers of the company restaurant.

25% of the electricity of the head office (and 16% for the Ile-de-France perimeter) is from a renewable source.

The effort of minimizing energy consumption also applies for the sites where Crédit Agricole CIB is only tenant. Thus, the energy reduction of occupied premises by Crédit Agricole CIB has reached 6% in London and 10% in Tokyo.

Priority 7: Resources

Sustainable use of resources: other

In line with the consolidated reporting of Crédit Agricole S.A., the other selected indicators relate to water consumption and paper for office use.

Water consumption

	Consumption (m³)	% of the estimated measured scope
Water	47 071	66

The introduction of dual flush volume toilets and installing automatic taps contribute to a reduction in water consumption of buildings of Crédit Agricole CIB in Ile-de-France.

Office paper consumption per person per day is in significant decline since 2009, falling from 30.1 leaves in Q1 2009 to 19.1 in Q4 2012 on the Doumer pole and from 49.2 to 40.4 leaves for the Saint-Quentin pole. The establishment in 2012 of a broader scope to the main foreign places (London, New York, Hong Kong, Tokyo) for measuring the consumption of paper, in the framework of a FReD action plan, should allow to monitor the consumption of paper on about 75 % of Crédit Agricole CIB perimeter.

In addition, almost all of the print paper used by Crédit Agricole CIB in Paris, London and New York is labelled («Forest Stewardship Council» (FSC) or «Sustainable Forest Initiative»), stating that it comes from forests managed sustainably.

➢ CROSS-REFERENCE TABLE

Decree no. 202–557 of 24 April 2012 on transparency requirements of companies with regard to social and environmental matters – Article 225-105-1.

Indicators	Where to find them ?
1) Social indicators	
a) Jobs	
• Total employees, broken down by gender, age and region	p. 23, 24
• Hirings and lay-offs	p. 25, 31, 30
• Compensation and its change	p. 35
b) Work organization	
• Organisation of working hours	p. 25
• Absenteeism	p. 32
c) Labour relations	
• Dialogue between management and employees, namely employee notification, consultation and negotiation procedures	p. 33
• Overview of collective agreements	p. 33
d) Health and safety	
• Workplace health and safety conditions	p. 32
• Agreements signed with labour unions or employee representatives with regard to workplace health and safety	p. 33
• Workplace accidents, namely their frequency and severity, as well as occupational diseases	p. 32
e) Training	
• Training policies	p. 27
• Total number of training hours	p. 27, 28
f) Equality	
• Measures taken to promote gender equality	p. 28, 29
• Measures taken to promote equal employment opportunities for and integration of people with disabilities	p. 29
• Anti-discrimination policy	p. 29, 30
g) Promotion and adherence to the terms of the conventions of the International Labour Organisation with regard to:	
• Respect for freedom of association and the right to collective bargaining • Elimination of discrimination in employment and occupation • Elimination of forced or compulsory labour • Effective abolition of child labour	Our tertiary / intellectual activities in countries where we operate and respect the regulations allow to reduce the risk of our employees.
2) Environmental indicators	
a) General environmental policy	
• Organisation of the company to take environmental issues into account and, where applicable, environmental assessment and certification procedures	p. 37
• Employee training and education with regard to environmental protection	p. 37
• Resources allocated to prevent environmental risks and pollution	Quantitative data not reported for CACIB, but actions taken to limit direct (buildings) and indirect impacts by the business lines

Indicators	Where to find them ?
• Amount of provisions and guarantees for environment-related risks, except where this information is likely to cause serious prejudice to the Company in a current dispute or lawsuit	No provisions
b) Pollution and waste management	
• Measures to prevent, reduce or remedy discharges into the air, water and soil that seriously affect the environment	p. 38
• Measures to prevent, recycle and dispose of waste	p. 38
• Measures to prevent noise pollution and any other form of pollution caused by the business activities	Irrelevant for direct impacts ; see p. 39 for indirect impacts
c) Sustainable use of resources	
• Water consumption and supply with respect to local constraints	p. 41
• Raw materials consumption and measures taken to promote efficient use of raw materials	p. 41
• Energy consumption, measures taken to improve energy efficiency and use of renewable energy	p. 41
• Land use	Irrelevant for direct impacts ; see p. 39 for indirect impacts
d) Climate change	
• Greenhouse gas emissions	p. 38
• Adaptation to the consequences of climate change	p. 38
e) Biodiversity protection	
• Measures taken to preserve or promote biodiversity	p. 40
3) Indicators relative to societal commitments in favour of sustainable development	
a) Regional, economic and social impact of the Company's activities	
• With regard to employment and regional development	p. 38
• On neighbouring and local populations	p. 38
b) Relations with individuals or organisations that have a stake in the Company's activities, namely job placement associations, educational institutions, environmental associations, consumer associations and neighbouring populations	
• Conditions for dialogue with these individuals or organisations	p. 37
• Corporate partnership or sponsorship actions	p. 36, 37
c) Sub-contractors and suppliers	
• Application of social and environmental criteria in the procurement policy	p. 38
• Magnitude of sub-contracting operations and consideration of sub-contractors' and suppliers' social and environmental responsibility	p. 38
d) Fair business practices	
• Actions taken to prevent corruption	p. 20
• Measures taken in favour of consumer health and safety	p. 20, 21, 22
• Other actions taken in favour of Human rights	p. 40

➢ STATUTORY AUDITOR'S ATTESTATION AND LIMITED ASSURANCE REPORT ON HUMAN RESOURCES, ENVIRONMENTAL AND SOCIETAL INFORMATION

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

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

Year ended December 31, 2012

To the Board of Crédit Agricole

Pursuant to your request and in our capacity as statutory auditor of Crédit Agricole S.A., we hereby report an attestation of disclosure of the consolidated Human Resources, environmental and societal information presented in the management report issued for the year ended December 31st, 2012 in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de commerce) and our limited assurance report on a based on selection of them, identified by the sign (✓).

Management's Responsibility

The Board is responsible for the preparation of the management report including the consolidated Human Resources, environmental and societal information (the "Information") in accordance with the requirements of Article R. 225-105-1 of the French Commercial Code (Code de commerce), presented as required by the entity's internal reporting standards (the "Guidelines") and available at the entity's premises.

Our Independence and Quality Control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (Code de déontologie) and Article L. 822-11 of he French Commercial Code (Code de commerce). In addition, we maintain a comprehensive system of quality control including documented policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

It is our role, on the basis of our work:

- To attest whether the required Information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Code de commerce) and Decree No. 2012 557 dated April 24, 2012 (Attestation of disclosure);
- To provide a limited assurance report on the fact that certain information selected by the Crédit Agricole CIB group and identified by the sign e (✓) have been established, in all material aspects, in accordance with the Guidelines (Limited assurance report).

[(1)] *Quantitative information: Employees by region and by type of contract, gender and status distribution of staff, age pyramid, recruitment in long-term contract, share of part-time, female share among the 10% of the workforce with the highest remuneration, work-study trainees and interns, permanent staff departures, absenteeism, number of company agreements signed, average monthly wages;*

Qualitative information on the fight against psychosocial risks, the Equator Principles and CSR sectoral policies.

We called upon our Corporate Social Responsibility experts to assist us in the performance of our work.

1. Attestation of disclosure

Our engagement was performed in accordance with professional standards applicable in France:

We compared the Information presented in the management report with the list as provided for in Article R. 225-105-1 of the French Commercial Code (Code de commerce);

- We verified that the Information covers the consolidated perimeter, namely the entity and its subsidiaries within the meaning of Article L. 233-1 and the controlled entities within the meaning of Article L. 233-3 of the French Commercial Code (Code de commerce);
- In the event of the omission of certain consolidated Information, we verified that an appropriate explanation was given in accordance with Decree no. 2012-557 dated April 24, 2012.

On the basis of our work, we attest that the required Information is presented in the management report.

2. Limited assurance report based on a set of social, environmental and societal consolidated information identified by the sign (✓)

Nature and scope of work

We conducted our engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements) and French professional guidance. We performed the following procedures to obtain a limited assurance report on the fact that the selected information by the group Crédit Agricole CIB and identified by the sign (✓) do not contain significant misstatements that could question the fact that they have been established, in all material aspects, in accordance with Guidelines. A higher level of assurance would have needed larger audit works.

We have conducted the following works :

- We assessed the appropriateness of the Guidelines as regards their relevance, completeness, neutrality, clarity and reliability, taking into consideration, where applicable, the good practices in the sector.
- We verified that the Crédit Agricole CIB Group had set up a process for the collection, compilation, processing and control of the selected indicators to ensure its completeness and consistency. We examined the internal control and risk management procedures relating to the preparation of the indicators. We conducted interviews with those responsible for human resources and environmental data reporting, and with those responsible for the FReD index.
- Regarding the consolidated quantitative data that we considered to be the most important:
  - At the level of the consolidating entity and the controlled entities, we implemented analytical procedures and, based on sampling, verified the calculations and the consolidation of this information.
  - At the level of the sites that we selected based on their business, their contribution to the consolidated indicators, their location and a risk analysis:
    - ~ we conducted interviews to verify that the procedures were correctly applied;
    - ~ we performed tests of detail based on sampling, consisting in verifying the calculations made and reconciling the data with the supporting documents.

The sample thus selected represents 54% of the workforce.

- Concerning the qualitative selected information :
  - We conducted interviews with:
    - ~ The person in charge of coordinating the CSR policy,
    - ~ The people in charge of deploying the Equator Principles and CSR Sectoral Policies,
    - ~ The people in charge of the implementation steps to fight against psychosocial risks within the Human Resources function.
  - We have obtained documents such as internal procedures, reports of committees or meetings, training materials to substantiate the selected information and appreciate their sincerity.

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(2) *Crédit Agricole CIB France, Crédit Agricole CIB Etats-Unis, CA Indosuez Private Banking, CA Suisse*

Conclusion

Based on our work described in this report, we did not identify any significant misstatements that would question the fact that the selected information identified by the sign (✓) have been established, in all significant matters, in accordance with the Guidelines.

Neuilly sur Seine, 14 March 2013,

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Catherine Pariset

Partner responsible of the Corporate Social Responsibility Department of
PricewaterhouseCoopers

Sylvain Lambert

3 CORPORATE GOVERNANCE

Chairman of the Board of Directors' report

To the Shareholders,

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

This report has been prepared on the basis:

- of work done by the various staff responsible for periodic controls, permanent controls and compliance, their discussions with the Executive Management and within the Audit and Risks Committee and the Board of Directors, particularly through the presentation of the internal control report;
- of internal control documentation prepared within the Company;
- and of work done by the Corporate Secretary and the Finance Department.

This report was presented to the Audit and Risks Committee on 12 February 2013 and was approved by the Board of Directors at its meeting of 14 February 2013.

Use of a corporate governance code

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

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

Additional information concerning the composition of the corporate bodies, the terms of office and compensation of corporate officers is provided in pages 70 to 92 and is incorporated into this section by reference.

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

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

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

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

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

- participate in the effective determination of the orientation of the Company's activity;
- ensure compliance with articles L.571-4 to L.571-9 of the Monetary and Financial Code relative to financial and accounting information;
- monitor the correct functioning of internal control;
- participate in the determination of shareholders' equity.

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

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

General presentation and composition of the Board of Directors

Number of Directors

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

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

Number of Directors at 31 December 2012: the Board of Directors is made up of 18 Directors (16 Directors are appointed by shareholders in the Shareholders' meeting, and two Directors are elected by employees).

Terms of office of Directors

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

- At 31 December 2012 the expiry dates of Directors' terms of offices are staggered as follows:

Shareholders meeting in	2013	2014	2015
Number of Directors			
- Directors appointed by shareholders in the Shareholders' meeting	6[(1)]	9[(1)]	5[(2)]
- Directors elected by employees	-	2	-

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

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

Composition of the Board of Directors

✦ Changes in the composition of the Board during 2012 :

The appointments and resignations which occurred during 2012 are as follows:

As Director	Since
Michel Mathieu	9 May 2012
Jean-Pierre Paviet	9 May 2012

Mister Le Vourch's Director office has ended after the 9 May 2012 Shareholders meeting.

Mister Philippe Geslin's office as Non-voting Director has ended after the 22 August 2012 Board of Directors.

✦ Composition of the Board at 31 December 2012 :

Eighteen Directors :

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

[(*)] Directors representing employees

In 2012, the average age of directors was 59.

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

In November 2012 and in February 2013 the Board of Directors re-examined the list of Directors considered as independent, (there were six as of 31 December 2012): Mr Alphandéry, Mr Dangeard, Mr Gasquet, Mr Martin, Ms Pallez and Mr Veverka.

As of 31 December 2012, independent Directors (who must make up at least one third of the board for companies whose capital is owned by a majority shareholder; Crédit Agricole S.A. owns more than 97% of the company) made up one third of the Board.

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

Table of independent Directors :

31 December 2012	criterion[1]	criterion [2]	criterion [3]	criterion [4]	criterion [5]	criterion [6]	Possibilities [7] (a) b)
Mr Alphandéry	X	X	X	X	X	X	Not applicable
Mr Dangeard	X	X	X	X	X	X	Not applicable
Mr Gasquet	X	X	X	X	X	X	Not applicable
Mr Martin	X	X	X	X	X	X	Not applicable
Ms Pallez	X	X	X	X	X	X	Not applicable
Mr Veverka	- (*)	X	X	X	X	X	(*) - Mr. Veverka is also an Independent Director on the Board of Crédit Agricole S.A.

(1) Is not, and has not been in the last five years, an employee or corporate officer of the company, an employee or corporate officer of the parent company or of a company that consolidates the company.

(2) Is not a corporate officer of a company in which the company, directly or indirectly, acts as a director or in which an employee designated as such or a corporate officer of the company (currently or in the last fi ve years) is a director.

(3) Is not a significant client, supplier, corporate banker or investment banker:
- for the company or its group,
- or whose activities consist significantly of business with the company or its group.

(4) Has no close family relationship with a corporate officer.

(5) Has not been an auditor of the company in the last five years.

(6) Has not been a director of the company for more than 12 years.

(7) a/ Directors representing major shareholders of the company or of the parent company may be considered independent if they do not take part in the control of the company. If the shareholder owns more than 10% of the capital or voting rights, the Board of Directors, based on a report by the appointments committee, shall systematically investigate the director's independence taking into account the company's ownership structure and the existence of a potential conflict of interest.
b/ The Board of Directors may take the view that a director who fulfils the criteria below should not be deemed independent because of his/her particular situation or that of the company, given the company's ownership structure or for any other reason. Conversely, the Board may take the view that a director who does not fulfil the criteria below is nevertheless independent.

Change in the composition of the Board :

The offices renewal of the six directors coming to an end at the annual 2013 shareholders' meeting will be submitted to approval of this meeting.

Shares held by Directors

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

Operation of the Board of Directors

Calling Board meetings and frequency of Board meetings

The Articles of Association state that the Board shall meet whenever the interests of the Company require so and that meetings shall be called by the Chairman or by any person authorised to do so by the Board of Directors. If the Board has not met for more than two months, the Chairman may be asked by at least one third of the Board members to call a meeting in order to consider a predetermined agenda. In 2012, the Board of Directors met seven times, including five times in accordance with the scheduled agenda and also on 28 March and 4 July 2012.

Powers of the Board of Directors

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

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

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

  Liable to result in an investment or divestment in excess of €50 million;
- or the provision of security to guarantee the Company's commitments (including those not relating to transactions on the financial markets), when the security concerns Company assets with a value of more than €50 million

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

Board referral, information and intervention procedures

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

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

"Regulated" related-party agreements: In accordance with articles L. 225-38 and seq. of the Code de Commerce, the Board of Directors authorises "regulated" related-party agreements prior to their signature. The Directors and Managers concerned by the agreement do not take part in the voting. Information relating to the 2012 agreements (new agreements as well as those entered into before and that continued to have effects on this period) are sent to the Independent auditors, who will present their special report to the shareholders at the annual Shareholders' meeting. This report is provided in page 285.

Activities of the Board of Directors during 2012

The Board of Directors met on 21 February, 9 May, 22 August, 7 November and 20 December 2012, and also on special meetings on 28 March and 4 July.

Prior to meeting planed by the pre-established calendar, documentation was sent to Directors. For almost all items on the agenda of the Board Meetings, supporting documentation is distributed, if possible, several days before the meeting.

Meetings dealt mainly with the following subjects:

- annual, half-yearly and quarterly financial statements - commercial activity ;
- the half-year and annual financial report - management report included in the shelf-registration document - the Chairman's report to the Shareholders' meeting - social audit ;
- reports on work done by the Audit and Risks Committee;
- opinions from the Statutory Auditors;
- management of risks and exposures: quarterly points - 2011 Annual Report on Internal Control - points on Compliance and point on the control of internal compliance - information on the appointment of a new Head of Compliance under Regulation CRBF 97-02 - points on legal risks - letters from supervisory authorities brought to the attention of the Council;
- points on the adjustment plan of Crédit Agricole CIB presented in December 2011 as part of the adjustment plan of Crédit Agricole SA to the new environment - organization of the new model «distribute to originate» and regular points in this context - decisions relating to the adaptation of the international network and disposal projects of Group's subsidiaries;
- regular status reports on liquidity - focus on the measurement and monitoring of liquidity risk;
- composition of the Board of Directors and of its committees;
- minutes of the meetings of the Compensation Committee;
- variable compensation principles and budgets for the Company's employees; the report required by the French Prudential Supervisory Authority presenting the information relative to compensation policy and practices within the Company;
- compensations and goals of the Executive management members
- delegations of powers, particularly as regards bond issues;
- approval of regulated agreements (regulated agreements are transmitted to Statutory Auditors who then make a special report which is at the Shareholders' meeting disposal) ;
- proposition regarding the renewal of the Auditors offices submitted to approval of the annual Shareholderss' meeting held in May 2012.

Assessment of the Board of Directors' performance

Within the framework of the assessment of the Board's performance, the meetings of the Board in November 2011 and November 2012 were provided with a document summarising the main subjects dealt with at the Board meetings held respectively in 2011 and 2012, as well as certain aspects of the Board's organisation. The principles and recommendations relative to the proper functioning of the Board were incorporated into the provisions of its Rules of Procedure.

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

The meeting attendance rate of the members of the Board of Directors was around 92% in 2012 for all the meetings.

The nominations of officers result of a selection process conducted at the Crédit Agricole Group level

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

Specific meetings presenting business lines of the Company («Business line monographs») had previously been organized for members of the Board, to enable them to enrich their knowledge of the organization of these activities and to meet the players. These sessions focused on the presentation by the management teams of businesses, activities of the Financing banking and Capital markets banking, and the presentation of the support functions.

As part of the approval and monitoring of the adjustment plan, the evolution of the organization of business and support functions has been properly submitted to the Board of Directors.

In 2013, a new procedure will be defined, particularly to the attention of new directors.

Specific Committees and compensation principles and rules

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

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

Compensation Committee

◆ General presentation and composition of the Compensation Committee

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

The Committee met three times in 2012 and one as a preparatory meeting.

Responsibilities of the Compensation Committee

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

Its recommendations concern:

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

Some of the Committee's missions also are to :

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

Composition of the Compensation Committee

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

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

✦ Composition of the Compensation Committee at 31 December 2012

At 31 December 2012, the Compensation Committee is made up of four Directors from the Board of Directors, unchanged in 2012 :

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

This committee is chaired by the Chairman of the Board of Directors and comprises four members; two have the status of independent Directors.

The missions of the Compensation Committee apply within the framework of the remuneration policy of the Group.

With the objective of harmonization of compensation policies of Crédit Agricole S.A., the Group Human Resources Director is invited to the meetings of the Compensation Committee. Indeed, overall monitoring of the compensation policy applicable to all entities of Crédit Agricole S.A. is carried out from 2010 within Crédit Agricole S.A.. This monitoring presented to the Board of Directors of Crédit Agricole S.A., includes the proposed principles for determining variable compensation envelopes, examining the impact of risks and capital requirements inherent in the activities concerned, and an annual review, by the Compensation Committee of the Board of Crédit Agricole S.A., of the compliance with regulatory and industry standards on wages.

The composition of the Compensation Committee will be reviewed in 2013.

◆ Compensation Committee actions in 2012

The Compensation Committee met on 6 February, 3 May and 20 December 2012, and 14 December 2012 for a preparatory meeting. The rate of participation in the meetings of this Committee is 100% for the year 2012.

These sessions were devoted primarily to the following:

- Additional work in respect of the late 2011 meetings on the principles for determining variable compensation for the year 2011 of the employees of the Company including overall envelope and deferred systems;
- compensation of corporate officers including 2012 goal setting;
- part of the management report relative to the compensation of corporate officers for 2011;
- review of the remuneration of traders and of the report required by the Prudential Control Authority presenting information relating to the policies and compensation practices within the Company - Review of the variation of the envelope at individual level for the most significant amounts;
- principles for determining variable compensation in respect of year 2012 for employees of the Company, including overall envelope and deferred systems.

◆ Presentation of compensation principles and rules

Employees' variable compensation

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

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

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

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

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

✦ Transparency principle

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

- supply on an annual basis to the French Prudential Supervisory Authority a report on the compensation policy for staff as specified in article 43.1 of CRBF regulation 97-02 relative to the compensation of staff whose activities have a significant impact on the risk profiles of credit institutions and investment companies;
- publish on an annual basis the qualitative and quantitative information requested on the compensation of this staff in compliance with article 43.2 of this regulation. The requested information is detailed in a dedicated report, published before the 2013 Shareholders' meeting called to approve the 2012 financial statements.

✦ Deferred variable compensation for regulated employees

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

The application of this principle was renewed and adapted for the 2012 compensation year in compliance with the decree of 13 December 2010 transposing the CRD III directive into French law.

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

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

Compensation of members of Executive Management

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

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

and the presence within Crédit Agricole S.A..

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

✦ Compensation of Jean-Yves Hocher, Chief Executive Officer

Appointed Crédit Agricole CIB Chief Executive Officer on 1 December 2010 he supervised until 19 September 2012, the Corporate Secretary & Communication (CSE) and Group Internal Audit (GIA) departments.

Since 20 September 2012, he supervises the Global Compliance (CPL), Credit Portfolio Management (CPM), Corporate Secretary & Communication (CSE), Corporate Support Inter- national (CSI), Finance (FIN), Group Internal Audit (GIA), Global IT (GIT), Global Operations (GOP), Global Sourcing & Procurement (GSP), Human Resources (HRE), Institutional Affairs (IAF), Legal (LGL), Risk & Permanent Control (RPC) and Solutions for Process Improvement (SPI) departments.

He devotes 85% of its activity at Crédit Agricole CIB and also has an appointment as Chief Executive Officer of Crédit Agricole S.A..

- The fixed component of Mr. Hocher's compensation is set with reference to market practice for CEO compensation.
- In 2012, the variable component was based on two sets of criteria:
  - economic criteria: assigned a weight of 50%,
  - uneconomic criteria: assigned a weight of 50%.
- A long-term incentive is allocated based on annual performance.

✦ Compensation of Pierre Cambefort, deputy CEO

Appointed deputy CEO of Crédit Agricole CIB on 1 September 2010, he supervises the Client Coverage & International Network (CIN), Global Investment Banking (GIB) and Structured Finance (SFI) departments.

- The fixed portion of Mr. Cambefort's compensation is set with reference to market practice for deputy CEO compensation.
- In 2012, the variable component was based on two sets of criteria:
  - economic criteria: assigned a weight of 50%,
  - uneconomic criteria: assigned a weight of 50%.
- A long-term incentive is allocated based on annual performance.

✦ Compensation of Régis Monfront, deputy CEO

Appointed deputy CEO of Crédit Agricole CIB on 15 December 2011 he supervises the Distressed Assets (DAS), Debt Optimisation & Distribution (DOD) and Global Market Division (GMD) departments.

- The fixed portion of Mr. Monfront's compensation is set with reference to market practice for deputy CEO compensation.
- In 2012, the variable component was based on two sets of criteria:
  - economic criteria: assigned a weight of 50%,
  - uneconomic criteria: assigned a weight of 50%.
- A long-term incentive is allocated based on annual performance.

✦ Other information

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

Some commitments, which will not be borne by Crédit Agricole CIB, have been given by Crédit Agricole S.A. to Mr Hocher, Deputy CEO of this company in relation with his contract with Crédit Agricole S.A.. This contract is suspended until the expiration of his term of office as Deputy CEO in Crédit Agricole S.A. These commitements, which have been presented to the May 2012 Crédit Agricole Shareholders' meeting approval, include a non-competition clause and a severance pay.

Supplementary pension scheme

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

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

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

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

Stock options (granted or exercised)

During 2012, no stock options and no performance shares were granted to corporate officers with respect to their terms of office in Crédit Agricole CIB.

Distribution of attendance fees paid to directors in 2012

The Crédit Agricole Corporate and Investment Bank Ordinary

Shareholders' meeting set the attendance fees allocated annually to a maximum amount of €600,000. Attendance fees are distributed among Directors on the basis of their attendance at Board meetings and at Audit and Risks and Compensation Committee meetings, and a fixed sum is paid to the Chairman of the Board.

Attendance fees are set according to the following rules:

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

✦ Other information

Remind that elements on Corporate Officers compensation are detailed in the chapter entitled "Governance and Internal Control".

Audit and Risks Committee

◆ General presentation and composition of the Audit Committee

Pursuant to the Rules of Procedure, the Committee meets as often as it is necessary and at least once every quarter. Meetings shall be called by the Committee Chairman or by the Chairman of the Board of Directors. In 2012, the Committee met five times, as planned by the preestablished calendar.

Assignment of the Audit and Risks Committee

The role of the Audit Committee as defined in the Rules of Procedure was clarified on the beginning of 2011 in the light of changes in the relevant provisions of CRBF Regulation 97-02, inter alia.

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

Composition of the Audit and Risks Committee

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

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

✦ Changes in the composition of the Committee in 2012

Maintaining of Misters Alphandéry and Veverka, as member of the Audit and Risks Committee, was subject to the approval of the Board of Directors on 9 May 2012, as part of the renewal of their office by the annual General Meeting of shareholders held on the same day. The Board also reiterated the position of Chairman of Mr. Veverka.

The office of member of the Audit and Risks Committee of Mr. Philippe Geslin ended on the date of termination of his Censor functions on 22 August 2012 in accordance with the age limit on defined on the statutes. Philippe Geslin, appointed in September 2002 as Director, and then designated Censor on 11 May 2011, was renewed at that time as a member of the Audit and Risks Committee.

✦ Composition of the Audit Committee at 31 December 2012

The Committee is made up of 4 members :

- François Veverka, appointed independent director on May 13th 2009 and Chairman of the Committee since 11 May 2010;
- Edmond Alphandéry, independent director, appointed on September 2002;
- Jean Philippe appointed on 14 May 2008;
- François Macé appointed on 9 November 2010.

The composition of the Audit and Risks Committee will be reviewed in 2013.

◆ Activities and functioning of the Audit and Risks Committee in 2012

The Audit and Risks Committee met on 20 February, 17 April, 7 May, 21 August and 5 November 2012. The attendance rate for this Committee was more than 96% in 2012.

The Committee examined the 2011 annual, half-yearly and quarterly consolidated financial statements before presenting them to the Board: reports on Internal Control and Risks measurement and surveillance which are presented to the Autorité de contrôle prudentiel.

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

- 2012 budget;
- adjustment plan follow up;
- points on liquidity - point on the measuring and monitoring liquidity risk;
- 2012 half-year report on internal control;
- presentation of the 2013 audit plan;
- the reappointment of auditors;

as well as regular updates on internal control and risks linked with:

- periodic monitoring missions and their synthesis, follow up of recommendations;
- the risk management and major exposures (quarterly documents);
- compliance.

The interim and annual financial reports, as well as the report of the Chairman of the Board of Directors to the General Assembly of May 2012 were submitted to the Committee prior to Board meetings.

A point on the main legal issues was also discussed.

The Statutory Auditors presented to the Committee the results of their work when examining the fi nancial statements.

The Committee has met with Executive Management, the Chief Financial Officer and the Deputy CFO, along with various persons in charge of internal control (periodic control, Risk Management and Permanent Controls and control of compliance).

Between meetings the Chairman of the Audit and Risks Committee met with members of Executive Management, the main heads of financial management, risks, compliance and internal audit as well as with the Statutory Auditors. He thus took note of some 30 Internal Audit reports and had 18 meetings or other contacts outside Committee meetings: five with Executive Management; five with the Finance function; two with Risks; two with Internal Audit; and four with the Statutory Auditors.

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

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

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

Composition of the Executive Management at December 2012

Mr. Jean-Yves Hocher was appointed Chief Executive Officer on the 1 December 2010. At 31 December 2012, Deputy CEO are Mr. Pierre Cambefort and Mr. Régis Monfront.

Change during 2012

The Board of Directors held on 22 August 2012 noted that the appointment of Mr. Francis Canterini ended on 19 September 2012 in accordance with the provisions relative to age limit for Chief Executive Officers. Mr. Canterini held the position of Chief Executive Officer since 1 December 2010. Mr. Canterini has, since the end of his appointment as Chief Executive Officer, supervisory responsibilities of support functions within the Management Committee, as Deputy General Manager.

Limits placed on the powers of the Chief Executive Officer

The limits placed on the powers of the Chief Executive Officer are specified hereinafter as well as in the presentation of the powers of the Board of Directors on page 50.

The Board rules stipulate that in the performance of his duties the Chief Executive Officer is required to comply with the internal control rules that apply within the Crédit Agricole Group, the strategies defined and the decisions taken, as well as the powers conferred by law or Board rules to the Board of Directors or the annual general meeting.

They also stipulate that the Chief Executive Offi cer is required to refer all significant projects concerning the Company's strategic decisions or that may affect or alter its financial structure or scope of activity, to the Board of Directors, requesting instructions. In addition, as mentioned in the "Powers of the Board of Directors" section on page 50 as a purely internal limitation that is not binding on third parties, the Chief Executive Offi cer is required to obtain prior authorisation from the Board of Directors or its Chairman before entering into certain types of transactions.

Attendance at the Shareholders' meeting

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

"SECTION V - Shareholders' meetings

Article 19 - Composition and nature of meetings

Shareholders' meetings may be attended by all shareholders, regardless of the number of shares they own.
Duly constituted Shareholders' meetings represent all shareholders. Decisions taken in Shareholders' meetings in accordance with laws and regulations in force are binding on all shareholders.
A Shareholders' meeting is deemed extraordinary if any decisions relate to a change in the articles of association.
All other meetings are deemed ordinary.
Special Shareholders' meetings convene holders of a particular category of shares, if any such category exists, to make decisions about any changes in the rights of such shares.
These special Shareholders' meetings are convened and take decisions according to the same conditions as Extraordinary Shareholders' meetings.

Article 20 - Meetings

Meetings are convened in accordance with laws and regulations in force.
Meetings take place at the head office or in any other location specified in the notice of meeting.
The Shareholders' meeting is chaired by the Chairman of the Board of Directors or, in his absence, by a Vice-Chairman of the Board of Directors or by a Director designated by the Chairman of the Board of Directors for this purpose. If no such person is available, the persons present shall themselves elect a chairman for that meeting.
The agenda shall be determined by the person convening the meeting. The agenda shall only contain proposals made by the person convening the meeting or by shareholders.
Each member of the ordinary or Extraordinary Shareholders' meeting shall have a number of votes proportional to the portion of the share capital corresponding to the shares that he/she owns or represents, provided that those shares are not deprived of voting rights.
The Board of Directors may decide to treat as present, for the purpose of calculating the quorum and majority, shareholders taking part in the meeting by videoconferencing or a medium that enables them to be identifi ed, the type and terms of use of which are compliant with regulations in force.

ART. 21 - Ordinary Shareholders' meeting

The Ordinary Shareholders' meeting takes decisions accordingto the quorum and majority conditions determined by laws and regulations in force.
Shareholders are invited to attend an ordinary Shareholders' meeting every year.
The ordinary Shareholders' meeting takes note of the reports by the Board of Directors and the Statutory Auditors.
It discusses, approves or adjusts the parent-company financial statements and, if applicable, the consolidated financial statements, and determines the appropriation of income for the year.
It appoints the Statutory Auditors.
It discusses all other proposals on the agenda that do not fall under the remit of the Extraordinary Shareholders' meeting.
Other ordinary Shareholders' meetings may be held in addition to the annual meeting.

ART. 22 - Extraordinary Shareholders' meeting

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

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

Capital Structure

At 31 December 2012, the Company's share capital consisted of 268,687,973 ordinary shares with a par value of €27 each,

giving share capital of €7,254,575,271. The shares are more than 97%-owned by Crédit Agricole S.A. and more than 99%-owned by the Crédit Agricole Group.

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

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Definition of the internal control System

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

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

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

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

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

Reference documents relating to internal control

Laws and regulations

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

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

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

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

Main internal reference documents

The main internal reference documents are:

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

Organisation of the internal control system

Basic principles

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

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

These principles are supplemented by:

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

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

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

The internal control system is also designed to ensure that the corrective measures adopted are applied within a reasonable time.

Monitoring of the system

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

The Internal Control Committee, chaired by the Chief Executive Officer, is responsible for:

- reviewing internal control procedures and the control system implemented ;
- examining the main risks to which Crédit Agricole CIB is exposed and any changes in risk measurement systems;
- deciding on remedial measures to be taken to address weaknesses identified during audits, either in internal control reports or as a result of problems that have occurred;
- monitoring the fulfilment of commitments made following internal and external audits;
- taking any decisions necessary to make up for weaknesses in internal control. Its members are the Heads of Group Internal Audit, Internal Audit, Corporate Secretary, Finance, Risk Management and Permanent Controls, Compliance and Fraud Prevention, Legal and, depending on the matters under discussion, the heads of other Bank units.

The Committee met five times in 2012.

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

Role of the supervisory body: Board of Directors

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

Within the Board of Directors, the Audit and Risks Committee has the task of examining and monitoring the internal control and risk management system and taking note of the work of the heads of internal control and to monitor any event of fraud, or any other event whether or not detected by internal control procedures in accordance with the criteria and significance thresholds defined by the Board (the description of the Audit and Risks Committee's responsibilities is detailed on page 55 Responsibilities of the Audit and Risks Committee).

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

- a report on the conditions under which internal control is carried out,
- a report on risk measurement and monitoring,

These annual reports relative to 2012 will be presented to the Audit and Risks Committee and to the Board of Directors' meeting in April 2013. The half-yearly report on internal control at 30 June 2012 was examined by the 5 November 2012 Audit Committee meeting.

The quarterly presentations on the situation of risk (risk management and major exposures in the 4th quarter 2011 and first three quarters of 2012) was brought to the agenda of meetings of the Board of Directors on 21 February, 9 May, 22 August and 7 November 2012. The presentation of the fourth quarter 2012 will be made to the Board in February 2013.

(see page 51 Operations of the Board of Directors and page 56 - Activities and functioning of the Audit and Risks Committee in 2012).

In addition the Board is informed of any significant event of fraud or any other event detected by internal control procedures in accordance with the criteria and thresholds that have been set. The system for reporting this information to corporate bodies is described in the company's internal documentation (chapter 2.4).

The 2012 report of the Head of Compliance for Investment Services which focuses on the organization of this function, on its tasks, on comments and actions taken will be presented to the Board later in August 2013.

Role of the executive body: Executive Management

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

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

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

It clearly assigns roles and responsibilities in the area of internal control and allocates the appropriate resources to the system.

It verifies that risk identification and measurement procedures appropriate to the Company's activities and organisation are adopted.

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

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

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

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

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

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

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

Detailed information on credit, market, operational and liquidity risk management is provided in the "Risk factors" section and in the notes to the consolidated financial statements.

The internal control system is based on three levels of controls, which distinguish permanent control from periodic control.

Permanent control is carried out as follows:

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

First-degree controls

First-degree controls are carried out by each employee on the transactions he/she handles, by referring to the applicable procedures. They apply to front-office units operating within following business lines : Client Coverage & International Network, Debt Optimisation & Distribution, Distressed Assets, Global Investment Banking et Global Markets et Structured Finance. The controls essentially consist of operational checks by operators or account executives on their positions and limits.

They also apply within support functions.

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

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

Second-degree, first-level controls

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

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

Second-degree, second-level Controls

These controls are carried out centrally by specialised units:

◆ Risk and Permanent Control Division

Role and responsibilities relating to the risk management

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

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

It also provides animation and control relating to the security of information systems and organization plans business continuity.

To do this, it oversees the business development of the Group in order to minimize the cost of risk involved in the activities of various businesses and entities or units.

RPC is also responsible for the oversight of the continuous monitoring of risks across the perimeter of Crédit Agricole CIB.

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

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

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

Within Crédit Agricole CIB, RPC is organised as an independent global business line. It combines all head office risk functions and activities, as well as local and regional offi cers in the international network. At 31 December 2012, RPC had a worldwide staff of 1,253 (full-time equivalents, including 50% of Newedge).

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

Governance

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

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

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

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

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

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

The Early Warning Committee is in charge of anticipating and identifying the deterioration of sound counterparties. It is also in charge of the Business Watch activity. Crédit Agricole CIB is part of the Crédit Agricole S.A. risk management process which is structured by the following bodies:

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

Risk master plan

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

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

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

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

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

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

Marly Programme

The operational risk management programme gets regular backupfrom the Marly programme. Launched in September 2007, it is a long-term programme for ongoing improvement in the way in which the operational risks arising from the bank's market transactions are controlled. In particular it incorporates the recommendations of the Lagarde report. The work that has been undertaken is aimed at better identifying unusual or fraudulent activity by strengthening the system of controls. In 2012, efforts were particularly focused on strengthening the security and on control of atypical behaviors and tightened monitoring of residual internal cash flow.The programme has been included in the governance structure of Crédit Agricole CIB by means of a steering committee chaired by a member of the General Management and which has members from both the market front offices and all support functions.

Counterparty risks

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

The decision process is based on two authorized signatures from the front office (one as responsible for the application, the other being the Delegated chairman of the relevant committee) as well as an independent RPC opinion issued by an authorized signatory.

If the RPC's opinion is negative, the decision-making power is passed on to the Chairman of the Committee immediately above. Credit decisions are subject to risk strategies that set the main guidelines (target customer base, types of approved products, total budgets and expected unit values etc.), which each geographical unit or business line must apply to its activities.

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

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

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

In addition, portfolio reviews are organised periodically for each profit centre in order to verify that the portfolio complies with the risk strategy in force.

The rating of certain counterparties under review may be adjusted at this time. Sensitive cases and major risks are monitored every quarter. Other risks are reviewed on an annual basis.

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

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

Country risks

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

Market risk

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

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

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

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

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

Agreement with the Group Risk Committee, the Department of Market Risks of RPC starts in 2013 monitoring of risk indicators form the ALM. These indicators (liquidity, exchange rate risk, GAP risk,...) are subject to limits proposed by the ALM and validated by the DRM during a Market Risk Committee.

Operational risk

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

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

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

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

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

Security of information systems and business continuity plan

The protection of information systems and the ability to overcome a major disaster are in the interest of Crédit Agricole CIB. In this context, two units dedicated to the treatment of issues relating to information security and business continuity exist within the Risk Management and Permanent Control (RPC): ISS (Information Systems Security) and BCP (Business Continuity Plan).

To ensure their permanent control missions, they rely on a network of correspondents in France and internationally.

As far as safety information is concerned, ISS defines the rules and coordinates the maintenance of adequate security, in particular through the second reading of the computer risk analysis. In addition, Internet devices and servers are covered by critical internal audits. In addition, ISS coordinate periodic reviews of access rights of employees to sensitive applications.

The major achievements of the year 2012 were:

- The completion of the campaign determination of sensitive applications of Crédit Agricole CIB (parallel development of an application to control the updated quotes and implementation of a sensitive applications validation committee).
- the continued deployment of workflow management habilitions (GRANT) at the International
- reporting of all critical applications in the work-flow authorization management (GRANT)
- the provision and deployment of e-learning allowing the employee awareness of security of information systems
- strengthening the assessment of the safety level of the information system of Crédit Agricole CIB (recast of the annual EASI evaluation questionnaire and implementation of RSSI dashboard)
- the definition of a methodology for the definition of standard profiles and reviewing applications for associated rights (on the most sensitive applications of the Bank)
- The definition of industrialization risk analysis allowing the rapid coverage of sensitive applications for the Bank by a comprehensive risk analysis, updated and validated (coordinated pilot campaign in 2012 in London, New York and Paris) .

For 2013, the main objectives are:

- ongoing management and coordination of projects, allowing to follow the recommendations of the Prudential Control Authority in connection with computer security in the context of a single site,
- continued deployment of e-learning for the awareness-raising staff of security systems information,
- deployment of the concept of industrialization risk analysis within the entities of Crédit Agricole CIB,
- completion of the deployment of workflow of international habilitations management,
- strengthening the protection of data from the Bank against information leakage,
- review of all security policies for information systems of Credit Agricole CIB,
- supporting the computer security team in the implementation of security projects (establishment of a monitoring center of security console, deployment of Single Sign-on on payment Back Office items and on Front Office, etc..).

In terms of business continuity, substantial resources are allocated to ensure the resumption of activities within given deadlines set by trades in case of disaster. Annual tests are used to verify the recoverability of Crédit Agricole CIB in France and abroad. A specific Business Continuity Plan is developed to deal with the risk of a pandemic. The objectives of this plan are to ensure the safety of employees by providing specific means of protection, and to ensure the continuity of vital activities of the Bank. An annual assessment allows to verify the effectiveness of the security of information and business continuity device. The division reflects the security level of Crédit Agricole CIB bimonthly to a committee chaired by a member of the Executive Committee.

The major achievements of the year 2012 were:

- review of users fallback devices in London, Tokyo and Hong Kong,
- the establishment of a committee aiming at selecting the essential character of applications demanded by business,
- testing of relief devices computer (simulating the loss of a data center)
- transverse tests involving the participation of LCL and Crédit Agricole S.A. (services provided by Crédit Agricole CIB in case of loss of a data center hosting systems used by such entities)
- participation in the test of the national crisis management of Crédit Agricole S.A. via the test site organized by the Banque de France.

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For 2013, the main objectives are:

- continue to review and improve the resilience of ERP devices (fallback users) of Paris,
- further strengthening the control of the Group BCP by establishing new indicators,
- continue to strengthen the control of the data processing Disaster Recovery Plan,
- continue the validation / qualification of the essential applications,
- perform a stress test exercise in Paris and London.

Outsourced Essential Services

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

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

Regulatory capital requirements

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

As regards credit risk, certain credit models are due to be presented to the French prudential supervisory authority (ACP) in 2013. The aim of these changes and the new models is to ensure tighter management of our risk. A Basel II data quality committee is in charge of carrying out regular inspections to ensure the requirements of Basel II are being carried out correctly.

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

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

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

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

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

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

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

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

The finance division provides 1st level 2nd degree supervision of the ongoing accounting and financial information auditing system at a global level.

Final-level permanent controls on accounting and financial information (Second-degree, second-level controls) is carried out by RPC.

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

Procedures for the preparation and processing of financial information

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

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

Accounting datas

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

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

Early October 2012, the new accounting platform of Crédit Agricole CIB Paris was put into production. The Finance Department has adapted thus its operational procedures and controls. Downstream systems that use accounting data have also been adapted (daily data and monthly monitoring of counterparty risk and market surveillance, tools to watch the rate risk, currency risk and liquidity risk). The Finance Department of Crédit Agricole CIB held the Prudential Control Authority informed of the major developments of this accounting and financial information system.

Management datas

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

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

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

Description of the permanent accounting control system

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

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

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

Actions in 2012 were twofold: continuation of work begun in 2011 on the theme of accountant risk management on the one hand and specific follow-up of project to overhaul the accounting platform of Crédit Agricole CIB Paris in connection with the auditors to ensure the consideration of internal control requirements, on the other hand.

On the topic of risk management accounting work have included:

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

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

Relations with the statutory auditors

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

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

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

Global interest-rate risk

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

The main advances made during 2012 have included the implementation of the recommendations of the 2010 mission of the Inspector General which were not yet met, and which required the validation of the DRM and dealing on the establishment process of stress tests and the formal validation of the calculating method of the working Capital Fund. It remains to obtain in 2013 from Newedge a monthly measure of its rate gap (quarterly for the time being). A request to this effect has been made.

Moreover, the improvement of the impasse rate production of Paris (in terms of automation, fiabilisation and control) and New York continued throughout 2012.

Finally, according to the request from the MAF of CASA, an inventory of the baseline risk was presented in ALM Group Committee in June 2012, and the exposures identified as such on the top sheet and securitisation activities have since been included in the measure of risk.

The review of liquidity flow models of International Private Banking deposits for rate flow model, initially planed in 2012, has been postponed to 2013.

Liquidity risk

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

Liquidity risk is managed by using the following management indicators:

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

In 2012, the monitoring device relied heavily on the implementation of several checks at different levels on the existing key processes. Meetings of Local ALM Committees have also been closely monitored by Headquarters.

The liquidity platform project was launched by Crédit Agricole CIB in April 2012, in connection with the project of Crédit Agricole Group. This project aims to provide the elements needed to calculate the Basel III liquidity ratios of the consolidated group. On the occasion of this project, Crédit Agricole CIB, in connection with the Group, has planned to conduct a review of Internal Liquidity Model indicators.

Regarding liquidity, the normative permanent control of Crédit Agricole CIB is similar to the device group. Minimum control indicators are the same and apply to large process in the same way.

◆ « Global compliance » department

Organized as a business line, the «Global Compliance» (CPL) department within Crédit Agricole CIB's mission is to ensure the compliance of the Bank's operations with the legislative provisions and regulations and all internal and external rules applicable to the activities of Crédit Agricole CIB in banking and financial matters, and that may result in penalties, penalties regulators, disputes with customers or wider reputational risk.

«Global Compliance» ensures compliance with the following provisions of the above-mentionned regulations and aims to strengthen the trust of stakeholders (customers, employees, investors, regulators, suppliers) in respect of these rules and their implementation.

Its mission is twofold:

- protect Crédit Agricole CIB and its employees against any action internally or externally potentially harmful or unlawful: fight against fraud and corruption, but also prevention of money laundering, fight against the financing of terrorism, the freezing of assets management and embargoes, knowledge of customers, through the mission of the Financial Security;
- protect the interests of its customers and its reputation in the markets by working against violations of internal ethical (insider trading, internal fraud, conflict of interest, lack of advice ...).

For this purpose, CPL:

- defines and organizes the control of conformity (governance device, compliance risk mapping, text governance tools for monitoring and controlling for the Headquarters and for entities in the scope of internal control in France and international),
- carries out or makes carried out necessary a priori or a posteriori controls, depending on the activity, and in particular monitors transactions conducted by the Bank for its own account or on behalf of customers,
- provides helpful advice to all employees of the Bank, provides them with advice and training on compliance,
- organizes in conjunction with RPC, the transmission of information on incidents, compliance and ensures the timely implementation of necessary corrective actions,
- Manages relationships with regulatory authorities and market surveillance,
- provides the necessary reporting on the quality of the device and the compliance risks level in destination of the Executive Management and the Board of Directors, the Compliance Department of Crédit Agricole S.A., and the French authorities and regulators and abroad.

Director of Global Compliance reports hierarchically to the CEO of Crédit Agricole CIB and functionally to the Chief Compliance Officer of Crédit Agricole S.A..

He is assisted by:

- a Head of Financial Security
- a Head of Compliance activities Capital Markets
- a Head of fraud prevention
- a Head of Compliance activities Coverage and Investment Banking, in charge of the identification and prevention of conflicts of interest,
- a Head of the Central team, in charge of the General Secretariat, compliance checks (centralized team of permanent controllers), as well as the compliance of activities of the Financing banking and the Commercial Bank.

Global Compliance also exercises a leadership role of the Compliance correspondents relocated within the business and support functions of Crédit Agricole CIB as well as functional authority on:

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

At the end of 2012, 353 employees (full-time equivalent) worked in Global Compliance (including 50% of Newedge).

The Compliance function systematically attends all meetings of the Internal Control Committees of Crédit Agricole CIB's business lines and of the Permanent Control Committees. It is also involved in the bodies responsible for sustainable development; in this respect its head chairs the ethics committee for transactions presenting an environmental or social risk. Its main governing body is the Compliance Management Committee, in which the Crédit Agricole CIB legal (LGL), permanent control (RPC), and audit functions participate. Crédit Agricole S.A.'s Compliance Division is also a standing member of this Committee.

In addition, the Compliance Department manages the NAP Faîtier Committee of Crédit Agricole CIB.

The year 2012 was marked by:
- deployment for employees of all entities of Crédit Agricole CIB of a training on Compliance (FIDES II), which aims to identify all the issues and key concepts and acquire Compliance appropriate behavior;
- further strengthening of the program around KYC procedures (3rd Directive);
- the adaptation of the Crédit Agricole CIB different regulatory developments (FATCA, short selling, market surveys, suitability, new regulations on bleaching, European regulations on the protection of personal data, claims ...) and management related projects. Crédit Agricole CIB has implemented various local regulations declining the recommendations of the G20 (Pittsburgh Summit of 2008) on OTC derivatives, including Title VII of the Dodd Frank Act regulations in the U.S. and the preparation of the EMIR regulation Europe.
- Finally, the Compliance continued its usual missions within a framework of enhanced supervision by the authorities.

In 2013, the Compliance function will continue the integration of the various regulatory changes both in France and internationally to ensure further increase of the efficiency and quality of supervision of foreign units and entities within its scope of internal control. Finally, it will seek to ensure the widest dissemination of the culture of Compliance within the Bank.

◆ Legal function

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

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

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

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

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

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

In 2012, the permanent control and control of risks device continued to be strengthened notably through the following actions:

- Updating and international deployment of operational risk mapping in cooperation with the Legal function Permanent Control correspondents abroad;
- Continued implementation of data processing projects Matter Management System (MMS) and Master Data Base (MDB);
- participation in Group's projects and Crédit Agricole S.A. for supervised control of external legal fees.

In 2013, the Legal function will establish its control plan and its action plan.

Third degree

◆ Periodic control

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

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

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

Nearly 236 people work in the Group's internal audit units. Of these, approximately 81 are based at the head office.

To fulfil these missions, Crédit Agricole CIB Internal Audit is organised into two divisions: 1) the Central Audit Team and 2) the regional audit units and subsidiaries' audit units. A head of relations with regulators completes this organisation.

Group Internal Audit has a central team of 66 auditors and has the task of assessing the effectiveness of the internal control system within Crédit Agricole CIB and all its subsidiaries. To achieve this, it conducts assignments within entities. These assignments involve ensuring compliance with external and Rules of Procedure, ensuring the adequacy of arrangements for measuring and supervising risks of all types and checking the quality of accounting information. Assignments also cover the permanent control and compliance control systems.

For this purpose, Group Internal Audit:

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

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

During 2012, the missions of audits realised on sites or on documents of the Central Team focused on the Market activities, with a review of the Change business line, on the market abuse control device, Montages, market activities in Thailand (in the context of branch closure); as far as banking financing concerned, commodities transactional financing, project finance, real estate / gaming, LBOs and the Back Offices were reviewed. Fusion and Acquisitions acitvity (M & A) was also covered.

The regional role (in Hong Kong) of support functions and control in Asia has been revised. The DRF Rhône Alpes, the business hub of Britain, branches in India and Korea, entities of CA Cheuvreux in London and in the Nordic countries were also inspected. Compliance themes were treated in Newedge. Missions were also made in UBAF (at Headquarters and in the network). Regarding the Private Banking, market activities and ALM of CFM Monaco, the passage in IRBA method for the Miami entity and the permanent control device of the business line have been reviewed. Risks related to computer systems (IS) have been covered through the following journals: personal computer, computer expense, IS of the Change business line and of entities in India, Korea, China, Luxembourg, of the UBAF and at Newedge. The General Inspection Group also operated during the year 2012 the investigative work to gather information requested by various authorities in the investigation relating to evidence Euribor, Libor and certain other market indices. This work will continue in 2013.

Local Audits and of subsidiaries include 155 people (including 100% of Newedge) at the end of 2012.

Overall coordination of the audit teams is assured by audit local / regional officials or subsidiaries in their respective perimeter. These officers are under the supervision of a hierarchical direct collaborator of the Inspector General, unless contrary local regulatory. This ensures the integration of local/regional audits within the whole scheme of the business line.

The local audit units' duties entail:

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

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

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

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

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

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

The Chairman of the Board of Directors,

Auditors' report year ended 31 December 2012

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

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

To the Shareholders,

In our capacity as Statutory Auditors of Crédit Agricole CIB and in accordance with article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report of the Chairman of your Company in accordance with article L. 225-37 of the French Commercial Code (Code de commerce) for the year ended 31 December 2012.

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

It is our responsibility:

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

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

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

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

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

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

Further information

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

Neuilly-sur-Seine, and Paris-La Defense ,14 March, 2013

Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG and Others
Catherine Pariset Emmanuel Benoist	Valérie Meeus Hassan Baaj

Corporate officers' compensation

➢ BOARD OF DIRECTORS

Directors'attendance fees in 2012

The following attendance fees were paid to the members of the Board of Directors of the Company for serving as Directors of Crédit Agricole CIB in 2012:

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

◆ Members of the Board of Directors at 31 December 2012

in €	Attendance fees paid by Crédit Agricole CIB (1) in 2012	Attendance fees paid by Crédit Agricole CIB (1) in 2011	Attendance fees paid by Crédit Agricole S.A. (4)	Attendance fees and other compensations paid by Crédit Foncier de Monaco	Attendance fees and other compensations paid by CA Indosuez Private Banking	Total 2012
Jean-Paul CHIFFLET (Chairman of the Board of Directors)	45,000	48,000				45,000
Edmond ALPHANDERY	45,000	54,000				45,000
Philippe BRASSAC	21,000	21,000	48,400			69,400
Frank E. DANGEARD	25,000	28,000				25,000
Marc DESCHAMPS	21,000	24,000				21,000
Jean-Frédéric DREYFUS(2)	21,000	24,000				21,000
Denis GASQUET	12,000	9,000				12,000
François IMBAULT	21,000	18,000			3,431	24,431
Marc KYRIACOU(2)	21,000	24,000				21,000
François MACE	45,000	51,000				45,000
Didier MARTIN	25,000	28,000				25,000
Michel MATHIEU(3)	12,000					12,000
Mme Stéphane PALLEZ	18,000	15,000				18,000
Jean-Pierre PAVIET(3)	12,000					12,000
Jean PHILIPPE	51,000	54,000				51,000
Jean-Louis ROVEYAZ	25,000	28,000	23,100			48,100
François THIBAULT	21,000	18,000	23,100			44,100
François VEVERKA	48,000	54,000	77,200			125,200

(1) Seven meetings of the Board of Directors in 2012 and eight in 2011.

(2) Elected by employees

(3) Director since 9 May 2012.

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

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

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

Attendance fees are set according to the following rules:

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

◆ Attendance fees paid by the Company in 2012 to Directors and non-voting members whose term of office expired during the year

In €	Attendance fees paid by Crédit Agricole CIB(1) in 2012	Attendance fees paid by Crédit Agricole CIB(1) in 2012	Attendance fees paid by Crédit Agricole S.A.(4)	Attendance fees and other compensations paid by Crédit Foncier de Monaco	Attendance fees and other compensations paid by CA Indosuez Private Banking	Total 2012
Jean Le Vourch, director until May 2012	3,000	21,000				3,000
Philippe Geslin, Non-voting director until August 2012	42,000	54,000		11,444		53,444

Executive Management

Compensation principles

The compensation paid to Management Board members with respect to 2012 includes a fixed component and a variable component.

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

and subject also to the recipient's presence within the Crédit Agri- cole S.A. group.

Compensation of Jean-Yves Hocher, Chief Executive Officer

Appointed Crédit Agricole CIB's Chief Executive Officer on 1st December 2010. He supervised until 19 September 2012, the Corporate Secretary & Communication (CSE) and Group Internal Audit (GIA) departments.

Since 20 September 2012, he supervises the Global Compliance (CPL), Credit Portfolio Management (CPM), Corporate Secretary & Communication (CSE), Corporate Support International (CSI), Finance (FIN), Group Internal Audit (GIA), Global IT (GIT), Global Operations (GOP), Global Sourcing & Procurement (GSP), Human Resources (HRE), Institutional Affairs (IAF), Legal (LGL), Risk & Permanent Control (RPC), Solutions for Process Improvement (SPI) departments.
He spends 85% of his time working for Crédit Agricole CIB and is still holding office as Deputy Chief Executive Officer of Crédit Agricole S.A.

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

✦ Summary of compensation paid to Jean-Yves Hocher, Chief Executive Officer

Beginning on 1 January 2011, the costs of the fixed and variable compensation components, pension contributions and benefits in kind will be shared by the two companies. Crédit Agricole CIB is therefore responsible for 85% of the amounts indicated below (not including the variable remuneration paid in 2011 and deferred and contingent compensation paid in 2012 in respect of former years).

The fixed part of Mr Hocher's remuneration was set at €500,000 following a decision by the Boards of Directors of Crédit Agricole S.A. and Crédit Agricole CIB in 2011 and remained unchanged in 2012.

Jean-Yves Hocher CEO (in €)	**2011**		**2012**	
	Due (including 85% supported by Crédit Agricole CIB) [2]	Paid (including 85% supported by Crédit Agricole CIB [3]	Due (including 85% supported by Crédit Agricole CIB) [2]	Paid (including 85% supported by Crédit Agricole CIB [3]
Fixed compensation[1]	500,000	500,000	500,000	500,000
Variable compensation[1] [4]	150,000[9]	[8]	90,000[10]	150,000
Variable compensation indexed to Crédit Agricole S.A.' s share value[4]	50,000[9]	[8]	30,000[10]	44,500
Deferred and contingent compensation[5]	300,000[9]	-	180,000[10]	[5]
Exceptional compensation[1]	0	0	0	0
Attendance fees[6]	0	0	2,287	2,287
Benefits in kind[7]	35,335	35,335	47,899	47,899
TOTAL	**1,035,335**	**535,335**	**850,186**	**744,686**

[1] Gross before tax

[2] The figures given are those allocated for the term of office and for the year stated. Part of the variable remuneration that was allocated is conditional.

[3] All remuneration paid during the year to the company director in respect of his position.

[4] The non-deferred variable remuneration comprises an amount paid since it was allocated in year N+1 plus an amount paid six months later and indexed to the development of the share price over these six months.

[5] The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements. By way of information, Crédit Agricole S.A paid in 2012 for his position held in 2010 within this company of € 31,197 euros. This amount corresponds to the value of the shares vested in March 2012 for the first part of deferred variable compensation due in respect of 2010.

[6] Jean-Yves Hocher received attendance fees under his directorship of CA Indosuez Private Banking in 2012 that are not paid by our company.

[7] The benefits in kind relate to the provision of company accommodation.

[8] In 2011, Mr Hocher was not paid any variable compensation for his position in office at Crédit Agricole CIB. By way of information, Crédit Agricole S.A.paid in 2011 for his position held in 2010 within this company a gross variable compensation before tax of €166,200 and a variable compensation indexed to the price of the Crédit Agricole S.A. share of €28,254.

[9] The Boards of Directors of Crédit Agricole S.A.on its 4 April 2012 meeting, and of Crédit Agricole CIB on its 9 May 2012 meeting, at the suggestion of the Compensation Committee, granted Mr Hocher a variable compensation of €500,000 for 2012, of which €300,000 was deferred variable remuneration in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.

[10] The Boards of Directors of Crédit Agricole S.A.on its 19 February 2013 meeting, and of Crédit Agricole CIB on its 14 February 2013 meeting, at the suggestion of the Compensation Committee, granted Mr Hocher a variable compensation of €300,000 for 2012, of which €180,000 was deferred variable remuneration in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.

Pierre Cambefort's compensation, deputy Chief Executive Officer

Appointed deputy CEO of Crédit Agricole CIB on 1 September 2010, he supervises the Client Coverage & International Network (CIN), Global Investment Banking (GIB) and Structured Finance (SFI) departments.

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

✦ Summary of compensation paid to Pierre Cambefort, deputy Chief Executive Officer

The fixed part of the remuneration of Mr. Pierre Cambefort was set to €330,000 by the 11 May 2011 Board of Directors of Crédit Agricole CIB and remained unchanged in 2012.

Pierre Cambefort deputy CEO (in €)	**2011**		**2012**	
	Due [2]	Paid [3]	Due [2]	Paid [3]
Fixed compensation [1]	303,077	303,077	330,000	330,000
Variable compensation [1][4]	164,000[7]	182,500	136,000[8]	164,000
Variable compensation indexed to Crédit Agricole S.A.' s share value [4]	32,800[7]	18,615	27,200[8]	29,192
Deferred and contingent compensation [5]	131,200[7]	-	108,800[8]	13,705
Exceptional compensation [1]	0	0	0	0
Attendance fees	0	0	0	0
Benefits in kind [6]	34,146	34,146	34,438	34,438
TOTAL	**665,223**	**538,338**	**636,438**	**571,335**

[1] Gross before tax.

[2] The figures given are those allocated for the term of office and for the year stated. Part of the variable remuneration that was allocated is conditional.

[3] All remuneration paid during the year to the company director in respect of his posi- tion.

[4] The non-deferred variable remuneration comprises an amount paid since it was allo- cated in year N+1 plus an amount paid six months later and indexed to the develop- ment of the share price over these six months.

[5] The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements.

(6) The benefits in kind relate mainly to the provision of company accommodation.
(7) The Board of Directors of Crédit Agricole CIB, in its meeting on 9 May 2012, at the suggestion of the Compensation Committee, granted Pierre Cambefort variable compensation of €328,000 of which €131,200 was deferred variable compensation in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.
(8) The Board of Directors of Crédit Agricole CIB, in its meeting on 14 February 2013, at the suggestion of the Compensation Committee, granted Pierre Cambefort variable compensation of €272,000 of which €108,800 was deferred variable compensation in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.

Régis Monfront's compensation, deputy Chief Executive Officer

Appointed deputy CEO of Crédit Agricole CIB on 15 December 2011, he supervises the DistressedAssets (DAS), Debt Optimisation & Distribution (DOD) and Global Market Division (GMD) departments.

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

✦ Summary of compensation paid to Régis Monfront, deputy Chief Executive Officer since 15 December 2011

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

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

Régis Monfront Deputy CEO (in €)	2012	
	Due (2)	Paid (3)
Fixed compensation (1)	350,000	350,000
Variable compensation (1)(4)	124,000(8)	(7)
Variable compensation indexed to Crédit Agricole S.A.' s share value (4)	24,800(8)	(7)
Deferred and contingent compensation (5)	99,200(8)	(7)
Exceptional compensation (1)	0	0
Attendance fees	0	0
Benefits in kind (6)	3,871	3,871
TOTAL	**601,871**	**353,871**

(1) Gross before tax.
(2) The figures given are those allocated for the term of office and for the year stated. Part of the variable remuneration that was allocated is conditional.
(3) All remuneration paid during the year to the company director in respect of his position.
(4) The non-deferred variable remuneration comprises an amount paid since it was allocated in year N+1 plus an amount paid six months later and indexed to the development of the share price over these six months.
(5) The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements.
(6) The benefits in kind relate to the provision of company accommodation.
(7) No variable compensation in respect with his corporate office position at Crédit CIB has been paid to Mister Régis Monfront in 2012.
(8) The Board of Directors of Crédit Agricole CIB, in its meeting on 14 February 2013, at the suggestion of the Compensation Committee, granted Régis Monfront a variable compensation of €248,000 of which €99,200 was deferred variable compensation in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.

Francis Canterini's compensation, deputy Chief Executive Officer

Mister Canterini's Deputy CEO position has ended in accordance with the provisions regarding the age limit of deputy CEOs, on 19 September 2012.

Until this date, he supervised as Deputy CEO, the Global Compliance (CPL), Credit Portfolio Management (CPM), Corporate Support International (CSI), Finance (FIN), Global IT (GIT), Global Operations (GOP), Global Sourcing & Procurement (GSP), Human Resources (HRE), Legal (LGL), Risk & Permanent Control (RPC) and Solutions for Process Improvement (SPI) departments.

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

✦ Summary of compensation paid to Francis Canterini, deputy Chief Executive Officer until 19 September 2012

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

Francis Canterini Deputy CEO (in €)	2011		2012	
	Due (2)	Paid (3)	Due(2)	Paid (3)
Fixed compensation (1)	450,000	450,000	323,750	323,750
Variable compensation (1)(4)	192,000(8)	(7)	119,500(9)	192,000
Variable compensation indexed to Crédit Agricole S.A.' s share value (4)	38,400(8)	(7)	23,900(9)	34,176
Deferred and contingent compensation (5)	153,600(8)	(7)	95,600(9)	0
Exceptional compensation (1)	0	5,833	0	0
Attendance fees	0	0	0	0
Benefits in kind (6)	8,800	8,800	6,331	6,331
TOTAL	**842,800**	**464,633**	**569,081**	**556,257**

(1) Gross before tax.
(2) The figures given are those allocated for the term of office and for the years stated. (until 19 September 2012)
(3) All remuneration paid during the year to the company director in respect of his position (until 19 September 2012)
(4) The non-deferred variable remuneration comprises an amount paid since it was allocated in year N+1 plus an amount paid six months later and indexed to the development of the share price over these six months.
(5) The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements.
(6) The benefits in kind until 19 September 2012 relate to the provision of company accommodation.
(7) No variable compensation in respect with his corporate office position at Crédit CIB has been paid to Mister Francis Canterini in 2011.
(8) The Board of Directors of Crédit Agricole CIB, in its meeting on 9 May 2012, at the suggestion of the Compensation Committee, granted Francis Canterini a variable compensation of €384,000 in respect of 2011 of which €153,600 was deferred variable compensation in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.
(9) The Board of Directors of Crédit Agricole CIB, in its meeting on 14 February 2013, at the suggestion of the Compensation Committee, granted Pierre Cambefort a variable compensation of €239,000 of which €95,600 was deferred variable compensation in the form of Crédit Agricole S.A. shares which will vest over a three-year period subject to meeting certain performance conditions and subject to remaining present within the Crédit Agricole S.A. group.

M. Canterini employment contract with Crédit Agricole S.A., suspended during his position as Deputy CEO of Crédit Agricole CIB, has been then reactivated and Mr Canterini has been seconded to Crédit Agricole CIB as Deputy General Manager.

M. Canterini has not benefited from any committment linked with :

- severance pays which could be due in the event of termination of his office of Deputy CEO or change of office,
- a non-competition clause.

Mr Canterini has benefited from a supplementary pension scheme during his corporate officer position. This plan has been presented during the May 2011 Shareholders meeting.

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

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

Some commitments, which will not be borne by Crédit Agricole CIB, have been given by Crédit Agricole S.A. to Mr Hocher, Deputy CEO of this company in relation with his contract with Crédit Agricole S.A.. This contract is suspended until the expiration of his term of office as Deputy CEO in Crédit Agricole S.A. These commitements, which have been presented to the May 2012 Crédit Agricole Shareholders' meeting approval, include a non-competition clause and a severance pay.

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

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

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

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

Jean-Paul Chifflet **Chairman of the Board of Directors** **- Compensation paid by Crédit Agricole S.A. with respect to Jean-Paul Chifflet's functions as CEO of Crédit Agricole S.A.** **- Attendance fees paid by Crédit Agricole CIB with respect to Jean-Paul Chifflet's functions as Chairman of Crédit Agricole CIB's Board of directors** **(in euros)**	**2011**		**2012**	
	Due (amount awarded) [2]	**Paid out [3]**	**Due (amount awarded) [2]**	**Paid out [3]**
Fixed compensation[1]	900,000	900,000	900,000	900,000
Variable compensation[4]	270,000	274,400	135,000	270,000
Variable compensation indexed to Crédit Agricole S.A.' share's value[4]	90,000	46,716	45,000	80,100
Deferred and contingent compensation[5]	540,000	-	270,000	51,621
Exceptional compensation	0	0	0	0
Attendance fees[6]	48,000	48,000	45,000	45,000
Benefits in kind[7]	104,459	104,459	108,895	108,895
TOTAL	**1,952,459**	**1,373,575**	**1,503,895**	**1,455,616**

(1) Gross before tax.
(2) The figures given are those allocated by Crédit Agricole S.A. in respect of the corporate officer position as CEO of Crédit Agricole S.A and for the year stated. Part of the variable remuneration that was allocated is conditional. Only the attendance fees are attributed by Crédit Agricole CIB for the position of Crédit Agricole CIB Chairman of the Board of Directors.
(3) The figures given are those allocated by Crédit Agricole S.A. in respect of the corporate officer position as CEO for the indicated year, except the attendance fees.
(4) The non-deferred variable remuneration comprises an amount paid since it was allocated in year N+1 plus an amount paid six months later and indexed to the development of the share price over these six months.
(5) The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements. The amount paid in 2012 corresponds to the value of shares vested in March 2012 for the first part of deferred variable remuneration allocated in respect of 2010.
(6) Attendance fees paid by Crédit Agricole CIB in respect to his office as Chairman of the Board of Director of Crédit Agricole CIB.
(7) The benefits in kind relate to the provision of company accommodation.

Michel Mathieu, Director of Crédit Agricole CIB

Michel Mathieu **Director of Crédit Agricole CIB** **- compensation paid by Crédit Agricole S.A. with respect to his functions as Deputy CEO of Crédit Agricole S.A.** **- Attendance fees paid by Crédit Agricole CIB with respect to his functions as Director of Crédit Agricole CIB** **(in euros)**	**2011**		**2012**	
	Due (amount awarded) (2)	**Paid out (3)**	**Due (amount awarded) (2)**	**Paid out (3)**
Fixed compensation(1)	500,000	500,000	500,000	500,000
Variable compensation(4)	150,000	149,750	90,000	150,000
Variable compensation indexed to Crédit Agricole S.A.' share's value(4)	50,000	25,457	30,000	44,500
Deferred and contingent compensation(5)	300,000	-	180,000	28,112
Exceptional compensation	0	0	0	0
Attendance fees(6)	0	0	12,000	12,000
Benefits in kind(7)	75,326	75,326	78,505	78,505
TOTAL	**1,075,326**	**750,533**	**890,505**	**813,117**

(1) Gross before tax.

(2) The figures given are those allocated by Crédit Agricole S.A. in respect of the corporate officer position as Deputy CEO of Crédit Agricole S.A and for the year stated. Part of the variable remuneration that was allocated is conditional. Only the attendance fees are attributed by Crédit Agricole CIB for the position Director of Crédit Agricole CIB.

(3) The figures given are those allocated by Crédit Agricole S.A. in respect of the corporate officer position as Deputy CEO for the indicated year, except the attendance fees

(4) The non-deferred variable remuneration comprises an amount paid since it was allocated in year N+1 plus an amount paid six months later and indexed to the development of the share price over these six months.

(5) The deferred variable remuneration is payable in the form of Crédit Agricole S.A. shares which vest gradually over a three-year period, subject to performance and presence requirements. The amount paid in 2012 corresponds to the value of shares vested in March 2012 for the first part of deferred variable remuneration allocated in respect of 2010.

(6) Attendance fees paid by Crédit Agricole CIB in respect to his office as Director of Crédit Agricole CIB.

(7) The benefits in kind relate to the provision of company accommodation.

Supplementary pension plans

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

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

When drawn, the total retirement income from these plans and the compulsory retirement plans will be limited to 23x the Social security's annual upper limit on this date.

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

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

Options to subscribe for or to purchase shares

In 2012, no stock options and no performance shares were allotted to corporate officers of Crédit Agricole CIB.

Table of compliance with AFEP/MEDEF's recommendations

Complementary information regarding the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers in office as of 31 December 2012

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

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

(2) Mr. Hocher was appointed CEO on 1 December 2010 for a period expiring at the end of the Board of Directors' meeting held in the fourth quarter of 2013 examining the financial statements on 30 September 2013. He was Director of the Company from 23 February 2010 to 1 December 2010.
Some commitments, which will not be borne by Crédit Agricole CIB, have been given by Crédit Agricole S.A. to Mr Hocher, Deputy CEO of this company in relation with his contract with Crédit Agricole S.A.. This contract is suspended until the expiration of his term of office as Deputy CEO in Crédit Agricole S.A and will be re-activated when this position ends.
In the event of a breach of his employment contract, the commitments given are the following ones:
- Mr. Hocher would be subject to a non-competition clause with Crédit Agricole S.A. for one year after the termination of his employment contract.
- A severance pay would be paid by Crédit Agricole S.A. to Mr Hocher. This severance pay would equal twice the sum total of the annual gross compensation perceived the last twelve months preceding the rupture (excluding benefi ts in kind), including any other indemnity and, notably, the conventional redundancy indemnity and the conditional non-competition indemnity. In case of possible liquidation of the pension at full rate, no rupture indemnity excluding legal and conventional indemnity will be due.

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

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

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

Offices held by corporate officers

at 31 December 2012

Executive management

Jean-Yves HOCHER

Function within the Company **Chief Executive Officer**

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

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

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	Crédit Agricole Private Banking			Crédit Agricole Assurances
				CA Consumer Finance
				FGA Capital S.p.A.
	Crédit Agricole Cheuvreux			Sofinco
				Finaref
				Chairman of the Supervisory Board of: - Eurofactor - Unipierre Assurances
CEO	-			Predica
Deputy CEO	Crédit Agricole S.A.		✓	-
Director	Agro Paris Tech (EPCSCP)	✓		Amundi Group
	CA Indosuez Private Banking (ex-Banque de Gestion Privée Indosuez)			ASF
	Newedge Group			Attica
	-			Banque de Gestion Privée Indosuez (2008)
				Banco Espirito Santo (Portugal)
				Bespar
				CACEIS
				CACI - (Credit Agricole Creditor Insurance)
				Camca
				Cedicam
				Crédit Agricole Assurances Italia Holding S.p.A. (Italiy)
				Crédit Agricole Corporate and Investment Bank (from 23 February 2010 to 1 December 2010)
				Crédit Agricole Leasing & Factoring
				Emporiki Bank (Greece) (2012)
				Fireca
				Médicale de France

Director	CLSA BV (the Netherlands)			
	CLSA Stichting Foundation (the Netherlands)			
Vice-Chairman	-			Pacifica
				Predica
Member of the Supervisory Board	-			Deposits guarantee Fund
				Korian
Non-voting Director	-			Crédit Agricole Assurances
Permanent representative	-			of Crédit Agricole S.A. : • Director of Pacifica, of Predica, as non-voting member of : • Siparex of Sofinco as director of : • Creserfi • Gecina
				• Chairman of Groupement français des bancassureurs - Fédération française des sociétés d'assurances Executive Committee member

Pierre CAMBEFORT

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

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

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

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
Member of the Executive Committee	Crédit Agricole S.A.		✓	
Chairman	-			Calixte Investissement
				Crédit Agricole Création
Chairman and CEO	-			Mescas
Director	Crédit Agricole Cards & Payments (SNC) (ex-CEDICAM)			Deltager S.A.
	Crédit Agricole Cheuvreux			Newedge Group
	Crédit Agricole Paiement (SAS)			
	FIA-NET			
	FIA-NET EUROPE (Luxembourg)			
	Union de Banques Arabes et Françaises (UBAF)			
Managing Director	CLSA B.V. (the Netherlands)			
	CLSA Stichting Foundation (the Netherlands)			

Régis MONFRONT

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

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

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

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Permanent representative	- of Crédit Agricole CIB, as director of Amundi Investment Solutions			
Director	-			Amundi UK Ltd
				CA Cheuvreux International Ltd
				CL Rouse Ltd
				CLSA (UK)
				Representative of CLSA (UK), director of Core Nominees Ltd
Executive Director	-			CL Property Broadwalk
				Crédit Agricole CIB Holdings Limited Ltd
				Crédit Agricole Corporate and Investment Bank : - Senior Country Officer in the UK, - then Head of Internal Audit of the company

Board of Director

Jean-Paul CHIFFLET

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

Date of first appointment as director 2004 Term of office 2013 Holds no share

12, Place des États-Unis - 92120 Montrouge

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
CEO	Crédit Agricole S.A.		✓	CRCAM Centre-Est
				Sacam International (SAS)
Chairman	Amundi Group			Carvest
	Crédit Lyonnais (LCL)			SAS Sacam Développement
	Fédération bancaire française (FBF) (Association)	✓		
Vice-chairman	-			Crédit Agricole S.A.
				Rue La Boétie (SAS)
				Comité des banques de la région Rhône Alpes
Director				Crédit Agricole Financements (Switzerland) SA
				GIE AMT
				Sacam (SAS)
				Sacam Participations SAS
				Siparex associés (SA)
				Société Civile Immobilière du Crédit Agricole Mutuel (SCICAM)
Member of the Executive Committee				Fédération Rhône-Alpes du Crédit Agricole
	-			SAS Sacam Santeffi
Member of the Management Committee	-			ADICAM (SARL) GECAM (GIE)
Permanent Representative	-			of CRCAM Centre-Est : • Director, AMT (GIE) of SAS Sacam Développement, as director of : • Crédit Lyonnais (LCL) • Lyon Place financière et tertiaire (Association)
Member of the Advisory Committee, Livelihoods Fund Member of the Advisory Council, Paris Europlace				• Corporate Secretary of Fédération Nationale du Crédit Agricole (FNCA) • Member of Conseil économique et social de Paris • Founding chairman in Rhône Alpes of IMS, Entreprendre pour la cité

Edmond ALPHANDERY

Function within the Company **Director - Member of the Audit and Risks Committee**
Date of first appointment 2002 Term of office 2013 Holds no share

7 Place d'Iéna – Paris 16ème

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman				CNP Assurances
				CNP International
Director	GDF Suez (PRESIDENT DU COMITE DE LA STRATEGIE ET DES INVESTISSEMENTS ET MEMBRE DU COMITE D'AUDIT)	✓	✓	Caixa Seguros (Brazil)
	NEOVACS	✓		CNP Unicredit Vita (Italy)
				Icade
Member of the Board	Stichting Continuiteït ST (the Netherlands)	✓		
Member, European Advisory Panel of Nomura Securities Member of the advisory board of AT Kearney (France)				Member of the European Advisory Board of Lehman Brothers

Philippe BRASSAC

Function within the Company **Director**
Date of first appointment 2004 Term of office 2013 Holds no share

111 avenue Emile Dechame 06708 Saint Laurent du Var Cedex

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Corporate Secretary	Fédération Nationale du Crédit Agricole (FNCA)			
Chairman	SAS Sacam Développement			AMT (Association de Moyens Technologiques) (GIE)
	SOFIPACA			
	SOFIPACA GESTION (SAS)			
Vice-chairman	Crédit Agricole S.A. (MEMBER OF THE NOMINATION AND GOVERNANCE COMMITTEE AND MEMBER OF THE STRATEGIC COMMITTEE)		✓	
	SAS Rue la Boétie			
CEO	CRCAM Provence Côte d'Azur			
	SACAM INTERNATIONAL			
Chairman and CEO	-			Deltager SA.
Director	SACAM Participations (SAS)			Cariparma (Italy)
	Société Civile Immobilière du Crédit Agricole Mutuel (SCICAM) (SCI)			Crédit Foncier de Monaco
	COOP.FR (Association)	✓		
Permanent representative	of SAS SACAM DEVELOPPEMENT as: • Director of Crédit Lyonnais (LCL)			
Member of the Management Committee	ADICAM (SARL)			
Member of the Executive Committee	EACB (Association)	✓		SACAM Square Habitat (SAS)
Corporate secretary of the Management Committee	GIE GECAM			

Frank DANGEARD

Function within the Company **Director – Member of the Compensation Committee**
Date of first appointment 2005 Term of office 2014 Holds no share

22, rue Simon Dereure - 75018 Paris

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
Chairman of the Board of Directors	Goldbridge Capital Partners (UK)	✓		Atari
Chairman and CEO	-			Thomson
Chairman of the Strategic Board	PricewaterhouseCoopers (France)	✓		
Managing Partner	Harcourt	✓		
Director	Moser Baer India Limited (MBIL)(India)	✓	✓	Bruegel (Association - Belgium)
	Moser Baer Private Projects (MBPP)(India)	✓		EDF
	Sonaecom (Portugal)	✓	✓	Enerqos France (SAS)
	Symantec (USA)	✓	✓	
	Telenor (Norway)	✓	✓	
Member of the Advisory Board	Harvard Business School HEC			

Marc DESCHAMPS

Function within the Company **Director**
Date of first appointment 2010 Term of office 2013 Holds no share

3 Avenue de la Libération - 63000 Clermont-Ferrand

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
CEO	Caisse régionale de Crédit Agricole Mutuel de Centre-France			Caisse régionale de Crédit Agricole Mutuel de Normandie
	Sacam Centre (SAS)			
Chairman and CEO	Banque Chalus			Sofinormandie (SAS)
Chairman	ADIMMO (SAS)			CA Immo Normandie (SAS)
	CACF Développement (SAS)			CA Normandie Immobilier (SAS)
	Square Habitat Crédit Agricole Centre France (SAS)			Sofimanche
	Telesecur Soretel (SAS)			
	Telesecur Monétique (SAS)			
Director	ASM Clermont-Auvergne (Association)	✓		Centre d'échanges de données et d'information du Crédit Agricole Mutuel - CEDICAM (GIE)
	CA Consumer Finance			Crédit Agricole Services (GIE)
	Crédit Agricole Leasing & Factoring			Crédit Agricole Technologies (GIE)
	Fondation d'entreprise Crédit Agricole Centre France			Crédit Lyonnais (LCL)
	Fondation de l'Université d'Auvergne (Administrateur et Vice-président)	✓		Fonds d'Investissement et de Recherche du Crédit Agricole - FIRECA
				Pleinchamp (SAS)
Permanent representative	• of SAS Sacam Participations, Director of IFCAM • of CRCAM Centre-France, manager of SNC Alli Dômes			of CRCAM de Normandie : • Chairman, Britline (SAS) • Director, Uni Expansion Ouest • Manager, SEP Normandie
• Chairman, Comité régional Auvergne Fédération bancaire française • Member, Conseil économique Social, Environnemental et Régional Auvergne				

Jean-Frédéric DREYFUS

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

Date of first appointment 2002 | Term of office 2014 | Holds no share

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

FUNCTIONS AT 31 DECEMBER 2012				
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	FUNCTION WITHIN THE PAST FIVE YEARS
Administrateur	Université Paris Dauphine	✓		Agence nationale pour la participation des employeurs à l'effort de construction
	Observatoire de la responsabilité sociétale des entreprises (ORSE - Association)(Treasurer)	✓		Astria
	-			Foncière logement
	-			Union d'économie sociale pour le logement
Member	Advisory Committee of the Autorité des normes comptables	✓		Conseil consultatif du secteur financier
	-			Conseil national du développement durable
Treasurer	Confédération française de l'encadrement-CGC-Trésorier confédéral	✓		

Denis GASQUET

Function within the Company **Director**

Date of first appointment 2011 | Term of office 2014 | Holds no share

36 Boulevard de l'Océan 13009 MARSEILLE

FUNCTIONS AT 31 DECEMBER 2012				
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	FUNCTION WITHIN THE PAST FIVE YEARS
Vice-chairman of Directory	ONET (01/2013)	✓		
Deputy CEO	HOLDING REINIER (SAS)	✓		
CEO	-			Veolia Propreté
Chairman				Veolia Propreté
				Veolia Environnement Informations et Technologies
				Veolia Environmental Services Australia (Australia)
				Veolia Environmental Services North America Corp (USA)
				Veolia ES Holdings (UK) Plc (UK)
				Veolia Umweltservice Verwaltungs (Germany) (VORSITZENDER)
				VENAO Inc. (USA) (Chairman and CEO)

Director	ENGREF (Ecole Nationale du Génie Rural des Eaux et Forêts)	✓		Dalkia International
	AGROPARISTECH	✓		Dalkia North America Holdings Inc. (USA)
				COMGEN Australia
				Marius Pedersen / Veolia MiljØservice Holding /
				Marius Pedersen A/S (Denmark)
				SARP (Société d'assainissement rationnel et de pompage)
				SARP Industries
				VEETRA
				Veolia Energy North America Holdings Inc.(USA)
				Veolia Environmental Services (UK) Plc
				Veolia Environmental Services Belgium
				Veolia MiljØ (Norway)
				Veolia Transport
Member of Supervisory Board				DALKIA (ex Dalkia Holdings)
				SETDN (SCA)
				Veolia Eau (SCA)
Representative				• Director of Fondation d'entreprise Veolia Environnement and Institut Veolia Environnement, Representative of founding members • Permanent representative of Veolia Propreté, director of SEDIBEX and of Institut Veolia Environnement (association)
Member of: Executive Committee Management Committee Control Board				• Veolia Environnement, (CEO) • Veolia Environnement Informations et Technologies • Paul Grandjouan SACO, Veolia Enrvironnement Recherche et Innovation, Campus Veolia Environnement (SAS)

François IMBAULT

Function within the Company **Director**

Date of first appointment 2014 Term of office 2013 Holds no share

26, quai de la Râpée - 75012 Paris

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	Caisse régionale de Crédit Agricole Mutuel de Paris et d'Ile de France		✓	
	Domaine de la Sablonnière (SAS)			
	SPP OPCALIA Services du monde rural (Association authorised by the State)	✓		
Vice Chairman	AGECIF CAMA (Association authorised by the State)	✓		
Director	Crédit Agricole Assurances			Cadif Actions (Association)
	Credit Agricole Private Banking			
	CA Indosuez Private Banking			
	Pacifica			
	Prédica			
Permanent representative	of CRCAM de Paris et d'Ile de France: • Socadif Director • Société Civile Immobilière Agricole de l'Ile de France Manager • Société Civile Immobilière Bercy- Villiot Manager			

Marc KYRIACOU

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

Date of first appointment 2007 Term of office 2014 Holds no share

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

NO OTHER OFFICE AT 31 DECEMBER 2012	FUNCTION WITHIN THE PAST FIVE YEARS
-	-

François MACÉ

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

Date of first appointment 2008 | Term of office 2014 | Holds no share

10 Avenue Foch 59000 LILLE

FUNCTIONS AT 31 DECEMBER 2012				
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	**FUNCTION WITHIN THE PAST FIVE YEARS**
CEO	Caisse régionale de Crédit Agricole Mutuel Nord de France			Caisse régionale de Crédit Agricole Mutuel de Charente-Périgord
				Caisse régionale de Crédit Agricole Mutuel de Champagne-Bourgogne
Chairman	John Deere Financial (ex- John-Deere Credit) (SAS)	✓		
	SACAM MACHINISME (SAS)			
	Foncière de l'Erable			
	Crédit Agricole de Belgique (Belgium)			
	CENTEA (Belgium)			
CEO and Chairman	Nord Capital Investissement			
Vice Chairman	AGILOR			
Director	CA Consumer Finance			Crédit Agricole Technologies (GIE)
	CAMCA			Crédit Agricole Services (GIE)
	Crédit Agricole Capital Investissement & Finance (CACIF)			Fonds d'investissement et de recherche du Crédit Agricole FIRECA (SAS)
	Voix du Nord			Pleinchamp (SAS)
	Finorpa SCR (SAS)			Crédit Agricole Risk insurance CARI (Luxembourg)
	Finorpa Financement (SAS)			CAMCA Réassurance
	Crédit Agricole Srbija (ex-Meridian Bank) (Serbia)			
	Keytrade Bank (Belgium)			
	Keytrade Bank (Luxembourg)			
	CAMCA (Luxembourg)			
Member of the Supervisory Board	BC Finance (SAS)			
	VNI			
Member of the Management Board	Uni Editions (SAS)			
Permanent Representative	• of Caisse régionale de Crédit Agricole Mutuel Nord de France as : - SEGAM director - Belgium CA (SAS) vice chairman - NDFI (SAS) chairman - member, NACARAT (SAS) supervisory board - CAM 62 manager partner - member, CA Titres (SNC) supervisory board • of Nord Capital Investissement (SCR) as director of FDN Finance			of CRCAM de Charente-Périgord as : • Chairman, GIE Comète • Director, GIE Greencam, Grand Sud Ouest Capital SA and Radian of CRCAM de Champagne- Bourgogne as : • Partner, SNC AMT • Partner, SNC Greencam • Director, CADINVEST (SAS)

Didier MARTIN

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

Date of first appointment 2002 Term of office 2014 Holds no share

130, rue du Faubourg Saint Honoré - 75008 Paris

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
Partner	Cabinet Bredin Prat	✓		
Chairman of the Supervisory Board	-			Mondialum (SAS)
Chairman of the Supervisory Board	Soparexo (S.C.A.)	✓		
Permanent representative	-			de Front Line (SAS) : • Member of Conseil Europacorp Supervisory Board

Michel MATHIEU

Function within the Company **Director**

Date of first appointment 2012 Term of office 2015 Holds no share

12 Place des Etats-Unis 92120 Montrouge

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
Chairman	LESICA (SAS)			ex-Crédit Agricole Private Equity (become Omnes Capital)(2012)
CEO	-			Caisse régionale du Languedoc
Deputy CEO	Crédit Agricole S.A.		✓	Amundi Group (2012)
Director	Cariparma S.p.A (Italy)			Banco Espirito Santo (2012)
	Predica			BESPAR (2012)
	LCL – Le Crédit Lyonnais			CACEIS (february 2013)
	-			CACI (2012)
				Centre monétique méditerranéen
				Crédit Agricole Assurances (2012)
				Crédit Agricole S.A. (2010)
				Crédit Agricole Solidarité et Développement
				Deltager
				Friulia S.p.A.
				IFCAM
Vice-chairman	-			Prédica (2012)
Member of the Supervisory Board	Eurazeo			Crédit Agricole Titres (SNC)
	Silca			SOFILARO
Permanent representative	-			- of Crédit Agricole S.A., director of Pacifica
				- of Caisse régionale du Languedoc, director of GIE EXA
Member, Commission mixte « Cadres dirigeants » of the FNCA				

Madame Stéphane PALLEZ

Function within the Company **Director**

Date of first appointment 2011 | Term of office 2014 | Holds no share

31 rue de Courcelles - 75008 Paris

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman and CEO	Caisse centrale de réassurance (CCR)	✓		
Chairman	-			Orange BNP Paribas Services
	-			Orange Business Participations
Director	CNP Assurances And Chairman of the Audit Committee	✓	✓	FTCD
	GDF SUEZ And member of Comité pour l'Ethique, l'Environnement et Développement Durable	✓	✓	Telekomunikacja Polska SA
	PlaNet Finance (Association)	✓		
				Deputy CFO France Telecom-Orange

Jean-Pierre PAVIET

Function within the Company **Director**

Date of first appointment 2012 | Term of office 2015 | Holds no share

Avenue de la Motte-Servolex 73024 Chambery cedex

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	CRCAM Des Savoie Crédit Agricole des Savoie Caisse Locale de Crédit Agricole d'Aime			
	Crédit Agricole Leasing & Factoring			
	Eurofactor			
	(SAS) Valpierre	✓		
	(SAS) Sofineige	✓		
Director	HECA (Association)	✓		
Manager	Chalhotel (SARL) - SCI du Cafrastan - Skiport (SARL) - Chalet Time (SARL)	✓		Sodeski (SARL) Merisup (SARL
Permanent Representative	of Sofineige, manager of Sumer (SNC) and Winter (SNC)	✓		- of Sofineige, manager of Suchalet (SNC) and Sumot

Jean PHILIPPE

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

Date of first appointment 2007 Term of office 2014 Holds no share

Chemin de Devèzes - 64121 Serres Castet

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	**COMPANY**	**Entity outside Crédit Agricole Group**	**Company whose shares are listed on a regulated market**	
CEO	Caisse régionale de Crédit Agricole Mutuel Pyrénées Gascogne			
Chairman	FIA-NET (France)			
	FIA-NET EUROPE (Luxembourg)			
	Radian			
Director	Crédit Agricole Cards & Paiements (SNC)			Crédit Agricole Cheuvreux
	Crédit Agricole Solidarité et Développement (Association)			Crédit Agricole Home Loan SFH (ex-Crédit Agricole Covered Bonds)
	CA Services et Technologie (ex-Synergie) (GIE)			Eurofactor
	Fonds d'investissement et de recherche du Crédit Agricole - Fireca			Foncaris
	SACAM Participations (SAS)			GSCO Capital
	Société Civile Immobilière du Crédit Agricole Mutuel (SCICAM)			
Permanent representative	of Caisse régionale de Crédit Agricole Mutuel Pyrénées Gascogne as : • Chairman of the Board of Directors : BANKOA SA (Espagne) • Director : - Grand Sud Ouest Capital SA - Mercagentes S.A. (Espagne) - Mercagestión S.A. (Espagne)			
Member ot the Management Committee	GIE Gecam			

• Chairman, Comité de Pilotage Nouvelles Relations Clients en multicanal
• Member, Comité des partenariats et de la Commission du Développement FNCA
• Member, Commission Vie Mutualiste of the FNCA

Jean-Louis ROVEYAZ

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

Date of first appointment 2010 Term of office 2014 Holds no share

52, boulevard Pierre Coubertin - 49004 Angers Cedex 01

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman of the Board of Directors	Caisse régionale de Crédit Agricole Mutuel de l'Anjou et du Maine			Pleinchamp (SAS) (Chairman of Executive Committee), and then Chairman of the Board of Directors (2012)
Chairman of the Supervisory Board	Société d'épargne foncière agricole (SEFA)			
Director	Crédit Agricole S.A.			Crédit Agricole Home Loan SFH (ex-Crédit Agricole Covered Bonds) (2012)
	Cariparma (S.p.A) (Italy)			
	John Deere Financial (SAS)			
Chairman, Comité du financement de l'agriculture de la FNCA - de l'Association des Présidents de Caisse régionale (FNCA) Member, Comité Pilotage Agriculture 2020 de la FNCA Member, Comité de Pilotage Domaine d'Excellence agro-alimentaire de la FNCA Member, Commission Vie Mutualiste et Identité de la FNCA Member, Commission Economie et Territoire (FNCA)				

François THIBAULT

Function within the Company **Director**
Date of first appointment 2010 Term of office 2013 Holds no share

26 rue de la Godde - 45800 Saint Jean de Braye

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Chairman	Caisse Régionale de Crédit Agricole Mutuel Centre Loire (and of the Caisse locale of Cosne sur Loire)			
	Association for the local development of Crédit Agricole ADELCA			
	Carcentre (GIE)			
	Centre Loire Expansion (SAS)			
	CAMCA and Luxembourg subsidiaries			
	Foncaris			
	Pleinchamp (SAS)			
Director	CNMCCA (Confédération)	✓		Crédit Agricole Titres CA Consumer Finance
Member of the Supervisory Board	Crédit Agricole Bank Polska S.A. (ex-Lukas Bank) (Pologne)			
Non-voting Director	Crédit Agricole S.A.		✓	
Member of the Executive committee	Sacam Pleinchamp (SAS)			
Chairman of Comité d'orientation et de la promotion (COP) de la Commission Relations Clients 2.0. (FNCA) et de la Commission Banque Universelle de Proximité /Member of Comité - du Fonds d'investissement et de recherche du Crédit Agricole /Fireca (SAS) - d'Energie et environnement (FNCA) / Member of the following commissions : Commission nationale de Rémunération des Cadres de Direction, Commission Mutualiste et Commission Passerelle (FNCA), Commission des Cadres dirigeants du groupe Crédit Agricole / Partner of GAEC Thibault, du GFA de Montour et du GFA de Villargeau d'En Haut				Member, Comité du Fonds d'investissement et de recherche du Crédit Agricole /Fireca (SAS)

François VEVERKA

Function within the Company **Director - Chairman of the Audit and Risks Committee**
Date of first appointment 2009 Term of office 2015 Holds no share

84 avenue des Pages - 78110 Le Vésinet

FUNCTIONS AT 31 DECEMBER 2012				FUNCTION WITHIN THE PAST FIVE YEARS
FUNCTION	COMPANY	Entity outside Crédit Agricole Group	Company whose shares are listed on a regulated market	
Consultant	Banque finance associés	✓		
Director	Crédit Agricole S.A. And chairman of the Audit and Risks Committee – Member of the Strategic Committee and the Compensation Committee		✓	
	Crédit Lyonnais (LCL) And Chairman of the Finance and Risk Committee			
Non Executive Director	Amundi UK Ltd (United-Kingdom)			
Member of the Supervisory Board	Octofinances	✓		
CEO	-			Compagnie de Financement Foncier
Member of the Executive committee				CCF
Non-voting Director	Amundi Group,			
				Professor • ESCP-EAP • Ecole polytechnique fédérale de Lausanne Member of the Comité financier de la Fondation pour la recherche médicale

Potential conflicts of interest among members of the Board of Directors and Management Board between their private interests or other duties and their duties towards Crédit Agricole CIB

To Crédit Agricole CIB's knowledge, there is no potential conflict of interest between the duties of members of the Board of Directors and Management Board with respect to Crédit Agricole CIB and their private interests.

Crédit Agricole CIB's Board of Directors and Management Board include corporate officers of companies (including Crédit Agricole Group companies) with which Crédit Agricole CIB has commercial relationships. This may be a source of potential conflicts of interest.

The Rules of Procedure of the Board of Directors remind the members of the Board of their obligation to inform the Board about each conflict of interest, including the potential ones, in which they could be involved directly or indirectly and to avoid participating in votes on such matters.

Article L. 621-18-2 of the Code Monétaire et Financier and article 223-26 of the Autorité des Marchés Financiers' General Regulations

The Company shares were not listed on a regulated market, provisions of article L. 621-18-2 of the Code Monétaire et Financier are not applicable to the Company accordingly.

Information on the ownership structure at 31 December 2012 is provided in note 6.17 to the consolidated financial statements on page 221.

Executive Committee

The composition Crédit Agricole Corporate and Investment Bank's Executive Committee at 31 December 2012 is as follows :

Jean-Yves HOCHER	Chief Executive Officer
Pierre CAMBEFORT	Deputy Chief Executive Officer
Régis MONFRONT	Deputy Chief Executive Officer
Francis CANTERINI	Deputy General Manager
Jean-François BALAŸ	Debt Optimisation & Distribution
Ivana BONNET	Human Resources
Alix CAUDRILLIER	Global Investment Banking
Frédéric COUDREAU	Global Operations
Paul DE LEUSSE	Finance
Pierre DULON	Global IT
Catherine DUVAUD	Global Compliance
Thomas GADENNE	Division Global Markets
Bertrand HUGONET	Corporate Secretary & Communication
Daniel PUYO	Risk and Permanent Control
Jacques PROST	Structured Finance
Thierry SIMON	Client Coverage and International

4 2012 BUSINESS REVIEW AND FINANCIAL INFORMATION

Crédit Agricole CIB Group business review and financial information

➢ PRESENTATION OF THE CREDIT AGRICOLE CIB GROUP'S FINANCIAL STATEMENTS

Changes to accounting principles and policies

Pursuant to EC regulation n°1606/2002, the annual consolidated financial statements were prepared in accordance with IAS/IFRS standards and IFRIC interpretations used at 31 December 2012 as adopted by the European Union (the "carve-out" version) and using certain dispensations of IAS 39 as regards macro-hedge accounting.

The standards and interpretations are identical to those used and described in the Group financial statements at 31 December 2011.

They were completed by IFRS norms measures adopted by the European Union on 31 December 2012, and which became mandatory for the first time in 2012. The enforcement of these new measures had no significant impact on the period's results and net situation.

Changes in the scope of consolidation

Changes in the scope of consolidation between 1 January 2012 and 31 December 2012 are described below:

◆ Entries in 2012

The following new created companies were added to the scope of consolidation:

- Crédit Agricole Indosuez Private Banking,
- Crédit Agricole Indosuez Gestion,
- SCI La Baume.

◆ Disposals in 2012

The following companies went out of the scope of consolidation because :

➩ their activity became not significant :

- Immofi CACIB,
- Cardinalimmo,
- Aylesbury BV,
- Crédit Agricole CIB UK IH,
- Indosuez Finance LTD

➩ of liquidation :

- Crédit Agricole Private Banking Levante,
- Crédit Agricole Private Banking Norte,
- Aguadana SL.

➩ of disposal

- Crédit Agricole Yatirim Bankasi Turk AS,
- INCA Sarl,
- LDF 65 (SPV),
- Lyane BV,
- PJSC Crédit Agricole CIB Ukraine.

The following companies went out of the scope of consolidation because they were dissoluted without being liquidated and their holding was universally transmitted in 2012 :

- Banque de Financement et de Trésorerie,
- SAFEC.

◆ Deconsolidated branches currently closing in relation with the adjustment plan:

- Crédit Agricole Manila Offshore,
- Crédit Agricole CIB South Africa,
- Credit Agricole CIB S.A Prague,
- Credit Agricole CIB Hungarian,
- Crédit Agricole CIB Shangai,
- Credit Agricole Slovakia,
- Credit Agricole CIB Labuan,
- Credit Agricole Yemen.

➢ ECONOMIC AND FINANCIAL ENVIRONMENT

In 2012, Greece once again dominated the headlines, with a new financial aid package, the cancellation of its debt resulting in a severe haircut for private investors, and chronic political and social instability fuelling fears that the country would leave the Eurozone.

Spain entered a difficult period, amidst doubts about the strength of its banking system, the deterioration of its public finances, record unemployment and deepening recession. Embodying these concerns, risk premiums on sovereign debt climbed considerably, sporadically exceeding the symbolic 7% threshold at which bailouts for Greece, Ireland and Portugal were triggered. Despite reform efforts undertaken by the technocratic government led by Mario Monti, Italy was not spared, with yields on its debt rising as well. Together, this sparked fears for the very integrity of the Eurozone.

This was the very tense backdrop to the European summit in late June. To break the bonds of interdependence between sovereign risk and banking risk, the European Stabilisation Mechanism, the new permanent relief fund (which began operations in October), has been authorised to provide financial assistance to banks directly, independently of Member States, in exchange for the implementation of banking supervision at European level under the aegis of the European Central Bank (ECB). Aid totalling €100 billion was also granted to Spain to reinforce its banking sector.

This declared willingness to move towards banking union did not fully convince the markets, which remained worried about the time it would take to implement.

Spain's financial difficulties and disturbing signals heralding a slowdown in the global economy continued to fuel a sense of mistrust toward the Eurozone, to the point of sparking fears of a resurgence of the disaster scenario that prevailed in the summer of 2011. 26 July marked a real turning point, when ECB President Mario Draghi declared that the ECB was prepared, within the limits of its mandate, to take all necessary measures to safeguard the integrity of the Eurozone. The head of the ECB joined his actions to his words in early September, announcing a programme of unlimited bond purchases under strict conditions (known as OMT, for Outright Monetary Transactions). This helped avert the extreme scenario of a pure and simple collapse of the Eurozone, triggering a bull run in the markets that corrected the excessive pessimism of the past.

Despite the stabilisation of expectations and the market environment, it will not be possible to render debt trajectories achievable without growth. The issue of growth will therefore dominate 2013.

➢ BUSINESS REVIEW AND CONSOLIDATED INCOME STATEMENT

Condensed consolidated statement of income

The information presented below for 2011 were established proforma taking into account the new organization of the bank as of July 2012 (see page 11 of the shelf-registration document) and IFRS 5 treatment of CA Cheuvreux and CLSA.

2012

€ million	Ongoing Activities restated [1]	Financial management [2]	Discontinuing operations	Impacts of the adjustment plan	Total CIB	Private Banking	Other activities	CACIB	Change [3] 2012/2011
Net banking income	**4,359**	**(856)**	**162**	**(477)**	**3,188**	**712**	**161**	**4,061**	**-1%**
Operating expenses	(2,536)		(294)		(2,830)	(508)	(1)	(3,339)	7%
Gross operating income	**1,823**	**(856)**	**(132)**	**(477)**	**358**	**204**	**160**	**722**	**-9%**
Cost of risk	(283)		(25)	(151)	(459)	(8)		(467)	-14%
Income from equity affiliates	164				164			164	22%
Gain/(losses) on other assets	37		2		39		5	44	x18,5
Goodwill				(483)	(483)			(483)	ns
Pre-tax income	**1,741**	**(856)**	**(155)**	**(1,111)**	**(381)**	**196**	**165**	**(20)**	**-4%**
Corporate Income tax	(461)	309	54	226	128	(37)	(68)	23	-13%
Net income from discontinued or held-for-sale operations				(381)	(381)			(381)	ns
Net income	**1,280**	**(547)**	**(101)**	**(1,266)**	**(634)**	**159**	**97**	**(378)**	**0%**
Minority interests	17		(18)		(1)	12		11	13%
Net income, Group Share	**1,263**	**(547)**	**(83)**	**(1,266)**	**(633)**	**147**	**97**	**(389)**	**0%**

(1) Excluding the impact of the revaluation of debt issues, of loan hedges, the impacts of the adjustment plan, the IFRS 5 treatment of CA Cheuvreux and CL Securities Asia (CLSA), and the changes in the value of goodwill.

(2) Financial Management : revaluation of debt issues and loan hedges.

(3) Ongoing Activities restated for Financial Management.

2011

€ million	Ongoing Activities restated [1]	Financial manage-ment[2]	Discon-tinuing opera-tions	Impacts of the adjust-ment plan	Total CIB	Private Banking	Other activi-ties	CACIB
Net banking income	**4,387**	**711**	**(100)**	**(261)**	**4,737**	**572**		**5,309**
Operating expenses	(2,380)		(381)	(273)	(3,034)	(428)		(3,462)
Gross operating income	**2,007**	**711**	**(481)**	**(534)**	**1,703**	**144**		**1,847**
Cost of risk	(330)		(171)	(4)	(505)	(2)		(507)
Income from equity affiliates	134				134			134
Gain/(losses) on other assets	2				2			2
Goodwill	(1)			(294)	(295)			(295)
Pre-tax income	**1,812**	**711**	**(652)**	**(832)**	**1,039**	**142**		**1,181**
Corporate Income tax	(530)	(250)	203	195	(382)	(25)	(2)	(409)
Net income from discontinued or held-for-sale operations				(92)	(92)			(92)
Net income	**1,282**	**461**	**(449)**	**(729)**	**565**	**117**	**(2)**	**680**
Minority interests	15		(25)		(10)	8		(2)
Net income, Group Share	**1,267**	**461**	**(424)**	**(729)**	**575**	**109**	**(2)**	**682**

(1) Excluding the impact of the revaluation of debt issues, of loan hedges, the impacts of the adjustment plan, the IFRS 5 treatment of CA Cheuvreux and CL Securities Asia (CLSA), and the changes in the value of goodwill.

(2) Financial Management : revaluation of debt issues and loan hedges.

In a still marked by the financial crisis environment, 2012 for Crédit Agricole CIB is a strategic shift with the realization of the first effects of the adjustment plan announced on 14 December 2011 and the effective implementation of the model Distribute to Originate focused on distribution and service to the Group's major customers.

Operating results are satisfactory, at a level comparable to 2011 despite the effects of the adjustment plan, showing good resilience and relevance of the new model.

Significant non-recurring and non-economic changes have a negative impact on the results of -€1.8 billion and are mainly related on the one hand to the consequences of the restructuring plan and on the other hand to the expansion of credit spread on the revaluation of own debt.

Excluding brokerage activities, market activities recorded a strong performance in comparison with a difficult year 2011.

The financing banking saw its revenues fall as a direct result of liquidity constraints within the framework of the adjustment plan.

At constant exchange rates, operating costs begin to decline steadily over the year but support the negative effects of fiscal and social measures in the summer of 2012 (doubling of the systemic tax, tax increase on wages) and certain other non recurring items.

The cost of risk of strategic activities is steadily decreasing illustrating the quality of the portfolio and the strategy of cautious risk management of the Group.

Crédit Agricole CIB registers thus a loss in 2012 of -€389 million related to very significant non recurring items.

➢ BUSINESS REVIEW AND CONSOLIDATED INCOME STATEMENT BY BUSINESS LINE

Financing

€ million	2012(*)	2011(*)	Change 2012/2011	Change at constant exchange rate
Net banking income	**2,148**	**2,547**	-16%	-19%
Operating expenses	(936)	(859)	9%	6%
Gross operating income	**1,212**	**1,688**	-28%	
Cost of risk	(284)	(320)	-11%	
Income from equity affiliates	164	134	22%	
Gain/(losses) on other assets	26	2	x13.0	
Goodwill			ns	
Pre-tax income	**1,118**	**1,504**	-26%	
Corporate Income tax	(310)	(487)	-36%	
Net income from discontinued or held-for-sale operations				
Net income	**808**	**1,017**	-21%	
Minority interests	11	11	0%	
Net income, Group Share	**797**	**1,006**	-21%	

(*) Restated for impact of the adjustment plan (-€114 million in net banking income in 2012 and -€127 million in 2011) and impact of loan hedges on Net banking income for respectively +€77 and +€40 million in 2012 and 2011.

Financing activities were marked this year by the implementation of the Distribute to Originate Model, strategic adaptation to a new economic paradigm (ever increasing regulatory requirements, less buoyant markets, increased competitive pressure...), the challenge for Crédit Agricole CIB being to maintain its origination while expanding its distribution capabilities.

In a difficult market environment, structured finance revenues decreased with the reduction of outstandings but nevertheless managed to maintain competitive positions. Crédit Agricole CIB retains its second place on project finance in the EMEA region and progresses to the fourth position on the financing of projects in the Americas (source: Thomson Financial).

Although remaining the leader in the syndication business in France (source: Thomson Financial), the results of commercial banking activities erode, due to strong competition in the market for bank loans, particularly in Asia (where banks do not have the same liquidity constraints), and the attractiveness of corporate clients for bonds compared with credit.

Capital Markets and Investment Banking

€ million	2012(*)	2011(*)	Change 2012/2011	Change at constant exchange rate
Net banking income	**2,211**	**1,840**	20%	15%
Operating expenses	(1,600)	(1,521)	5%	1%
Gross operating income	**611**	**319**	92%	
Cost of risk	1	(10)	ns	
Income from equity affiliates			ns	
Gain/(losses) on other assets	11		ns	
Goodwill		(1)	ns	
Pre-tax income	**623**	**308**	x 2	
Corporate Income tax	(151)	(43)	x 3.5	
Net income from discontinued or held-for-sale operations			ns	
Net income	**472**	**265**	78%	
Minority interests	6	4	50%	
Net income, Group Share	**466**	**261**	79%	

(*) Restated for revaluation of debt issues on Net banking income for respectively -€933 and +€671 million in 2012 and 2011.

In a more favorable market environment, the capital markets and investment banking saw its revenues increase by 15% at constant exchange rates and net income Group share up sharply by 79%.

Bonds are performing particularly well with an increase in activity on the debt market and a recovery in volumes of issuances.

Crédit Agricole CIB ranks second worldwide for euro issues by financial institutions and fourth worldwide for euro issues as a whole. The bank rose to third place in EMTN private placements in euros. It should also be noted that the Group is leader on the French corporate bond market (Dealogic) and was awarded “Best Uridashi House” for 2012 (bond issues in Japan).

Crédit Agricole CIB also became the European leader in the socially responsible bonds market: the bank broke new ground by arranging four socially responsible bond issues.

The year 2012 also reflects Crédit Agricole CIB’s refocusing of its business. For instance, it sold off part of its brokerage business:

- agreement finalised with Kepler Capital Markets for the merger between CA Cheuvreux and Kepler;
- on 25 October 2012, Crédit Agricole CIB exercised a put option for the remaining 80.1% of CLSA. The expected gain on the sale of CLSA will not be recognised until the transaction is finalised.

Discontinuing operations

€ million	2012(*)	2011(*)	Change 2012/2011
Net banking income	**162**	**(100)**	**ns**
Operating expenses	(294)	(381)	-23%
Gross operating income	**(132)**	**(481)**	**-73%**
Cost of risk	(25)	(171)	-85%
Gain/(losses) on other assets	2		ns
Corporate Income tax	54	203	-73%
Net income	**(101)**	**(449)**	**-78%**
Minority interests	(18)	(25)	-28%
Net income, Group Share	**(83)**	**(424)**	**-80%**

(*) Restated for impact of the adjustment plan.

The negative contribution of discontinuing operations continued to decline compared to 2011 and represents a net income group share of -€83 million, a limited cost for the year.

The increase of NBI in 2012 compared to 2011 is mainly due to the continued increase in credit spreads that led to reduction reversals on monolines and CDPC and to favorable effects related to restructuring / sale of CDO/RMBS.

Further information on the nature of the main expositions are available in the «sensitive exposures based on the Financial Stability Board recommendations « on page 127.

Impacts of the adjustment plan measures

With an impact of -€1,266 million in net income Group share, the year 2012 recorded the full effects of the adjustment plan announced on 14 December 2011.

From the first quarter of 2012, accelerating the process of selling off portfolios generated a loss of - €257 million (in Net Income Group Share).

These disposals have yielded savings in terms of RWA of approximately € 15.4 billion.

In addition we continued hardening depreciation assumptions of CDOs of U.S. RMBS in banking book induing during the fourth quarter a supplementary impairment of €72 million (impact in Net Income Group Share).

Disposals of corporate banking portfolio loans amounted to €3.9 billion in 2012 (i.e. a total of €10 billion since the adjustment plan), at a slightly slower pace but still under satisfactory conditions, with an impact on revenues of -€114 million in 2012.

Finally, as part of the review of goodwill, additional impairment occurred in the fourth quarter for - €483 million (-€115 million for the CIB and for -€368 million for Newedge) after the 100% depreciation of CA Cheuvreux goodwill in 2012 first half.

Private Banking

€ million	2012	2011	Change 2012(*)/2011	Change 2012 (*)/ 2011 at constant exchange
Net banking income	**712**	**572**	**7%**	**10%**
Operating expenses	(508)	(428)	-1%	-1%
Gross operating income	**204**	**144**	**29%**	
Cost of risk	(8)	(2)	x 4,0	
Income from equity affiliates			ns	
Pre-tax income	**196**	**142**	**26%**	
Corporate Income tax	(37)	(25)	29%	
Net income	**159**	**117**	**25%**	
Minority interests	12	8	50%	
Net income, Group Share	**147**	**109**	**23%**	

(*) Excluding CA Indosuez Private Banking

Despite markets affected by the general economic downturn, revenues of Private Banking excluding CA Indosuez Private Banking (formerly BGPI) were up 10% at constant exchange rates. They benefit from the improved remuneration conditions of cash surpluses.

Excluding CA Indosuez Private Banking, expenses reduced due to the year-end review of the accounting assumptions of CA Switzerland pension funds.

Wealth under management (excluding CA Indosuez Private Banking) at end 2012 progressed to €71.8 billion versus €69.1 billion at end 2011 with nonetheless a funds outflow on the period (mainly linked to the funds outflow on Brazilian institutionals).

The net income group share excluding BGPI amounts to €134 million, up 23% compared to 2011.

Other activities

€ million	2012	2011
Net banking income	**161(*)**	
Operating expenses	(1)	
Gross operating income	**160**	
Gain/(losses) on other assets	5(**)	
Pre-tax income	**165**	
Corporate Income tax	(68)	(2)
Net income	**97**	**(2)**
Minority interests		
Net income, Group Share	**97**	**(2)**

(*) Q4-12 : cancellation of the expense for deeply subordinated notes (counterparty Crédit Agricole S.A.).
(**) For the record, gain from disposal of Ukraine to Crédit Agricole S.A. on Q2-12.

2012 mainly registered the cancellation of the expense for deeply subordinated notes in the fourth quarter of 2012 (counterparty Crédit Agricole S.A.).

➢ CONSOLIDATED BALANCE SHEET OF CRÉDIT AGRICOLE CIB

Assets

€ million	31.12.2012	31.12.2011
Cash due from central banks	37.5	21.9
Financial assets at fair value (excluding repos)	499.5	424.0
Derivative financial instruments held for hedging	1.8	1.6
Available-for-sale financial assets	30.1	14.3
Loans and receivables to credit institutions (excluding repos)	40.0	44.1
Loans and advances to customers (excluding repos)	108.0	118.3
Repos	124.1	123.4
Accruals, prepayments and sundry assets	57.4	74.6
Non-current assets held for sale	3.9	
Investments in equity affiliates	1.4	1.3
Non-current assets	0.6	0.9
Goodwill	1.0	1.6
Total	**905.3**	**826.0**

Liabilities and shareholders' equity

€ million	31.12.2012	31.12.2011
Due to Central banks	1.1	0.1
Financial liabilities at fair value (excluding repos)	518.4	430.7
Derivative financial instruments held for hedging	1.1	1.6
Due to credit institutions (excluding repos)	43.9	74.3
Customer accounts (excluding repos)	109.3	99.4
Repos	117.7	106.8
Debt securities in issue	31.1	25.0
Accruals, deferred income and sundry liabilities	56.1	62.4
Liabilities associated with non-current assets held for sale	3.6	
Reserves	1.4	1.4
Subordinated debt	6.0	8.2
Minority interests	0.5	0.6
Shareholders' equity, Group share (excluding net income for the year)	15.5	14.8
Net income, Group Share	(0.4)	0.7
Total	**905.3**	**826.0**

At 31 December 2012, Crédit Agricole CIB had total assets of €905 billion, a rise of €79 billion compared to 31 December 2011. USD variation dragged total assets down by - €5 billion and JPY -€5 billion. The main changes were in the following items:

◆ Interbank operations

Crédit Agricole CIB has access to all the major global liquidity centres and is particularly active in the largest markets (Paris, New York, London, Hong Kong and Tokyo), allowing it to optimise assets allocation and interbank resources within the group.

◆ Financial assets and liabilities at fair value through profit and loss

Financial assets and liabilities at fair value through profit and loss (excluding repos) rise respectively by €75 and €88 billion over the period. Financial assets consist mainly of the positive fair value of derivative financial instruments and the portfolio of securities held for trading. Financial liabilities consist mainly of the negative fair value of derivatives, negotiable debt instruments held for trading and securities sold short.

The rise in these items arose mainly from the higher mark-to-market value of derivatives (+€78 billion on assets and €81 billion on liabilities), mostly on interest-rate derivatives

◆ Securities purchased or sold under

Repo activities are mainly in Paris, which accounted for 44% of securities purchased and 51% of securities sold under repo agreements. The increase in securities on the asset and liabilities sides on 2012 mostly resulted from the increase in treasury trading activities of the Treasury department.

◆ Accruals, prepayments, sundry assets and liabilities

Accrued income and expenses and other assets and liabilities mainly comprise deferred securities and guarantee deposits for market and brokerage transactions. The respective decreases of €17 billion and €6 billion in assets and liabilities over the period can be explained mainly by changes in accounting methods; actually the repurchase agreements of the trading portfolio are now recognized off balance sheet between the transaction date and the settlement date; they were before recognized in balance sheet, in counterparty of the accruals account, on the assets or liabilities side, depending on the way of the repurchase operations is recognized.

◆ Debt securities in issue

Apart from traditional refinancing via interbank borrowings, Crédit Agricole CIB raises liquidity via issuing paper in the main financial markets (particularly in the USA via its US branch and its Crédit Agricole CIB Global Partners Inc. subsidiary, in the UK via its London branch or in France).

The increase of €6 billion of debt securities in issue is explained by the increase in CDS' issuances mainly from U.S. entities explained by an increased confidence towards French banks.

◆ Shareholders' equity Group share

Shareholders' equity Group share (excluding net income) for the period was €15.5 billion at year-end, a rise of €0.7 billion compared with 31 December 2011.

RECENT TRENDS AND OUTLOOK

2013 outlook

In the Eurozone, the strategy for resolving the crisis is reaching its limits in terms of growth. Domestic growth looks set to remain sustainably depressed, amidst high unemployment, wage disinflation or deflation, and a rising tax burden. This trend spans across the Eurozone with the notable exception of Germany, creating a recessive environment as declines in intra-zone markets coincide with flagging regional trade. As such, traction can only come from outside, but Member States look prepared compete fiercely among themselves to win market share. This is compounded by the current strength of the euro, which represents an additional handicap, although the upward trend is likely to reverse during the year to better reflect the weakness of Europe's economic fundamentals (EUR/USD estimated at 1.28 at end-June 2013).

Support factors do exist, however, namely a sustainably accommodative monetary policy, bearing in mind that the ECB has scope to make one final gesture (bringing its policy rate down to 0.75%, an all-time low), and low long-term yields, which will help the debt-reduction process (yields on 10-year German bonds seen at 1.8% mid-year). Projections point to a further decline in economic activity in the Eurozone in 2013 (-0.3% on average over the year), with very muted growth in the North (Germany: +0.4%; France: +0.2%) and another year of recession in the South (Italy: -1.2%; Spain: -1.6%).

A complicating factor will be the busy political agenda, with elections in Italy (February) and Germany (September). While campaign issues and extremist discourse, tinged with populism and euroscepticism, may fuel instability in the markets, Mario Draghi inspires confidence and should be able to prevent panic, now that belief in the survival of the Eurozone is deeply rooted.

The United States, meanwhile, has opted for growth to ease the debt burden, with fiscal and monetary stimulus bolstering activity. However, debt now exceeds 100% of gross domestic product, making the issue of fiscal consolidation more pressing.

It will be hard to remove fiscal stimulus in what remains a convalescent economy in which household consumption, the traditional engine of growth, is constrained by the need to rebalance private balance sheets. The most likely outcome is that Democrats and Republicans will agree on an unambitious deficit reduction programme, with moderate impact on growth and not enough clout to stop the debt spiral. The Federal Reserve is expected to maintain an accommodative bias in its monetary policy, with additional quantitative easing measures as needed to help the Federal Government refinance on favourable terms (target of 2.5% on ten-year notes at end-June). This should enable growth to remain at roughly 2% in the United States.

Outlook for Crédit Agricole CIB

2012 was a successful year of transition and adaptation: the Bank has rethought its strategy and organization. The year saw the introduction of the new model Distribution-Origination which won notable success and demonstrated the relevance of this model, turned towards supporting projects of major customers of the bank, serving the real economy.

At the same time, the Bank has significantly reduced its balance sheet, in terms of liquidity and also of Risk Weighted Assets. Crédit Agricole CIB was able to meet the targets it had set.

The challenge for 2013 will be the operational efficiency of our organization. It will be necessary to consolidate the model Distribute to Originate developing more fully the relationships with our customers and with investors willing to accompany us in the financing of these clients. We will continue our efforts to reduce our risk-weighted assets, our liquidity consumption and our expenses to make of Crédit Agricole CIB a profitable CIB serving the Group and its clients.

Crédit Agricole CIB will anchor its strategy and development within the framework of a new medium-term plan that should be announced by the Crédit Agricole Group in the fall of 2013.

Information on Crédit Agricole CIB (S.A.) financial statements

➢ CRÉDIT AGRICOLE CIB (SA) CONDENSED BALANCE SHEET

Assets *€ billion*	31.12.2012	31.12.2011	Liabilities and shareholders' Equity *€ billion*	31.12.2012	31.12.2011
Interbank and similar items	153.9	135.7	Interbank and similar items	85.8	118.1
Customer items	149.2	136.5	Customer accounts	162.7	127.4
Securities portfolio	32.0	40.2	Debt securities in issue	47.5	48.0
Accruals, prepayments and sundry assets	527.8	437.7	Accruals, prepayments and sundry liabilities	554.4	443.6
Non-current assets	7.7	9.0	Impairment and subordinated debt	9.2	12.1
			Fund for general banking risks	0.1	0.1
			Shareholders' equity (excl.FRBG)	10.9	9.8
Total assets	**870.6**	**759.1**	**Total liabilities and shareholders' equity**	**870.6**	**759.1**

At 31 December 2012, Crédit Agricole CIB's total assets were €871 billion, an increase of €112 billion compared to the 31 December 2011 figure.

◆ Interbank transactions

Interbank transaction assets rose by €18.2 billion (+ 13.4%) with mainly changes of +€14.5 billion of deposits to Central banks, +€22 billion on treasury bills and of -€18.7 billion on receivables with financial institutions (of which -€11.8 billion in repurchase agreements and -€9,5 billion in treasury investments with Crédit Agricole S.A.).

On the contrary, interbank liabilities fell by €32.3 billion of which a change of -€1 billion in repurchase agreements and -€32 billion on borrowings (including -€9 with the Bank of France and -€15 billion in cash raised with Crédit Agricole S.A.).

◆ Customer transactions

Assets rose by €12.7 billion (+9.3%), and liabilities increased by €35.3 billion (+27.7%).

The rise in assets from customer transactions has mainly come from repurchase transactions with a rise of +€24.5 billion and from the decrease of customer accounts and loans for -€12.6 billion.

As regards liabilities, repurchase agreements are also increasing by +€20 billion as well as customer accounts and borrowings by +€16.8 billion.

◆ Securities transactions and debt securities in issue

Security transactions and debt securities are down respectively by €8.2 billion (- 20.3 %) and €0.5 billion (-1.1%).

The fall in assets is mainly due to a decrease of the bonds held in trading portfolio of €3.4 billion, and by a sharp decrease of the equity trading portfolio by €4.8 billion.

◆ Accruals, prepayments, sundry assets and liabilities

Accruals mainly registered derivatives financial instruments at fair value. These amounts are reported in financial assets and liabilities measured at fair value in the consolidated financial statements.

Accruals and prepayments respectively rise by €90.1 billion in assets (+20.5%) and €110.8 billion in liabilities (+25%), mainly on interest rates swaps.

Other assets and other liabilities mostly include premiums on conditional derivative financial instruments, miscellaneous debtors and creditors and trading securities' sales and purchases transactions awaiting settlement.

Crédit Agricole CIB S.A. supplier payment times

Crédit Agricole CIB pays its suppliers within 27 days (median payment time).

Crédit Agricole CIB has outstanding payables of €10.9 million at 31 December 2012 compared with €14 million at 31 December 2011.

➢ CRÉDIT AGRICOLE CIB (S.A.) CONDENSED INCOME STATEMENT

€ million	2012	2011
Net banking income	3,477	3,470
Operating expenses	(2,276)	(2,456)
Gross operating income	**1,201**	**1,014**
Cost of risk	(198)	(486)
Net operating income	**1,003**	**528**
Net gain/(loss) on disposal of non-current assets	(510)	(531)
Pre-tax income	**493**	**(3)**
Corporate Income tax	636	703
Net income/(loss)	**1,129**	**696**

In a still difficult environment marked by the financial crisis, operating results are comparable to 2011. Net banking income for the year 2012 of Crédit Agricole CIB (S.A.) amounts to +€3.5 billion, stable compared to 31 December 2011.

The year 2012 saw the realization of the first effects of the adjustment plan announced on 14 December 2011 and the implementation of its business model «Distribute to Originate», centered on the distribution and service to the Group's major customers.

In a difficult market environment, Structured finance registers decreasing revenues but nevertheless manages to maintain competitive positions while the Capital market banking saw its revenues increase. The negative contribution of discontinuing activities is still decreasing compared with 2011.

General operating expenses are decreasing by €180 million (-7.3%).

Given these elements, gross operating income amounts to +€1.2 billion in 2012.

The cost of risk amounts to -€0.2 billion in 2012 (compared with -0.5 billion in 2011). The cost of risk of ongoing activities is steadily decreasing reflecting the quality of the portfolio la qualité du portefeuille and the strategy of prudent risk management of Crédit Agricole CIB.

The item “corporate income tax” is positive in 2012 at +€0.6 billion due to the purchase by Crédit Agricole S.A. of previous carry forward tax deficits according to the tax consolidation group (impact of +€1 billion versus €0.8 billion in 2011).

Crédit Agricole CIB is part of the Crédit Agricole S.A. tax consolidation group. The tax consolidation agreement between Crédit Agricole S.A. and Crédit Agricole CIB enables Crédit Agricole CIB to sell its tax deficits.

Crédit Agricole CIB (SA) generated a net income +€1,129 billion in 2012 compared with +€696 million in 2011. Crédit Agricole CIB France accounted for +€639 million of this profit, while its branches accounted for +€490 million.

➢ FIVE-YEAR FINANCIAL SUMMARY

ITEMS	2008	2009	2010	2011	2012
Share capital at year-end (€)	3,714,724,584	6,055,504,839	6,055,504,839	6,775,271,784	7,254,575,271
Number of shares issued	137,582,392	224,277,957	224,277,957	250,935,992	268,687,973
Total result of realized transaction (in € million)					
Gross revenue (excl. Tax)	13,311	10,030	7,306	8,780	8,232
Profit before tax, depreciation, amortization and reserves	(2,936)	1,519	111	921	637
Corporate income tax	135	(28)	(1,179)	(703)	(640)
Profit after tax, depreciation, amortization and reserves	(4,154)	720	1,388	697	1,129
Amounts of dividends paid			955	647	
Earning per share (€)					
Profit after tax but before depreciation, amortization and reserves	[1] (22.32)	[2] 6.90	[3] 5.75	[4] 6.47	[5] 4.76
Profit after tax, depreciation, amortization and reserves	[1] (30.19)	[2] 3.21	[3] 6.19	[4] 2.78	[5] 4.20
Dividend per share	0.00	0.00	4.26	2.58	0.00
Staff					
Number of employees	[6] 7,695	[6] 7,415	[6] 7,455	[6] 7,633	[6] 6,964
Wages and salaries paid during the financial year (in € million)	855	827	888	941	953
Employee benefits and social contributions (in € million)	339	295	304	334	300
Payroll taxes (in € million)	34	33	33	30	39

The calculation of gross revenue has been made consistent with the standards practiced by the Crédit Agricole S.A. Group.

[1] Calculation based on number of shares issue excluding treasury stock at end-2008, i.e 137 582 392 titres.
[2] Calculation based on number of shares issue excluding treasury stock at end-2009, i.e 224 277 957 titres.
[3] Calculation based on number of shares issue excluding treasury stock at end-2010, i.e 224 277 957 titres.
[4] Calculation based on number of shares issue excluding treasury stock at end-2011, i.e 250 935 992 titres.
[5] Calculation based on number of shares issue excluding treasury stock at end-2012, i.e 268 687 973 titres.
[6] Average headcount.

RECENT CHANGES IN SHARE CAPITAL

The table below shows changes in Crédit Agricole CIB's share capital over the last five years.

Date and type of transaction	Amount of share capital (€)	Number of shares
Share capital at 31 December 2008	**3,714,724,584**	**137,582,392**
28.01.2009		
Capital increase (share issuance)	2,340,780,255	86,695,565
26.08.2009		
Capital increase (issuance premiums and increase in the par value of existing shares)	2,357,161,328	
Capital decrease (appropriation of 2008 retained earnings and decrease of the par value of existing shares)	-2,357,161,328	
Share capital at 31 December 2009	**6,055,504,839**	**224,277,957**
Share capital at 31 December 2010	**6,055,504,839**	**224,277,957**
21.06.2011		
Capital increase (dividend paid in shares)	719,766,945	26,658,035
Share capital at 31 December 2011	**6,775,271,784**	**250,935,992**
21.06.2012		
Capital increase (dividend paid in shares)	479,303,487	17,751,981
Share capital at 31 December 2012	**7,254,575,271**	**268,687,973**

Authorisations to effect capital increases

Information required by article L.225-100 of the Code de commerce :

Crédit Agricole CIB has no authorization validated, granted by the Shareholders' meeting to the Board of Directors, to proceed to capital increases.

➢ INFORMATIONS ON CORPORATE OFFICERS

Information relating to the compensation, terms of office and functions of corporate officers as required by article L.225-102-1 of the Code de Commerce is provided in the "Corporate Governance" chapter on pages 70 to 92.

Trading in the Company's shares by corporate officers: information that could be required by article L.621-18-2 of the Code Monétaire et Financier and article 223-26 of the Autorité des Marchés Financiers' general regulations is provided in page 92 of this document.

Information relating to the articles L.233-3 and L.233-7 of the Code de Commerce dealing with the equity participations and threshold detentions crossing

During 2012, Crédit Agricole CIB has taken control of CA Indosuez Private Banking (fomer BGPI).

At 31 December 2012, Crédit Agricole CIB owns 100% of the control and interests of the company.

5 RISK FACTORS AND PILLAR 3

Risk factors

➢ ORGANISATION OF THE RISK FUNCTION

The Risk Management and Permanent Controls (RPC) division is in charge of the supervision and permanent control of risks across the whole of the Crédit Agricole CIB Group's scope of internal control. It carries out second-level supervision and permanent control of credit risks, market risks, country and portfolios risks, operational risks and accounting risks. It ensures the animation and the supervision of IT systems as well as the organization of continuity plans.

Crédit Agricole CIB 's Risk Management and Permanent Controls organisation is integrated into the Crédit Agricole S.A. Group's Risk Management and Permanent Controls business line. Risk management is delegated to Crédit Agricole CIB under formally adopted subsidiarity and delegation principles. Within this framework, the RPC regularly reports its major risks to Crédit Agricole S.A.'s Group Risk Management Division, and has Crédit Agricole S.A.'s Group Risk Management Committee (CRG) approve those cases which exceed its authorised limits as well as substantial risk strategies at the Crédit Agricole S.A. Group level.

A worldwide organization

The RPC is a worldwide organisation with the following attributes:

- all risk management tasks and business lines, whatever their nature or location, are grouped together within the division. The RPC has seven departments:
  - "Corporate" Individual Counterparty Risks,
  - "Financial Institutions" Individual Counterparty Risks
  - Organisation, projects and operational management of Counterparty Risks,
  - Counterparty risks on market transactions,
  - Country and Portfolio Risks,
  - Market Risks,
  - Permanent Controls and Operational Risks, and Corporate Secretariat of RPC;

  and specialised units (Risk culture, central management and sensitive cases);
- all of Crédit Agricole CIB's local and regional RPC managers within the international network report directly to the RPC's managers at Head Office;
- Crédit Agricole CIB's head of Risk Management and Permanent Controls reports hierarchically to Crédit Agricole S.A.'s head of Group Risk Management;
- Crédit Agricole CIB's head of Risk Management and Permanent Control reports functionally to Crédit Agricole CIB's Management Board and is a member of Crédit Agricole CIB's Executive Committee.

Governance and global management of the activities

◆ Information of Crédit Agricole CIB governance bodies

The Crédit Agricole CIB Audit and Risks Committee and Board of Directors receive a report on Risk Management and main exposures quarterly, a report on Risk situation semi-annually and specific monographs when needed that are realised periodically or on request.

◆ Global management of the activities

Definition of risk profile and Strategic Risk Management

A member of the Executive Management is at the head of th Strategy and Portfolio Committee (CSP). Its main missions are:

- to ensure that the bank global strategy is consistent with its capacity of taking risks to set guidelines that will come in specific operational rules, notably such as risks strategies and analyses alert or Business Watch topics.
- the CSP also oversees each location/country, each business line/ important subsidiary within a specific risks strategy giving the main development guidelines for each business; it also decides on the main risk budgets in the global portfolio.

Decision-making process

The decision-making process within Crédit Agricole CIB is ensured by dedicated committees for decision-making process:

- business and geographical Committees are in charge of retail financing within the limit granted to each manager;
- the most significant files are reviewed by the Counterparty Risk Committee (CRC) which is chaired by a member of Executive Management. The Crédit Agricole S.A. Group Risk Management Division (DRG) is systematically a member of this committee and receives all the files. The cases with an amount higher than the limits granted to Crédit Agricole CIB are presented for decision to the Crédit Agricole S.A. Executive Management, after approval by the Group Risk Management Division;
- the Market Risk Committee (CRM), which is also chaired by a member of Executive Management, monitors market exposures twice a month. The CRM sets the limits and does controls on compliance accordingly.

Anticipation

The two following institutions are in charge of anticipating the potential deterioration of counterparties:

- The Early Warning Committee which goal is to identify signals of potential deterioration of non doubtful counterparties. After analysing collected information, it decides whether or not to maintain the relationship and can decide to take measures in order to protect the bank interests;
- the Business Watch activity is attached to the Country and Portfolio Risks department.

Sensitive cases follow up

The control of sensitive cases is ensured by a dedicated team. Debts that are under special supervision or classified as in default are revised quarterly.

Operational management bodies

On addition to the Committees in charge of risks (CRC and CRM), risk management reports are also regularly presented to the following Executive Management bodies:

- Crédit Agricole CIB Executive Committee, with debates and discussions dedicated to risk management;
- Internal Control Committee which is responsible for monitoring market and counterparty limits as well as the recommendations of internal and external audit bodies;
- Faîtier Central Permanent Control Committee which validates the work assigned to Permanent Control and reviews the permanent control systems of the Business Lines or branches and cross-functional issues.

Crédit Agricole S.A. risk management process

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

- The Group Risk Management Committee is chaired by the Crédit Agricole S.A. CEO. Crédit Agricole CIB mainly presents to the committee its approvals, its main limit risk strategies, its budgets by country, the corporate significant outstanding, the sensitive cases as well as the market risk situation;
- The Supervisory Risk Management Committee which belongs to the CRG. Chaired by the Crédit Agricole S.A. CEO, this committee reviews counterparties which present signs of deterioration or a need of arbitrage between entities of the Group;
- The Standards and Methodology Committee (CNM) is chaired by the Crédit Agricole S.A. Head of Risk Management and Permanent Controls to which Crédit Agricole CIB submits for decision any proposal of new or existing methodology as regards to measurement or qualification under the Basel Committee before implementation in Crédit Agricole CIB;
- The CIB Business Line Monitoring Committee is chaired by the Crédit Agricole S.A. Head of Risk Management and Permanent Controls in the presence of the Crédit Agricole CIB Deputy CEO in charge of the support functions and of the Crédit Agricole CIB Risk Management Division. This committee reviews Crédit Agricole CIB risk situation as well as the progress of some of these processes.

➢ CREDIT RISKS

A credit risk occurs when a counterparty is unable to fulfill its obligations and when the book value of these obligations in the bank's records is positive. The counterparty may be a bank, an industrial or commercial corporate, a government or government entity, an investment fund or a natural person.

The exposure may be a loan, debt security, deed of property, performance exchange contract, guarantee or unused confirmed commitment. The risk also includes the settlement risk inherent in any transaction entailing an exchange of cash or physical goods outside a secure settlement system.

Objectifs et politique

Risk-taking in Crédit Agricole CIB must be done through the risk strategy definition approved by the Strategy and Portfolio Committee (CSP), chaired by Executive Management. The risk strategies are set for each entity or business line carrying a risk within the scope of control of Crédit Agricole CIB. The strategies define the boundaries within which each business line or geographical entity must conduct its activities: industrial sectors included (or excluded), type of counterparty, nature and duration of transactions and products authorized, category or intensity of risks incurred, existence and value of guarantees, overall portfolio volume, definition of individual and overall risk level, diversification criteria.

The definition of a risk strategy on each significant scope, sector, business line or geographic entity allows Crédit Agricole CIB to require quality criteria on the commitments that are taken. It also prevents from excessive concentrations not expected by Crédit Agricole CIB and it leads to a risk diversification of the portfolio profile.

Concentration risks are managed by using specific indicators that are taken into account for granting loans (concentration model, capital allocation in the RAROC). Then, concentrations are monitored a posteriori for the entire portfolio by analysing the quantitative measure allocated to this use and based on the Bank's internal model.

Finally, an active portfolio management is done within Crédit Agricole CIB to reduce main concentration risks and also to optimize its uses of shareholders' equity. The CPM uses market instruments such as credit derivatives or securitisation mechanisms to reduce and diversify counterparty risks. The credit syndication from external banks as well as a hedging policy (credit-insurance, derivatives, etc) is other ways to limit possible concentrations.

Credit risk management

General principles of risk-taking

Credit decisions depend on the upstream risk strategies that are defined above.

Limits are set for all counterparties and groups of counterparties, in order to control the amount of commitments, whatever the type of counterparty (corporate, sovereign, banks, financial institutions, local authorities, SPEs, etc.). Authorisations vary according to the quality of the risk, assessed by an internal rating of the counterparty. The credit decision must form part of the formally approved risk strategies.

Second-level controls on compliance with limits are performed by the RPC, supplemented by a process for monitoring individual risks and portfolio risks, in order to detect any possible deterioration in the quality of the counterparty and Crédit Agricole CIB's commitments as far ahead as possible.

Where the risk is substantiated, a collective and specific impairment policy is put into effect.

New transactions are approved according to a decision- making process based on two front-office signatures, one from a collaborator authorized to make such a request and the other from a delegatee empowered to make a credit decision.

The decision is supported by an independent opinion by the RPC approved by an authorized RPC signatory and must take Basel II parameters into account, including the internal rating of the counterparty and the predictive Loss Given Default (LGD) attributed to the proposed transactions; a calculation of ex-ante profitability (RAROC) must also be included in the credit file. In the event that the risk management team's opinion is negative, the decision-making power is passed up to Front-Office delegatee the chairman of the higher committee.

Risk measurement methods and systems

◆ Internal rating system

The internal rating system covers all methods, procedures and controls used to calculate credit risk, borrower ratings and loss given default figures for all of our exposures.

In 2007, Crédit Agricole CIB received authorisation from the Autorité de Contrôle Prudentiel (ex-Commission Bancaire) to use its internal credit risk rating system to calculate regulatory capital requirements.

The methods used cover all types of counterparty and combine quantitative and qualitative criteria.

They are devised using the expertise of the various financing activities within Crédit Agricole CIB, or within the Crédit Agricole Group if they cover customers shared by the whole Group. The rating scale has 15 notches. It has been established on the basis of a segmentation of risk so as to provide a uniform view of default risk over a full business cycle. The scale comprises thirteen ratings (A+ to E-) for counterparties that are not in default (including two ratings for counterparties that have been placed under watch) and two ratings (F and Z) for counterparties that are in default.

✦ Comparison between the internal Group ratings and the rating agencies

Crédit Agricole Group	A+	A	B+	B	C+	C	C-	D+	D	D-	E+	E	E-
Indicative Moody's rating equivalent	Aaa	Aa1/ Aa2	Aa3/A1	A2/A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1/B2	B3	Caa/ Ca/C
Indicative Standard & Poor's rating equivalent	AAA	AA+/AA	AA-/A+	A/A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+/B	B-	CCC/ CC/C

All the methods are presented and validated by Crédit Agricole S.A.'s Standards and Methodology Committee, which ensures that they are consistent with the Group's other methods.

The internal ratings of corporate customers are monitored using a system deployed across the whole Crédit Agricole Group, known as "FRANE" (corporate rating regulatory support functions), which ensures that uniform ratings are applied throughout the group and organises back-testing work on shared customers.

Crédit Agricole CIB has ensured that the risk parameters required by Basel II, allowing the calculation of capital requirements, are used as part of the Bank's internal management. They are used by all people involved in the process of granting loans and measuring and monitoring credit risks.

Data used for granting loans and determining ratings are monitored every two months by a data quality committee. This committee is coordinated by the Risk Management Department, and representatives of all business lines take part in it. The committee monitors a set of indicators concerning the quality of data used for rating purposes, as well as the calculation of other Basel II parameters when granting loans, such as loss given default (LGD), credit conversion factor (CCF) and risk reduction factor (RRF). The committee helps business lines apply Basel II requirements and, if necessary, to take remedial action when discrepancies arise. It provides important help in checking that the Basel II system is used properly by the business lines.

◆ Credit risk measurement

The measurement of credit risk exposures includes both drawn facilities and confirmed unutilized facilities. To measure counterparty risk on capital markets transactions, Crédit Agricole CIB uses an internal method for estimating the underlying risk of derivative financial instruments such as swaps and structured products.

The counterparty risk on markets transactions is subject to the recognition of potential risk arising from the change in market value of derivatives instruments during their residual lifespan. When the netting and collateralization agreements with the counterparty allow, counterparty risk is measured for the portfolio net of eligible collateral. The corporate and investment business uses this method for the internal management of counterparty risk, and it differs from the regulatory approach used to meet the measurement requirements of European, and international capital adequacy ratios or for reporting major risks.

To reduce exposure to counterparty risks, the corporate and investment business enters into netting and collateralization agreements with its counterparties (cf. paragraph 4. below: "Credit risk mitigation mechanism").

Information on credit risks are provided on page 118 of the "Risk factors and Pillar 3" section as well as in note 3 of the notes to the consolidated financial statements.

Portfolio and concentration risks

Decision-making and individual risk monitoring within Crédit Agricole CIB are backed up by a portfolio risk monitoring system that enables the group to assess counterparty risks for its overall portfolio and for each of the constituent sub-portfolios, according to a breakdown by business line, sector, geographic zone, or any delineation that brings out specific risk characteristics in the overall portfolio.

Portfolio reviews are conducted periodically at each profit centre in order to check that the portfolio is consistent with the risk strategy in force, to assess the various segments of the portfolio against one another and against any aspects of the operating environment or external impacts that may be influencing them, and finally to reassess the internal rating of the counterparties under review.

Different tools were implemented to detect any concentration deemed to be excessive for the entire portfolio, sub-portfolios or at a unit level:

- Unit concentration scales were implemented to give reference points according to the nature, the size, the rating and the geo- graphic area of the counterparty. They are used in the loan- granting process and are periodically implemented to the portfolio to detect concentrations that seem to be excessive a posteriori.
- The concentrations by sector or by geographic area are regularly the subject of supervision, ad hoc analysis and when needed, of recommendations for action. In all cases, concentration risks are taken into account in the risk strategy analysis of each business line or geographic entity.
- Information regarding the level of concentration within portfolios are regularly transmitted to the executive management within the framework of Strategy and Portfolios Committee.

Crédit Agricole CIB employs credit risk modelling tools and in particular uses an internal portfolio model that calculates risk indicators such as: (average) expected loss, average loss volatility and unexpected loss, allowing it to estimate the economic capital required to conduct its business. Average loss and volatility figures enable Crédit Agricole CIB to anticipate the average risk-related cost in its portfolio, and changes therein. Economic capital is an additional measurement of Basel II regulatory capital, to the extent that it allows a more detailed view of the portfolio through a correlation model and parameters calibrated using internal databases.

The internal portfolio model also takes into account the impact of protection (Credit Default Swaps, securitisations) purchased by Crédit Agricole CIB's Credit Portfolio Management unit. Finally, it measures the effects of concentration and diversification within our portfolio. These effects are studied based on individual and geo-sectorial criteria.

Stress scenarios are the final type of counterparty risk assessment tool. They are regularly produced to estimate the impact of extreme economic shocks on some or all parts of the portfolio.

Sector risks

Crédit Agricole CIB's portfolio is analysed by major industrial sector at regular intervals, at least once a quarter. Risks within each sector in terms of commitments, level of risk (expected loss, economic capital) and concentration are examined.

Concentration is assessed on two levels: idiosyncratic and geo-sectorial. Those analysis can be more or less deepened according to the analyst's needs.

At the same time, the economic and financial risks of each significant sector are analysed and leading indicators of deterioration are monitored. These analysis are prepared with Crédit Agricole S.A's specialists teams.

Specific stress scenarios are also prepared when necessary for instance during the strategic review of an entity of the bank.

In the light of these various analyses, measures to diversify or protect sectors at risk of deterioration are recommended.

Country risks

Country risk is the risk that economic, financial, political or social conditions in a foreign country will affect the bank's financial interests. It does not differ in nature from "elementary" risks (credit, market and operational risks). It constitutes a set of risks resulting from the bank's vulnerability to a specific political, macroeconomic and financial environment.

The system for assessing and monitoring country risk within Crédit Agricole CIB is based on an internal rating model. Internal country ratings are based on criteria relating to the economy's structural solidity, ability to pay, governance and political stability.

It has been decided on 2011 fourth quarter – implemented in 2012 - to extend the notion of limit to every country, following terms that are more or less restrictive depending on the country's quality: limits are annually defined for the countries rated "non investment grade" and are subjected to be revised every 2 years for the other countries within this new framework.

In addition, the Bank performs scenario analysis to test adverse macroeconomic and financial assumptions, which give an integrated overview of the risks to which it may be exposed in situations of extreme tension.

The Group manages and controls its country risks according to the following principles:

- Activities exposed to country risk are defined and identified through the development and monitoring of analytical country risk management tools ;
- Acceptable country risk exposure limits are determined through reviews of country strategies, depending on the portfo- lio's vulnerability to country risk. This degree of vulnerability is determined by the type and structure of transactions, the quality of counterparties and the term of commitments. These exposure limits may be reviewed more frequently if developments in a particular country make this necessary. These strategies and limits are validated by Crédit Agricole CIB's Strategy and Portfolio Committee (CSP) or Country Risk Committee (CRP) and by Crédit Agricole S.A.'s Risk Management Committee (CRG) ;
- Country risk is evaluated on a regular basis through the production and quarterly updating of ratings on each country to which the Group is exposed. These ratings are produced using an internal country rating model based on various criteria (structural solidity, governance, political stability and ability/desire to pay). Specific events may cause ratings to be adjusted before the next quarterly review ;
- Crédit Agricole CIB's Country and Portfolio Risk Department validates transactions whose size, maturity and country risk intensity may potentially affect the quality of the portfolio.
- Country-risk exposure is monitored and controlled in both quantitative (amount and term of exposure) and qualitative (portfolio vulnerability) terms through specific and regular reports on all countries.

Counterparty risks on capital market activities

Derivatives and repo transactions carried out by Crédit Agricole CIB as part of its capital market activities generate a risk of credit by the transaction counterparties. Crédit Agricole CIB uses internal methods to estimate the current and potential risk of variation inherent in derivative financial instruments, taking a net portfolio approach for each client:

- the current risk is the amount that would be due by the counterparty in the event of immediate default;
- the risk of variation is the estimated maximum amount of our exposure over the residual life of the transaction, within a given confidence interval.

The methods used are based on Monte Carlo simulations to measure the risk of change in the market value of a portfolio of derivatives over the residual life of the portfolio, based on statistical calculus of movements in the underlying market variables.

The model also takes into account various risk mitigation factors, linked to set-off and collateralisation contracts negotiated with counterparties during the pre-transaction documentation phase.

The risk of variation calculated using the internal model is used to manage limits assigned to counterparties and to calculate economic capital under Pillar 2 of Basel II, by calculating the "Expected Positive Exposure", which corresponds to an average risk profile in a global portfolio approach.

For regulatory purposes, Crédit Agricole CIB uses in 2012 the standard approach to calculate the benchmark Exposure At Default (mark- to-market + regulatory add-on [potential credit risk] after factoring in portfolio effects). See note 3.1 to the consolidated financial statements: "Derivative financial instruments - Counterparty Risk" on page 190.

Commitments Monitoring system

Monitoring system

First-degree controls on compliance with the conditions that accompany a credit decision are carried out by the front office. The Risk Management and Permanent Controls division is in charge of second-level controls.

Commitments are supervised for this purpose, and portfolio business is monitored constantly in order to identify at an early stage any assets that could deteriorate. The aim is to adopt practical initiatives as early as possible so as to protect the Bank's interests.

◆ Commitments monitoring methods

The main methods used in this monitoring are:

- enhanced day-to-day controls on capital markets transactions and implementation of committees on market transactions that meet twice a month. Possible excesses are monitored on different risk parameters (in particular risk of variation and settlement risk), and lead to corrective actions and dedicated follow-ups with the business lines. A monthly summary of control is given to the Management Board.
- Control Committees which meet monthly to examine deviations and exceptions (arrears, excess drawings and breaches of limits, ongoing syndications, flawed legal documentation, review frequency etc.). These committees lead to readjustment decisions that are taken by the business lines or by the individual risk departments.

◆ A permanent monitoring of portfolio

Several bodies ensure a permanent monitoring of portfolio businesses to detect any possible deterioration or any problem of concentration as early as possible:

- Early Warning meetings Committees, which stand meet monthly and endeavour, by various means, to identify early signs of potential deterioration in loans which are healthy but deemed sensitive, in order to reduce or cover the risk exposure;
- quarterly reviews of major risks regardless of the quality of borrowers concerned;
- a regular search for excessive concentrations with respect to the amount of economic capital employed and the amount of existing commitments, carried out on a quarterly basis;

- mappings are carried out monthly for counterparty risks on market transactions (risk of variation), issuer risks, risks relating to repurchase agreements and lending-borrowing assets, guarantor risks. These mappings are presented and analysed in the committees dedicated to such matters.

These steps lead to:

- changes in internal ratings of counterparties which are, when needed, classified as sensitive;
- practical decisions to reduce or cover commitments at risk;
- possible transfers of assets to the specialised recovery unit.

Monitoring of sensitive items and impairment

Sensitive items, whether performing debts on the watch list or doubtful or bad debts, are managed on a daily basis within the entities, and enhanced surveillance is carried out on a quarterly basis:

- sensitive items review committees are held locally every quarter, to provide an update of the scope and changes in impairment for each entity.
- Central committees are also convened under the chairmanship of the Risk Management and Permanent Controls division, in order to proceed with a joint examination of these loans' classification as Doubtful or Sensitive Items.

These committees propose specific impairment decisions which are then validated by the Management Board.

The definition of default complies with the required Basel II definition; rigorous default identification procedures have been introduced on this basis.

Stress scenarios

Credit stress scenarii are devised to assess Crédit Agricole CIB's risk of loss in the event of a serious deterioration in the economic and financial environment.

There are two types of stress scenarii:

- the first aims to reflect the impact of a macroeconomic deterioration affecting the whole portfolio in terms of Basel II regulatory capital and revenues. Such scenario is mandatory in order to comply with the needs of a strengthened prudential supervision required by the Pillar 2 of Basel II. Since few years, this practice is headed by an international institution whose aim is to test the financial solidity of the banks and/or the banking system on its whole. Therefore, in 2012, Crédit Agricole CIB took part to the stress scenarii organized by the IMF within the framework of "Financial Stability Assessment Program" (FSAP); unlike the one directed by the EBA in 2011, this test focused on evaluating the French financial system solidity. Moreover, this stress tests category (within large scale) fits the needs of the financial management. On that ground, this category proves to be a useful tool in budgeting and managing capital.
- the second focuses on a sector or geographical zone that constitutes a homogeneous set of risks. This category is designed for risk strategies and represents a precious help for detecting losses and/or capital needs, especially in the event of an adverse scenario for the part of the portfolio surveyed and that could be a sector of activity, a business or a country. Thus, the selected strategy and notably the packaging expected can be challenged quantitatively as regard to the credit worthiness of the portfolio and to extreme economic situations in which the portfolio could be submitted.

Credit risk mitigation mechanism

Guarantees and collaterals received

Crédit Agricole CIB requires guarantees and collateral from a significant number of its counterparties to reduce its risks, either for financial transactions or market transactions.

The principles for accepting under Basel II, taking into account and managing guarantees and collateral are defined by the Crédit Agricole Group's Standards and Methodology Committee.

This common framework ensures a consistent approach across the Group's various entities. The Committee documents aspects including the conditions for prudential use, valuation and revaluation methods and all credit risk mitigation techniques used within the Crédit Agricole CIB Group.

Crédit Agricole CIB then devises its own operational procedures and arrangements for the detailed management of these guarantees and collateral.

Commitments given and received are presented in note 8 to the consolidated financial statements.

Use of netting contracts

With the implementation of the recommendations of Basel II Committee along with the European Directive "regulatory capital", the French authority, "Autorité de Contrôle Prudentiel" requires that several conditions have to be strictly respected in order to trigger a close out netting within the framework of determining the regulatory shareholder's equity of a financial institution.

One of these conditions implies that Crédit Agricole CIB must obtain written and motivated legal opinions as well as proceedings "in order to ensure at any time the validity of the novation settlement or the netting convention in case of revised applicable legislations.

The close out netting corresponds to the possibility, in case of default from the counterparty (including the case of an opening of a bankruptcy proceeding) of early cancelling the contract and calculating a full settlement of debts and reciprocal obligations according to a calculus method that would have been contractually worked out.

The close out netting can be global in order to determine in case of default from the counterparty a full settlement of debts and reciprocal obligations that result from a framework-contract which had been signed with the counterparty beforehand.

The collateral (or collateralization) corresponds to a financial guarantee mechanism designed to over-the-counter markets, allowing securities or cash to pass on in form of guaranty or the transfer in plain property of hedged operations during their lives, that could be netted in case of a default from a counterparty, in order to determine the full settlement of debts and reciprocal obligations resulting from a framework-contract that would have been signed with the counterparty.

The implementation of the close out netting and collateralization mechanism is analyzed in each country according typology of contract, counterparty and product.

The effective implementation or not of close out netting and collateralization mechanisms in a given country imply to sort the country either in country A or in country B.

Countries filed in A category are those whose legal and regulatory environment is estimated sufficient to recognize and to implement in a certain way the close out netting and the collateralization mechanisms, even though the counterparty in engaged in a bankruptcy proceeding, contrary to the countries filed in B category in which a risk of non-applicability prevails.

The conclusions of these analyses and the proposals of classification by countries are displayed for endorsement within the framework of the PNC Committee ("Netting and collateral policy").

Moreover, in exceptional circumstances, the PNC Committee can set up general principles regarding the close-out netting application to certain sorts of contract, counterparties or products, apart from the revising process of netting policy.

The "Netting and collateral coordination" unit, created within RPC in 2010, facilitates the implementation of the policy and reinforces the supervision of its proper implementation.

Use of credit derivatives

The Bank uses credit derivatives and a range of risk transfer instruments, including securitisation, in managing its banking book (cf. Basel II Pillar 3 disclosures).

Outstanding nominal amounts of protection purchased in the form of credit derivatives came to €10.8 billion at end-2012. The notional amount of sell positions totalled €670 million.

Exposures

Maximum exposure to credit risk

Crédit Agricole CIB's maximum exposure to credit risk is the net book value of loans and advances, debt instruments and derivative instruments before the effect of unrecognised netting agreements and collateral.

€ million	Notes	2012	2011
Financial assets at fair value through profit and loss (excluding variable-income securities and assets backing unit-linked contracts))	6.2	579,154	452,742
Derivative financial instruments held for hedging	3.4	1,842	1,639
Available-for-sale assets (excluding variable-income securities)	6.4	28,996	13,033
Due from banks (excluding internal transactions)	6.5	65,596	79,570
Loans and advances to customers	6.5	122,508	168,216
Exposure to on-balance-sheet commitments (net of impairment)		**798,096**	**715,200**
Financing commitments given	8	116,320	110,579
Financial guarantee commitments given	8	43,209	43,168
Reserves - Financing commitments	6.16	(18)	(20)
Exposure to off-balance sheet commitments (net of reserves)		**159,511**	**153,727**
Total net exposure		**957,607**	**868,927**

Concentrations

◆ Breakdown of counterparty risks by geographical zone (including bank counterparties)

At 31 December 2012, loans granted by Crédit Agricole CIB (€291 billion versus €293 billion at 31 December 2011) broken down by geographical zone as follows:

in %	31.12.2012	31.12.2011
Rest of Western European countries	29.4%	27.2%
France	25.4%	25.7%
North America	19.0%	18.1%
Asia (excluding Japan)	10.4%	11.6%
Africa and Middle-East	5.5%	7.1%
Rest of Europe	3.7%	4.5%
Japan	3.5%	2.4%
Latin America	3.0%	3.3%
Other and supranational	0.1%	0.1%

Source : Risk data (on- and off-balance sheet of customer and central banks commercial commitments).

Due from banks, loans and receivables to customers as well as commitments to customers and banks is provided in note 3.1 to the consolidated financial statements.

The sensible rise of France, Japan and North America to the detriment of Eastern Europe, Asia, Africa and Middle-East results from a progressive retargeting of the commercial development toward zones that are more in accordance with the bank's new strategy.

Breakdown of risks by economic sector (including bank counterparties)

At 31 December 2012, loans granted by Crédit Agricole CIB (€291 billion versus €293 billion at 31 December 2011) broken down by economic sector as follows:

in %	31.12.2012	31.12.2011
Central banks	25.3%	20.1%
Energy	15.7%	16.0%
Miscellaneous	11.8%	11.2%
Shipping	5.9%	6.5%
Real estate	4.5%	4.9%
Aerospace	4.3%	5.0%
Heavy industry	3.4%	4.2%
Production & Distribution of consumer goods	3.2%	2.9%
Construction	3.1%	4.0%
Telecoms	2.6%	3.2%
Automobile	2.6%	2.9%
Other financial (non-banks)	2.5%	2.4%
Insurance	2.5%	2.6%
Other transport	2.2%	2.3%
Other industry	2.0%	2.1%
Food	1.5%	1.8%
Non-commercial services/Public sector/Local authorities	1.4%	2.2%
Tourism, hotels and restaurants	1.3%	1.5%
Healthcare and pharmaceuticals	1.3%	1.5%
IT and technology	1.0%	1.0%
Media and publishing	0.7%	0.8%
Utilities	0.4%	0.4%
Wood, paper and packaging	0.4%	0.4%

(Source : Risk data (on- and off-balance sheet of customer and central banks commercial commitments).

Loans to customers and central banks amounted to €291 billion at 31 December 2012, a decrease of €2 billion compared to 2011. This trend illustrates the cautious and selective rise in our commitments in order to comply with the Bank's new adjustment plan.

Global balance of the portfolio between the different businesses remains steady in 2012, despite some changes described below:

Banks outstandings have been increasing since December 2011: this surge is directly related to central banks of 5 countries: the USA, France, the UK, Japan and Switzerland.

Energy remains the first non-financial sector which represents 15.7% of the portfolio, slightly on the wane but consistent with the overall contribution of the Energy sector in the global economy. This sector is moreover well-diversified across types of underlyings, borrowers and financing facilities, most of them are secured by assets.

The sector "miscellaneous", the third in importance, deals with securitisation exposure (mainly liquidity lines granted to securitisation programs funded via Crédit Agricole CIB's conduits), as well as commitments for well-diversified customers (wealth or financial holdings principally).

The weigh of transportation sectors (aerospace, shipping, automotive) is decreasing, with a pro-active policy of limiting risk in this very troubled sectors. The shipping sector contribution results from the expertise and the position of Crédit Agricole CIB in the asset financing to ship-owners. Shipping transportation has been facing a reversal in the market since end 2008; however our portfolio is relatively protected by the quality of the financing structures. Exposures in shipping sector are in most cases secured by financed assets which are young and well diversified. Aerospace exposures concern either high quality assets or large car manufacturers among the worldwide leaders or airports generally with a leading position. Automotive portfolio is voluntarily concentrated on large manufacturers, mainly European ones with a restricted development in the USA and on equipment manufacturers.

Real estate exposure has slightly decreased in 2012. The quality of our commitments on real estate improves noticeably and still remains supervised very closely.

Heavy industry sector mostly includes global steel companies, metal and chemistry sectors. Some of these global groups have suffered from the decline of demand. The evolution of our risks on this sector remained quite favorable during the year.

The Telecom business line gives commitments to operators and equipment manufacturers mainly located in Europe and to a lesser extent in Asia. This business line is involved in several LBO but mainly provides corporate financings.

The production and distribution of consumer goods mostly concern large French distributors based worldwide. Despite the competitive environment, they still have a good-quality rating.

◆ Exposure to loans and receivables by type of borrower

Exposure by type of borrower to loans and receivables and commitments to credit institutions and customers is provided in note 3.1 to the consolidated financial statements.

Gross loans and receivables (€192 billion at 31 December 2012 versus €252 billion at 31 December 2011) decreased by 24% in 2012. It includes corporate clients, credit institutions and non-bank institutions (49%, 26% and 12% respectively at 31 December 2012 versus 41%, 24% and 23% respectively at 31 December 2011).

Financing commitments given to customers mostly concern large companies (80%) and non-bank institutions (17%) compared with 74 % and 21% respectively at 31 December 2011.

◆ Exposure to the top ten counterparties (corporates)

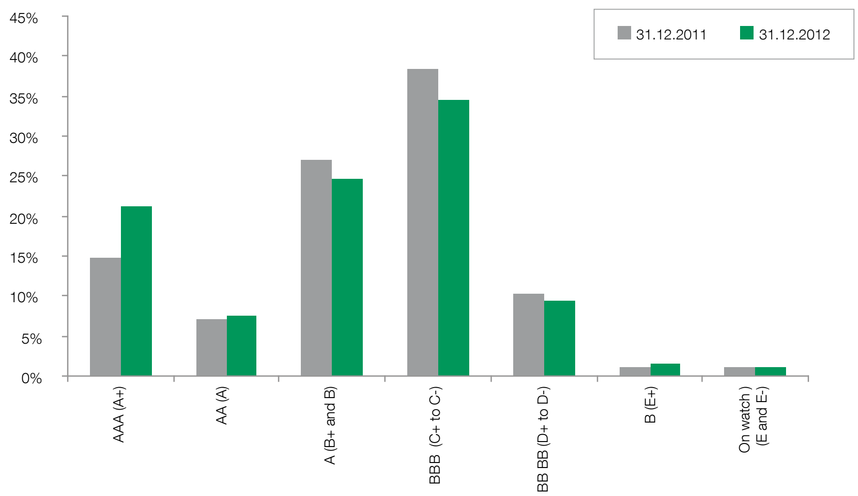
The top ten made up 21.2% of total client exposure at 31 December 2012.

Quality of exposure

◆ Quality of the portfolio exposed to credit risk

At 31 December 2012, loans granted to performing clients amount to €286 billion. Credit rating breakdowns as follows:

in %	31.12.2012	31.12.2011
AAA (A+)	21.3%	14.8%
AA (A)	7.6%	7.2%
A (B+ and B)	24.5%	27.0%
BBB (C+ to C-)	34.6%	38.4%
BB (D+ to D-)	9.5%	10.4%
B (E+)	1.5%	1.2%
On watch (E and E-)	1.1%	1.1%



The quality of the portfolio improved in 2012, notably with an increase of AAA ratings. The proportion of « investment grade » ratings remains stable, representing around 86% of the portfolio. This improvement of the quality of the portfolio shows its good resilience.

◆ Impairment and risk policy

The policy covering loan loss risks is based on two kinds of impairment allowances:

- Individual impairment allowances intended to cover probable losses on impaired receivables;
- Collective impairment allowances under IAS 39, recognized when objective indications of impairment are identified on one or more homogeneous subgroups within the credit risk portfolio.

Impaired financial assets

The breakdown of impaired loans and receivables due from credit institutions and customers by type of borrower and geographic area is presented in note 3.1 to the financial statements. The statements provide details of impairment allowances on financial assets on bad and doubtful debts.

Collective impairment

In accordance with IAS 39, collective reserves are set aside when objective indications of impairment are identified:

- assets that already show increased risk: impairment is based on statistics relating to expected losses until maturity of the transactions;
- sectors and countries under supervision: impairment is intended to cover estimated sector or geographical risks for which there is statistical or historical risk of partial non-recovery.

At the end of 2012, sub-portfolios in which sector reserves existed are selected LBO, real-estate (in certain geographical areas), some segments of shipping, car industry and to a lesser extent tourism.

Risky countries on which collective impairment exists are those whose ratings are below a certain threshold in our internal rating scale, and thus are filed with the status of countries under supervision.

Collecitive impairments amount to €1,212 million at 31 December 2012, for Crédit Agricole CIB's ongoing activities.

Country risk policy

Yet 2012 had not started on optimistic prospects, it ended up in a strong sluggish environment. As things stand, it would be noteworthy to point out several encouraging signs that would lead to a slight and sound increase of the world economic growth between developed countries and emerging countries. Among these positive signs, the BCE announcement of a purchasing sovereign debts program (OMT) on the secondary market, the launch of the European Stability Mechanism (ESM) that could consequently reduce the risk intensity of a Euro zone collapse, the principle of an European banking supervision, the uphold of a positive growth in the USA, a strong resiliency of emerging countries partly linked to the sustain of commodity prices.

During 2012, the adjustment plan of Crédit Agricole CIB had been implemented and resulted in closing about 10 locations worldwide. This policy leaded to revise straightforwardly downwards most of country packages and to concentrate financial resources of the bank on specific countries that are mainly investment grade in order to satisfy selected clients. This year was also characterized by limits that have been set up on every country (developed and emerging countries) according to the decision made at the end of 2011, along with regularly revising of country and portfolio grades as well as a monthly assessment of outstandings compared to the limits outlined on emerging markets.

2013 outlook

The year 2013 starts off with macroeconomics perspectives that entice to cautiousness but give a hope for a world growth recovery only on the second semester. Nonetheless, such growth would remain low (2.5%) and originate from emerging countries.

Besides, one can expect for a significant reduction in public and private debt within developed countries despite an accommodating monetary policy. The growth that prevails in emerging countries will remain limited due to a weak recovery in developed countries. A potential and growing protectionism risk could spread within an unstable environment epitomized by national social struggles and their impacts on political issues and by the sharp threat of a rising unemployment. The need of protectionism is also driven by countries that fiercely conduct devaluation policies of their exchange rates in order to keep their market shares safe. Last but not the least, poverty and environment preservation represent two ubiquitous challenges that have a bearing on the activities of Crédit Agricole CIB. Indeed, the poverty that badly affects a significant part of the world population along with the issues related to environment protection has ever lead to political instability in several countries and could potentially hurt our customers' health.

To such extent, Crédit Agricole CIB will conduct in 2013 a very cautious policy towards customers and countries, and in last resort it will ensure that the limits would have been strictly respected (including developed countries).

Changes in emerging country risk exposure

Crédit Agricole CIB's risk exposures on emerging countries at 31 December 2012, amounted to €30.6 billion (including stake in UBAF), which means a 15.5% decrease compared to 2011, due to important balance sheet deleveraging and to a lesser extent currency effect Euro/Dollar over the period.

Emerging-market exposure (excluding UBAF) remains significant: 33 countries made up 96% of Crédit Agricole CIB's emerging-market portfolio, of which 12 countries accounted for 81%.
In 2012, the risk profile of the portfolio is almost stable compared with 2011. Investment-grade exposure in emerging-market countries amounted to 68% of the total.

Most emerging-market exposure overlapped two geographical areas: Asia, Middle East and to a lesser extent Eastern Europe.

Like 2011, 2012 was globally quite difficult and cautiousness is in order for 2013 but with a slight improvement of world growth that would start from the second half. The Group has been efficiently decided in 2012 to reduce the assets, including those in emerging countries (by more than 15%).

Asia

Asia remains the first area of emerging-market commercial exposure (35.8%, €11 billion). Activity is mainly concentrated in two countries: India and China.

Middle East and North Africa

Middle East and North Africa account for the second portion of emerging-market exposure (26.7%, €8.2 billion). This amount still shows a net decrease compared with late 2011, due to impacts of the "Arab Spring". The main exposures are in the United Arab Emirates and Saudi Arabia.

Eastern Europe

Eastern Europe region makes up 20.6% of the emerging-market total (€6.3 billion), mainly concentrated in Russia and Poland.

Latin America

This region makes up 13% of Crédit Agricole CIB's emerging market exposure (€4 billion). This amount is decreasing compared with 2011. The main exposures are in Brazil and Mexico.

Sub-Saharan Africa

At the end of 2012, exposure to this region was 3.9% of Crédit Agricole CIB's emerging-market exposure (€1.2 billion), which represents a net decrease compared with end-2011, mainly because of the closing of our entity in progress in South Africa.

➢ MARKET RISKS

Market risk is defined as the risk of potential losses (or gains) on the income statement or balance sheet of Crédit Agricole CIB, in respect of its operations on the capital markets, with regard to the usual or exceptional fluctuations of market parameters such as:

- interest rates, futures, swaps ...
- prices of stocks, indices, commodities ...
- foreign exchange rates,
- volatility of stock prices, indices, Caps, swaptions, foreign exchange rates
- dividends on indices and stocks,
- the correlation of changes in asset prices between them, of changes in interest rates between different currencies, of changes in foreign exchange rates between them ...
- credit spreads,

The variation of the mentioned above parameters lead to the variation of the value of the held assets. Market risks allow to quantify this variation. Thus, interest rate risk measures the difference in value of an asset price relative to a change in interest rates. It is the same for other market risks that are currency risk, price risk, volatility risk, dividend risk, correlation risk and credit risk respectively.

Objectives and policy

The Market Risk Department (DRM) is responsible for monitoring market risks. The organization of DRM takes into account regulatory standards, the organization of business lines of Crédit Agricole CIB and the evolution of market activities.

The basic principles prevailing in the organization and functioning of DRM are:

- independence of the functions of DRM, as compared to operating departments (Front Offices) as well as to other functional directions (Back Offices, Middle Offices, Accounting).
- an organization defined by taking into account the organization of activities to control, so that teams of Risk Management and Activity Monitoring are broken down:
  - by business expertise pole ; this ensures both an adequate and specialized treatment for each type of market activity and a consistent deployment of methodologies and practices regardless the place of conduct of business or the place of accounting
  - by geographic area: the functions of Risk Management and Activity Monitoring are represented at a local and regional level, to maintain a close link with the operators and activities located in the network, and with the supervisory authorities.

Following regulatory changes relating to capital requirements applicable to credit institutions, Crédit Agricole CIB has established, under the new European Directive CRD IV and also in respect of decisions of the Basel Committee (Basel III), a measure of Value-at-Risk (Credit Valuation Adjustment). According to the decision of the Basel Committee on Banking supervision, «banks will be subject to an additional requirement of capital to absorb potential losses in market value resulting from a deterioration in the credit rating of a counterparty (valuation adjustment of assets - CVA, credit value adjustment). Thus, this indicator is used to convert the credit risk (or the impact of the counterparty risk in the calculation of mark-to-market) in market risk, which can be hedged. This indicator has enabled Crédit Agricole CIB to significantly reduce these risks. A desk dedicated to hedge this risk has been established and will be operational in 2013. Finally, the implementation of this methodology is being validated by the supervisor.

The year 2012 Crédit Agricole CIB has switched to multi curves, and now takes into account the cost of collateral in calculating the mark-to-market positions backed by a CSA (Collateral Service Agreement). This major project required a strong involvement of expert staff of the bank.

The continued implementation of the adjustment plan of Crédit Agricole CIB was marked by the following events:

- transfer of the correlation Book market risks
- disposal of commodities' business line,
- reorganization of the business line dedicated to derivatives underlying Equity, characterized by: 1) the transfer of the ETF management activity to an external counterparty, 2) the discontinuation of the flow activity on Vanilla derivatives 3) exotic equity products are now run-off.

Market risk monitoring organisation

Decision-making and risk monitoring committees

The entire system falls under the authority of the Market Risk Committee. The Committee is chaired by a member of Crédit Agricole CIB's Management Board and meets twice a month. It monitors and analyses market risks and their evolution. It ensures compliance with supervision indicators, specific management rules and defined limits. It sets limits for the operational units within the overall limit fixed by the Strategy and Portfolio Committee and overall limits determined by the Group Risk Management Committee (Crédit Agricole S.A.).

The Market Risk Committee includes members of Crédit Agricole CIB's Executive Committee, a representative of Crédit Agricole S.A. Group Risk Management Division, heads of Market Risk Management, officers in charge of capital markets activities and are representative of the Crédit Agricole CIB Finance Division.

Minutes from committee meetings are sent to Crédit Agricole CIB's CEO, who is also informed about the situation in terms of risks, strategies and outlook as part of Strategy & Portfolio Committee meetings.

Finally, Internal Audit carries out regular audits to ensure compliance with the internal control standards.

Risk control

Market risk control forms an independent global function within the Risk Management and Permanent Controls division, which is based on three teams.

- The Activity Monitoring Team is in charge of producing management results data and risk indicators for all activities subject to market risk limits. Activity Monitoring is also in charge of checking and validating market parameters used to produce earnings and risk indicators. This ensures and independent production process, based on a set of market data, updated daily and independent from the Front-office. Lastly, it works with the Finance Department in reconciling income for management purposes with income for accounting purposes.
- At the global level, Risk Management monitors, controls and reports on market risks for all product lines. Its duties include:
  - proposing sets of limits (approval by the Market Risk Committee) and monitoring compliance with these limits; limit breaches and significant variations in results are reported to the Market Risk Committee;
  - analysing market portfolio risks;
  - validating risks and results;

Cross-functional teams (by their scope) complete this device, by ensuring the harmonization of methods and treatments between the product-lines and units. These cross-functions include :

- The quantitative research team, responsible for the validation of models (called Market Risks Analytics - MRA)
- The team in charge of the internal VaR model,
- The Market Data management team, which collects independent market data,
- The Consolidation team, whose main task is the production of consolidated information of the department,
- The COO assures the DRM cross missions such as monitoring key budget items (numbers and overall IT budgets), the organization of the main reporting of the department excepting those produced by the Consolidation team, the coordination of the action of DRM in New Business and New Product committees and the conduct of some cross projects. The COO assures the resolution of collateral disputes with customers.

Internal model-base for measuring and managing market risks

Market risk monitoring indicators

Market risk management involves various indicators at different levels of aggregation. By defi ning limits, Crédit Agricole CIB aims to cover all risk factors.

◆ Value at Risk (VaR)

VaR is the central plank of the risk measurement system. The regulatory authorities' validation of the internal model supports the use of VaR in the operational monitoring of market risks.

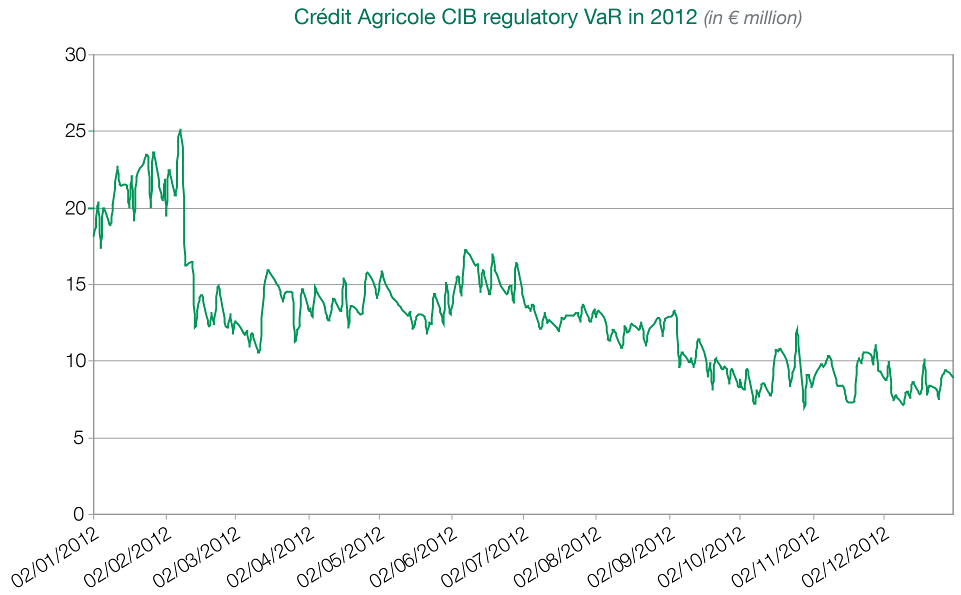
VaR is a measure of the potential loss that Crédit Agricole CIB's portfolio could suffer in the event of adverse movements in market parameters over a one-day period and with a confidence interval of 99%, based on one year of historical data.

This allows the day-to-day monitoring of market risks incurred by the Group in its trading activities. The method quantifies the loss regarded as the maximum in 99 cases out of 100, after calculating various risk factors (interest rates, exchange rates, asset prices etc.). The correlation between risk factors influences the maximum loss figure. Netting is defined as the difference between total VaR and the sum of VaR figures for each type of risk. It represents the netting effect on the various risk factors caused by simultaneously held positions.

The internal model of Crédit Agricole CIB is based on a historic VaR model.

The VaR method undergoes constant improvement and adjustment to take account the relevance of methods to new market conditions. For example, efforts are made to integrate new risk factors and to achieve greater detail on existing.

The following graph allows to compare the evolution of the regulatory VaR in 2012:



Crédit Agricole CIB's regulatory VaR profi le has decreased in 2012 is at a generally low level. This can be explained mainly by the company's strategy for maintaining a prudent risk profile

The decrease of the VaR registered during the first semester results from the disposal of the market risks of the correlation book, which contributed for a slightly important part to the regulatory VaR.

Regulatory VaR figures for each business line in 2012 are set out in the table below:

	Commodities	Commodities SPARK	Forex	Interest rate	Credit	Equities	Netting	Crédit Agricole CIB
Max 2012	5	5	7	18	16	6	-20	**25**
Min 2012	0	0	1	6	3	1	-5	**7**
Moyenne 2012	2	0	3	11	6	2	-11	**13**

Regulatory VaR amounts to € 9 million at 31 December 2012, versus €20 million at 31 December 2011.

The regulatory VaR is mainly fed by two sources of risk - rate risk and credit risk.

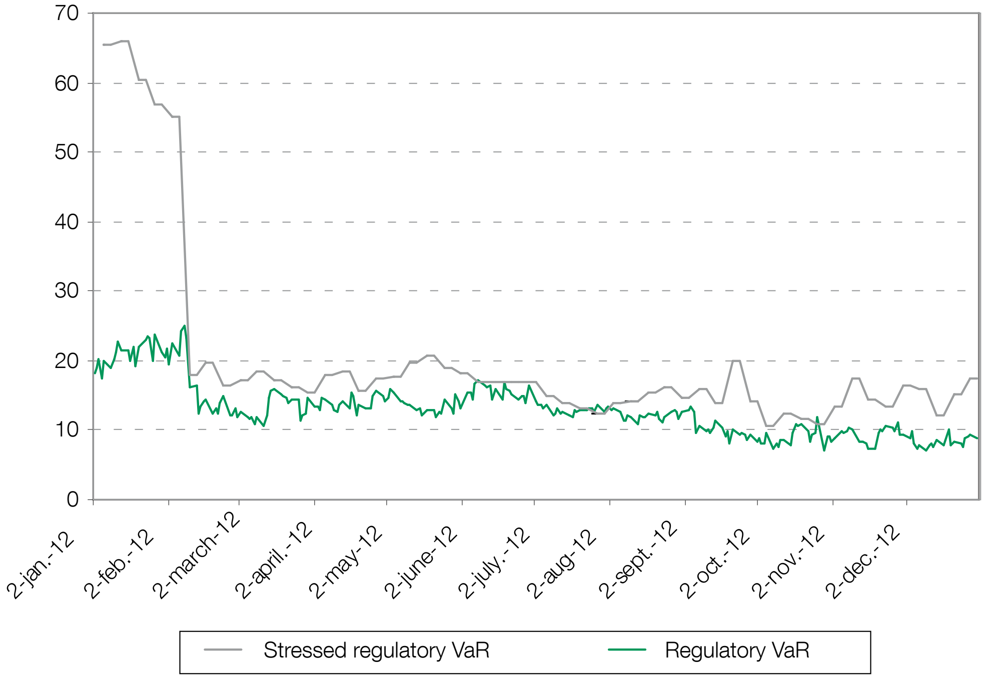
Rates activities had an average VaR of €11 million in 2012, slightly increasing compared to 2011. The risk comes partly from rate derivative transactions. Their risk profile was reduced in the second half of the year and their contribution by the end of the year was small. Cash transactions (repo or trading books) completed this contribution. Their risk profile increased during the second half of the year.

Credit activities had an average VaR of €6 million in 2012, much lower compared with 2011. This can be mainly explained by run-off management of the correlation book via the disposal of the market risks linked to this activity in February 2012. This operation allowed to sharply decrease the risk profile of this activity.

Eventually, regarding stressed VaR, we also registered an important decrease, in February 2012, linked with the disposal of the market risks of the credit correlation book. The impact of this event can be seen in the following graph, comparing the paths of the regulatory VaR and the stressed regulatory VaR.

Since January 2012, the stressed regulatory VaR followed developments described below:

Crédit Agricole CIB regulatory VaR in 2012 *(in € million)*
Crédit Agricole CIB stressed regulatory VaR in 2012 *(in € million)*



Backtesting

Backtesting allows permanent comparisons between VaR and the daily results of product lines, calculated both on the basis of real positions and assuming unchanged positions. By building an internal model, a daily loss should only exceed the calculated VaR two or three times a year. Just one single exception was recorded in 2012.

Stress scenarii

In addition to VaR measurements, Crédit Agricole CIB applies stress scenarios to its market activities in order to assess the impact of extreme market turbulence on its book values. These scenarios are based on four complementary approaches:

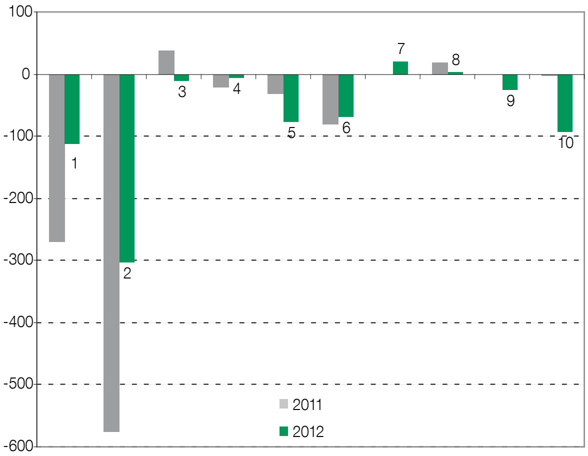
1. historical approaches, which replicate the impact of past crisis on the current portfolio. The historical scenarios relate to 1994 (bond crisis), 1998 (credit market crisis, falling equity markets, sharp rise in interest rates and declining emerging-market currencies) and 1987 (stock-market crash) and October and November 2008 (these last two stresses reproduce market conditions after Lehman Brothers' bankruptcy).
2. hypothetical scenarios anticipating plausible shocks, which are developed in conjunction with economists. Hypothetical scenarios are those of an economic recovery (rally in equity and commodity markets, increase of short term rates, stronger USD and tighter credit spreads) and a tightening in liquidity (increase of short term rates, widening credit spreads, falling equity markets); a scenario representing the economic environment characterized by tensions between the China and the US (increased volatility and decline in equity markets, fall in Futures and increased volatility in the commodities market, flattening yield curves, decrease of the U.S. dollar against other currencies, credit spreads widening) is the third scenario.
3. an "adverse" approach, assessing the impact of large adverse market movements on all business lines. Losses measured by this scenario are managed using a limit;
4. an "extreme" approach to measure the impact of market shocks even more important, that does not take into account the possible effects of offsetting between the different risk factors. A limit is also set for this indicator in agreement with Crédit Agricole S.A.

Global stresses are calculated on a weekly basis, and are presented to Crédit Agricole CIB's Market Risk Committee twice a month.

At the same time, specific stress scenarios are developed for each business line, and are produced with a frequency ranging mostly once per week. These specific scenarios add precision to the analysis of risks relating to the various business lines.

The graph below shows the 10 global stress scenarios (in € million) at end December 2011 and end December 2012 :

✦ Losses associated with stress scenarios *(in € million)*



1 : Adverse
2 : Extreme
3 : 1987 Crisis
4 : 1994 Crisis
5 : 1998 Crisis
6 : Oct 2008 Crisis
7 : Nov 2008 Crisis
8 : Economic recovery
9 : Liquidity crisis
10 : International tensions

At the end of the year 2012, the adverse stress and extreme stress show levels reducing by 50% compared to the end of 2011.

Other indicators

VaR measurement is associated with a set of complementary and explanatory indicators, most of which are subject to limits:

- the set of limits provides for precise risk management. Applied by business activity and by desk, tighter risk management is achieved by adopting sets of limits on a range of indicators. These indicators are calculated for each activity and specify the products authorized and the maximum time to maturity. They also include a system of loss alerts and stop losses;
- analytical indicators are used by Risk Management for explanatory purposes. They primarily mainly include notional indicators that are designed to reveal atypical transactions.
- As for CRD III, Crédit Agricole CIB implemented the "IRC" risk measure. It indicates the incremental losses related to the change in the credit quality of a portfolio.

Following the extension of the scope of calculation, which now includes bond positions (secondary market) and Commercial deposits, IRC totaled € 489 million at end-December 2012.

Following the entry into force of the CRD III on 31 December 2011, Crédit Agricole CIB implemented the CRM (Comprehensive Risk Measure). This indicator relates to the correlation portfolio and has been fully integrated into the bank's capital calculations.

The final measurement required by the supervisory authorities is the Standard Method which calculates capital requirements across the scope of other securitisation portfolios.

Use of credit derivatives

The portfolio dedicated to structured and complex credit portfolios is run-off. All these positions are measured at fair value, including deductions linked with model uncertainties and parameters. The supervision of the activity is carried out through a system of indicators of market risks, accompanied by limits designed to hedge all risk factors including :

- VaR (historical, 99%, daily, including credit spread and correlation risk);
- credit sensitivity;
- sensitivity to correlation;
- sensitivity to interest rates.

Independent teams belonging to the Risk Management and Permanent Control, are responsible for the supervision of risk and P&L of this portfolio.

Disposal of commodities (excluding precious metals)

As part of its adjustment plan, Crédit Agricole CIB has sold its portfolio of activities dedicated to commodities. Thus, the Base Metals activities, agricultural products, emissions, natural gas, energy and structured products ceased. It is the same for the trading activity on electricity.

At the end of 2012, the sale of these portfolios is almost finalized.

Equity risks

Crédit Agricole CIB's equity risk results mainly from trading and arbitrage transactions involving equities, carried out as part of capital markets activities involving equity derivatives and funds.

It also results, to a lesser extent, from CA Cheuvreux and CLSA's equity brokerage activities.

Equity risk arising from trading and arbitrage activities is monitored using a 99% "Value at Risk" (VaR) method. This measures the greatest risk, based on a number of parameters and scenarios, once the most adverse 1% of occurrences have been eliminated. Average, minimum and maximum VaR figures and the VaR figure are analysed by risk factor - and equity risk in particular – in the "Market risks" section of the "Risk factors and Pillar 3" chapter (see above).

➢ SENSITIVE EXPOSURES BASED ON THE FINANCIAL STABILITY BOARD RECOMMENDATIONS

The following disclosures are made in accordance with the recommendations of the Financial Stability Forum. They form an integral part of Crédit Agricole CIB 's consolidated financial statements for the period ended 31 December 2012 and are covered by the Statutory auditors' report on 2012 financial information.

Summary table of exposures :

<table>
<tr><th rowspan="2">in € million</th><th colspan="4">Assets under loans and receivables</th><th rowspan="2">Accounting categorye</th><th colspan="3">Assets at fair value</th><th rowspan="2">Accounting category</th></tr>
<tr><th>Gross exposureeze</th><th>Discount</th><th>Collective reserve</th><th>Net exposure</th><th>Gross exposureeze</th><th>Discount</th><th>Net exposure</th></tr>
<tr><td>RMBS</td><td>620</td><td>(132)</td><td>(87)</td><td>401</td><td rowspan="2">(1)</td><td>155</td><td>(103)</td><td>52</td><td rowspan="5">(3)</td></tr>
<tr><td>CMBS</td><td>115</td><td>(4)</td><td>(18)</td><td>93</td><td>10</td><td>(2)</td><td>8</td></tr>
<tr><td>Unhedged super senior CDOs</td><td>2,071</td><td>(1,086)</td><td>(241)</td><td>744</td><td rowspan="3">(2)</td><td>1,155</td><td>(1,137)</td><td>18</td></tr>
<tr><td>Unhedged mezzanine CDO</td><td></td><td></td><td></td><td></td><td>585</td><td>(585)</td><td>0</td></tr>
<tr><td>Unhedged CLO</td><td>875</td><td>(31)</td><td>(11)</td><td>833</td><td>334</td><td>(21)</td><td>313</td></tr>
<tr><td>Protections purchased from monolines</td><td></td><td></td><td></td><td></td><td></td><td>141</td><td>(106)</td><td>35</td><td rowspan="2">(4)</td></tr>
<tr><td>Protections purchased from CDPC</td><td></td><td></td><td></td><td></td><td></td><td>137</td><td>(48)</td><td>89</td></tr>
</table>

(1) Loans and receivables to credit institutions and to customers - securities not traded in an active market (see note 6.5 to the consolidated financial statements).
(2) Loans and receivables to customers - securities not traded in an active market (see note 6.5 to the consolidated financial statements).
(3) Financial assets at fair value through profit or loss - bonds and other fixed-income securities and derivatives (see note 6.2 to the consolidated financial statements).
(4) Financial assets at fair value through profit or loss - derivatives (see note 6.2 to the consolidated financial statements).

Mortgage ABS

€ million	United-States		United-Kingdom		Spain	
RMBS	**31.12.2011**	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**	**31.12.2012**
Recognised under loans and receivables						
Gross exposure	430	339	197	181	172	100
Discount[1]	(132)	(161)	(68)	(32)	(47)	(26)
Net exposure in millions of euros	**298**	**178**	**129**	**149**	**125**	**74**
Recognised under assets measured at fair value						
Gross exposure	214	109	66	40	31	6
Discount[1]	(185)	(97)	(7)	(5)	(5)	(1)
Net exposure in millions of euros	**29**	**12**	**59**	**35**	**26**	**5**
% underlying subprime on net exposure	**98%**	**95%**				
Breakdown of gross exposure, by rating						
AAA	5%	5%	7%		34%	
AA	2%	4%	34%		19%	
A	7%	3%	41%	79%	19%	58%
BBB	3%	5%				13%
BB	1%	3%	18%	21%	3%	
B	4%	5%			25%	7%
CCC	21%	3%				
CC	9%	3%				
C	28%	43%				
Not rated	20%	26%				22%

€ million	United-States		United-Kingdom		Spain	
CMBS	**31.12.2011**	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**	**31.12.2012**
Recognised under loans and receivables						
Net exposure[1]			63	25	97	68
Recognised under assets measured at fair value						
Net exposure			5	5	4	3

[1] of which €106 million of collective reserves at 31 December 2012 compared with €93 million at December 2011.

Purchases of RMBS and CMBS credit protections measured at fair value:

- 31 December 2012: gross exposure = €93 million, fair value = €79 million;
- 31 December 2011: gross exposure = €320 million, fair value = €87 million.

Real-estate ABS measured at fair value are valued on the basis of data from external contributors.

Method used to measure super senior CDOs with US residential mortgages underlyings

Super senior CDOs measured at fair value

Discounts were calculated by applying a credit scenario to the underlying (mainly residential mortgages) of the ABSs making up each CDO.

Final loss rates on continuing loans are :

- adjusted according to the quality and origination date of each residential loan
- expressed as a percentage of nominal. This approach allows us to visualize our loss assumptions based on our risk remaining in the bank's balance sheet.

	Loss rate on subprime produced in		
Date de clôture	**2005**	**2006**	**2007**
31.12.2011	50%	60%	60%
31.12.2012	50%	60%	60%

Future cash flows are then discounted on the basis of a rate taking into account the market liquidity.

Super senior CDOs measured at amortised cost

Since the fourth quarter of 2012, they are depreciated using the same methodology as the super senior CDOs measured at fair value, with the difference that the obtained future cash flows are discounted based on the effective interest rate at the date of reclassification.

Unhedged super senior CDOs with US residential mortgages underlying

At 31 December 2012, Crédit Agricole CIB net exposure on unhedged super senior CDOs with US residential mortgages underlying was €762 million (after a collective reserve of €241 million).

Breakdown of super senior CDOs

€ million	Assets at fair value	Assets in loans and receivables
Nominal	**1,155**	**2,071**
Discount	1,137	1,086
Collective reserves		241
Net value	**18**	**744**
Net value (at 31 Decembre 2011)	975	1,290
Discount rate(1)	**98%**	**64%**
Underlying		
% of underlying subprime assets produced before 2006	24%	27%
% of underlying subprime assets produced in 2006 and 2007	29%	3%
% of underlying Alt A assets	1%	21%
% of underlying Jumbo assets	0%	10%

(1) After inclusion of fully written down tranches

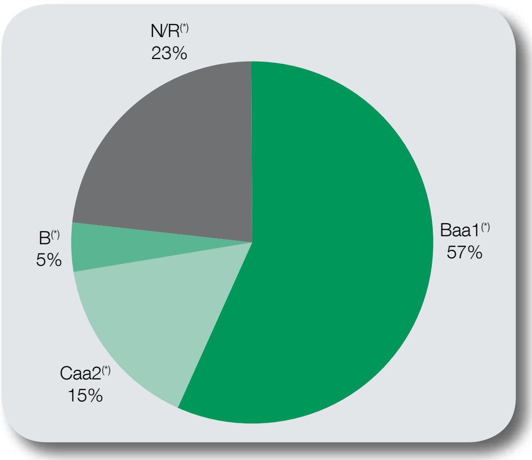
Other exposures at 31 December 2012

€ million	Nominal	Discount	Collective reserves	Net
Unhedged CLOs measured at fair value	334	(21)		**313**
Unhedged CLOs recognised as loans and receivables	875	(31)	(11)	**833**
Unhedged mezzanine CDOs	585	(585)		**0**

Protections on monolines at 31 December 2012

€ million	Monolines to hedge				Total protections acquired from monolines
	US residential CDOs	Corporate CDO	CLO	Autres sous-jacents	
Gross notional amount of purchased protection	93	2,611	276	335	**315**
Gross notional amount of hedged items	93	2,611	276	335	**3,315**
Fair value of hedged items	88	2,609	258	219	**3,174**
Fair value of protection before value adjustments and hedges	**5**	**2**	**18**	**116**	**141**
Value adjustments recognised on protection	(1)	(1)	(16)	(88)	**(106)**
Residual exposure to counterparty risk on monolines	**4**	**1**	**2**	**28**	**35**

Breakdown of net exposure to monolines at 31 December 2012



Baa1	: Assured Guaranty
Caa2	: MBIA
B	: Radian
N/R	: CIFG

(*) Lowest rating issued by Standards & Poor's or Moody's at 31 December 2012.

Protections purchased from CDPC (Credit Derivative Product Companies)

At 31 December 2012, net exposure to CDPC was €89 million (compared to €985 million at 31 December 2011) mainly on corporate CDOs after a discount of €47 million (compared with €160 million at 31 December 2011).

ASSET AND LIABILITY MANAGEMENT - STRUCTURAL FINANCIAL RISKS

Financial Management policies of Crédit Agricole CIB are defined by the Asset and Liability Management Committee in close coordination with Crédit Agricole S.A.

This Committee is chaired by the Deputy Chief Executive Officer in charge of Finance. The Committee includes the members of the Executive Committee, the Heads of Finance, of Treasury, a representative of the Crédit Agricole S.A. Finance Division and representatives of the Crédit Agricole S.A. and Crédit Agricole CIB Market Risk Management.

This Committee is led by the Crédit Agricole CIB Head of Asset and Liability Management and Credit Portfolio Management.

This Committee meets quarterly and it is the decision-making body for the Group asset and liability management policy. It intervenes either in direct management or in supervision and in general coordination for the areas of Asset-Liability Management that are formally delegated to foreign branches and subsidiaries.

Finance Division (via Asset and Liability Management) is responsible for implementing the decisions taken by the Asset and Liability Management Committee.

Financial Risk Management includes the monitoring and the supervision of interest-rate risks (excluding trading activities), structural and operational exchange-rate risks and liquidity risks of Crédit Agricole CIB in France and abroad. It particularly includes direct management of equity and long-term financing positions

Global interest-rate risk

Objectives and policy

Global interest-rate risk management aims to protect commercial margins against rate variations and to ensure a better stability over time of the equity and long-term financing components' intrinsic value.

The intrinsic value and the interest margin are linked to the sensitivity in the interest-rate variation of the net present value and in cash flow variation of the financial instruments in the on and off balance sheet. This sensitivity arises when assets and liabilities have different maturities and dates for interest-rate refixing.

Risk management

Each operating entity manages its exposure under the control of its own Asset-Liability Management Committee in charge of ensuring compliance with the Group limits and standards.

The Asset-Liability Management of the head office -within the framework of its mission of coordination and supervision-and the Market Risk Management which attends the Local Committees ensure the harmonization of the methods and the practices within the Group as well as the monitoring of the limits assigned to each entity.

The Group global interest-rate exposure is disclosed to the Crédit Agricole CIB Asset-Liability Management Committee which:

- Examines consolidated exposures determined at the end of each quarter;
- Ensures compliance with Crédit Agricole CIB limits which are set during the Crédit Agricole S.A. Group Risk Management Committee;
- Decides on management measures on the basis of the proposals made by the Asset-Liability Management.

Method

Crédit Agricole CIB uses the gap method (fixed rate) to measure its global interest-rate risk.

This consists of determining maturity schedules and interest ratesfor all assets, liabilities and hedging derivatives at fixed or adjustable interest rates:

- until the adjustment date for adjustable-rate items,
- until the contractual date for fixed-rate items,
- and using model-based conventions for items without a contractual maturity.

The gap measurement includes the rate hedging effect on fair value and cash flow hedges.

Exposition

Crédit Agricole CIB risk exposure to interest rate risk on retail operations is limited because of the rate backing rule on each client financing by market teams and because of the reduced volume of non-interest bearing deposits.

The interest rate risk mainly comes from capital and investments and from maturities under one year of the banking book's Treasury activities.

The Group is mainly exposed to the Euro zone and, to a lesser extent US dollar, interest rate variation.

Crédit Agricole CIB manages its interest rate risk exposure within a range defined by Credit Agricole S.A.: €14.9 billion up to two years, €1.5 billion on average between 3 and 8 years, and €0.9 billion up to 10 years.

Interest-rate gaps measure the surplus or deficit of fixed-rate resources. Conventionally, a positive gap represents an exposure to a risk of falling interest rates during the period.

The results of these measurements at 31 December 2012 reflect that Crédit Agricole CIB is exposed to a fall in interest rates:

€ billion	0-1 year	1-5 years	5-10 years
Average gap Dollar US	-2.5	+0.0	+0.0
Average gap Euro and other currencies	-2.3	+0.7	+0.8

In terms of net banking income sensitivity for the first year (2013)

Crédit Agricole CIB could earn €112 million of revenues in case of a long-lasting 200-basis-point decrease in the interest rates, that is to say a 2.5% sensitivity for a reference net banking income of €4,428 million in 2012.

Based on these same sensitivity calculations, the net present value of the loss incurred in the next ten years in the event of an adverse 200-basis-point movement in the yield curve equals less than 0.2% of the Group's prudential capital.

In addition, the income impacts of five stress scenarios (three historical and two hypothetical) regarding the interest rate gap are measured on a quarterly basis and reported to the ALM Committee.

The scenarios are those used by Crédit Agricole CIB's Treasury department:

- The historical scenarii are: a major equity market crash (Black Monday in 1987); a surge in interest rates (bond crash in 1994); a sharp increase in issuer spreads (rise in credit spreads in1998); the 2008 financial crisis linked to the US mortgage market.
- Hypothetical scenarii: one is based on the assumption of an economic recovery (rise of the equity market, of rates in general, of the USD spot, of oil and decrease of issuer spreads) ; a liquidity crisis following the Central Bank decision to increase its key rates; frictions among international relations as a result of stalled business relationships between China and the United States (increase in US rates, a collapse of US equity market, higher differences in credit spreads and depreciation of the US Dollar compared to other currencies, especially the Euro).

Simulations are made using the sensitivity of Crédit Agricole CIB's interest-rate mismatch. Sensitivity is defined as the gain or loss arising from a 2% change in interest rates. This sensitivity is calculated in EUR and USD. The calculation is based on average outstandings over a rolling 1-year period.

The shocks contained in these scenarios are calculated on a

10-day basis, according to Crédit Agricole CIB's stress scenario methodology. Sensitivity is "shocked" in various ways. The result of a stress test corresponds to the net present value of changes in the scenario's characteristics.

These stress scenarios display relatively limited impacts, since the net present value of the maximum potential loss equalled 0.48% of prudential capital and 1.63% of net banking income at 31 December 2012.

Liquidity and financing risk

The Crédit Agricole CIB Group is, like all credit institutions, exposed to the risk of not having sufficient funds to honour its commitments. This risk could for example be realised in the event of a mass withdrawal of customer or investor deposits or during a confidence crisis, or even a general liquidity crisis in the market (access to interbank, monetary and bond markets).

Aims and policy

Crédit Agricole CIB's first goal in terms of managing its liquidity is to always be able to cope with any prolonged, high-intensity liquidity crises.

The Crédit Agricole CIB Group is part of the Crédit Agricole group's scope when it comes to liquidity risk management and uses a system for measuring and containing its liquidity risk that involves maintaining liquidity reserves, organising its funding activities (limitations on short-term funding, staggered scheduling of long-term funding, diversifying sources of funding) and balanced growth in the assets and liabilities sides of its balance sheet.

A set of limits, indicators and procedures aims to ensure that this system works correctly.

This internal approach includes ensuring we stick to the liquidity coefficient established by the Ministerial Decree of 5 May 2009 on identifying, measuring, managing and controlling liquidity risk, with which the group's credit institutions must comply.

Risk management

Within Crédit Agricole CIB, the responsibility for liquidity risk management is spread across a number of departments: Finance/Asset & Liability Management (ALM) in charge of medium-and long-term funding management; Fixed Income Markets/Treasury responsible for the operational management of short-term liquidity funding under the delegation of the ALM; and the Risk Department which is in charge of validating the system and ensuring all rules and limits are observed.

◆ Decisional steering

The ALM committee at the Crédit Agricole CIB Group sets and tracks its Assets/Liabilities Management policy. Together with the Management Committee, it makes up the executive governance body and sets all the operational limits for Crédit Agricole CIB. It is a decision-making body for all major issues especially tracking the raising of MLT funds and monitoring short and long-term limits.

If any tensions arise on the funding markets, joint monitoring committees may be set up involving the General Management, the Risk Department, the Finance Division and the Treasury in order to monitor the Group's liquidity status as closely as possible. Such committees have in fact been meeting regularly since July 2011, given the adverse market conditions and the liquidity constraints imposed on Crédit Agricole CIB.

◆ Operational steering

From an operational viewpoint, roles are broken down as follows:

- Steering and monitoring short-term liquidity, up to two years inclusive, is the responsibility of the ALM, which delegates the task to the Treasury Department;
- The task of medium/long-term liquidity management has been allocated to the ALM.

In terms of steering short-term liquidity, the Treasury business line is responsible for the operational management of short-term liquidity funding on a global level. It is in charge of daily global management tasks for the short-term funding of the Crédit Agricole CIB Group, coordinating spreads on issue and managing the Treasury's liquid assets portfolio. Within each cost centre, the Treasurer is locally responsible for managing funding activities within allocated limits. He reports to the Crédit Agricole CIB Treasurer and the local Assets/Liabilities committee. He is also responsible for ensuring compliance with all local regulations applicable to short- term liquidity.

In terms of medium- and long-term funding management, this is the responsibility of the Finance Department/ALM which is in charge of measuring and monitoring medium/long-term liquidity risk, of tracking any long-term liquidity funding that is raised by the Bank's market desks, of planning and tracking issue programmes, of ensuring issue price consistency and of invoicing liquidity to the consuming business lines.

2012 Funding conditions

In addition to the traditional sources of short-term liquidity, Crédit Agricole CIB follows a pro-active policy for diversifying its sources of funding, which can be seen in particular in the implementation of a structured issues programme specific to the US market, a domestic commercial paper issue programme in Japan and a programme of CDs based in London intended for sale on the Asian market.

Crédit Agricole CIB's long-term liquidity comes from customer deposits, interbank loans and the issue of various types of debt security (Certificates of Deposit, BMTNs, EMTNs). Crédit Agricole CIB is making good use of its Euro Medium Term Note (EMTN) programmes: as at 31 December 2012, the amounts issued as part of the EMTN programme were around €23 billion under English law and €9 billion under French law. One should notice that 2012 witnessed the first issue by Crédit Agricole S.A. of a covered bond collateralized by Crédit Agricole CIB's exports credits.

Without exception, the issues made as part of these programmes in order to meet the needs of Crédit Agricole CIB's international and domestic clients are "structured" issues, i.e. the coupon that is paid and/or the amount that is reimbursed upon maturity includes a component that is linked to one or more market indices (share, interest rate, exchange rate or commodities). Likewise, some issues are known as credit linked notes i.e. the reimbursement is reduced in the event of third-party default, defined contractually at the time of the issue.

A potential improvement of risk profile in 2012

After a year 2011 characterized by frictions in liquidity markets closed to debt refinancing issues encountered by several Eurozone countries that triggered for Crédit Agricole an increase in long-term spreads on underwritings, a decrease in available volumes in the short-term in addition to refinancing issues in US Dollars, the Bank's risk profile has significantly improved in 2012 mainly due to:

- The implementation of the 2012 deleveraging Plan (target at -€18 billion).
- But also some strategic decisions such as the closure of Equity Derivatives business line, leading to a slight decrease in liquidity consumption of these products all the year long.
- The significant improvement of market conditions

Methods

The system for managing and monitoring Crédit Agricole CIB's liquidity is built around a number of risk indicators:

- Short-term indicators comprising mainly crisis scenario simulations, the aim of which is to manage maturities and the volume of short-term funding based on liquidity reserves, to monitor short-term gross and net debt and to measure static and dynamic gaps in varying conditions;
- Long-term indicators for measuring medium- and long-term liquidity risk, mainly through monitoring the concentration of long-term funding maturity dates, producing a one-year overall maturity mismatch gap, tracking specific one-year transformation limits set by currency, and using MLT diversification indicators to limit any concentration of funding sources.

The definition of these indicators and the way they are to be tracked is established in a set of rules which have been examined and validated by Crédit Agricole CIB and the Crédit Agricole Group.

Operationally, the liquidity management and supervision system relies on an internal tool that measures and analyses the indicators described in the rules and which makes it possible to track liquidity and ensure all limits are being respected.

In addition, regulatory liquidity ratio measurements have been used to help track risk (measurement, forecasts, management). In this respect, liquidity ratios (the Liquidity Coverage Ratio (LCR) for one-month liquidity and the Net Stable Funding Ratio (NSFR) have undergone preliminary analysis and simulations.

Exposures

French credit institutions are governed by a standard coefficient that was defined in the Ministerial Decree of 5 May 2009 and which came into force in June 2010. This liquidity coefficient reflects the ratio between cash and cash equivalents with short-term maturities, on the one hand, and short-term liabilities, on the other. It is calculated monthly, on a stand alone basis, with the minimum threshold being 100%.

As at 31 December 2012, Crédit Agricole CIB S.A.'s liquidity coefficient was 127% (vs. 114% as at 31 December 2011).

Crédit Agricole CIB's standard permanent control procedure is similar to that of the Group. The minimum control indicators are the same and apply to all major processes in the same way. In 2012, the liquidity risk monitoring system relied in particular on a number of tests carried out at various levels involving existing key processes.

Exchange-rate risk

Currency risk is assessed mainly by measuring net residual exposure, taking into account gross foreign exchange positions and hedging.

Structural exchange-rate risk

The Group's structural exchange-rate risk results from its other than temporary investments in assets denominated in foreign currencies, mainly the equity of its foreign operating entities, whether they result from acquisitions, transfers of funds from Head Office or the capitalisation of local earnings.

In most cases, the Group's policy is to borrow the currency in which the investment is made in order to immunise that investment from currency risk. These borrowings are documented as investment hedging instruments. In some cases, particularly for illiquid currencies, the investment gives rise to purchases of the local currency. Currency risk is then hedged, if possible, through forward transactions.

The Group's main gross structural foreign exchange positions are denominated in US dollar, in US dollar-linked currencies (mainly Middle Eastern and some Asian currencies), in sterling and in Swiss franc.

The Group's policy for managing structural foreign exchange positions aims at achieving two main goals:

- first, to protect assets by reducing the risk of a fall in value in the assets under consideration;
- second, to protect prudential ratios by neutralizing the Group's solvency ratio from currency fluctuations; unhedged structural currency positions will be scaled so as to equal the proportion of risk-weighted assets denominated in the currencies concerned and unhedged by other types of equity in the same currency.

Hedging of structural currency risk is managed centrally and arranged following decisions by the Bank's Asset and Liability Management Committee.

Crédit Agricole CIB's structural currency positions are also included with those of Crédit Agricole S.A., which are presented five times a year to its Asset and Liability Management Committee, chaired by its CEO.

Operational exchange-rate risk

The Bank is further exposed to operational exchange-rate positions on its foreign-currency income and expenses, both at Head Office and in its foreign operations.

The Group's general policy is to limit net operational exchange rate positions as far as possible by periodically hedging them, usually without prior hedging of earnings not yet generated except if they have a high probability and a high risk of impairment.

Rules and authorisations applicable to the management of operational positions are put in place by decision of the Crédit Agricole CIB Asset-Liability Management Committee.

Rate and change risks hedging

In managing its financial risks, Crédit Agricole CIB uses interest rate swaps and forex transactions, as hedging operations as regards the intention for which they are undertaken.

The note 3.4 to the Group consolidated financial statements presents the market values and notional amounts of derivative financial instruments held for hedging.

Fair value hedges

The aim is to protect the intrinsic value of fixed-rate financial assets and liabilities that are sensitive to changes in interest rates, by hedging them with instruments that are also at fixed rate. When hedging takes place through derivatives (swaps), the derivatives are termed fair value hedging derivatives.

Hedging carried out in this respect by Asset-Liability Management relates to non-interest-bearing private-banking customer deposits, which are analyzed as fixed-rate financial liabilities.

Cash flow hedges

The second aim is to protect interest margin so that interest flows generated by variable-rate assets financed by fixed-rate liabilities (working capital in particular) are not affected by the future fixing of interest rates on these items.

When the required neutralisation takes place through derivatives (swaps), these derivatives are termed cash flow hedging derivatives.

According to IFRS 7, future interests related to balance sheet items under cash flow hedge strategy are detailed, by maturity, in the table below:

	31.12.2012			
€ million	**0 to 1 year**	**1 to 5 years**	**Over 5 ans**	**Total**
Hedged cash flows to receive	21	223	209	**453**
Hedged cash flows to pay	0	(1)	0	**(1)**

✦ Documentation under IFRS of fair value and cash flows hedges

As regards macro-hedges managed by Asset-Liability Management, hedge relationships are documented from inception and checked quarterly through forward-and backward- looking tests.

For this purpose, hedged items are classified by maturity, using the characteristics of contracts or, for items without contractual maturities (such as demand deposits), runoff models based on each product's behaviour. The comparison between this maturity schedule and that of the derivative instrument allows efficiency of hedging to be assessed.

Hedging of net investments in foreign currencies

The instruments used to manage structural exchange-rate risk are classified as hedges of net investments in foreign currencies. The effectiveness of these hedges is documented every quarter.

➢ OPERATIONAL RISKS

Operational risk is the risk of loss resulting from shortcomings in internal procedures or information systems, human error or external events that are not linked to a credit, market or liquidity risk.

Management of operational risks

The Risk Management and Permanent Controls division is responsible for supervising the system, and it is overseen by the Management Board through the operational risk section of Crédit Agricole CIB's Internal Control committee.

◆ Governance

Operational risk management specifically relies on a network of permanent controllers, who also perform the functions of operational risk managers, covering all Group subsidiaries and business lines, and who are supervised by the Risk Management and Permanent Controls division (this system is described in the Report by the Chairman of the Board to the shareholders' meeting on page 62 to 63).

The system is monitored by internal control committees under the authority of each entity's management. Head office control functions are invited to the meetings of these committees.

◆ Risk identification and qualitative assessments

In accordance with principles in force within the Credit Agricole S.A. Group, Crédit Agricole CIB's Risk and Permanent Control Department implemented a qualitative and quantitative system designed to identify, assess, prevent and monitor operational risk, as required by the Basel II reform.

The operational risk mapping process is applied to all Group entities. These risk maps allow Crédit Agricole CIB to supervise the most sensitive processes and to draw up control plans. They are updated every year.

◆ Operational loss detection and significant incident reporting

A unified procedure for loss detection and for reporting significant incidents has been set up across the whole scope of Crédit Agricole CIB. The data required by the internal model for calculating the economic capital allocation, in accordance with the Basel II advanced method, are consolidated into a single database that provides five years of historical data.

◆ Calculation and allocation of economic capital with respect to operational risks

Capital requirements are calculated annually at the Crédit Agricole CIB level, based on historical loss data together with risk scenarios. They are then allocated by Crédit Agricole CIB Paris business line and entity.

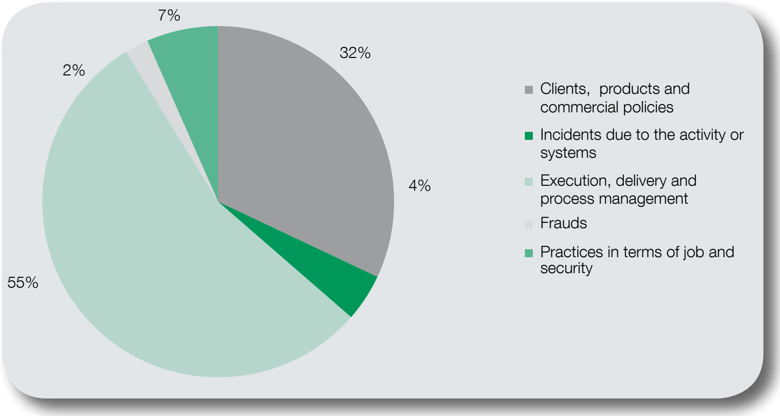
Capital requirement is calculated using the internal AMA methodology (Advanced Measurement Approach) of Crédit Agricole Group applied on Crédit Agricole CIB's perimeter. This model has been validated at the end of 2007 by the Autorité de Contrôle Prudentiel.

◆ Production d'un tableau de bord

The Risk Management and Permanent Controls division produces a quarterly operational risk scorecard, highlighting key events and movements in costs related to these risks. These scorecards provide global confirmation of the main sources of risks: litigation with customers and management of processes (including those relating to market transactions) which determine the priorities of preventative or remedial action plans.

Exposures

Breakdown of operational losses by nature on the basis of impact on the financial results over the 2010-2012 period



Main initiatives taken in 2012

Actions initiated in keeping with the recommendations of the Lagarde report were continued:

- Reinforcing IT system security;
- Cash flow management;
- Risk monitoring and anticipation.

A team responsible for internal and external fraud prevention coordination also continued to grow. It reports to the Compliance

Function and carries out its actions with the support of the control functions and, more generally, all units responsible for internal control of the bank's operations.

Insurance and risk coverage

Crédit Agricole CIB has broad insurance coverage of its insurable operating risks in accordance with guidelines set by its parent company, Crédit Agricole S.A., with the aim of protecting its balance sheet and its income statement.

Crédit Agricole CIB is covered by all Group policies taken out by Crédit Agricole S.A. from major insurers for major risks including fraud, all-risk securities (or theft), operating loss, professional liability, operational liability, directors and officers liability and property damage (furniture and IT, third party claims for risky buldings).

In addition, Crédit Agricole CIB, like all the Crédit Agricole S.A. Group's business-line subsidiaries, manages smaller risks itself that cannot be insured in an economically satisfactory manner are kept in the form of deductibles or spread within the Crédit Agricole S.A. Group by the one of the Crédit Agricole Group's insurance companies.

This general framework may vary according to local regulations and the specific requirements of countries in which the Crédit Agricole CIB Group operates. It is generally complemented by local insurance.

➢ LEGAL RISKS

The legal risk management system is described in the Report by the Chairman of the Board to the shareholders' meeting on page 66.

At 31 December 2012, any legal risks that could have a negative impact on Group assets were covered by provisions corresponding to the best estimation by the Executive management, on the basis of the information it had.

To date and except the exceptional events and claims mentioned below, to the best of Crédit Agricole CIB's knowledge, there is no other governmental, judiciary or arbitration proceeding (or any proceeding known by the Company, in abeyance or that threatens it) that could have or has had, in the previous 12 months, any substantial effect on the financial situation or the profitability of the Company and/or CACIB Group.

◆ Exceptional events and claims:

✦ New York Attorney General (NYAG)

As the New York Attorney General did not follow-up on the subpoena he addressed to the subsidiary of Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB") in New York in May 2010, which demanded information regarding Crédit Agricole CIB's relations with the rating agencies, it was decided that this demand for information, duly satisfied at the time, would no longer be mentioned in the annual report.

✦ Office of Foreign Assets Control (OFAC)

United States laws and regulations require adherence to economic sanctions put in place by the Office of Foreign Assets Control (OFAC) on certain foreign countries, individuals and entities. The office of the District Attorney of New York County and other American governmental authorities would like to know how certain financial institutions made payments denominated in US dollars involving countries, individuals or entities that had been sanctioned.

Crédit Agricole S.A. and Crédit Agricole CIB are currently conducting an internal review of payments denominated in US dollars involving countries, individuals or entities that could have been subject to such sanctions and are cooperating with the American authorities as part of such requests.

It is currently not possible to know the outcome of these internal reviews and requests, nor the date when they will be concluded.

✦ Crédit Agricole CIB sued by Intesa Sanpaolo

On 9 April 2012, Intesa Sanpaolo S.p.A ("Intesa") sued Crédit Agricole CIB, Crédit Agricole Securities (USA), a number of Magnetar Group companies and The Putnam Advisory Company LLC in the Federal Court of New York regarding a CDO structured by Crédit Agricole CIB, called Pyxis ABS CDO 2006-1.

Intesa, which had agreed a Credit Default Swap for a notional amount of US$180 million with Crédit Agricole CIB on the super senior tranche of the CDO, argues that it has suffered damage because of structuring of the CDO and is seeking US$180 million in compensation, plus interest on this sum as well as compensatory and punitive damages, repayment of fees, these sums not yet having been calculated.

✦ Euribor/Libor and other indexes

Crédit Agricole CIB and its parent-company Crédit Agricole S.A., in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into i) the calculation of the Libor (London Interbank Offered Rates) rate in a number of currencies, the Euribor (Euro Interbank Offered Rate) rate and certain other market indices, and ii) transactions connected with these rates and indices. These requests cover a number of periods running from 2005 to the present date.

As part of its cooperation with these authorities, Crédit Agricole CIB and its parent-company Crédit Agricole S.A., carried out investigations in order to gather the information requested by these various authorities. This work will continue in 2013. It is not possible to predict the outcome of said work, nor the date at which it will end.

✦ Bell Group

The liquidators of Bell Group companies that owed money to a consortium of some twenty banks (the Banks) including Crédit Agricole S.A., LCL and CACIB, brought proceedings in 1995 in order to challenge payments made to the Banks out of the proceeds of the sale of Bell Group assets given as collateral to said Banks.

In a decision handed down on 17 August 2012, the Court of Appeal of the Supreme Court of Western Australia ordered the Banks to pay the liquidators of said Bell Group companies a sum estimated, in October 2012, for all Banks at circa AUS$2.6 billion (circa €2.1 billion). This sum is still not final.

The Banks lodged an appeal against the decision of 17 August 2012 with the High Court of Australia. A ruling on the admissibility of this appeal should be handed down in March or April 2013.

The proportion relating to the various Crédit Agricole Group entities (Crédit Agricole S.A., LCL and CACIB) is around ten percent of the total sum covered by the judgement.

➢ NON-COMPLIANCE RISKS

Non-compliance risk is the risk associated with failure to comply with regulatory and legal regulation and also internal and external rules applicable to Credit Agricole's banking and financial activities which may lead to judicial, administrative or disciplinary disputes with customers and more widely to a reputational risk.

The organization and main actions relating to compliance within the Group are detailed in the section on economic performance indicators in the section of this document regarding Crédit Agricole CIB's social, societal and environmental information.

The Compliance business line's governance is set out in the report by the Chairman of the Board of Directors to the shareholders'meeting on page 66.

Basel II Pillar 3 disclosures

Regulatory background

Application of capital requirements with respect to prudential supervision

Credit institutions and investment companies must comply with minimum solvency ratios and ratios concerning major risks on an individual basis or, if applicable, sub-consolidated basis. However, they may be exempted subject to conditions set out in article 4 of regulation 2000-03 of 6 September 2000.

The order dated 20 February 2007 allowed exemptions from these ratios under certain conditions. Accordingly, Crédit Agricole CIB sent a request to the French Prudential Supervisory Authority that certain group subsidiaries under its sole control be exempted on an individual basis. The subsidiaries concerned were exempted.

Solvency ratio reform

The order of 20 February 2007, which transposes the European CRD (Capital Requirements Directive) into French law, defined the "capital requirements applicable to credit institutions and investment companies". In accordance with those requirements, the Crédit Agricole CIB Group has incorporated the impact of this new directive into its capital and risk management procedures.

Since its first implementation, the CRD was amended twice:

- CRD II, applicable from 31 December 2010, notably reinforced requirements on securitisation and major risks calculation
- CRD III, applicable from 31 December 2011, notably reinforced capital requirements resulting from market risks and transactions considered as "re-securitisations".

Since the 1 January 2012, the constraint consisting in maintaining weighted assets below a floor of 80% of capital requirements calculated under the CAD method has been suppressed. The ACP ensures that the institutions' capital is able to cover 80% of the capital requirements calculated according to Basel I standards.

The CRD ratio has had legal force since 1 January 2008. However, banks are continuing to calculate the CAD ratio during a parallel phase, as the regulatory authority has defined a minimum capital requirements of 80% of these requirements until 31 December 2011.

The method for calculating the solvency ratio is set out in the Capital Requirements Directive. The ratio is based on the measurement of assets weighted by credit risk, market risk and operational risk. The resulting capital requirements for each risk are stated below.

In accordance with the order of 20 February 2007, credit risk exposures are measured using two approaches:

- the standardised method, based on external measurements and standard weightings for each category of exposure;
- the IRB (Internal Rating Based) method, which relies on the institution's internal rating system. There is a distinction between:
  - the IRB foundation method, for which institutions may only use their estimated probabilities of default;
  - and the advanced IRB method, for which institutions use internal estimates for all risk components, i.e. probability of default, loss given default, exposure at default and maturity.

In late 2007, the Autorité de Contrôle Prudentiel authorised the Crédit Agricole CIB Group to use its advanced internal rating systems to calculate regulatory capital requirements with respect to credit risk.

Risk management

The policies, objectives and systems put in place to manage and mitigate risks are described in the "Risk factors" chapter of the "Risk factors and Pillar 3" section, on pages 111 to 137.

Regulatory ratios

Differences between the scope of statutory and regulatory consolidation

Insurance companies are excluded from the scope of prudential supervision, but are included in the accounting scope of consolidation. Crédit Agricole CIB owns only one insurance company: CAIRS Assurance S.A., which does not show any capital shortage.

Information on these entities and their accounting methods are presented in the notes of consolidated financial statements at 31 December 2012.

Ratios at 31 December 2012

The table below sets out the CRD solvency ratio and details the risks faced by the Crédit Agricole CIB Group measured on a credit-risk equivalent basis (after counterparty weighting), along with the level of regulatory capital, calculated in accordance with the regulation

€ billion	31.12.2012	31.12.2011
Tier I capital [A]	**17.9**	**18.5**
Capital and reserves, Group share	14.3	14.9
Minority interests	0.1	0.1
Capital included in core capital with the agreement of French Prudential Supervisory Authority	0.0	0.0
Hybrid securities	5.1	5.2
Deductions of intangible assets	(1.2)	(1.8)
Other deductions	(0.4)	
Tier II capital [B]	**1.2**	**3.3**
Tier III capital	**0.0**	**0.0**
Deductions from Tier I capital and Tier II capital	**(2.4)**	**(3.7)**
Deductions from Tier I capital [C]	(1.2)	(1.8)
Deductions from Tier II capital [D]	(1.2)	(1.8)
Deductions of Insurance companies equity	**0.0**	**0.0**
Total available capital	**16.7**	**18.1**
Tier 1 [A - C]	16.7	16.6
Including Core Tier 1	*13.3*	*13.3*
Tier 2 [B - D]	0.0	1.5
Tier 3	0.0	0.0
Credit risks	87.1	100.6
Market risks	10.9	31.0
Operational risks	13.9	13.3
Total risk-weighted asset pre-floor	**111.9**	**144.8**
Total Basel I risks	165.1	185.3
Core Tier One ratio	**11.9%**	**9.2%**
Tier 1 Ratio	**14.9%**	**11.5%**
Overall solvency ratio	**14.9%**	**12.5%**

At 31 December 2012, the Credit Agricole CIB Group's Basel II overall solvency ratio is 14.9%, including 11.9% for the Core Tier 1 ratio.

Changes in the various components of this ratio are analysed below:

Tier I capital stands for €16.7 billion at 31 December 2012. The €0.1 billion increase in 2012 was due to several factors:

- 2012 net income (- €0.6 billion);
- the decrease of deduction related to intangible assets and goodwill (+ €0.6 billion);
- the rise in other deductions that are linked to the return risk on the correlation book (- €0.4 billion);
- the reduction of deduction on Tier 1: +€0.6 billion;
- the currency effect: -€0.2 billion.

The supplementary capital decreased by €1.5 billion because of the reduction of deductions affecting both Tier 1 and Tier 2 (+€0,6 billion) and also due to the repayment of a subordinated emission combined with a prudential depreciation on securities in capital Tier 2 (-€2,1 billion).

Basel II risk-weighted assets totaled €111.9 billion at 31 December 2012, a 23% decrease relative to the €144.8 billion figure at end-2011.

The €32.9 billion (€32 billion excluding currency effect) decrease broke down as follows:

- credit risks declined by €13.5 billion over the period (a decrease of €13 billion excluding the currency effect): financing activities suffer a significant decrease, as market counterparty risks, due to the actions following the expected implementation of CRD IV;
- market risks dwindled by €20.1 billion in equivalent risk-weighted assets due to the market risks transfer from the correlation book to the Blue Mountain Alpine funds (Marylebone operation);
- operational risk amounted to €13.9 billion, a rise of €0.6 billion compared with late 2011;

	Amount (in € billion)
Risk weighted assets at 31 December 2011	**144.8**
Foreign exchange effect (USD)	-0.9
Updating of models and methodologicaldevelopments	-1.7
Organic change[(1)]	-30.3
Risk weighted assets at 31 December 2012	**111.9**

[(1)] Change in exposures and credit migration.

Capital, capital requirements and adequacy of capital

Composition of capital and ratios

Capital is split into three categories: Tier I capital, Tier II capital and Tier III capital, according to the following criteria:
- solidity and stability;
- maturity;
- subordination.

◆ Tier I capital

Tier I capital includes:

Core capital

- Capital;
- Reserves, including revaluation adjustments and unrealized or deferred capital gains/losses;
- Unrealised gains or losses on available-for-sale financial assets are recognised directly in shareholders' equity and adjusted as follows:
  - for equity instruments, net unrealised capital gains are deducted from Tier I capital, currency by currency, net of any tax already deducted in the accounts, and 45% of the amount is released, currency by currency, before tax to Tier II capital. Unrealised net capital losses are not adjusted;
  - unrealised gains or losses recognised directly in equity capital, as a result of a cash flow hedging transaction, are neutralised;
  - for other financial instruments, including debt instruments, loans and advances, unrealised capital gains and losses are neutralised;
  - impairment losses on all available-for-sale assets taken to profit and loss are not adjusted;
- Share premiums;
- Retained earnings;
- Net income from the current year, i.e. net income; Group share minus projected dividend payments;
- Funds that the Autorité de Contrôle Prudentiel has deemed to meet the conditions for inclusion in Tier I capital;

Deductions

- own shares, measured at book value;
- intangible assets, including start-up costs and goodwill.

◆ Other Tier I capital

- Minority interests include minorities' shares in entities owned by Crédit Agricole CIB;
- Hybrid securities similar to minority interests.

◆ Hybrid securities

These include equity instruments, either innovative or non-innovative. Innovative equity instruments feature progressive remuneration.

Hybrid instruments in accordance with the eligibility criteria defined in the press release of the Basel Committee dated 27 October 1998, are included in Tier I capital, subject to the prior agreement of the Secretary General of the French Prudential Supervisory Authority. They are composed of deeply subordinated notes issued in accordance with the requirements of Article L.228-97 of the Code de Commerce, as amended by the financial security act of 1 August 2003. They also include preferred securities governed by the Anglo-Saxon law.

Hybrid instruments have to comply with certain limits relative to Tier I capital calculated before the deductions set out below in the third bullet point:

- innovative hybrid instruments, instruments with a strong incentive for repayment mostly via a step-up, are limited to 15% of the Tier I Capital, subject to the prior agreement of the Secretary General of the French Prudential Supervisory Authority if they met the eligibility criteria of Tier I capital.
- all the hybrid instruments, the innovative and non-innovative ones, are limited to 35% of Tier I capital.

Furthermore, the total of hybrid instruments, minority interests and aforementioned preferred shares cannot stand for more than 50% of Tier I capital.

Preferred securities governed by the Anglo-Saxon law

A description of those securities is provided in note 6.17 of the consolidated financial statements at 31 December 2012.

Deeply subordinated notes issued in accordance with the requirements of the Article L.228-97 of the Code de Commerce, as amended by the financial security act of August 1st, 2003

Issuer	Date of issue	Amount of issue (in local currency units)	Currency	Datesof buy-back option	Compensation	Innovative issue (I) / non-innovative issue (NI)	Prudential amount at 31.12.2012(€ million)
Crédit Agricole CIB	19.03.2004	500	USD	19.03.2014	5,81%	NI	378
Crédit Agricole CIB	04.05.2004	1 260	USD	04.05.2014	4,92%+104bps	I	954
Crédit Agricole CIB	04.05.2004	470	USD	04.05.2014	6,48%	NI	356
Crédit Agricole CIB	21.12.2005	85	USD	01.01.2016	Libor12M+150bps	NI	64
Crédit Agricole CIB	21.12.2005	220	USD	01.01.2016	Libor12M+90bps	I	167
Crédit Agricole CIB	28.09.2007	1 000	USD	28.09.2017	Libor12M+252bps	NI	757
Crédit Agricole CIB	28.09.2007	590	EUR	28.09.2019	Euribor12M+190bps	I	590
Newedge	23.12.2008	103	USD	23.03.2014	8,60%	NI	78
Crédit Agricole CIB	24.12.2008	1 700	USD	24.12.2013	Libor3M+710bps	NI	1 287

◆ Tier II capital

Tier II capital includes:

- funds from the issuing of subordinated securities or loans that meet the conditions of article 4c of regulation 90-02 (perpetual subordinated notes);
- funds that meet the conditions of article 4d of regulation 90-02 (redeemable subordinated notes);
- for equity instruments, unrealised net capital gains released, currency by currency and before tax, to Tier II capital at a rate of 45%;
- since Crédit Agricole CIB uses internal rating-based approaches for measuring credit risk, the positive difference between the sum of value adjustments and collective impairment relating to the exposures concerned and expected losses

Subordinated securities or loans in accordance with article 4c/ of regulation 90-02 (perpetual subordinated notes)

Issuer	Date of issue	Amount of issue (in local currency units)	Currency	Datesof buy-back option	Compensation	Innovative issue (I) / non-innovative issue (NI)	Prudential amount at 31.12.2012(€ million)
Crédit Agricole CIB	12.08.1998	30	EUR	12.08.2003	Pibor3M+55bps	NI	30

Redeemable subordinated notes in accordance with the conditions of article 4d/ of regulation 90-02

See note 6.11 to the 31 December 2012 consolidated financial statements.

◆ Deductions

Deductions are covered by articles 6, 6 bis and 6 quater of regulation 90-02 and include investments representing more than 10% of the capital of a credit institution or investment company, subordinated debt and any other element of shareholders' equity as well as securitised assets with an external rating lower than BB-. Deductions are split 50/50 between Tier I and Tier II capital.

◆ Tier III capital

Subordinated debt with an initial maturity of at least two years, within the limits of regulatory requirements.

The sum of the aforementioned capital figures makes up the institution's total shareholders' equity.

◆ Reconciliation of accounting and regulatory capital

€ million	31.12.2012	
	Detail	**Total**
Equity, group share (carrying amount)		**15,131**
Minority and assimilated interests		
Minority interests (carrying amount)	491	
Less preferred shares reclassified as “other components of Tier 1 capital”	(417)	
Regulatory adjustments to Tier 1 capital		
Other equity instruments	0	
Goodwill and intangible assets	(1,116)	
Unrealised gains/ losses on cash flow hedge	(571)	
Unrealised gains/ losses on available-for-sale financial liabilities	(21)	
Unrealised gains/ losses on available-for-sale financial assets	(182)	
Expected losses (50% of the total on Tier 1)	(6)	
Deduction of securitisation exposures (50% of the total on Tier 1)	(357)	
Deductions in respect of investments in credit or financial institutions	(860)	
Other regulatory adjustments	(474)	
Other component of Tier 1 capital		
Hybrid equity instruments	4,691	
Preferred shares	417	
Total Tier 1 capital		**16,726**
Tier 2 funds		
Items, securities and borrowings complying with Articles 4b and 4c (perpetual) of Regulation 90-02	30	
Securities and borrowings complying with Article 4d (fixed term) of Regulation 90-02	744	
Regulatory adjustments to Tier 2 capital:		
Regulatory adjustments to other equity instruments (1)	94	
Surplus of collective impairment expense in relation to expected losses	323	
Deduction of securitisation exposures (50% of the total on Tier 2)	(357)	
Expected losses (50% of the total on Tier 2)	(6)	
Deductions in respect of investments in credit or financial institutions	(860)	
Other regulatory adjustments	32	
Total Tier 2 capital		**0**
Investments in insurance companies		**0**
Total comprehensive capital		**16,726**

(1) Regulatory adjustment to Upper Tier 2 capital of 45% of unrealised gains on available-for-sale equity securities.

Capital requirements by type of risk

The overall solvency ratio, presented in the table of prudential ratios, equals total capital divided by total exposures weighted by credit risk, market risk and operational risk.

The capital requirements by type of risk, method and exposure category (for credit risk) set out below correspond to 8% (the regulatory minimum) of risk-weighted exposures (average risk equivalent) presented in the prudential ratio table.

◆ Credit risk: capital requirements using the standardised method

€ million	31.12.2012		31.12.2011	
	Risk weighted asset	Capital requi-rements	Risk weighted asset	Capital requi-rements
Central governments and central banks	1	0	152	12
Institutions	3,097	248	2,222	178
Corporates	4,812	385	6,381	511
Retail customers				
Equities	375	30	373	30
Securitisations	51	4	13	1
Other assets that do not correspond to a credit obligation	6,701	536	8,507	681
Total	**15,037**	**1,203**	**17,649**	**1,412**

The capital requirement calculated using the standardised approach to credit risk equalled 13% of total capital requirements at 31 December 2012 (12% at 31 December 2011).

◆ Credit risk: capital requirements using the IRB method

€ million	31.12.2012		31.12.2011	
	Risk weighted asset	**Capital requi-rements**	**Risk weighted asset**	**Capital requi-rements**
Central governments and central banks	1,470	118	1,031	82
Institutions	7,120	570	8,179	654
Corporates	53,810	4,304	63,013	5,041
Retail customers	351	28	330	26
Equities	2,385	191	2,292	183
Securitisations	6,860	549	8,073	646
Total	**71,996**	**5,760**	**82,919**	**6,634**

The capital requirement calculated using the internal rating-based method reached 64% of total capital requirements at 31 December 2012 (57% at 31 December 2011).

◆ Capital requirements with respect to market risk and settlement risk

€ million	31.12.2012		31.12.2011	
	Risk weighted asset	**Capital requi-rements**	**Risk weighted asset**	**Capital requi-rements**
Market risk using standardised approach	1,166	93	5,254	420
Interest-rate risks	1,017	81	*4,575*	*366*
Securities valuation risks	77	6	*90*	*7*
Exchange-rate risks	-	-	*445*	*36*
Commodity risks	71	6	*145*	*12*
Market risk measured using an internal model	9,802	784	25,754	2,060
of which additional capital requirements resulting from major risk limits being exceeded				
Settlement risk	60	5	4	0,3
Total	**11,027**	**882**	**31,012**	**2,481**

The capital requirement for market risk and settlement risk mounted up 10% of total capital requirements at 31 December 2012 (21% at 31 December 2011).

◆ Capital requirements relating to operational risks

€ million	31.12.2012		31.12.2011	
	Risk weighted asset	**Capital requi-rements**	**Risk weighted asset**	**Capital requi-rements**
Standardised approach to measuring operational risk	1,183	95	1,106	89
Advanced approach to measuring operational risk	12,694	1,015	12,147	972
Total	**13,877**	**1,110**	**13,254**	**1,060**

The capital requirement for operational risk amounted to 12% of total capital requirements at 31 December 2012 (9% at 31 December 2011).

Assessment of adequacy of internal capital

The Group has begun to develop an internal capital procedure within the Crédit Agricole CIB Group and the Group's main French and foreign entities. The approach aims to comply with the requirements of the second pillar of Basel II, particularly as regards the ICAAP (Internal Capital Adequacy Assessment Process), which institutions are responsible for implementing.

The main objective of this procedure is to ensure that group shareholders' equity and the shareholders' equity of Group entities are appropriate given the risks incurred.

Risks quantified for internal capital purposes include:

- risks covered by the first pillar of Basel II (credit and counterparty risks, operational risks, market risks);
- risks covered by the second pillar of Basel II (interest-rate risk in the banking book, concentration risk in the loan book).

Liquidity risk is excluded from this procedure, since the Group prefers to take a qualitative approach to managing this risk. This involves ensuring the quality of its management and supervision system, together with the liquidity continuity plan.

In addition to these risks, the internal capital procedure requires the Group to check that the capital requirements calculated under the first pillar adequately cover any residual risks relating to techniques used to mitigate credit and securitisation risks. If risks are not adequately covered, an adjustment relative to first-pillar requirements is made by the entities exposed to these risks.

The quantitative approach used to calculate internal capital is incremental, and can be adjusted relative to first-pillar requirements. The approach consists:

- of adjusting capital requirements calculated with respect to the first pillar, so that internal capital reflects economic risks in each business;
- of supplementing requirements corresponding to first-pillar risks, taking into account the second pillar;
- of taking into account, in a prudent manner, the effects of diversification resulting from carrying out diversified activities within the same group.

Within Crédit Agricole CIB, exposure to counterparty and credit risk is calculated using an internal model, and internal capital is calculated using an economic capital model with a threshold of 99.97%.

As regards market risk, first-pillar capital requirements are calculated using internal value-at-risk models, and internal capital for market risk takes into account the liquidity of instruments in the trading book. As for credit risk, the percentile used to calculate internal capital for market risk is 99.97%.

As regards internal capital for interest-rate risk in the banking book, the Group applies the interest-rate shocks specified in the second pillar of Basel II, which correspond to instant and parallel upward and downward shocks of 200 basis points. The calculated internal capital figure includes the risk-offsetting effect of net interest margin on customer deposits.

Credit risk

Exposure to credit risk

Definitions:

Probability of default (PD) means the probability that a counterparty will default in a 1-year period.

- Loss given default (LGD) means the relationship between the loss when a counterparty defaults and the amount of the exposure at the time of default;
- Gross exposure means the amount of exposure (on- and off-balance sheet) before the application of credit risk mitigation techniques and before the application of the conversion factor (CCF).
- Exposure at default (EAD): means the amount of exposure (on- and off-balance sheet) before the application of credit risk mitigation techniques and after the application of the credit conversion factor (CCF).
- Conversion factor (CCF): ratio between the unused portion of a commitment that will be drawn and at risk at the time of default, and the unused portion of the commitment calculated on the basis of the authorised limit or, where applicable, the unauthorised limit if higher.
- Risk-weighted assets (RWA): Exposure at default (EAD) after application of weighting ratios.
- Value adjustments: decline in the value of a specific asset due to credit risk, recognised either through a partial write-off or a deduction from the carrying amount of the asset.
- External credit ratings: credit ratings provided by an external credit rating agency recognised by the French Prudential Supervisory Authority.

Credit exposures are classified by type of counterparty and type of financial product, in one of the seven exposure categories in the table below and defined by article 40-1 of the order of February 20th, 2007, relating to the capital requirements applicable to credit institutions and investment companies:

- The "Central governments and central banks" category corresponds to exposures to sovereign States, regional authorities.
- The "Institutions" category corresponds to exposures to credit institutions and investment companies. This category also includes some exposures to regional and local governments, public-sector entities and multilateral development banks, which are not treated as central governments.
- The "Corporates" exposure category includes large, medium-sized and small companies.
- The "Retail customers" category corresponds to loans granted in private banking operations, credit revolving, other credit to very small business and Professionals.
- The equity investments category is defined on page 156.

- The "Securisation transactions" category is defined on page 153.
- The "Other assets that do not correspond to a credit obligation" category mainly includes non-current assets and accruals.

Analysis of exposures

◆ Exposure by type of risk

The tables below show Crédit Agricole CIB's exposure to credit and counterparty risk by exposure class for the standardised and internal ratings based approaches. This exposure corresponds to gross exposure (on- and off-balance sheet) after netting and before risk mitigation techniques (guarantees and collateral).

Institutions take into account counterparty risk in all of their exposures, whether in the banking or trading books. For items in the trading book, counterparty risk is managed in accordance with arrangements for the prudential supervision of market risk.

The prudential treatment of counterparty risk for operations involving derivative financial instruments in the banking book is governed by regulations, i.e. by France's transposition of the European directive (order of 20 February 2007). To measure exposure to counterparty risk on transactions involving forward financial instruments, Crédit Agricole CIB uses the market price measurement method.

Counterparty risk exposure totaled amounted to €78.2 billion at 31 December 2012, including €23.6 billion of repos and €54.6 of derivative financial instruments.

Additional information on counterparty risk exposure on derivative financial instruments is provided in note 3.1 to the consolidated financial statement.

Exposure to credit risk by method and category of exposure (total exposure)

€ million	31.12.2012						31.12.2011	
	IRB		Standard		Total		Total	
	Credit risk	of which counter-party risk	Credit risk	of which counterparty risk	Credit risk	of which counter-party risk	Credit risk	of which counter-party risk
Central governments and central banks	84,759	3,233	2,979	368	87,739	3,601	77,031	4,653
Institutions	79,834	48,630	17,160	566	96,993	49,196	97,320	45,034
Corporates	202,972	25,082	12,077	333	215,049	25,415	241,632	35,106
Retail customers	7,674	-	-	-	7,674	-	7,665	-
Equities	1,335	-	433	-	1,768	-	1,310	-
Securitisations	54,680	-	99	-	54,779	-	64,925	-
Other assets that do not correspond to a credit obligation	-	-	36,382	-	36,383	-	15,832	-
Total	**431,254**	**76,945**	**69,130**	**1,267**	**500,385**	**78,212**	**505,716**	**84,793**

Exposure to credit risk by method and category of exposure : EAD

€ million	31.12.2012						31.12.2011	
	IRB		Standard		Total		Total	
	Credit risk	of which counter-party risk	Credit risk	of which counterparty risk	Credit risk	of which counter-party risk	Credit risk	of which counter-party risk
Central governments and central banks	84,335	3,233	2,882	368	87,217	3,601	75,939	4,653
Institutions	65,768	38,269	16,811	566	82,579	38,835	94,101	45,204
Corporates	168,136	24,332	11,841	333	179,975	24,665	202,088	32,706
Retail customers	7,672	-	-	-	7,673	-	7,643	-
Equities	705	-	375	-	1,080	-	1,063	-
Securitisations	51,620	-	99	-	51,719	-	56,400	-
Other assets that do not correspond to a credit obligation	-	-	36,338	-	36,339	-	15,810	-
Total	**378,236**	**65,834**	**68,346**	**1,267**	**446,582**	**67,101**	**453,044**	**82,563**

Exposure to credit risk by method and category of exposure : RWA

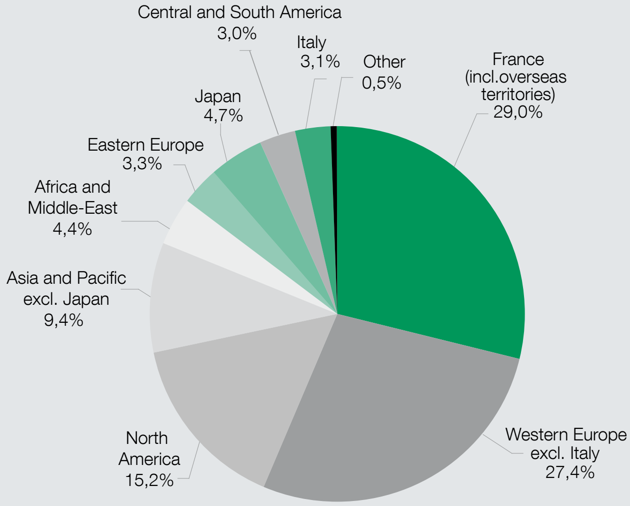
€ million	31.12.2012						31.12.2011	
	IRB		Standard		Total		Total	
	Credit risk	of which counter-party risk	Credit risk	of which counterparty risk	Credit risk	of which counter-party risk	Credit risk	of which counter-party risk
Central governments and central banks	1,470	47	1	-	1,472	247	1,183	78
Institutions	7,120	4,273	3,097	113	10,217	4,387	10,401	4,865
Corporates	53,810	9,306	4,812	430	58,622	9,735	69,394	13,924
Retail customers	351	-	-	-	351	-	331	-
Equities	2,385	-	375	-	2,760	-	2,665	-
Securitisations	6,860	-	51	-	6,911	-	8,087	-
Other assets that do not correspond to a credit obligation	-	-	6,701	-	6,699	-	8,507	-
Total	**71,996**	**13,826**	**15,037**	**543**	**87,032**	**14,369**	**100,568**	**18,867**

◆ Exposures by geographical area

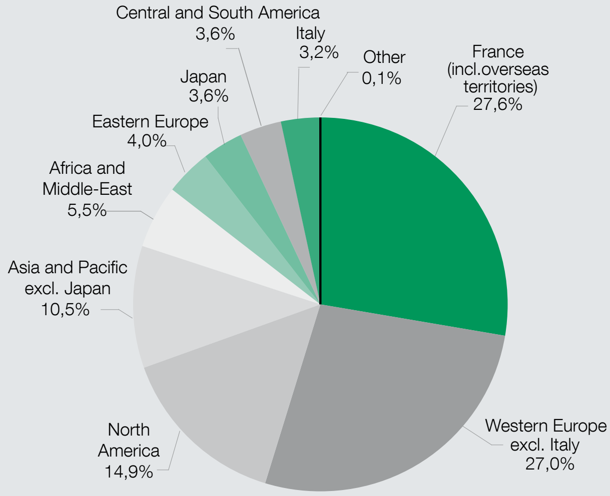
The analysis covers the total amount of exposures by geographical area within the Crédit Agricole CIB Group, excluding exposure under standardised approach, securitisation transactions and adjustments not directly related to a geographic area.

At 31 December, 2012, the overall amount is €367 billion (€373 billion at 31 December 2011).

2012



2011



◆ Geographical analysis of portfolio by category of exposure

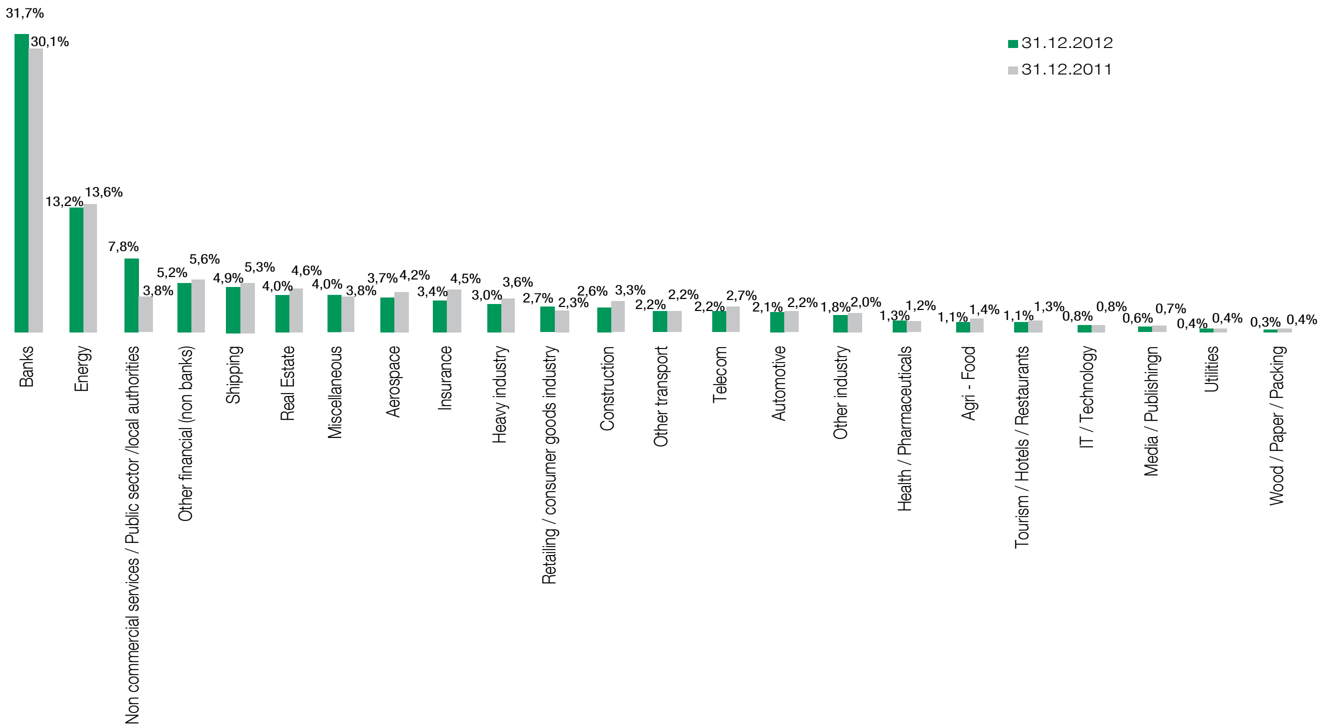
in %	Central governments and central banks		Institutions		Corporates	
	2012	2011	2012	2011	2012	2011
France (including overseas territories)	40.7%	36.3%	27.3%	32.3%	25.4%	24.7%
Western Europe excluding Italy	15.8%	10.7%	37.2%	34.9%	28.4%	26.9%
Central and South America	1.8%	3.0%	0.8%	1.0%	4.1%	4.7%
Italy	0.4%	1.2%	1.8%	1.7%	4.3%	3.9%
Asia and Pacific (excluding Japan)	3.8%	5.3%	9.0%	9.1%	11.9%	12.1%
Africa and Middle-East	0.8%	1.4%	4.4%	3.9%	5.7%	6.7%
North America	25.2%	34.2%	11.4%	10.0%	12.9%	13.1%
Eastern Europe	0.5%	1.0%	1.9%	2.0%	4.8%	5.3%
Japan	9.1%	5.9%	6.2%	5.1%	2.5%	2.6%
Other	1.9%	1.0%	0.0%	0.0%	0.0%	0.0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

◆ Exposures by industry

The analysis covers the total amount of exposures by economic sector within the Crédit Agricole CIB Group, excluding exposure under standardized approach, securitisation transactions and adjustments not directly affectable to a geographic area.

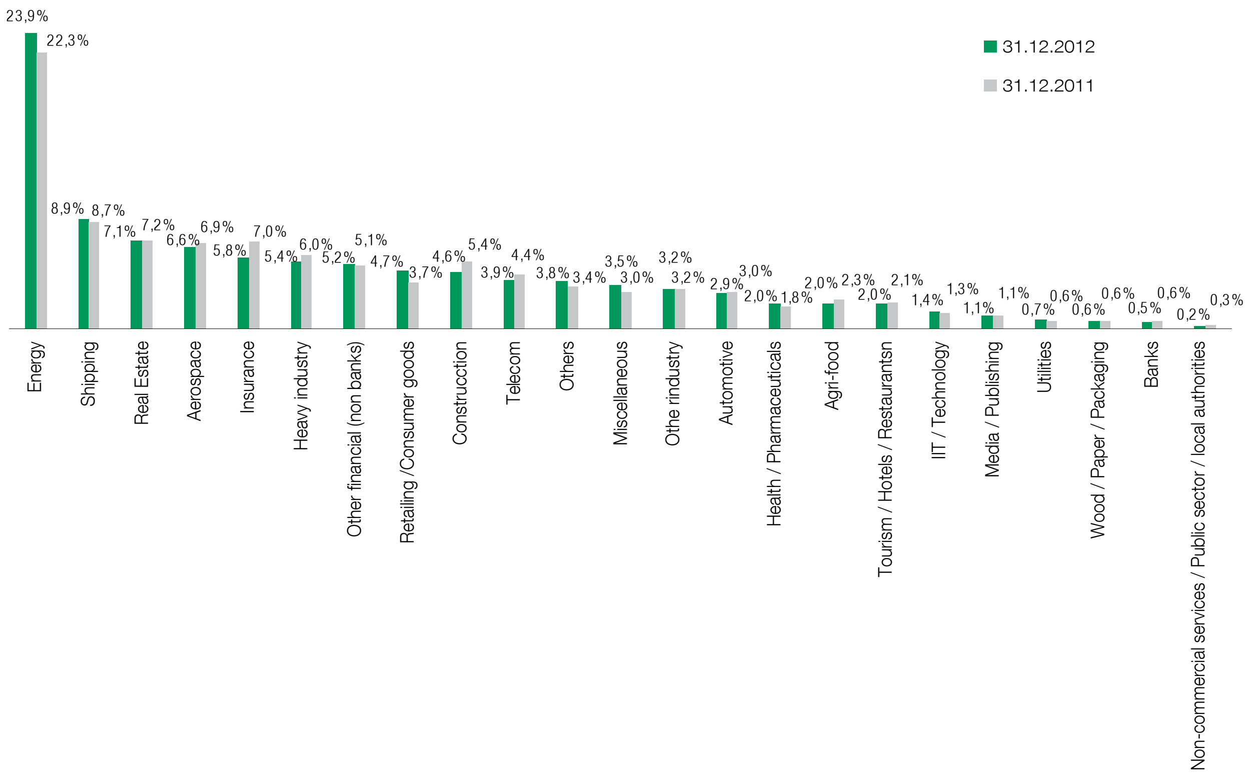
At 31 December 2012, total exposures amounted to €367 billion euros compared with €373 billion at 31 December 2010)

Industry analysis of exposures – all categories of exposures



The analysis of the loan book by industry shows a well diversified risk. Banks and other non-bank financial activities make up 37 % of the total portfolio. Excluding other non-bank financial activities, the Corporate portfolio shows a satisfactory diversification level, with the main economic sector being Energy (13%)

Industry analysis of exposures – Corporate



Contractual maturity analysis of exposures

The contractual maturity analysis of exposures and by financial instruments is available, on an accounting basis, in note 3.3 to the consolidated financial statements “Liquidity and financing risk”.

Quality of exposure

◆ Quality of exposure by type of customer

€ million	31.12.2012					
	Gross exposure	Impaired exposure			Individual value adjustments	Collective value adjustments
		Standardised approach	IRB approach	Total		
Central governments and central banks	87,739	36	17	52	27	
Institutions	96,993	12	607	619	606	
Corporates	215,049	15	2,966	2,982	1,884	
Retail customers	7,674	0	693	693	60	
Total	**407,455**	**63**	**4,283**	**4,346**	**2,577**	**1,195**

€ million	31.12.2011					
	Gross exposure	Impaired exposure			Individual value adjustments	Collective value adjustments
		Standardised approach	IRB approach	Total		
Central governments and central banks	77,031	59	25	84	35	
Institutions	97,320	22	557	579	618	
Corporates	241,632	39	2,319	2,358	1,710	
Retail customers	7,665	0	756	756	79	
Total	**423,648**	**120**	**3,657**	**3,777**	**2,440**	**1,410**

◆ Quality exposure by geographical area

€ million	2012		2011
	Standardised approach Past due exposure[1]	IRB approach Exposure at default	IRB approach Exposure at default
Western Europe excluding Italy	63	1,269	1,036
Italy		564	578
Eastern Europe		274	278
North America		464	385
Central and South America		806	771
Asia and Pacific (excluding Japan)		625	465
Japan		180	98
Africa and Middle-East		101	45
Total	**63**	**4,283**	**3,657**

[1] More than 90 days past due.

Quality of exposure

◆ Quality of exposure by type of customer standardised approach

Credit valuation under the standardised approach

When no external credit valuation is available, Crédit Agricole CIB uses the French Prudential Supervisory Authority weighting.

The Crédit Agricole CIB Group also cross-references external credit evaluations with the various credit quality steps published by the French Prudential Supervisory Authority.

For the Central Governments/Central Banks and Corporates categories, under the standardised approach, the Crédit Agricole CIB Group has chosen to use Moody's evaluations to assess sovereign risk, along with French Prudential Supervisory Authority's table to cross-reference with credit quality steps.

As regards Corporates, the Group does not use external credit evaluation organisations. Corporates are weighted at 100% or 150% when exposures to government of the country in which the company is established is weighted at 150%, in accordance with regulations. As a result, it is not possible to break down corporate exposures by credit quality step using the standardised approach.

◆ Credit quality step analysis of exposures and exposure at default (EAD)

Central government and central banks

€ million Weightings	31.12.2012		31.12.2011	
	Exposures	EAD	Exposures	EAD
0%	2,942	2,879	27,499	27,392
20%			5	5
50%	2	2		
100%	35	1	151	151
Total	**2,979**	**2,882**	**27,655**	**27,547**

Institutions

€ million Weightings	31.12.2012		31.12.2011	
	Exposures	EAD	Exposures	EAD
0%	1,712	1,466		
20%	15,375	15,272	11,822	11,458
50%	61	61	7	7
100%	12	12	28	15
150%				
Total	**17,160**	**16,811**	**11,857**	**11,480**

◆ Exposure under the IRB approach

Presentation of the internal rating system and procedure

Internal rating systems and procedures are presented in the "Risk factors - Credit risk - Risk measurement methods and system" section of the "Risk factors and Pillar 3" chapter on pages 114 to 116.

Credit risk exposure by category of exposure and internal rating at 31 December 2012 (excluding defaulted exposure)

€ million	Internal obligor rating	Average proba-bility of default	Gross exposure	EAD	EAD (Balance sheet)	EAD hors-bilan	RWA	Average LGD	Ave-rage RWA	Expected Loss (EL)
Central govern-ments and central banks	A+	0	73,095	74,258	73,597	665	-	1%	0%	-
	A	0,0001	3,512	3,496	3,215	281	5	1%	0%	-
	B+	0,0002	1,446	1,418	1,360	58	7	4%	0%	-
	B	0,0006	2,314	2,475	2,409	66	13	1%	1%	-
	C+	0,0016	1,168	1,095	822	272	262	32%	24%	1
	C	0,003	1,628	516	215	301	133	24%	26%	-
	C-	0,006	473	405	382	22	121	21%	30%	1
	D+	0,0075	502	389	355	34	324	43%	83%	1
	D	0,0125	60	19	3	16	20	45%	109%	-
	D-	0,019	211	151	151	-	197	45%	130%	1
	E+	0,05	188	30	20	10	70	59%	237%	1
	E	0,12	18	-	-	-	1	60%	310%	-
	E-	0,2	127	66	65	-	316	78%	482%	10
Sub-total			**84,742**	**84,318**	**82,594**	**1,725**	**1,469**	**15**		**15**
Institutions	A+	0	46,616	36,273	33,162	3,112	855	11%	2%	-
	A	0,0001	-	-	-	-	-	0%	0%	-
	B+	0,0002	-	-	-	-	-	0%	0%	-
	B	0,0006	15,278	14,628	13,195	1,433	995	19%	7%	1
	C+	0,0016	7,447	6,448	5,884	563	1 455	30%	23%	3
	C	0,003	4,294	3,785	3,076	709	1 178	31%	31%	8
	C-	0,006	2,618	2,101	1,885	216	806	24%	38%	3
	D+	0,0075	956	540	204	336	291	34%	54%	1
	D	0,0125	686	553	470	83	308	24%	56%	2
	D-	0,019	688	537	498	39	234	17%	44%	2
	E+	0,05	121	43	30	13	53	41%	124%	1
	E	0,12	2	8	7	1	2	83%	27%	1
	E-	0,2	521	310	309	1	925	50%	298%	31
Sub-total			**79,227**	**65,226**	**58,720**	**6,506**	**7,102**			**53**

€ million	Internal obligor rating	Average probability of default	Gross exposure	EAD	EAD (Balance sheet)	EAD hors-bilan	RWA	Average LGD	Average RWA	Expected Loss (EL)
Corporate	A+	0	33,191	40,015	24,050	15,966	1,151	24%	3%	-16
	A	0,0001	-	-	-	-	-	0%	0%	-
	B+	0,0002	-	-	-	-	-	0%	0%	-
	B	0,0006	42,483	32,968	13,410	19,558	5,156	37%	16%	6
	C+	0,0016	33,966	27,032	17,848	9,184	7,874	33%	29%	14
	C	0,003	34,323	24,933	17,803	7,130	9,491	32%	38%	22
	C-	0,006	23,492	16,819	12,536	4,283	9,526	30%	57%	29
	D+	0,0075	10,474	7,782	5,651	2,130	5,130	34%	66%	19
	D	0,0125	9,586	6,905	5,250	1,655	5,205	31%	75%	26
	D-	0,019	6,133	4,333	3,572	761	3,862	32%	89%	26
	E+	0,05	2,076	1,865	211	2,070	2,070	28%	100%	29
	E	0,12	1,047	956	890	66	977	23%	102%	27
	E-	0,2	2,106	1,763	1,517	246	3,184	31%	181%	109
Sub-total			**200,006**	**165,582**	**104,392**	**61,190**	**53,626**			**291**
Retail Customers	A+	0,03	425	425	425	-	1	4%	0%	-
	A	0,06	-	-	-	-	-	0%	0%	-
	B+	0,06	-	-	-	-	-	0%	0%	-
	B	0,13	2,186	2,185	2,184	1	21	6%	1%	-
	C+	0,25	2,855	2,854	2,850	5	62	8%	2%	-
	C	0,48	995	995	995	-	66	11%	7%	-
	C-	0,8	279	279	279	-	46	20%	17%	-
	D+	1,12	-	-	-	-	-	0%	0%	-
	D	1,92	-	-	-	-	-	0%	0%	-
	D-	3,84	95	95	95	-	49	39%	51%	1
	E+	10,06	-	-	-	-	-	0%	0%	-
	E	18,5	141	141	141	-	56	21%	40%	4
	E-	60,5	5	5	4	-	5	39%	101%	-
Sub-total			**6,981**	**6,979**	**6,973**	**6**	**306**			**5**
Total			**370,956**	**322,105**	**252,679**	**69,427**	**62,503**			**364**

Credit risk mitigation techniques

Definitions:

- Collateral: a security interest giving the bank the right to liquidate, keep or obtain title to certain amounts or assets in the event of default or other specific credit events affecting counterparty, thereby reducing the credit risk on an exposure;
- Guarantee: undertaking by a third party to pay the sum due in the event of the counterparty's default or other specific credit events, therefore reducing the credit on an exposure.

◆ Collateral management

The main categories of collateral taken by the bank are described in the section of the management report entitled "Risk factor - Credit Risk – Guarantees and Collateral Received" of the "Risk factors and Pillar 3" chapter on page 117.

Collateral is analysed when granted to assess the value of the asset, its volatility and the correlation between the value of the collateral and the quality of the counterparty financed. Regardless of collateral quality, the first criteria in the lending decision is always the borrower's ability to repay sums due from cash flow generated by its operating activities, except for some commodities financing.

For financial collateral, a minimum exposure hedging rate is usually included in the loan contract, with readjustment clauses. Financial collateral is revalued according to remargining and marking-to-market frequency and at least quarterly.

The minimum exposure hedging rate (or the haircut applied to the value of the collateral under Basel II) is determined by measuring the pseudo-maximum deviation of the value of the securities on the revaluation date. This measurement is calculated on a 99% confidence interval over a time horizon covering the period between each revaluation, the period between the date of default and the date on which asset liquidation starts, and the duration of the liquidation period. A haircut is also applied for currency mismatch risk when the collateral and the collateralised exposure are denominated in different currencies. Additional haircuts are applied when the size of the securities position implies a block sale or when the borrower and the issuer of the collateral securities belong to the same group.

Other types of asset may also be pledged as collateral. This is notably the case for certain activities such as aircraft, shipping or commodities financing.

◆ Protection providers

Two major types of guarantee are used (other than intra-group guarantees):

- export credit insurance taken out by the bank;
- unconditional payment guarantees.

The main guarantee providers (excluding credit derivatives) are export credit agencies, most of which enjoy a good quality sovereign rating. The largest are Coface (France), Sace SPA (Italy), Eurler Hermès (Germany) and Korea Export Insur (Korea).

◆ Credit derivatives used for hedging

Credit derivatives used for hedging are described in the "Risk factors - Credit risk - Use of credit derivatives" section of "Risk factors and Pillar 3" chapter on page 118.

Securitisation

◆ Definition

Crédit Agricole CIB Group carries out securitisation transactions as an originator, arranger and investor according to the Basel 2.5 criteria.

The securitisation transactions listed below are transactions as defined in the decree of 20 February 2007, transposing the European Capital Requirements Directive (CRD) into French law. They cover operations or structures under which the credit risk associated with an exposure or pool of exposures is sub-divided into tranches with the following features:

- payments depend on collected cash flows realised from the underlying exposure or pool of exposures ;
- subordination of the tranches determines how losses are allocated during the period of the operation or structure.

Securitisation transactions include:

- traditional securitisations: imply the economic transfer of the securitised exposures to a special purpose vehicle that issues notes. The operation or structure implies the transfer of ownership in the securitised exposures by the originating bank or via a sub-participation. The notes issued do not represent payment obligations for the originating bank;
- synthetic securitisations: the credit risk is transferred through the use of credit derivatives or guarantees and the pool of exposures is kept on the balance sheet of the originating bank.

The securitisation exposure of Crédit Agricole CIB, described below, includes all securitisation exposure (in the balance sheet and off-balance sheet) resulting in Risk-Weighted Assets (RWA) and capital requirements as part of its regulatory portfolio, using the following typology:

- Effective originator programmes in the sense of Basel 2.5, in so far as there is a significant transfer of risk;
- Programmes as arranger/sponsor in which the Group has retained some positions;
- Programmes issued by third parties in which the Group has invested.

It should be noted that the majority of securitisation transactions on behalf of European clients involve Ester Finance Titrisation, a banking entity 100% owned by Crédit Agricole CIB, which finances the purchase of receivables. By definition, when conducting securitisation transactions on behalf of clients using this structure, those transaction are classified as originator.

Aim and strategy

Proprietary securitisations

Crédit Agricole CIB securitisation operations are the following ones:

Active Credit Portfolio Management

This activity consists in using securitisation and credit derivatives to manage the credit risk in the corporate financing portfolio. It is based on the purchase of credit derivatives on single exposure (see section on Risk Management - Risk Factors and Pillar 3 - Credit Risk section- Use of credit derivatives) and on the purchase of first losses protections on assets portfolios to reduce risk on the one hand, on credit derivatives sales and senior tranches of other exposures purchase to diversify risk on the other hand.

Such credit risk management is aimed at reducing the concentration of outstanding loans to companies, freeing up resources to favour origination and cutting loss levels. This business is managed by the Credit Portfolio Management (CPM) team. The Supervisory Formula Approach is used to calculate the risk weighted exposures on proprietary securitisation positions. In this business, the Bank does not systematically purchase protection on all tranches, as the management goal is to cover certain of the more risk-exposed financing portfolio tranches whilst keeping part of the overall risk.

Discontinuing operations

It corresponds to equity investments which are either discontinuing operations or exposures for which the risk is considered to be low and that Crédit Agricole CIB is willing to carry for the long term, and which, in 2009, were segregated into a dedicated prudential banking book. These operations do not generate market risk.

Securitisation transactions carried out on behalf of customers as arranger/ sponsor, intermediary or originator

The securitisation transactions carried out on behalf of customersby Crédit Agricole CIB through its Fixed Income Markets activities result in the issue of liquidity facilities and, where necessary, guarantees to specific entities ("ABCP conduits"). These specific entities are bankruptcy-remote and are not consolidated by the Group with respect to the SIC12 criteria of standard IAS 27, applicable as at 31 December 2012.

Activities carried out as arranger/sponsor

Short-term refinanced transactions

This short-term activity constitutes economic working capital requirement (WCR) financing solutions provided by Crédit Agricole CIB to its main customers. The underlying assets are mainly commercial or financial loans.

At 31 December 2012, two non-consolidated multi-seller ABCP conduits (LMA and Atlantic) were sponsored by Crédit Agricole CIB and dedicated to transactions on behalf of customers. These entities obtain financing on the local market by issuing commercial and other short-term paper.

The sponsoring business is limited to transactions not involving Ester Finance Titrisation.

The amount committed to liquidity facilities granted to LMA and Atlantic amounted to €9.9 billion (€3.4 billion for LMA and €6.5 billion for Atlantic) at 31 December 2012.

The Securitisation business has never sponsored any SIVs (Structured Investment Vehicles).

Medium and long-term refinanced transactions

In Europe and the US, Crédit Agricole CIB's structuring platform remained active and continued to offer financing solutions to customers, using products adapted to current constraints in terms of risk and liquidity.

These solutions may include the implementation of liquidity facilities granted to non-consolidated funds (Special Purpose Vehicles and/ or conduits) receiving customers' securitised assets. All of these facilities, along with a few retained residual positions, amounted to €1.9 billion euros at 31 December 2012.

Intermediary activities

Crédit Agricole CIB participates in pre-securitisation financing, in structuring and in the placement of securities backed by client asset pools and to be placed with investors.

In this business, the Bank retains a relatively low risk via the possible contribution of back-up lines to securitisation vehicles or via a share of the notes issued.

Activities carried out as originator

They follow the same economic logic as sponsoring activities, but with the following specificities :

- they apply only to structured transactions in Europe;
- the assets are bought by Ester Finance Titrisation before being refinanced via the LMA or Atlantic conduits.

The amount committed to liquidity facilities granted to LMA in this role stood at €6.3 billion at 31 December 2012.

Risk monitoring and accounting

Risk monitoring

Development, design, targeting securitisation transactions are periodically reviewed as part of Portfolio Committees Strategies specific to these activities and the country which they relate.The risk of securitisation transactions is measured by the ability of the assets being transferred to funding structures to generate sufficient flows to cover the costs (mainly financial) of such structures.

Crédit Agricole CIB's securitisation exposures are dealt with using the methods of the IRB Securitisation framework, namely:

- A Rating Based Approach (RBA) for exposures that have been awarded (directly or through an inferred rating) a public independent rating from agencies approved by the European Supervisory Committee. The independent organisations used are Standard & Poors, Moody's, Fitch Ratings and Dominion Bond Rating Services DBRS;
- An Internal Assessment Approach (IAA): the bank's internal rating system that has been approved by the Crédit Agricole S.A. Standards and Methods Committee for all main asset classes (especially trade receivables) whenever there is no agency rating for the exposure in question;

- A Supervisory Formula Approach (SFA) for all remaining cases where there is no independent public rating and when it is not possible apply the IAA method for exposures that have no independent public rating.

These ratings incorporate all types of risk resulting from these securitisation transactions: the intrinsic risk of receivables (debtor insolvency, late payment, dilution, offsetting of receivables) and transaction structuring risk (legal risks, risks relating to receivables collection circuits, risks relating to the quality of the information provided by the managers of the receivables sold etc.).

When critically examined, these ratings are simply a tool to help the decision-making process for these transactions, decisions that are taken by credit committees operating at various levels.

These credit decisions give all transactions, which are reviewed at least every year by these same committees, various limits as the portfolio is acquired (rate of arrears, rate of loss, rate of sectorial or geographical concentration, rate of receivable dilution or periodic valuation of assets by independent assessors etc.). Failure to comply with these limits could result in a tightening of the structure or early amortisation of the transaction.

These credit decisions also include, in liaison with the Bank's other credit committees, assessment of the risk in connection to the seller of the receivable and the possibility of replacing this seller with another manager in the event of any management default.

As with any credit decision, these decisions include compliance and «country risk» dimensions.

✦ Accounting methods

As part of our securitisation transactions we carry out a derecognition analysis with regard to IAS 39 (the criteria for which are listed in note 1.3 on accounting principles and methods used in the consolidated financial statements).

With synthetic securitisations, assets are not derecognised insofar as the assets remain under the control of the establishment. The assets continue to be recognised on the basis of their classification and their original valuation method (see note 1.3 on the accounting principles and methods used in the consolidated financial statements for the methods for classifying and valuing financial assets).

Crédit Agricole CIB does not make any traditional securitisation of financial assets for its own account. In addition, investments into securitisation instruments (cash or synthetic) are recognised on the basis of their classification and their associated valuation method (see note 1.3 on the accounting principles and methods used in the consolidated financial statements for the methods for classifying and valuing financial assets).

◆ 2012 business review

In 2012 Crédit Agricole CIB securitisation operations were characterised by:

- The support of government ABS market development in the United-States and its reopening in Europe. Crédit Agricole CIB structured and organised the investment (as arranger and book runner) of a significant number of primary ABS issues on behalf of its customers Financial Institutions notably in the car industy and Consumer Financing.
- Regarding ABCP conduits, Crédit Agricole CIB maintained its position among the leaders in Europe and in the American market through the renewal or the implementation of new securitisation transactions for commercial or financial receivables mostly on behalf of its Corporate in line with the bank's risk profile. The Crédit Agricole CIB strategy which aims at financing the client is well known among investors and permitted still attractive financing conditions for the bank's customers.

✦ Values exposed to the Banking Book securitisation risks and generating RWA in the IRB approach

Underlying assets (€ million)

Underlying assets (€ million)	EAD securitized on 31.12.2012						
	Classic			Synthetic			
	Investor	Originator	Sponsor	Investor	Originator	Sponsor	TOTAL
Residential mortgages							864
Commercial mortgages	68	61	264	56	-	-	449
Credit cards	1	-	-	-	-	-	1
Leasing	-	-	1,456	-	-	-	1,456
Loans to medium and small companies	516	466	-	26,078	2,031	-	29,090
Consumer loans	16	11	2,338	-	-	-	2,365
Advances to customers	-	7,321	3,751	-	-	-	11,073
Re-securitisation	318	221	39	128	5	-	711
Other assets	380	349	3,864	1,018	-	-	5,611
Total	**1,701**	**8,429**	**11,982**	**27,472**	**2,036**	**-**	**51,620**

Exposure to securitisation by risk weighting approach

Underlying assets (€ million)	EAD securitized on 31.12.2012			
	SFA	IAA	RBA	TOTAL
Residential mortgages				864
Commercial mortgages	-	-	449	449
Credit cards	-	-	1	1
Leasing	-	1,393	64	1,456
Loans to medium and small companies	27,851	-	1,240	29,090
Consumer loans	-	1,778	587	2,365
Advances to customers	101	10,971	-	11,073
Re-securitisation	-	-	711	711
Other assets	2,180	1,765	1,665	5,611
Total	**30,132**	**15,907**	**5,581**	**51,620**

Exposure to securitisation by risk weighting

€ million	31.12.2012	31.12.2011
Exposure at risk	**51,620**	**56,377**
Methodology based on external ratings	**5,581**	**7,783**
Weighting 6-10 %	2,548	4,818
Weighting 12-35 %	1,984	1,163
Weighting 40-75 %	384	547
Weighting 100-650 %	580	1,183
Weighting = 1250 %	85	73
Internal Rating-Based approach	**15,907**	**14,418**
Average weighting (%)	9,98	11,03
Regulatory formula approach	**30,132**	**34,177**
%	*7,67*	*8,85*
Risk-weighted assets	**6,860**	**8,073**
Capital requirements	**549**	**646**

On 31 December 2012, exposure to securitisation transactions on own account and on behalf of customers amounted to €31,853 million on own account and €19,767 million on behalf of customers.

On 31 December 2012, residual exposure held deductible from Basel 2.5 capital amounted to €714 million.

Exposure to equity investments

Equity investments owned by Crédit Agricole CIB outside the trading book are made up of securities “that give residual and subordinated rights to the assets or income of the issue or that are of a similar economic nature”.

They mainly consist of:

- listed and unlisted equities and shares in investment funds;
- implied options in convertible bonds and mandatory convertible bonds;
- equity bonds;
- deeply subordinated notes.

Equity exposures by exposure category

€ million	31.12.2012				31.12.2011			
	Exposures	EAD	RWA	Capital require-ments	Exposures	EAD	RWA	Capital require-ments
Internal rating-based approach	**1,335**	**705**	**2,385**	**191**	**887**	**691**	**2,292**	**183**
Private equity exposures held in sufficiently diversified portfolios	10	10	19	1	22	22	42	3
Exposures to listed equities	323	256	742	59	286	282	819	65
Other equity exposures	1,002	439	1,624	131	579	387	1,432	115
Standardised approach	**433**	**375**	**375**	**30**	**423**	**372**	**373**	**30**
Total	**1,768**	**1,080**	**2,760**	**221**	**1,310**	**1,063**	**2,664**	**213**

The total amount of capital gains realized on sales in 2012 was €155 million.

The total amount of unrealized gains and losses recorded directly in shareholders' equity was €217 million at 31 December 2012 (before tax).

Unrealized gains included in Tier I or Tier II capital totalled €232 million at 31 December 2012.

Market risks

Internal model-based method for measuring and managing market risks

The internal model-based methods for measuring and managing market risks are described in the "Risk factors - Market risks" section of the "Risk factors and Pillar 3" chapter, on page 123.

Measurement policies and procedures used for the trading book

Measurement rules used for trading book items are presented in note 1.3 to the financial statements, "Significant accounting policies".

Measurement models undergo periodic examination, as described in the "Risk factors - Market risks" section of the "Risk factors and Pillar 3" chapter, on page 123.

Global interest-rate risk

The type of interest-rate risk, the main assumptions used and the frequency with which interest-rate risk is measured are presented in the "Risk factors - Global interest-rate risk" section of the "Risk factors and Pillar 3" chapter, on page 131

Operational risks

Method for calculating capital using the advanced approach

The scope of application of the advanced and standardised approaches, and the description of the advanced approach, are presented in the "Risk factors - Operational risks" section of the "Risk factors and Pillar 3" chapter, on page 135.

Insurance techniques for mitigating operational risk

Insurance techniques for mitigating operational risk are presented in the "Risk factors - Insurance and hedging of operational risks" section of the "Risk factors and Pillar 3" chapter, on page 136.

6 CONSOLIDATED FINANCIAL STATEMENTS

Approved by the Board of Directors in its meeting of 14 February 2013 and put to shareholders for their approval in the 30 April 2013 shareholders'meeting

The consolidated financial statements consist of the general framework, the consolidated financial statements and the notes to the consolidated financial statements

GENERAL BACKGROUND

➢ LEGAL PRESENTATION OF CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

Corporate's name: Crédit Agricole Corporate and Investment Bank

Trading names: Crédit Agricole Corporate and Investment Bank - Crédit Agricole CIB - CACIB

Adress and registered office:
9, quai du Président Paul Doumer
92920 Paris La Défense Cedex - France.

Registration number: 304 187 701, Nanterre Trade and Companies Registry

Code NAF : 6419 Z (APE)

Corporate form:
Crédit Agricole Corporate and Investment Bank is a French Societé Anonyme (joint stock corporation) with a Board of Directors, governed by the laws and regulations applicable to credit institutions and joint stock corporations and by its Articles of Association.

Since December 2011, Crédit Agricole Corporate and Investment Bank is affiliated with Crédit Agricole S.A. according to the Code monétaire et financier

Share Capital:

EUR 7.254.575.271

➢ RELATED PARTIES

Parties related to Crédit Agricole CIB are companies of Crédit Agricole S.A. Group, companies of Crédit Agricole Group that are fully consolidated, proportionately consolidated or accounted for using the equity method, and Senior Executives of the Group.

The information provided below is supplemented by the information given in the Statutory Auditors' special report on regulated agreements on page 285.

Relations with Crédit Agricole S.A. Group

On-and off-balance sheet amounts representing transactions between the Crédit Agricole CIB Group and the rest of the Crédit Agricole S.A. Group are summarized in the following table:

€ million	31.12.2012
ASSETS	
Loans and advances	12,147
Derivatives financial instruments held for trading	43,236
LIABILITIES	
Loans and advances	16,150
Derivatives financial instruments held for trading	40,661
Subordinated debts	4,648
Preferred shares	417
FINANCING COMMITMENTS	
Other guarantees given	668
Guarantees received	556
Other guarantees received	3,495

The outstandings of loans and advances represent cash relations between Crédit Agricole CIB and Crédit Agricole S.A.

The outstandings of derivatives instruments held for trading mainly represent Crédit Agricole Group interest-rate hedging transactions arranged by Crédit Agricole CIB in the market.

Information concerning preferred shares appears in note 6.17.

Relations between consolidated companies of Crédit Agricole CIB Group

A list of the Crédit Agricole CIB Group's consolidated companies can be found in note 12.

Transactions realised between two fully consolidated entities are fully eliminated.

Outstandings at year-end between fully consolidated and proportionally consolidated companies are only eliminated to the extent of the interests held by group shareholders. The remaining balances are included in Crédit Agricole CIB's consolidated financial statements. At 31 December 2012, non-eliminated outstandings with UBAF and Newedge on the balance sheet were as follows:

- Due from banks:
  €598 million
- Due to banks:
  €514 million
- Securities sold under repurchase agreements
  €119 million

Outstandings at year-end between fully consolidated companies and proportionately consolidated companies are not eliminated in the Group's consolidated financial statements.

At 31 December 2012, Credit Agricole PARIS non-eliminated outstandings with its partner BSF (Bank Saudi Fransi) on and off the balance sheet are:

- Derivative financial assets held for trading:
  €177 million
- Derivative financial liabilities held for trading:
  €194 million
- Other guarantees received:
  €106 million

Relations with executive officers and senior management

Detailed information on senior management compensation is provided in note 7.7 «Executive officers' compensation».

Consolidated income statements

➤ INCOME STATEMENT

€ million	Notes	31.12.2012	31.12.2011[2]	31.12.2011 Published
Interest receivable and similar income	4.1	5,618	5,675	5,735
Interest payable and similar expense	4.1	(2,966)	(3,592)	(3,608)
Fee and commission income	4.2	2,219	3,295	3,961
Fee and commission expense	4.2	(1,127)	(1,566)	(1,708)
Net gains/ (losses) on financial instruments at fair value through profit and loss	4.3	296	1,768	1,782
Net gains/ (losses) on available-for-sale financial assets	4.4, 6.4	23	(205)	(212)
Income related to other activities	4.5	93	64	66
Expenses related to other activities	4.5	(95)	(130)	(130)
NET BANKING INCOME		**4,061**	**5,309**	**5,886**
Operating expenses	4.6, 7.1, 7.4, 7.6	(3,203)	(3,344)	(3,999)
Depreciation, amortization and impairment of property, plant and equipment and intangible asset	4.7	(136)	(118)	(153)
GROSS OPERATING INCOME		**722**	**1,847**	**1,734**
Cost of risk	4.8	(467)	(507)	(507)
NET OPERATING INCOME		**255**	**1,340**	**1,227**
Share of net income of affiliates	2.2	164	134	133
Net income on other assets	4.9	44	2	2
Goodwill	2.4	(483)	(295)	(295)
PRE-TAX INCOME		**(20)**	**1,181**	**1,067**
Income tax	4.10	23	(409)	(387)
Net income of discontinuing or held-for-sale activities	6.14	(381)	(92)	
NET INCOME		**(378)**	**680**	**680**
Minority interests		11	(2)	(2)
NET INCOME - GROUP SHARE		**(389)**	**682**	**682**
Earnings per share (in €) [1]	6.17	(1,49)	2,87	2,87
Diluted earnings per share (in €) [1]	6.17	(1,49)	2,87	2,87

[1] Correspond to the income including net income from discontinuing activities

[2] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

➢ NET INCOME AND GAINS/ (LOSSES) RECOGNISED DIRECTLY IN EQUITY

€ million	Notes	31.12.2012	31.12.2011[(1)]
Net Income - Group Share		**(389)**	**682**
Gains/ (losses) on currency translation adjustment		(41)	139
Gains/ (losses) on available for-sale-assets		65	(3)
Gains/ (losses) on derivative hedging instruments		122	149
Actuarial gains/ (losses) on post-employment benefits		(88)	(40)
Gains/ (losses) recognised directly in equity, Group share without affiliates		**58**	**245**
Share of net gains/ (losses) recognised directly in equity of affiliates		(20)	54
Total gains/ (losses) recognised directiy in equity, Group share	4.11	**38**	**299**
Net income and gains/ (losses) recognised directly in equity, Group share		**(351)**	**981**
Net income and gains/ (losses) recognised directly in equity, minorities interests		6	46
Net income and gains/ (losses) recognised directly in equity		**(345)**	**1,027**

(1) The pro forma adjustments as regards the discontinuing or held-for-sale activities has no impact on 31 December 2011 display.

Amounts are disclosed after tax.

➤ ASSETS

€ million	Notes	31.12.2012	31.12.2011
Cash, due from central banks	6.1	37,505	21,867
Financial assets at fair value through profit or loss	6.2, 6.8	583,497	462,043
Derivative hedging instruments	3.2, 3.4, 6.3	1,842	1,639
Available-for-sale financial assets	6.4, 6.6, 6.7	30,084	14,264
Due from banks	3.1, 3.3, 6.5, 6.7	65,596	79,570
Loans and advances to customers	3.1, 3.3, 6.5, 6.7	122,508	168,216
Held-to-maturity financial assets	6.10	33	23
Valuation adjustment on portfolios of hedged items			
Held-to-maturity financial assets	6.12	2,354	2,710
Current and deferred tax assets	6.13	55,061	71,917
Accruals, prepayments and sundry assets	6.14	3,858	
Investments in affiliates	2.2	1,369	1,263
Investment property			2
Property, plant and equipment	6.15	466	703
Intangible assets	6.15	159	171
Goodwill	2.4	958	1,616
TOTAL ASSETS		**905,290**	**826,004**

➢ LIABILITIES AND SHAREHOLDERS' EQUITY

€ million	Notes	31.12.2012	31.12.2011
Due to central banks	6.1	1,057	81
Financial liabilities at fair value through profit and loss	6.2	609,429	466,678
Derivative hedging instruments	3.2, 3.4	1,063	1,602
Due to banks	3.3, 6.9	58,760	86,894
Customer accounts	3.1, 3.3, 6.9	121,161	157,613
Debt securities in issue	3.2, 3.3, 6.11	31,102	25,036
Valuation adjustment on portfolios of hedged items		109	13
Current and deferred tax liabilities	6.12	547	514
Accruals, deferred income and sundry liabilities	6.13	55,504	61,888
Liabilities associated with non-current assets held for sale	6.14	3,551	
Insurance companies' technical reserves		11	7
Reserves	6.16	1,359	1,369
Subordinated debt	3.2, 3.3, 6.11	5,970	8,183
Total debt		**889,623**	**809,878**
Shareholders'equity			
Shareholders' equity, Group share		15,131	15,567
Share capital and reserves		8,160	7,513
Consolidated reserves		6,585	6,635
Gains/ (losses) recognised directly in equity		775	737
Net income for the year		(389)	682
Minority interests		536	559
Total shareholders' equity		**15,667**	**16,126**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**905,290**	**826,004**

➢ CHANGE IN SHAREHOLDERS' EQUITY

€ million	Share capital and reserves			Retained earnings, Group share	Total gains/ (losses) recognised directly in equity	Net income Group share	Total Equity, Group share	Minority interests Share capital	Total share-holders' equity premiums and reserves
	Share capital	Share premiums and reserves	Elimination of treasury shares						
Shareholders' equity at 1st January 2011	**6,056**	**8,112**		**14,168**	**438**		**14,606**	**704**	**15,310**
Capital increase[1]	719	236		955			955	(5)	950
Change of auto-held securities									
Dividends paid in 2011		(955)		(955)			(955)	(29)	(984)
Impact of acquisitions/ disposais on minority interests									
Movement related to stock options									
Movements related to shareholders' items	***719***	***(719)***						***(34)***	***(34)***
Change in gains/ (losses) recognised directly in equity					***245***		***245***	***48***	***293***
Share of change in equity of associates accounted for under the equity method					54		54		54
2011 net income						682	682	(2)	680
Other changes		(20)		(20)			(20)	(157)	(177)
Shareholders' equity at 31 December 2011	**6,775**	**7,373**		**14,148**	**737**	**682**	**15,567**	**559**	**16,126**
Appropriation of 2011 earnings		682		682		(682)			
Shareholders' equity at 1st January 2012	**6,775**	**8,055**		**14,830**	**737**		**15,567**	**559**	**16,126**
Capital increase[2]	480	168		648			648	11	659
Change of auto-held securities									
Dividends paid in 2012		(647)		(647)			(647)	(26)	(673)
Impact of acquisitions/ disposais on minority interests									
Movement related to stock options									
Movements related to shareholders' items	***480***	***(479)***		***1***			***1***	***(15)***	***(14)***
Change in gains/ (losses) recognised directly in equity					***58***		***58***	***(6)***	***52***
Share of change in equity of associates accounted for under the equity method					(20)		(20)		(20)
2012 net income						(389)	(389)	11	(378)
Other changes		(86)		(86) [3]			(86)	(13)[4]	(99)
Shareholders' equity at 31 December 2012	**7,255**	**7,490**		**14,745**	**775**	**(389)**	**15,131**	**536**	**15,667**

[1] In the second quarter of 2011, Crédit Agricole CIB proceeded to a €955 million capital increase with a share premium of €236 million.

[2] In the second quarter of 2012, Crédit Agricole CIB proceeded to a €648 million capital increase with a share premium of €168 million.

[3] Corresponds to the contributions of the entities of Private Banking (BGPI (now called CA Indosuez Private Banking), GPI (now called CA Indosuez management), and SCI La Baume recognised at book value within the framework of a grouping under common control.

[4] Crédit Agricole CIB proceeded to the deconsolidation of three SPV : LDF 65 for -€7 million, INCA SARL for -€6 million and LYANE BV -€0.2 million.

Consolidated reserves mainly include undistributed profits from prior years, amounts arising from the first-time application of IFRS, and consolidation adjustments.

Amounts deducted from shareholders' equity and transferred to the income statement and that relate to cash flow hedges are included under net banking income.

➢ CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

Operating activities are Crédit Agricole CIB's revenue generating activities. Tax inflows and outflows are included in full within operating activities.

Investing activities show the impact of cash inflows and outflows associated with purchases and sales of investments in Consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic investments classified as available for sale.

Financing activities show the impact of cash inflows and outflows associated with shareholders' equity and long-term financing.

Net cash and cash equivalents include cash, debit and credit balances with central banks, and debit and credit sight balances with banks.

€ million	31.12.2012	31.12.2011
Pre-tax income	**(20)**	**1,067**
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	136	153
Impairment of goodwill and other non-current assets	483	294
Net charge to impairment	357	711
Share of net income of affiliâtes	(164)	(133)
Net loss/(gain) on investing activities	(89)	51
Net loss/(gain) on financing activities	129	296
Other movements	(341)	1,026
Total non-cash items included in pre-tax income and other adjustments	**511**	**2,398**
Change in interbank items	(9,500)	10,300
Change in customer items	10,770	(1,725)
Change in financial assets and liabilities	10,763	3,423
Change in non-financial assets and liabilities	10,943	(5,675)
Dividends received from affiliates	7	81
Taxes paid	403	1,042
Net decrease/(increase) in assets and liabilities used in operating activities	**23,386**	**7,446**
Change in discontinuing activities	(146)	
TOTAL net cash provided/(used) by OPERATING activities (A)	**23,731**	**10,911**
Change in equity investments(1)	(157)	826
Change in property, plant and equipment and intangible assets	80	(116)
Change in discontinuing activities	(3)	
TOTAL net cash provided/(used) by INVESTING activities (B)	**(80)**	**710**
Cash received from/(paid to) shareholders(2)	(11)	(33)
Other cash provided/(used) by financing activities(3)	(2,198)	(934)
Change in discontinuing activities	(1)	
TOTAL net cash provided/(used) by FINANCING activities (C)	**(2,210)**	**(967)**
Effect of exchange rate changes on cash and cash equivalents (D)	**(881)**	**588**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**20,560**	**11,242**
Opening cash and cash equivalents	**31,250**	**20,008**
Net gain/ (losses) on cash and central banks (assets and liabilities)*	21,783	18,638
Net gain/ (losses) on interbank sight balances (assets and liabilities)**	9,467	1,370
Closing cash and cash equivalents	**51,810**	**31,250**
Net gain/ (losses) on cash and central banks (assets and liabilities)*	36,445	21,783
Net gain/ (losses) on interbank sight balances (assets and liabilities)**	15,365	9,467
CHANGE IN NET CASH AND CASH EQUIVALENTS	**20,560**	**11,242**

(1) This line reflects the impact on treasury of the acquisition of BGPI securities (now entitled CA Indosuez Private Banking) from Crédit Agricole SA (payment related to the acquisition for -€211 million and a acquired treasury by Crédit Agricole CIB for €+36 million) and the impact of the disposals of CACIB Ukrainia and CACIB Turkey to Crédit Agricole SA (receipt related to the disposals for €118 million and a disposed treasury by Crédit Agricole CIB for -€104 million).

(2) The cash received from or paid to shareholders displays mainly the dividends paid to minority shareholders for €22 millions and the issue of capital shares of Alcor (now called Semeru CLSA Capital Partners) subscribed by external investors (€13 millions). The principal dividend payments come from Crédit Foncier de Monaco, CACIB Preferred Funding LLC I and II.

(3) No subordinated debt or bond issue in 2012. This line mainly displays the reimbursement of term subordinated debt to Crédit Agricole SA for €1,890 millions and associated interests payments.

* Composed of the net balance of «cash, due from central banks», excluding accrued interests, as disclosed in note 6.1 (including cash and cash equivalents from activities reclassified as held for sale)

** Composed of the net balance of «performing current accounts in debit and performing overnight accounts and advances» as disclosed in note 6.5 and of «current accounts in credit and overnight overdrafts and accounts» as disclosed in note 6.9 (excluding accrued interests)

Notes to the consolidated financial statements

NOTE 1 : ACCOUNTING PRINCIPLES AND POLICIES APPLICABLE, ASSESSMENTS AND ESTIMATED USED

1.1 Applicable standards and comparability

Pursuant to EC regulation 1606/2002, the parent-company financial statements were prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2012 as adopted by the European Union (the « carve-out » version) and use certain dispensations of IAS 39 as regards macro-hedge accounting.

The applicable standards are available on the European Commission website, at the following address:
http://ec.europa.eu/internal_market/accounting/ias/index_ en.htm

The standards and interpretations are identical to those used and described in the Group financial statements at 31 December 2011.

They have been supplemented by the provisions of those IFRS as endorsed by the European Union at 31 December 2012 and that must be applied in 2012 for the first time. They cover the following:

Standards, amendments or interpretations	Date of publication by the European Union	Date of the first application: financial years beginning as of
Amendment to IFRS 7 on additional disclosures for transfers of financial assets	22 November 2011 (EU No. 1205/2011)	1 January 2012
Amendment to IAS 12, regarding the recovery of underlying assets	11 December 2012 (EU No. 1255/12)	1 January 2012
Amendment to IFRS 1, on serious hyperinflation; new application guide for first-time adopters who have (or had) a functional currency affected by serious hyperinflation	11 December 2012 (EU No. 1255/12)	1 January 2012

The application of these new provisions had no material impact on income or shareholder's equity for the period.

Moreover, where the early application of standards and interpretations adopted by the European Union is optional for a period, this option is not selected by the Group, unless otherwise stated. This in particular applies to:

Standards, Amendments or Interpretations	Date of publication by the EuropeanUnion	Date of first- time application: financial year from
Amendment to IAS 1 regarding the presentation of other comprehensive income, breakdown of equity	5 June 2012 (UE No. 475/2012)	1 July 2012
Amendment to IAS 19 on Employee Benefits (Defined Benefit Plans)	5 June 2012 (UE No. 475/2012)	1 January 2013
IFRS 10 on the consolidated financial statements	11 December 2012 (UE No. 1254/12)	1 January 2014
IFRS 11 on partnerships	11 December 2012 (UE No. 1254/12)	1 January 2014
IFRS 12 on disclosures regarding equity holdings in other entities	11 December 2012 (UE No. 1254/12)	1 January 2014
IFRS 27 on the separate financial statements	11 December 2012 (UE No. 1254/12)	1 January 2014
Amended IAS 28 on investments in associates and joint ventures	11 December 2012 (UE No. 1254/12)	1 January 2014
IFRS 13 regarding fair value valuation	11 December 2012 (UE No. 1255/12)	1 January 2013
Amendments to IFRS 7 on disclosures regarding netting of financial assets and financial liabilities	13 December 2012 (UE No. 1256/12)	1 January 2013
Amendments to IFRS 32 on the presentation of netting of financial assets and financial liabilities	13 December 2012 (UE No. 1256/12)	1 January 2014

The Group does not expect other normative changes to produce a significant impact on the net income or equity.

As it is:

- the Amendment to IAS 1 permits a recyclable/non-recyclable distinction in other comprehensive income;
- the main change introduced by the amendment to IAS 19 is the obligation to recognise actuarial gains and losses on defined benefit plans in other comprehensive income and services costs in net income. Crédit Agricole CIB already applies this method (optional in the current version of IAS 19);
- the amendment to IAS 12 introduces a new measurement method for deferred tax Assets and Liabilities arising from temporary differences on certain re-valued assets. This approach does not affect the Group which has not opted for the method of revaluation of non-depreciable property, plant and equipment under IAS 16, nor of investment property under IAS 40;
- the amendment to IFRS 1 only applies to first-time adopters.

Impact studies regarding IFRS 10, IFRS 11, IFRS 12 and IFRS 13 are still ongoing.

Furthermore, standards and interpretations that have been published by the IASB, but not yet been adopted by the European Union, will become mandatory only as from the date of such adoption. The Group has not applied them as of 31 December 2012.

1.2 Presentation of financial statements

In the absence of a required presentation format under IFRS, Crédit Agricole CIB complete set of financial statements (balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement) has been presented in the format set out in CNC Recommendation 2009-R-04 of July the 2nd, 2009.

1.3 Accounting policies and principles

Use of assessments and estimates to prepare the financial statements

Estimates made to draw up the financial statements are by their nature based on certain assumptions and involve risks and uncertainties as to whether they will be achieved in the future.

Actual results may be influenced by many factors, including but not limited to:
- activity in domestic and international markets;
- fluctuations in interest and exchange rates;
- the economic and political climate in certain industries or countries;
- changes in regulations or legislation.

This list is not exhaustive.

Accounting estimates based on assumptions are principally used in the following assessments:
- financial instruments measured at fair value;
- investments in non-consolidated companies;
- retirement plans and other post-employment benefits;
- stock option plans;
- impairment of available-for-sale financial assets and held-to-maturity investments;
- impairment of unrecoverable debts;
- provisions;
- impairment of goodwill;
- deferred tax assets;
- valuation of equity-accounted entities;
- deferred profit-sharing.

The procedures for the use of assessments or estimates are described in the relevant sections below

Financial instruments (IAS 32 and 39)

In the financial statements, financial assets and liabilities are treated in accordance with IAS 39 as adopted by the European Commission.

At initial recognition, financial assets and liabilities are measured at fair value including transaction costs (except for financial instruments recognized at fair value through profit and loss). After initial recognition, financial assets and liabilities are measured, depending on their classification, either at fair value or amortized cost using the effective interest rate method.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

◆ Securities

Classification of financial assets

Under IAS 39, financial assets are divided into four categories:
- financial assets at fair value through profit and loss classified as held for trading and financial assets designated as at fair value through profit and loss,
- held-to-maturity investments,
- loans and receivables,
- available-for-sale financial assets.

✦ Financial assets at fair value through profit and loss classified as held for trading and financial assets designated as at fair value through profit and loss

According to IAS 39, this portfolio comprises securities that are classified under financial assets at fair value through profit and loss either as a result of a genuine intention to trade them or designated as at fair value by Crédit Agricole CIB. Financial assets at fair value through profit and loss classified as held for trading are assets acquired or generated by the enter-prise primarily for purposes of making a profit from short-term price fluctuations or an arbitrage margin.

Financial assets may be designated as at fair value through profit and loss if they meet the conditions set out in the standard, in the three following cases: for hybrid instruments including one or more embedded derivatives, to reduce accounting mismatch or if there is a group of managed financial assets whose performance is measured at fair value. Hybrid instruments are generally designated as at fair value through profit and loss to avoid separate recognition and measurement of derivatives embedded in them.

Crédit Agricole CIB generally uses this approach for certain minority interests in venture capital companies measured at fair value.

Securities that are classified under financial assets at fair value through profit and loss are recognised at fair value at inception, excluding transaction costs attributable directly to their acquisition (which are accounted for directly in profit and loss) and including accrued interest. They are carried at fair value and changes in fair value are taken to profit and loss.

No impairment is recorded for this category of securities.

Securities held for sale pending syndication are included in the "financial assets at fair value through profit and loss" category and are marked to market.

✦ Held-to-maturity financial assets

This category includes securities with fixed or determinable payments and fixed maturities that Crédit Agricole CIB has the intention and ability to hold until maturity other than:
- securities that are initially classified as financial assets at fair value through profit and loss at the time of initial recognition by Crédit Agricole CIB;
- securities that fall into the "loans and receivables" category. Hence, debt securities that are not traded in an active market cannot be included in the "Held-to-maturity investments" category.

There are sale restrictions for instruments classified in this category, except for sales under specific circumstances as described in IAS 39.

Hedging of interest-rate risk in this category of securities is not eligible for hedge accounting as defined by IAS 39.

Held-to-maturity securities are initially recognised at acquisition cost, including transaction costs that are directly attributable to the acquisition and including accrued interest.

They are subsequently measured at amortised cost using the effective interest rate method, including any premiums or discounts, and adjusted for any impairment provisions.

Impairment rules for this financial asset category are disclosed in the specific chapter dedicated to “impairment of securities” when securities are measured at amortised cost.

✦ Loans and receivables

Loans and receivables comprise financial assets that are not listed “on an active market” and that generate fixed or determinable payments.

Securities are initially recognised at purchase price, including directly attributable transaction costs and accrued interest, and subsequently at amortised cost using the effective interest method, adjusted for any impairment.

They are subsequently measured at amortised cost using the effective interest rate method adjusted for any impairment provisions.

Impairment rules for this financial asset category are disclosed in the specific chapter dedicated to “impairment of securities”.

✦ Available-for-sale financial assets

IAS 39 defines available for sale financial assets as the default category.

Available-for-sale securities are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition and including accrued interest.

Changes in fair value are recorded in gains/ (losses) through shareholders’ equity.

If the securities are sold, these changes are reversed out and recognized in profit and loss. Amortisation of any premiums or discounts on fixed income securities is taken to profit and loss using the effective interest rate method.

Accrued interests are accounted for in the relevant balance sheet account, accrued interest against the corresponding profit and loss account.

This financial asset category is subject to impairment (see dedicated section “impairment of securities”).

Impairment of securities

Impairment shall be accounted for when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the securities, other than those measured as at fair value through profit and loss.

Objective evidence of impairment corresponds to a prolonged or significant decline in the value of the security for equity securities or the appearance of significant deterioration in credit risk evidenced by a risk of non recovery for debt securities.

For equity securities, the Crédit Agricole CIB uses quantitative criteria as indicators of potential impairment. These quantitative criteria are mainly based on a loss of 30% or more of the value of the equity instrument over a period of 6 consecutive months. Crédit Agricole CIB also takes into account other factors such as financial difficulties of the issuer, short term prospects.

Notwithstanding the above-mentioned criteria, the Crédit Agricole CIB recognises an impairment loss when there is a decline in the value of the equity instrument, higher than 50% or prolonged over 3 years.

For debt securities, impairment criteria are the same as for loans and receivables. Such impairment is recognised:

- for securities measured at amortised cost, through the use of an impairment account; the amount of the loss is recognised in the income statement, and may be reversed in case of subsequent improvements;
- for available-for-sale securities, the amount of the aggregate loss is transferred from other comprehensive income to the income statement; in the event of subsequent recoveries in the price of the securities, the loss previously transferred to the income statement may be reversed via the income statement when warranted by circumstances for debt instruments.

Recognition date

Crédit Agricole CIB records securities classified as “Held-to- maturity financial assets” and “Loans and receivables” on the settlement date. Other securities, regardless of type or classification, are recognised on the trade date.

◆ Reclassification of financial instruments

In accordance with the amendment to IAS 39, published and adopted by the European Union in October 2008, it is now authorized to reclassify financial assets as follows:

- from “ held-for-trading financial assets ” and “ available-for-sale financial assets ” to “ loans and receivables ” if the entity intends and is able to hold the financial asset concerned for the foreseeable future or until maturity, subject to compliance with eligibility criteria as per reclassification date (and in particular the criterion of no listing on an active market);
- in rare and documented circumstances, from the “held-for-trading financial assets” to the “available-for-sale financial assets or “held-to-maturity financial assets” categories, subject to compliance with eligibility criteria as per reclassification date.

Crédit Agricole CIB has not used the latter option allowing assets to be reclassified in rare circumstances.

Fair value on the reclassification date becomes the reclassified asset’s new cost or new amortized cost, as the case may be.

Information on reclassifications carried out by Crédit Agricole CIB in accordance with the amendment to IAS 39 is provided in note 9.

◆ Temporary purchases and sales of securities

Pursuant to IAS 39 standard, temporary sales of securities (securities lending/ borrowing, re- purchase agreements) do not fulfill the de-recognition conditions of IAS 39 and are regarded as collateralised financing.

Assets lent or sold under repurchase agreements are kept on the balance sheet. If applicable, cash received, representing the liability to the transfer is recognised on the liabilities side of the balance sheet.

Items borrowed or bought under repurchase agreements are not recognised on the transferee's balance sheet.

A receivable is recognised for the amount paid. If the security is subsequently sold, the transferee recognises a liability in respect of their obligation to return the security under the repurchase agreement.

Revenue and expenses relating to such transactions are taken to profit and loss on a prorata temporis basis, except in the case of assets and liabilities accounted for at fair value through profit and loss.

At 31 December 2012, the recording date of notional amount of securities bought or sold under repurchase agreements, loaned and borrowed recognised at fair value through profit and loss was standardized with that of securities bought or sold under repurchase agreements, loaned and borrowed classified in loans and advances or debts in order to get a better assessment of the balance sheet.

The notional amount of securities bought or sold under repurchase agreements, loaned and borrowed classified at fair value through profit and loss was previously recognised in the balance sheet at trade date. The notional amount of these transactions is now recognised as financing commitments at trade date and then at settlement date in the balance sheet. Changes of fair value of these transactions between the two dates are sill recorded in profit and loss.

At 31 December 2012, €22 billion of securities received under repurchase agreements and borrowed were subsequently recognised in financing commitments given (compared with €2 billion accounted for in 2011 under financial assets measured at fair value) and €27 billion of securities given under repurchase agreements and loaned were recognised in financing commitments received (compared with €7.3 billion accounted for in 2011 under financial liabilities measured at fair value).

The impacts of these changes are detailed in notes 6.2 (Financial assets and liabilities at fair value through profit and loss), 6.13 (Accruals, prepayments and sundry assets and liabilities) and 8 (Financing and guarantee commitments and other guarantees).

◆ Lending operations

Loans are principally allocated to the "Loans and receivables" category. In accordance with IAS 39, they are initially valued at fair value and subsequently valued at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments to the original net loan amount, including any discounts and any transaction income or costs that are an integral part of the effective interest rate.

Loans and securities held for sale in the near future pending syndication are included in the "financial assets at fair value through profit and loss" category and are marked to market.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans according to counterparty type.

Revenue calculated using the effective interest rate on loans is accounted for in accrued interest account, against the corresponding profit and loss account.

Impaired loans and receivables

In accordance with IAS 39, loans recorded under "loans and receivables" are impaired when one or more loss events occurs after collection of such loans. Once these loans and receivables have been identified, they may be individually or collectively assessed for impairment. In this way, expected losses are recognised through impairment equal to the difference between the book value of loans (amortised cost) and the sum of expected future cash flows, discounted using the original effective interest rate, or in the form of discounts on loans restructured due to client default.

The following distinctions are made:

- loans individually assessed for impairment: these are impaired loans and loans restructured due to customer default that have been discounted;
- loans collectively assessed for impairment: these are loans that are not individually assessed for impairment, for which impairment is determined for each uniform class of loans displaying similar credit risk characteristics. It concerns in particular loans that are past due.

Loans that are past due consist of loans that are overdue but not individually impaired (part of the watch-list category).

Impairment based on the discounted method is estimated with reference to several factors, notably business or sector-related. It is possible that future credit risk measurements will differ significantly from current measurements, and this could require an increase or decrease in the impairment amount.

Probable losses in respect of off-balance sheet commitments are covered by provisions recognized as liabilities on the balance sheet.

Additions to and releases from impairment for non-recovery risk are included in cost of risk aggregate. The increase in the book value of receivables resulting from the accretion of impairment and the amortisation of the discount on restructured loans and receivables is recognised in net interest income.

✦ Loans individually assessed for impairment

These are loans of all kinds, even those which are guaranteed, exposed to an objective indication of impairment, such as :

- serious financial difficulties of the debtor ;
- a contract breach, such as a default of interest or capital payment ;
- the granting by the lender to the borrower, for economic or legal reasons related to borrower financial difficulties, of a facility that the lender would not have undertake in other circumstances (loans restructuring) ;
- an increasing likelihood of bankruptcy or other financial restructuring of the borrower.

Crédit Agricole CIB records impairment corresponding to all foreseeable losses, discounted at the initial effective interest rate.

For small loans with similar characteristics, the analysis of individual counterparties may be replaced with a statistical estimate of projected losses.

Restructured loans are loans whose initial financial terms (interest rate, maturity) have been adjusted by the entity concerned because of counterparty risk, whereby the loan is moved to the performing category, the reduction in future cash flows from the counterparty as a result of restructuring gives rise to a discount.

The discount recognised when a loan is restructured is allocated in the cost of risk.

The discount corresponds to the reduction in future cash flows discounted at the original effective interest rate.

It is equal to the difference between:

- the par value of the loan,
- the sum of the restructured loan's theoretical future cash flows discounted at the original effective interest rate (defined on the date the financing commitment was made).

✦ Loans collectively assessed for impairment

The Group's statistical and historical customer default experiences show that there is an identified risk that loans non-impaired individually will be partially uncollectible. To cover these risks, which cannot by nature be allocated to individual loans, Crédit Agricole CIB has recorded, based on these statistical data, various collective impairment provisions on the asset side of its balance sheet, such as:

Impairment on sensitive exposure :

Such impairment losses are calculated on the basis of Basel II models.

As part of the Basel II rule, Crédit Agricole CIB calculates the amount of losses anticipated within one year, using statistical tools and databases, based on multiple observation criteria meeting the definition of a loss event within the meaning of IAS 39.

Impairment is measured with reference to the likelihood of non-payment in each borrower rating class, but also based on the experienced judgment of Management.

Impairment is calculated by applying a correction factor of passage to maturity to the anticipated loss calculated according to Basel II models, this factor intends to take into account the necessity of establishing impairments on expected losses until the term of the contract.

Other impairments determined on a collective basis :

Crédit Agricole CIB also records collective impairment to cover customer risks that are not individually allocated to individual loans, such as sector or country impairment. This impairment is intended to cover estimated risks based on a sector or geographical analysis for which there is statistical or historical risk of partial non-recovery.

◆ Financial Liabilities

IAS 39 as adopted by the European Union recognises three categories of financial liabilities:

- financial liabilities at fair value through profit and loss classified as held for trading. Fair value changes on this portfolio are recognised in profit and loss;
- financial liabilities designated at fair value through profit and loss. Financial liabilities may be designated as at fair value through profit and loss if they meet the conditions set out in the standard, in the three following cases: for hybrid instruments containing one or more embedded derivative, to reduce accounting mismatch, or for groups of financial liabilities that is managed and whose performance is measured at fair value. The election of this category is generally used for in hybrid instruments in order to avoid separate accounting and measurement of embedded derivatives;
- other financial liabilities: this category includes all other financial liabilities. These liabilities are initially measured at fair value (including transaction income and costs) and subsequently at amortized cost using the effective interest rate method.

Crédit Agricole CIB structured issuance transactions are classified as trading financial liabilities at fair value by nature. Fair value changes are recognised in profit and loss. In accordance with IAS 39, the Group evaluates its structured issuance accounted for as held for trading liabilities, by taking as reference the spread that specialised participants accept to receive for acquiring new Group's issuance.

Revaluation adjustments related to the Group's issuer credit risk are measured using models based on the Group's refinancing conditions observed at the end of the period concerned. They also take account of the residual term of the relevant liabilities.

◆ Securities classified as financial liabilities or equity

Distinction between liabilities and shareholders' equity

A debt instrument or financial liability is a contractual obligation to:

- deliver cash or another financial asset;
- exchange financial instruments under conditions that are potentially unfavourable for the entity.

An equity instrument is a contract evidencing a residual interest in an enterprise after deduction of all of its liabilities (net assets).

Purchase of Treasury shares

Treasury shares (or equivalent derivatives, such as options to buy shares) purchased by Crédit Agricole CIB, including shares held to hedge stock option plans, do not meet the definition of a financial asset and are deducted from shareholders' equity. They do not generate any impact on the income statement.

◆ Derivatives

Derivative instruments are financial assets or liabilities and are initially recognised on balance sheet at their fair value at inception of the transaction. At each balance sheet date, derivatives are measured at fair value, whether they are held for trading purposes or used for hedging accounting.

Change in the fair value of derivatives is recorded in profit and loss (except in the special case of a cash flow hedge relationship).

Hedge accounting

Fair-value hedge is intended to protect against exposures to changes in fair value of a recognized asset or liability or an unrecognized firm undertaking.

Cash flow hedge is intended to protect against exposure to variability in future cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction.

Hedge of a net investment in a foreign operation is intended to reduce the risk of a fall in fair value arising from the exchange rate risk on a foreign investment made in a currency other than the euro.

The following criteria must be met in order for hedge accounting to be applicable:

- the hedging instrument and the hedged instrument must be eligible,
- there must be formal documentation from inception, including primarily individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedge relationship and the nature of risk being hedged,
- the hedge effectiveness must be demonstrated, at inception and retrospectively, through tests performed at each closing date.

When hedging the interest-rate risk exposure of a portfolio of financial assets or liabilities, Crédit Agricole CIB favours fair-value hedge documentation, as permitted by IAS 39 as adopted by European Union ("carve out" version).

In addition, the Group documents these hedge relationships on the basis of gross position of derivatives and hedged items.

Effectiveness of these hedge relationships is measured by maturity schedules.

Changes in value of the derivative are accounted for as follows:

- fair-value hedge: changes in value of the derivative and of the hedged item, to the extent of the hedged risk, are taken symmetrically to profit and loss. There is no net impact on profit and loss unless the hedge has an ineffective portion,
- cash flow hedge: changes in value of the derivative are recognised initially in other comprehensive income for the effective portion, and any inefficient portion of the hedge is recognised in the income statement. The cumulative gain or loss on the derivative deferred in other comprehensive income are subsequently removed and included in profit and loss when the hedged cash flows occur,
- hedge of a net investment in a foreign operation: changes in value of the derivative that is determined to be an effective hedge are recognized in a special reversible shareholders' equity account and any ineffective portion of the hedge is recognized in profit and loss.

When conditions for hedge accounting are no longer met, then the following accounting treatment is applied:

- fair-value hedge: only the hedging instrument remains revaluated through profit and loss. Instrument is fully registered in accordance with its classification. Regarding securities available for sale, fair value changes after discontinuance of hedge accounting are recorded in shareholders' equity. For hedged items measured at amortised cost, revaluation adjustment stock is amortised on the hedged items' residual life.
- cash flow hedge: the hedging instrument is valued at fair value through profit and loss. The cumulative amounts deferred in shareholders' equity in respect of the effective portion of the hedge remain recognised in shareholders' equity and is reclassified to profit and loss when profit and loss is impacted by the hedged item. For financial instruments hedged for interest rate risk, profit and loss is impacted upon interest payments. In other words, the revaluation adjustment stock is amortised through profit and loss over the remaining life of the hedged item
- hedge of a net investment in a foreign operation: the cumulative amounts deferred in shareholders' equity in respect of the hedge remain recognised in shareholders' equity as long as the net investment is held. They are entirely recycled in profit and loss when net investment in a foreign operation is out of the consolidation scope.

Embedded derivatives

An embedded derivative is the component of a hybrid contract that meets the definition of a derivative product. Embedded derivatives must be accounted for separately from the host contract if the following three conditions are met:

- the hybrid contract is not measured at fair value through profit and loss;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the characteristics of the derivative are not closely related to those of the host contract.

◆ Determination of the fair value of financial instruments

The fair value of financial instruments is measured in accordance with IAS 39 and is disclosed following the hierarchy defined by IFRS 7.

The Group also applies the 15 October 2008 recommendation from AMF, CNC and ACAM regarding fair value measurement of some financial instruments.

For financial instruments measured at fair value, IAS 39 considers that the existence of published price quotations in an active market is the best evidence of fair value.

When such quoted prices are not available, IAS 39 requires fair value to be determined using a valuation technique based on observable data or unobservable inputs.

Level 1 : fair value that is quoted prices (unadjusted) in active markets

Level 1 is composed of financial instruments for which fair value is the quoted price (unadjusted) in an active market. It concerns stocks and bonds listed in active markets (such as the Paris Stock Exchange, the London Stock Exchange, the New York Stock Exchange…); it also concerns Funds securities quoted in an active market and listed derivatives such as Futures.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. When current prices of financial instruments are unavailable at the reporting date, Crédit Agricole CIB refers to the price of the most recent transaction.

For assets and liabilities with offsetting market risks, Crédit Agricole CIB uses mid-market prices as a basis for establishing fair values for the offsetting risk positions. Crédit Agricole CIB uses the current bid price for financial asset held or liability to be issued (open long position) and the current ask (offer) price for financial asset to be acquired or liability held (open short position).

Level 2 : fair value that is measured using observable inputs, either directly or indirectly, other than quoted prices included within Level 1.

These inputs are either directly (i.e. as prices) observable, or indirectly (i.e. derived from prices) observable, and generally meet the following characteristics: they are not entity- specific data but are available and regularly obtainable public data accordingly used by market participants.

Level 2 is composed of:

- Stocks and Bonds that are quoted in an inactive market or, that are not quoted in an active market but which fair value is established using a valuation methodology currently used by market participants (such as discounted cash-flows technique, Black & Scholes model) and that is based on observable market data.
- Instruments that are traded over the counter, which fair value is measured thanks to models using observable market data, i.e. derived from various and regularly available external sources. For example, fair value of interest rate swaps is generally derived from interest rates yield curves as observed at the reporting date.

When the Group uses valuation models that are consistent with standard models based on observable market data (such as interest rate yield curves or implied volatility surfaces), the day one gain or loss resulting from the initial fair value measurement of the related instruments is recognised in profit and loss at inception.

Level 3 : fair value that is measured using significant unobservable inputs.

For some complex instruments that are not traded in an active market, fair value measurement is based on valuation techniques using unobservable inputs i.e. that cannot be observed on the market for an identical instrument. These instruments are disclosed within Level 3.

Are mainly concerned, complex interest rate instruments, equity derivatives, structured credit instruments which fair value measurement includes for instance correlation or volatility inputs that are not directly benchmarkable.

The transaction price is deemed to reflect the fair value on initial recognition, any day one gain or loss is differed.

The day one gain or loss relating to these structured financial instruments is generally recognised in profit and loss on a systematic basis over the period during which inputs are deemed unobservable. When all market data become observable, the unrecognised amount of day one gain or loss is immediately recognised in profit and loss.

Valuation methodologies and models used for financial instruments that are disclosed within Levels 2 and 3 incorporate all factors that market participants would consider in making pricing decisions. They shall be beforehand validated by an independent control department. Fair value measurement of these instruments takes into accounts both liquidity risk and counterparty risk.

Absence of accepted valuation method to determine equity instrument's fair value:

According to IAS 39 principles, if there is no satisfactory method, or if the estimates obtained using the various methods differ excessively, the instrument is measured at cost and remains recorded under "Available-for-sale financial assets " because its fair value cannot be reliably measured. In this case, the Group does not report a fair value, in accordance with the applicable recommendations of IFRS 7. These primarily include investments in non- consolidated subsidiaries that are not listed on an active market which fair value is difficult to measure reliably. These investments, which are listed in specific Note 2.4, are intended to be held for the long term.

◆ Net gains/(losses) on financial instruments

Net gains/(losses) on financial instruments at fair value through profit and loss

For financial instruments designated as at fair value through profit and loss and financial assets and liabilities held for trading, this caption includes the following income items:

- dividends and other revenues from equities and other variable income securities classified in financial assets at fair value through profit and loss;
- changes in the fair value of financial assets and liabilities at fair value through profit and loss;
- disposal gains and losses realised on financial assets at fair value through profit and loss;
- changes in fair value and disposal or termination gains/ (losses) on derivative instruments not involved in a fair-value or cash-flow hedge relationship.

This caption also includes the inefficient portion of fair-value hedge, cash-flow hedge and net investment hedge operations.

Net gains/(losses) on financial instruments available for sale

For available-for-sale financial assets, this caption includes the following income items:

- dividends and other revenues from equities and other variable income securities classified as available-for-sale financial assets;
- disposal gains and losses realised on fixed and variable-income securities classified as available-for-sale financial assets;
- impairment losses on variable-income securities;
- gains/(losses) on the disposal or termination of fair-value hedging instrument on available-for-sale financial assets when the hedged item is sold;
- gains/(losses) on the disposal of termination of loans, receivables and held-to-maturity securities in cases set out by IAS 39.

◆ Offsetting financial assets and liabilities

In accordance with IAS 32, Crédit Agricole CIB offsets financial assets and liabilities and presents a net balance only if it has a legally enforceable right at any time to offset the recognized amounts and intends to either settle the net amount or to realize the asset and liability simultaneously.

◆ Financial guarantees given

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs due to the failure of a specified debtor to make a due payment in accordance with the initial or amended terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value, and subsequently at the higher of:

- the value calculated in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets",
- or the amount initially recognized, less any amortisation recognized in accordance with IAS 18 "Revenue".

Financing commitments not designated as assets at fair value through profit and loss or not deemed to be derivative instruments under IAS 39 are not accounted for on-balance sheet (accounted off-balance sheet). However, provisions are recognised in relation to them in accordance with IAS 37.

◆ Derecognition of financial instruments

A financial asset (or group of financial assets) is fully or partially derecognised if:

- the contractual rights to the cash flows from the financial asset expire or are transferred or are deemed to have expired or been transferred because they belong de facto to one or more beneficiaries;
- substantially all the risks and rewards of ownership in the financial asset are transferred.

In this case, any rights and obligations created or retained at the time of transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but some of the risks and rewards of ownership, as well as control, are retained, the financial assets are recognised to the extent of the entity's continuing involvement in the asset.

A financial liability is fully or partially derecognised only when this liability is settled.

Provisions (IAS 37 and 19)

Crédit Agricole CIB identifies all obligations (legal or constructive) resulting from a past event for which it is probable that an outflow of resources will be required to settle the obligation, and for which the due date or amount of the settlement is uncertain but can be reliably estimated. These estimates are updated as required if the effect is significant.

As regards obligations other than those related to credit risk, Crédit Agricole CIB has set recognised provisions covering:

- operational risks,
- employee benefits,
- guarantee commitments execution risks,
- claims and liability guarantees,
- tax risks.

Measurement of the following provisions can be made through estimates:

- Provisions for operational risks for which the judgement of the management is required as regards the estimate of outcome and financial effect of the incident, and even if an inventory of identified risks is made.
- Provisions for legal risks which result from the best estimate of the management given the information available at reporting date.

Detailed information is provided in paragraph 6.16.

Employee benefits (IAS 19)

In accordance with IAS 19, employee benefits are divided in four categories:

- short-term employee benefits, such as wages, salaries, social security contributions and bonuses payable within 12 months after the end of the period;
- long-term employee benefits, such as long-service awards, bonuses and compensation payable 12 months or more after the end of the period,
- termination benefits,
- post-employment benefits, which are recorded in the two following categories: defined- benefit plans and defined-contribution plans.

◆ Long-term employee benefits

Long-term employee benefits are employee benefits, other than post-employment benefits and termination benefits that are not due to be settled within 12 months or more after the end of the period in which the employees render the related services.

It concerns in particular bonuses and other deferred compensation paid 12 months or more after the end of the period in which they are earned

The methods used to determine the amount and payment of deferred variable compensation by Crédit Agricole CIB comply with the statutory provisions on compensation of employees whose activities are likely to have a significant effect on the Group's risk exposure (ministerial order of 3 November 2009 and the industry standards for practical implementation issued by the FBF). They stipulate deferred variable compensation payment spread over several years and payable either in cash indexed to Crédit Agricole S.A. share price, or in Crédit Agricole S.A. shares. The expenses are accounted for on a straight line basis under "Employee expenses" spread over the vesting period to cover performance and/or attendance conditions. For variable compensation paid in cash, the corresponding debt is revised until settlement to account for failure to meet the above conditions and for changes in Crédit Agricole S.A. share value. For compensation paid in shares of Crédit Agricole S.A., the corresponding expense is revised if the acquisition conditions are not met.

The measurement method is similar to the one used by the Group for post-employment benefits with defined-benefit plans.

◆ Post-employment benefits

Retirement and early retirement benefits defined-benefit plans

At each closing date, Crédit Agricole CIB determines its liabilities for retirement and similar benefits and all other employee benefits pertaining to the category of defined-benefit plans.

In accordance with IAS 19, these obligations are measured based on a set of actuarial, financial and demographic assumptions, and following the Projected Unit Credit method. This method consists in booking a charge for each period of service, for an amount corresponding to employee's vested benefits for the period. This charge is calculated based on the discounted future benefits

Liabilities for retirement and other employee benefits are based on assumptions made by management with respect to the discount rate, staff turnover rate and probable increases in salary and social security costs. If the actual figures differ from the assumptions made, the liability may increase or decrease in future periods (see note 7.4).

Discount rates are determined based on the average duration of the obligation, that is, the arithmetic mean of the durations calculated between the valuation date and the payment date weighted by employee turnover assumptions.

The return on plan assets is also estimated by management. Returns are estimated on the basis of expected returns on debt securities, and notably bonds.

Crédit Agricole CIB does not apply the optional " corridor " approach and has directly recognised all actuarial gains and losses in shareholders' equity since 1 January 2010, instead of in profit and loss previously.

The amount of the provision is equal to:

- the present value of the obligation to provide the defined benefits at closing date, calculated in accordance with the actuarial method recommended by IAS 19,
- minus, if any, the fair value at the closing date of plan assets (if any) out of which the obligations are to be settled directly. Where plan assets include qualifying insurance policies that exactly match the amount and timing of some or all of the benefits payable under the plan, the fair value of those insurance policies is deemed to be the present value of the related obligations.

Pension plans - defined contribution plans

French employers contribute to a variety of compulsory pension plans. Plan assets are managed by independent organisations and the contributing companies have no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Consequently, Crédit Agricole CIB has no liabilities in this respect other than its contributions due for the past period.

Share-based payments (IFRS 2)

IFRS 2 (Share-based Payment) requires share-based payment transactions to be measured and recognised in the income statement and balance sheet. The standard applies to share- based plans granted after 7 November 2002, in accordance with IFRS 2, and which had not yet vested on 1 January 2005. It covers two possible cases:

- share-based payment transactions settled in equity instruments,
- share-based payment transactions settled in cash.

Share-based transactions initiated by Crédit Agricole CIB Group and that are eligible for IFRS 2 cover these two types of plans.

The expenses related to share-based plans settled in Crédit Agricole S.A. equity instruments, and expenses related to share subscriptions, are recognised as follows:

- for "equity settled" plans, as expenses under wages and salaries costs, with a corresponding increase in "consolidated equity". Such expenses are linearly spread over vesting period.
- for "cash settled" plans, as expenses under wages and salaries, with a corresponding liability. Those expenses are linearly spread over the vesting period (between 3 and 4 years) taking into account service and/or performance conditions. The fair value of the related liability is re-measured until its settlement taking into account the possible non- realisation of those conditions and the change in value of Crédit Agricole S.A. security.

One of the deferred bonus plan granted by Crédit Agricole CIB entails for payment based on Crédit Agricole S.A. shares. This plan is accounted for in accordance with IFRS 2 dealing with share-based payment transactions among Group entities. This plan is recognised as a " cash settled " transaction in the accounts of Crédit Agricole CIB and as an " equity settled " transaction in those of Crédit Agricole S.A..

A description of the plans granted and the measurement methods are provided in note 7.6 "Share-based payments".

Issuance of Crédit Agricole S.A. shares proposed to employees as part of the group Employee Share Ownership Plan is also governed by IFRS 2. Crédit Agricole CIB Group applies the treatment set out in the release issued by the CNC on 21 December 2004, supplemented by the release issued by the CNC on 7 February 2007. Shares may be offered to employees with a discount of no more than 20%. These plans have no vesting period but the shares are subject to a lock-up period of five years. The benefit granted to employees is measured as the difference between the fair value of acquired share taking into account the lock-up period and the purchase price paid by the employee at the issue date multiplied by the number of shares issued.

Current and deferred tax

Crédit Agricole CIB has been 99.9%-owned by the Crédit Agricole Group since 27 December 1996 and some of its subsidiaries form part of the tax consolidation Group of Crédit Agricole S.A..

In accordance with IAS 12, income tax comprises all taxes based on income, both current and deferred.

IAS 12 defines current tax as " the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period ". The taxable profit is the profit (or loss) for a period, determined in accordance with rules established by the tax authorities.

The rates and rules used to determine the current tax charge are those in force in each country in which Group companies are located.

Current tax includes all income tax, payable or receivable. The payment of which is not contingent on future operations, even if settlement is spread over several periods.

Until it is paid, current tax must be recognised as a liability. If the amount is already paid in respect of current and prior periods exceed the amount due for those periods, the excess should be recognised as an asset.

Certain transactions carried out by the entity may have fiscal consequences that are not taken into account in determining current tax. The differences between the book value of an asset or liability and its tax base are qualified by IAS 12 as temporary differences.

IAS 12 requires that deferred taxes be recognised in the following cases:

- A deferred tax liability shall be recognised for any taxable temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, unless the deferred tax liability arises from:
  - initial recognition of goodwill,
  - initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither the accounting nor the taxable profit (tax loss) as of the time of the transaction.
- A deferred tax asset shall be also recognised on all deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax basis, insofar as it is probable that a future taxable profit will be available against which such deductible temporary differences can be allocated.

- A deferred tax asset shall also be recognised for carrying forward unused tax losses and tax credits insofar as it is probable that a future taxable profit will be available against which the unused tax losses and tax credits can be allocated.

The tax rates applicable in each country are used.

Deferred taxes are not discounted.

Taxable unrealised gains on securities do not generate taxable temporary differences between the carrying amount of the asset and the tax base. Deferred tax is not recognised on these gains. When the relevant securities are classified as available-for-sale securities, unrealised gains and losses are recognised directly through shareholders' equity. The tax charge or the benefit relating to a tax loss by the entity and arising from the unrealised gains or losses is classified as a deduction from those gains or losses.

In France, long-term capital gains on the sale of investments in participating interests are exempt from tax as from the tax year commencing on 1 January 2007, as defined by the General Tax Code. The tax is calculated using the standard tax rate on 10% of such gains. Accordingly, unrealised gains at the end of the financial year generate temporary differences requiring the recognition of deferred tax on this 10%.

Current and deferred tax is recognised in net income for the year, unless the tax arises from:

- either a transaction or event that is recognised directly through shareholders' equity, during the same year or during another year, in which case it is recorded directly trough shareholders' equity;
- or a business combination.

Deferred tax assets and liabilities are offset against each other if, and only if:

- the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority:
  - either on the same taxable entity,
  - or on different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to settle their tax assets and liabilities at the same time in each future financial year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax income from receivables and securities portfolios, where they are effectively used to pay tax expense due with respect to the period, are recognised in the same item as the income to which they relate. The corresponding tax charge is kept in the "Income tax" caption on the income statement.

Non-current assets (IAS 16, 36, 38 and 40)

Crédit Agricole CIB Group applies component accounting for all of its non-current tangible assets. In accordance with IAS 16, the accumulated depreciation takes account of the residual value of property, plant and equipment.

Land is measured at cost less any accumulated impairment losses.

Property used in operations, investment property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software is measured at purchase price less accumulated depreciation and accumulated impairment losses.

Proprietary software is measured at cost less accumulated depreciation and accumulated impairment losses.

Other than software, intangible assets principally comprise assets acquired. Apart from software, intangible assets are mainly assets acquired during a business combination resulting from contract law (e.g. distribution agreement). They are measured on the basis of the corresponding future economic benefits or expected service potential.

Non-current assets are depreciated over their estimated useful life.

The following components and depreciation periods have been adopted by the Crédit Agricole CIB Group following the application of component accounting for non-current assets. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Non depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	3 to 7 years
Specialist equipment	4 to 5 years

Exceptional depreciation charges corresponding to tax-related depreciation and not to any real impairment in the value of the asset are eliminated in the consolidated financial statements.

Currency transactions (IAS 21)

In accordance with IAS 21, a distinction is made between monetary and non-monetary items. At the balance sheet date, foreign currency monetary assets and liabilities shall be translated into the functional currency of Crédit Agricole CIB Group at the closing exchange rate. Foreign exchange differences arising from translation are recorded in the income statement. There are two exceptions to this rule:

- for available-for-sale financial assets, only the exchange difference calculated on amortised cost is taken to the income statement; the balance is recorded in shareholders' equity;
- foreign exchange differences on items classified as cash flow hedge or that are part of a net investment in a foreign entity are recorded in shareholders' equity.

Non-monetary items are treated differently depending on the type of item:

- items at historical cost are valued at the exchange rate on the transaction date;
- items at fair value are measured at the exchange rate on the closing date.

Exchange differences on non-monetary items are recognised:

- in the income statement if the gain or loss on the non-monetary item is recorded in the income statement;
- in shareholders' equity if the gain or loss on the non-monetary item is recorded in shareholders' equity.

Service fees (IAS 18)

Fees are taken to profit and loss according to the nature of service to which they relate:

- fees that are an integral part of the return on a financial instrument are recognized as an adjustment to the return on that instrument and included in its effective interest rate,
- when the fees is compensation for the rendering of services can be estimated reliably, the fees associated with the transaction are recognized by reference to the transaction's stage of completion at the balance sheet date:
  - Fees paid or received as consideration for non-recurring services are fully recognized in the income statement.
  - Fees payable or receivable subject to the fulfillment of a performance objective are only recognized if all the following conditions are met:
    a) the amount of fees can be measured reliably,
    b) it is probable that the economic benefits associated with the transaction will flow to the entity,
    c) the stage of completion of the transaction can be measured reliably, and the costs incurred for the transaction and to complete the transaction or rendering the service can be measured reliably.
  - Fees compensating for services which execution is continuous (on payment instruments for example) are spread out over the period of the service provided.

Leases (IAS 17)

As required by IAS 17, leases are analysed in accordance with their substance and financial reality. They are classified as operating leases or nonce leases.

Operating leases are treated as an acquisition of a fixed asset by the lessee nuanced by a loan from the lessor.

In the lessor's accounts, analysis of the economic substance of the transactions results in the following:

- a financial receivable from the customer is recognised, which is depreciated by the lease payments received;
- lease payments are broken down into interest and principal, known as financial amortisation.

In the lessee's accounts, finance leases are restated such that they are recognised in the same way as if the asset had been purchased on credit, by recognising a debt, recording the asset purchased on the asset side of the balance sheet and depreciating the asset.

In the income statement, the theoretical depreciation (the charge that would have been recognised if the asset had been purchased) and the finance charges (incurred in connection with the financing) are recorded in the place of the lease payments.

In operating leases, the lessee recognises the payments and the lessor records the revenues corresponding to the lease payments, as well as the assets leased on the asset side of its balance sheet.

Non-current assets held for sale and discontinued operations (IFRS 5)

A non-current asset (or a disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable.

The relevant assets and liabilities are shown separately on the balance sheet under " Non- current assets held for sale " and " Liabilities associated with non-current assets held for sale ".

A non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. In the event of unrealised losses, an impairment charge is made in the income statement, and such impaired assets are no longer depreciated.

If the fair value of a disposal group less selling costs is under its book value after impairment of non-current assets, the difference is allocated to other disposal group assets including the financial assets and is recognised under net income of held-for-sale operations.

A discontinued operation is a component of the entity that has either been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical zone of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical zone of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The following are disclosed on a separate line of the income statement:

- the post-tax profit and loss of discontinued operations until the date of disposal;
- the post-tax gain or loss recognised on the disposal or on measurement at fair value less costs to sell of the assets and liabilities constituting the discontinued operations.

1.4 Consolidation principles and methods (IAS 27, 28 and 31)

Scope of consolidation

The consolidated financial statements include the accounts of Crédit Agricole CIB and of all companies over which Crédit Agricole CIB exercises control, in accordance with IAS 27, IAS 28 and IAS 31. Control is presumed to exist when Crédit Agricole CIB owns, directly or indirectly, 20% or more of the voting power.

◆ Definition of control

In accordance with international standards, all entities falling under Crédit Agricole CIB's exclusive control, joint control or significant influence are consolidated, providing that their contribution is deemed to be material and that they are not covered under the exclusions described below.

Materiality is assessed in the light of three main criteria representing a percentage of the consolidated balance sheet, the consolidated shareholder's equity and the consolidated income statement.

Exclusive control is presumed to exist if Crédit Agricole CIB owns over half of the existing or potential voting rights in an entity, whether directly or indirectly through subsidiaries, except if, in exceptional circumstances, it can be clearly demonstrated that such ownership does not give it control. Exclusive control also exists if Crédit Agricole CIB, as the owner of half or less than half of the voting rights (including potential voting rights) in an entity, holds majority power within management bodies.

Joint control is exercised in joint ventures in which each of the two or more co-owners are bound by a contractual contribution that provides for joint control.

Significant influence is defined as the power to participate in the financial and operating policy decisions of the investee but is not control. Crédit Agricole CIB is presumed to have significant influence if it owns 20% or more of the voting rights in an entity, whether directly or indirectly through subsidiaries.

◆ Consolidation of special-purpose entities

The consolidation of special-purpose entities (structures created to manage a transaction or group of similar transactions and more particularly funds under sole control) is specified by SIC 12.

Pursuant to this text, a special-purpose entity (SPE) is consolidated if it is in substance controlled by the Crédit Agricole CIB Group, even in the absence of a capital link.

Whether or not a special-purpose entity is controlled in substance is determined by considering the following criteria:

- in substance, the activities of the SPE are being conducted on behalf of a Crédit Agricole CIB Group according to its specific business needs so that the entity obtains benefits from the SPE's operation,
- in substance, Crédit Agricole CIB Group has the decision-making powers to obtain a majority of the benefits of the activities of the SPE or, by setting up an " autopilot " mechanism, Crédit Agricole CIB has delegated these decision-making powers,
- in substance, Crédit Agricole CIB Group has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the activities of the SPE; or
- in substance, Crédit Agricole CIB Group retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

◆ Exclusions from the scope of consolidation

In accordance with IAS 28.1 and IAS 31.1, investments in associates and venturers' interests in jointly controlled entities held by venture capital entities are excluded from the scope of consolidation. Such investments shall be measured at fair value in accordance with IAS 39, with changes in fair value recognised in profit and loss in the period of the change.

Consolidation methods

The consolidation methods are respectively defined by IAS 27, 28 and 31, based on the type of control exercised by Crédit Agricole CIB over the entities that can be consolidated, regardless of their business or of whether or not they have legal entity status:

- entities under exclusive control are fully consolidated, including entities with different account structures, even if their business is not an extension of that of Crédit Agricole CIB;
- entities under joint control are proportionally consolidated, including entities with different account structures, even if their business is not an extension of that of Crédit Agricole CIB;
- entities over which Crédit Agricole CIB exercises significant influence are accounted for under the equity method.

Full consolidation consists of eliminating the carrying amount of the investment held in the consolidating company's financial statements and aggregating all assets and liabilities carried by the consolidated companies, and determining and separately identifying the value of the minority interests in their net assets and earnings.

Minority interests correspond to investments that do not give control as it is defined by IAS 27. They include instruments that are portions of interests and that give the right of the net assets in the event of liquidation. They also are identified separately from the parent's ownership interests in net assets and the profit and loss.

Proportional consolidation consists of eliminating the carrying amount of the investment held in the Group's financial statements and aggregating a portion of the assets, liabilities and results of the company concerned representing the parent's ownership interest.

The equity method consists of eliminating the amount of the investment held in the Group's financial statements and accounting for its interest in the underlying equity and profit and loss of the parent's ownership concerned.

The change in the book value of those securities now takes into account the goodwill evolution.

Consolidation adjustments and eliminations

The Group makes all adjustments required to ensure the application of consistent accounting policies in the consolidated financial statements, unless they are deemed not to be material. Intragroup transactions affecting the consolidated balance sheet and income statement are eliminated in full.

Profits and loss resulting from intragroup asset transactions are eliminated in full. Impairments measured at the time of an intragroup transfer are recorded.

Translation of foreign subsidiaries' financial statements (IAS 21)

Financial statements of subsidiaries expressed in foreign currencies are translated into Euros in two stages:

- translation, if applicable, from the foreign currency transactions into the functional currency (currency used in the main economic environment in which the entity operates). The translation is made as if the information had been recognised initially in the functional currency (same translation principles as for foreign currency transactions);
- translation from the functional currency into Euros, i.e. the presentation currency of the Group consolidated financial statements. Assets and liabilities are translated at the closing exchange rate. Income and expenses on the income statement are translated at the average exchange rate for the period. Translation differences resulting from the translation of assets, liabilities and the income statement are recognized as a separate component of shareholders' equity. These translation differences are recognised as income during the total or partial transfer of the entity. In the event of the sale of a subsidiary (exclusive control), the reclassification of equity as income takes place only in the event of a loss of control.

Business combinations - Goodwill (IFRS 3)

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control which are excluded from the field of application of IFRS 3. Pursuant to IAS 8, these transactions are entered at book value using the pooling of interests method, with reference to US standard ASU805-50 which seems to comply with the IFRS general principles.

On the date of acquisition, the acquirer's identifiable assets, liabilities and contingent liabilities that satisfy the conditions for recognition set out in IFRS 3 are recognised at their fair value.

Restructuring liabilities are only recognised as a liability if the acquirer is under an obligation to complete the restructuring at the acquisition date.

Price adjustment clauses are recognised at fair value even if their application is not probable. Subsequent changes in the fair value of clauses if they are financial liabilities are recognised in the income statement. Only price adjustment clauses relating to transactions where control was obtained at the latest by 31 December 2009 may still be recorded against goodwill, because these transactions were accounted for under IFRS 3 pre revision (2004).

Non-controlling interest that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation can be measured according to the choice of the acquirer, in two ways:

- at the fair value at the acquisition date,
- as the present ownership instruments' non-controlling interest's proportionate share in the recognised amounts of the acquirer's net identifiable assets.

This option can be exercised acquisition by acquisition.

The non-controlling interests that are not present ownership interests shall be measured at their acquisition-date fair values.

The initial fair value of assets, liabilities and contingent liabilities may be adjusted within a maximum period of twelve months after the acquisition date.

Certain transactions related to the acquired entity are registered separately from the business combination.
It concerns particularly:

- effective settlement of a pre-existing relationship between the acquirer and acquired;
- arrangements for contingent payments to employees or selling shareholders for future services;
- transactions that aim to make the acquired or its former shareholders pay back costs payable by the acquirer.

Those separated transactions are generally accounted for in profit and loss at the acquisition date.

The consideration transferred for the acquired (the purchase cost) is measured as the total of fair values transferred by the acquirer at the acquisition date in exchange for control of the acquired (for example: treasury, equity instruments…).

The acquisition-related costs are recognised as expenses, separately from the combination. When the probabilities of transaction are high, costs are recorded in “Net gains/ (losses) on other assets”, otherwise it is recorded in “Operating expenses”.

The excess of the aggregate of the price and the amount of any non-controlling interest over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumes, is recognised in the balance sheet as goodwill if the acquired is fully or proportionately consolidated. If the acquired is accounted for using the equity method, the excess is included under the aggregate “investments in affiliates”. Any negative goodwill is immediately recognised in profit and loss.

Goodwill is carried in the balance sheet at its initial amount in the currency of the acquired and translated at the year-end exchange rate.

For business combination achieved in stages, the previously held equity interest in the acquired entity is re-measured at its acquisition date fair value and goodwill is measured in one step from the fair value of the assets acquired and the liabilities assumed on the acquisition date.

It is tested for impairment whenever there is objective indication that it may be impaired and at least once a year.

The assumptions to measure the non-controlling interest at the acquisition date may influence the measurement of goodwill and of any, its impairment.

For the purpose of impairment testing, goodwill is allocated to the Cash Generating Units (CGUs) that are expected to benefit from the business combination. The CGUs have been defined within the Group's business lines as the smallest identifiable group of assets and liabilities functioning in a single business model. Impairment testing consists of comparing the carrying amount of each CGU, including any goodwill allocated to it, with its recoverable amount.

CGU recoverable amount is defined as the higher of fair value less costs to sell and value in use, which is the present value of the future cash flows expected to be derived from continuing use of the CGU, as set out in medium-term business plans prepared by the Group for management purposes.

When the recoverable amount is lower than the carrying amount, an irreversible impairment loss is recognised through profit and loss and deducted from the goodwill allocated to the CGU.

When Crédit Agricole CIB increases its ownership percentage in an entity over which it already has exclusive control, the difference between the purchase cost and the share of net assets acquired is recognised in “Consolidated reserves, Group share”. When Crédit Agricole CIB decreases its ownership percentage in an entity that remains under its exclusive control, the difference between the selling price and the book value of net cash position share sold is also recognised directly in “Consolidated reserves, Group share”. Those transaction costs are accounted for shareholders’ equity.

The Crédit Agricole CIB Group has granted shareholders of certain fully consolidated subsidiaries an undertaking to acquire their holdings in these subsidiaries, at a price to be determined according to a pre-defined formula which takes account of future developments in their business. These undertakings are in substance put options granted to the minority shareholders, which in accordance with the provisions of IAS 32, means that the minority interests are treated as a liability rather than as shareholders’ equity.

As a result, the accounting treatment of put options granted to minority shareholders is now as follows:

- when a put option is granted to the minority shareholders of an already-fully consolidated subsidiary, a liability is recognised in the balance sheet in the amount of the estimated present value of the strike price of the options granted to these shareholders. As the balancing entry for this debt, the portion of net assets attributable to the minority interests concerned is reduced to zero and the balance is recorded as a deduction from shareholders’ equity;
- subsequent changes in the estimated strike price affect the amount of debt recorded under liabilities, with a balancing adjustment to shareholders’ equity. Symmetrically, subsequent changes in the portion of the net assets attributable to minority shareholders are cancelled through shareholders’ equity.

If the parent losses control of a subsidiary, the gain or loss is measured as the sold entity in full and the possible remaining investment part is accounted for in the balance sheet for its fair value at the date of the loss of control.

➢ NOTE 2 : SIGNIFICANT INFORMATION FOR THE FINANCIAL YEAR

The scope of consolidation and its changes at 31 December 2012 are shown in detail at the end of the notes in Note 12.

2.1 Significant events during the period

◆ Disposals and depreciations of assets portfolios within the framework of the adjustement plan

According to the objectives announced on 14 December 2011 by Crédit Agricole group, Crédit Agricole CIB continues to actively manage its adjustement plan.
In the continuity of 2011, the global impact of disposals and depreciations of assets portfolios within the plan amounts to - €628 million on the pre-tax income (- €401 million on 2012 Net Income Group Share.

Indeed, the disposal of portfolios of discontinuing assets initiated in the fourth quarter 2011 accelerated over 2012: the quasi-totality of the trading portfolio of US residential CDOs and US RMBS was sold for a €5.9 billion nominal amount (€1.1 billion for year 2011). The impact of these disposals on the pre-tax income amounts to - €402 million to which it is necessary to add -€112 million of depreciation; that is to say a gross total amount of - €514 million (or - €328 million in net income Group share).

Besides, loan disposals of the financing portfolio continued in 2012 for an amount of € 3.9 billion (that is €10.3 billion in total) at a lower pace but with still satisfactory conditions, with an impact on the net banking income of -€114 million in 2012 (-€73 million in net income Group share).

◆ CA Cheuvreux ongoing disposal (IFRS 5)

On 17 July 2012, Crédit Agricole CIB et Kepler Capital Market announced that they had entered into exclusive negotiations to bring together CA Cheuvreux and Kepler Capital Market to create the leading European independent equity broker, Kepler Cheuvreux. Under the terms of this agreement, it is foreseen that:

- Crédit Agricole CIB will sell Kepler Capital Market all of its shares in CA Cheuvreux;
- Crédit Agricole CIB will acquire a 15% stake in the newly created Kepler Cheuvreux;

CA Cheuvreux is still fully consolidated until the date of effective disposal planned in 2013.

Nevertheless, the conditions of application of the IFRS 5 standard being fulfilled on 31 December 2012, the accounts of CA Cheuvreux in the balance sheet and income statement are presented on a specific line. In the income statement, the « Net income of discontinuing or held-for-sale activities» is composed of the followings :

- Net income (-€21 million) ;
- Costs related to the disposal (-€171 million) ;
- Goodwill impairment (-€132 million)

That is a total of -€324 million.

In the balance sheet, an amount of €1,136 million is recorded in the line « Non-current assets held for sale » and an amount of €1,029 million in « Liabilities associated with non-current assets held for sale » in Crédit Agricole CIB’s consolidated statements.

◆ CLSA ongoing disposal (IFRS 5)

On 20 July 2012, Crédit Agricole CIB sold 19.9% of CLSA to CITICS International for US$310 million. The price received was subject to a repurchase option, in light of the combined put and call options held by both parties enabling them to cancel this transaction in the event of failure to complete the sale in its entirety.

At the same time, CITICS granted Crédit Agricole CIB an option to sell its remaining 80.1% share to CITICS International for US$942 million. This option was exercised on 25 October 2012, followed by the signing, on 5 November 2012, of a firm purchase and sale agreement.

The signing of this firm sale and purchase agreement by the parties and the considerable progress achieved in discussions with regulatory authorities increased the likelihood of the sale being finalised in 2013. Consequently, IFRS 5 application criteria were met for the financial statements at 31 December 2012. The accounts of CLSA in the balance sheet and income statement are presented on a specific line. In the income statement, the « Net income of discontinuing or held-for-sale activities» which accounts for - €57 million at 31 December 2012 corresponds to current operating income. In the balance sheet, an amount of €2,722 million is recorded in the line « Non-current assets held for sale » and an amount of €2,522 million in « Liabilities associated with non-current assets held for sale » in Crédit Agricole CIB's consolidated statements.

The gain expected to be generated in 2013 from the sale of CLSA means that the assets and liabilities of this holding are held at their carrying amount in Crédit Agricole CIB's consolidated financial statements.

◆ Acquisition of CA Indosuez Private Banking's securities

On 22 February 2012, Crédit Agricole CIB acquired with Crédit Agricole S.A. the securities of CA Indosuez Private Banking now fully consolidated.

The 2011 financial accounts were not restated by this grouping transaction under common control, the impacts have not been considered significant.

Goodwill impairment (See note 2.4 « Goodwill »)

In 2012, goodwill impairment tests concluded to an impairment of €483 million, compared with €294 million in 2011.

At 31 December 2012, the value of the "Corporate and Investment Banking (excluding brokers)" CGU was impaired by €115 million and the value of the "Brokers others" CGU was impaired by €368 million.

These accounting impacts mainly transcript the impact of the strenghtening of prudential requirements, among which the cut in the value in use of the concerned entities and also reflect the macroeconomic and financial environment for the concerned countries and activities.

◆ Recognition of the revaluation of debt issues

In accordance with IAS 39, Crédit Agricole CIB values its structured issues, recognised at fair value, by taking as a reference the issuer spread that specialist participants agree to receive to acquire new Crédit Agricole CIB issues.

The change in issuer spread on structured debt issues issued by Crédit Agricole CIB, and valued on the basis of the last end-of-period valuation grid, generated an impact of - €933 million on Net banking income at 31 December 2012 (+€671 million at 31 December 2011).

Unrealised gains or losses (balance sheet postitions) linked to the revaluation of Crédit Agricole CIB structured issues at 31 December 2012 stood at €77 million before tax.

◆ Correlation activities

The transfer, in February 2012, of the market risk exposure of Crédit Agricole CIB's correlation activity to Blue Mountain did not have any material impact on the Group's consolidated financial statements.

2.2 Investments in companies accounted for under the equity method

€ million	31.12.2012					
	Equity accounted value	**Market value**	**Total assets**	**Net banking**	**Net income**	**Share of Net income**
Financial companies:	**1,362**	**1,671**	**31,884**	**1,033**	**622**	**164**
Banque Saudi Fransi	1,362	1,671	31,884	1,033	622	164
Non-financial companies: (1)	**7**					
Newedge affiliates	7					
Net book value of investments in affiliates	**1,369**	**1,671**	**31,884**	**1,033**	**622**	**164**

The market value shown in the table above is the quoted price of the shares on their trading market at 31 December 2012. It may not be representative of the realisable value because the value-in-use of equity affiliates may be different from the equity accounted value, determined according to IAS 28 standard.

€ million	31.12.2011					
	Equity accounted value	Market value	Total assets	Net banking income	Net income	Share of Net income
Financial companies:	**1,230**	**1,952**	**28,951**	**873**	**554**	**134**
Banque Saudi Fransi	1,230	1,952	28,951	873	554	134
Non-financial companies: [(1)]	**33**					**(1)**
CLSA BV affiliates	26					(1)
Newedge affiliates	7					
Net book value of investments in affiliates	**1,263**	**1,952**	**28,951**	**873**	**554**	**133**

The market value shown in the table above is the quoted price of the shares on their trading market at 31 December 2011. It may not be representative of the realisable value because the value-in-use of equity affiliates may be different from the equity accounted value, determined according to IAS 28 standard.

(1) On 31 December 2011, securities accounted under the equty method held by CLSA amounted for €26 million of participating interests in equity affiliates; on 31 December 2012, these same securities appear for €24 million in «Non-current assets held for sale», in application of the IFRS 5 standard to CLSA.

2.3 Investments in non-consolidated companies

These securities, recorded in the « Available-for-sale assets » portfolio are variable-income securities that represent a significant portion of the capital of the companies that issued them, and are intended to be held on an other-than-temporary basis.
At December 31, 2012, the main investments in non-consolidated companies for which the voting interest is greater than 20% and the book value is considered significant (cf. Note 1.3 on accounting principles and policies) are as follows:

€ million	31.12.2012		31.12.2011		Reason for non inclusion in the consolidation scope
	Net book value	% interest	Net book value	% interest	
Net book value of non-consolidated investment securities [(1)] **:**	**704**		**707**		
of which					
- CA PREFERRED FUNDING LLC	49	33.00	49	33.00	this structure, in which CACIB holds 33% of ordinary shares, is not consolidated because the issue of preferred shares is for Crédit Agricole S.A.
- BFO	43	100.00	55	98.95	no more activity
- FUNDO A DE INVESTIMENTO	24	100.00	26	100.00	starting its activity and below consolidation thresholds applied by the Group

(1) Taking into account a €59 million long- term impairment charge in 2012.

2.4 Goodwill

€ million	31.12.2011 GROSS	31.12.2011 NET	Increase (acquisitions)	Decreases (Disposals)	Impairment losses during the period	Translation adjust-ments	Other move-ments	IFRS 5 Impact	31.12.2012 GROSS	31.12.2012 NET
Corporate and Investment Banking (excluding brokers)	644	589			(115)				644	474
Equity brokers	174	173						(173)[(1)]		
Brokers, others	664	370			(368)	(2)			662	0
Private Banking	484	484							484	484
TOTAL	**1,966**	**1,616**			**(483)**	**(2)**		**(173)**	**1,790**	**958**

In application of IFRS 5 standard :
- €41 million corresponding to the goodwill of CLSA was recognised in «Non-current assets held-for-sale»;
- and €132 million corresponding to the entire goodwill impairment of CA Cheuvreux

Goodwill was subject to impairment tests based on the assessment of the value in use of the cash generating units (CGU) to which it is associated. The determination of value in use was calculated by discounting the CGU's estimated future cash flows calculated from the medium-term plans developed for Group management purposes.

These tests led to an impairment charge in 2012 on the "Other Brokers" and "CIB" CGUs.

The following assumptions were used:

- estimated future cash flows: projected data between three and four years based on the budget forecasts approved by Management.

Business line plan projections were prepared using the end-of-September 2012 economic scenario, based on the following assumptions:

A slow and modest upturn in the eurozone

Following on from the 2012 recession in the eurozone, 2013 will be marked by a very slow and modest upturn (0.1%), against a backdrop of the gradual resolution of the debt crisis.

In 2014, growth will return with rates potentially in the region of 1.4%, with a modest upturn in France (1.3% in 2014). In Italy, growth will undergo a technical recovery in 2014, following two years of recession.

Short-term rates to remain low in 2013

The ECB lowered its funding rate from 0.75% in July 2012 due to the deterioration in the economic climate in the eurozone. Very low key interest rates (0% for deposit rates and 0.75% for funding rates), unlimited refinancing transactions and the widening of collateral eligibility criteria are likely to help to maintain excess liquidity in the eurozone and, consequently, very low short-term rates (0.2% for the Euribor 3-month rate at the end of 2012 and into 2013).

In 2014-2015, the ECB will raise its refinancing rate cautiously, in stages, in line with the slow and modest recovery witnessed in the eurozone.

A slow and gradual rise in long-term rates

In 2012, the eurozone public debt crisis and risk aversion led to a marked flight to quality in favour of German and French government bonds, hence the two country's extremely low 10-year rates. With the ECB's announcement of a new public debt buyback programm (conditional but unlimited) known as OMT, risk aversion may gradually lessen. At the same time, however, the economic climate in most European countries, especially Italy and Spain, is proving to be poorer than expected. Safe haven securities are, therefore, still highly attractive and a rise in long-term French and German rates will take longer than anticipated.

In 2014-2015, a return to growth and an improvement in public finances will favour a shift to more risky assets (drop in risk premiums). The fragility of the recovery and its vulnerability to shocks is still, however, likely to sustain purchases of safe haven assets, with very gradual normalisation of long- term French and German rates.

Stable euro/dollar parity over the period

Euro/dollar parity was stable at around the 1.30 mark, in the light of the Fed's ultra-accommodating policy which is forcing the dollar down. This effect was, however, offset by the highly unfavourable economic climate in the eurozone. The allocation of rare resources (liquidity, RWA) over the period for financing business lines (SFS and CIB) continued to be restricted.

- the equity allocated to the various business lines corresponds, at 31 December 2012, to 8% of risk weighted assets for banking activity ;
- perpetual growth rates : between 2% and 3%,
- discount rates : between 10% and 12,6%.

Sensitivity tests conducted on goodwill - Group share show that :

- a change of +/- 50 basis points of equity allocation rate would lead to a change of about +€474/-€115 million of the impairment charge recorded at end 2012.
- a change of +/- 50 basis points in the perpetual growth rate would lead to a change of about -€115/+€325 million of the impairment charge recorded at end 2012.
- a change of +/- 50 basis points in the discount rate would lead to a change of about +€441/-€115 million of the impairment charge recorded at end 2012.
- a change of +/- 10 basis points of the cost of risk would lead to a change of about +98%/-24% of the impairment charge recorded at end 2012.
- a change of +/- 100 basis points of the cost-income ratio would lead to a change of about +39%/-24% of the impairment charge recorded at end 2012.

Changes indicated above would only affect the impairment charge of the CIB.

2.5 Investments in joint ventures

List and description of investments in joint ventures

At 31 December 2012, the main investments in joint ventures were:

- Newedge, 50% consolidated, whose contribution to the consolidated balance sheet totalled €22,973 million, €1,648 million in expenses and €1,302 million in revenues;
- UBAF, 47.01% consolidated, whose contribution to the consolidated balance sheet totalled €699 million, €56 million in expenses and €63 million in revenues.

➢ NOTE 3 : FINANCIAL MANAGEMENT, RISK EXPOSURE AND HEDGING POLICY

The risk exposures description of Crédit Agricole CIB and the measures implemented to manage and mitigate the risks are described in the "Risk factors and Pillar 3" chapter, « Risk factors » section, as allowed by IFRS 7.

3.1 Credit risk

Maximum exposure to credit risk

An entity's maximum exposure to credit risk is the gross carrying amount, net of any offset amount and any recognised loss of value.

€ million	31.12.2012 Ongoing activities	31.12.2011
Financial assets at fair value through profit and loss (excluding variable- income securities and assets backing unit linked-contracts)	579,154	452,742
Derivative hedging instruments	1,842	1,639
Available-for-sale assets (excluding variable-income securities)	28,996	13,033
Due from banks (excluding internal transactions)	65,596	79,570
Loans and advances to customers	122,508	168,216
Exposure to on-balance-sheet commitments (net of impairment)	**798,096**	**715,200**
Financing commitments given[2]	116,320	110,579
Financial guarantee commitments given	43,209	43,168
Reserves - Financing commitments	(18)	(20)
Exposure to off-balance sheet commitments (net of reserves)	**159,511**	**153,727**
Maximum exposure to credit risk[1]	**957,607**	**868,927**

[1] The contribution as of December 31, 2011 of reclassified entities held for sale in 2012 amounts to €898 million.
[2] As of December 31, 2012, the securities received in a delivered repurchase agreement recognised at transaction date were recorded for their notional amount through the miscellaneous credit accounts for €2 billion; as of December 31,2012, these transactions accounted for €22 billion were recorded under «Financing commitmetns given» between transaction date and payment date.

Guarantees and other credit enhancements amount to :

€ million	31.12.2012	31.12.2011
Due from banks (excluding internal transactions)	4,447	5,898
Loans and advances to customers	59,826	65,916
Financing commitments given (excluding internal transactions)	9,785	13,825
Financial guarantee commitments given (excluding internal transactions)	3,675	4,806
Total	**77,733**	**90,445**

An analysis of risk by type of concentration provides information on diversification of risk exposure.

Concentrations by type of customer

◆ Loans and advances to customers : analysis by customer type

€ million	31.12.2012				
	Gross	of which financial assets individually impaired (gross amount)	Individual impairments	Collective impairments	Total
Central governments	2,748	52	(51)	(28)	2,669
Banks	50,154	644	(553)		49,601
Central banks	15,994				15,994
Non-bank institutions	22,487	556	(351)	(570)	21,566
Corporates	94,914	2,760	(1,462)	(979)	92,473
Retail customers	5,855	643	(54)		5,801
Total - Due from banks and loans and advances to customers(*)	**192,152**	**4,655**	**(2,471)**	**(1,577)**	**188,104**

(*) including €923 million of performing restructured customer loans (not depreciated) and €249 million of loans < 90 days past due.

€ million	31.12.2011				
	Gross	of which financial assets individually impaired (gross amount)	Individual impairments	Collective impairments	Total
Central governments	4,464	83	(82)	(21)	4,361
Banks	61,895	607	(564)		61,331
Central banks	18,239				18,239
Non-bank institutions	57,182	841	(531)	(1,063)	55,588
Corporates	104,425	2,033	(1,061)	(1,206)	102,158
Retail customers	6,168	759	(59)		6,109
Total - Due from banks and loans and advances to customers(*)	**252,373**	**4,323**	**(2,297)**	**(2,290)**	**247,786**

(*) including €1,021 million of performing restructured customer loans (not depreciated) and €306 million of loans < 90 days past due.

◆ Commitments given to customers by customer type

€ million	31.12.2012	31.12.2011
Financing commitments given to customers		
Central governments	1,822	2,906
Non-bank institutions	16,671	21,066
Corporates	80,191	73,919
Retail customers	1,424	1,739
Total Financing commitments	**100,108**	**99,630**
Guarantee commitments given to customers		
Central governments	31	72
Non-bank institutions	3,201	2,094
Corporates	32,154	33,435
Retail customers	734	779
Total Guarantee commitments	**36,120**	**36,380**

◆ Customer accounts by customer type

€ million	31.12.2012	31.12.2011
Central governments	10,428	10,745
Non-bank institutions	44,252	76,941
Corporates	48,597	52,485
Retail customers	17,884	17,442
Total Current Accounts	**121,161**	**157,613**

Credit activity's concentrations by geographical zone

◆ Due from banks and loans and advances to customers by geographical zone

€ million	31.12.2012				
	Gross	of which financial assets individually impaired (gross amount)	Individual impairments	Collective impairments	Total
France (including overseas departments and territories)	47,098	489	(309)	(339)	46,450
Other EU countries	39,007	1,504	(470)	(460)	38,077
Other European countries	13,680	298	(138)	(61)	13,481
North America	38,368	505	(342)	(361)	37,665
Central and South America	12,627	876	(655)	(17)	11,955
Africa and Middle-East	7,315	679	(474)	(117)	6,724
Asia and Pacific (excluding Japan)	18,053	195	(16)	(125)	17,912
Japan	16,004	109	(67)	(97)	15,840
Total - Due from banks and loans and advances to customers(*)	**192,152**	**4,655**	**(2,471)**	**(1,577)**	**188,104**

(*) including €923 million of performing restructured customer loans (not depreciated) and €249 million of loans < 90 days past due.

€ million	31.12.2011				
	Gross	of which financial assets individually impaired (gross amount)	Individual impairments	Collective impairments	Total
France (including overseas departments and territories)	61,435	441	(285)	(276)	60,874
Other EU countries	54,480	1,468	(388)	(582)	53,510
Other European countries	13,976	329	(137)	(66)	13,773
North America	63,206	455	(349)	(916)	61,941
Central and South America	14,518	912	(606)	(23)	13,889
Africa and Middle-East	8,783	549	(425)	(270)	8,088
Asia and Pacific (excluding Japan)	20,851	53	(39)	(74)	20,738
Japan	15,124	116	(68)	(83)	14,973
Total - Due from banks and loans and advances to customers(*)	**252,373**	**4,323**	**(2,297)**	**(2,290)**	**247,786**

(*) including €1,021 million of performing restructured customer loans (not depreciated) and €306 million of loans < 90 days past due.

◆ Commitments given to customers by geographical zone

€ million	31.12.2012	31.12.2011
Financing commitments given to customers		
France (including overseas departments and territories)	43,379	32,649
Other EU countries	18,417	26,196
Other European countries	6,467	6,770
North America	18,863	19,942
Central and South America	3,978	4,611
Africa and Middle-East	1,284	1,731
Asia and Pacific (excluding Japan)	6,848	6,714
Japan	872	1,017
Total Financing commitments given to customers	**100,108**	**99,630**
Guarantee commitments given to customers		
France (including overseas departments and territories)	13,514	13,023
Other EU countries	8,880	8,673
Other European countries	3,498	1,689
North America	5,331	5,700
Central and South America	558	681
Africa and Middle-East	701	1,304
Asia and Pacific (excluding Japan)	2,743	4,224
Japan	895	1,086
Total Guarantee commitments given to customers	**36,120**	**36,380**

◆ Customer accounts by geographical zone

€ million	31.12.2012	31.12.2011
France (including overseas departments and territories)	25,592	29,826
Other EU countries	36,948	35,635
Other European countries	9,537	8,676
North America	25,822	61,807
Central and South America	3,291	2,823
Africa and Middle-East	6,955	6,216
Asia and Pacific (excluding Japan)	9,068	10,576
Japan	3,948	2,054
Total Customer accounts	**121,161**	**157,613**

◆ Derivative financial instruments - Counterparty risk

The counterparty risk on derivative instruments comprises the market value and the potential credit risk calculated and weighted in accordance with prudential standards.

The impacts of netting contracts and collaterals, which reduce this risk, are also presented for information.

€ million	31.12.2012			31.12.2011		
	Market value	**Potential credit risk**	**Total counterparty risk**	**Market value**	**Potential credit risk**	**Total counterparty risk**
Risk on :						
- Interest rates, exchange rates and commodities	213,164	68,291	281,454	209,851	87,231	297,082
- Equity and index derivatives	3,476	2,917	6,393	9,513	4,663	14,176
- Credit derivatives	5,299	9,976	15,276	14,199	13,721	27,920
Total derivative instruments	**221,939**	**81,184**	**303,123**	**233,563**	**105,615**	**339,178**
Impact of netting agreements	189,965	50,616	240,581	199,124	67,252	266,376
Impact of netting collaterisations	7,977		7,977	6,239		6,239
Total after impact of netting agreements	**23,997**	**30,568**	**54,565**	**28,200**	**38,363**	**66,563**

3.2 Market risk

Market risk is the risk of a negative impact on the income statement or balance sheet caused by adverse fl uctuations in the value of financial instruments following changes in market parameters:

- interest rates: interest-rate risk is the risk of a change in the fair value of a financial instrument or the risk of a change of the future cash flows from a financial instrument due to a change in the interest rate;
- exchange rates: currency risk is the risk of a change in the fair value of a fi nancial instrument due to a change in the exchange rate;
- price: price risk results from the price change and volatility of securities and commodities, baskets of equities as well as equity indices. In particular, variable-income securities, equity derivatives and derivative instruments on commodities are subjected to this risk.

Derivative instruments: analysis by remaining maturity

The market values of derivative financial instruments are split by contractual maturity.

◆ Hedging instruments - Fair value of assets

€ million	31.12.2012							31.12.2011
	Exchange-traded			Over-the-counter			Total market value	Total market value
	Under 1 year	1-5 years	Over 5 years	Under 1 year	1-5 years	Over 5 years		
Interest rate instruments				**1,391**	**49**	**49**	**1,489**	**1,299**
Futures								
Forward rate agreements								
Interest rate swaps				1,391	49	49	1,489	1,292
Interest rate options								1
Caps-floors-collars								6
Other options								
Currency and gold				**214**	**10**		**224**	**216**
Currency futures				212	10		222	191
Currency options				2			2	25
Other				**19**			**19**	
Equity and index derivatives				19			19	
Precious metal derivatives								
Commodity derivatives								
Credit derivatives and other								
Sub-total				**1,624**	**59**	**49**	**1,732**	**1,515**
Forward currency transactions				102	8		110	124
Total Fair value of hedging derivative instruments - Assets				**1,726**	**67**	**49**	**1,842**	**1,639**

◆ Hedging instruments - Fair value of liabilities

€ million	31.12.2012							31.12.2011
	Exchange-traded			Over-the-counter			Total market value	Total market value
	Under 1 year	1-5 years	Over 5 years	Under 1 year	1-5 years	Over 5 years		
Interest rate instruments				**441**	**219**	**71**	**731**	**684**
Futures								
Forward rate agreements								
Interest rate swaps				440	214	70	724	677
Interest rate options					4		4	
Caps-floors-collars								6
Other options				1	1	1	3	1
Currency and gold				**151**	**1**		**152**	**289**
Currency futures				149	1		150	264
Currency options				2			2	25
Other				**73**			**73**	**166**
Equity and index derivatives				73			73	166
Precious metal derivatives								
Commodity derivatives								
Credit derivatives and other								
Sub-total				**665**	**220**	**71**	**956**	**1,139**
Forward currency transactions				106	1		107	463
Total Fair value of hedging derivative instruments - Liabilities				**771**	**221**	**71**	**1,063**	**1,602**

◆ Derivative instruments held for trading - Fair value of assets

€ million	31.12.2012							31.12.2011
	Exchange-traded			Over-the-counter			Total market value	Total market value
	Under 1 year	1-5 years	Over 5 years	Under 1 year	1-5 years	Over 5 years		
Interest rate instruments	**2**			**19,622**	**107,858**	**288,895**	**416,377**	**316,513**
Futures	1						1	2
Forward rate agreements				672	102		774	766
Interest rate swaps				18,257	95,901	251,591	365,749	265,997
Interest rate options				80	3,391	32,056	35,527	35,545
Caps-floors-collars				613	8,464	5,248	14,325	14,203
Other options	1						**1**	
Currency and gold	**10**			**3,201**	**3,326**	**3,989**	**10,526**	**11,211**
Currency futures	10			1,496	823	1,406	3,735	5,019
Currency options				1,705	2,503	2,583	6,791	6,192
Other	**111**	**592**	**19**	**3,582**	**11,429**	**945**	**16,678**	**31,631**
Equity and index derivatives	111	592	19	1,008	3,060	276	5,066	12,581
Precious metal derivatives				23	4		27	87
Commodity derivatives				322	220	47	589	2,890
Credit derivatives and other				2,229	8,145	622	10,996	16,073
Sub-total	**123**	**592**	**19**	**26,405**	**122,613**	**293,829**	**443,581**	**359,355**
Forward currency transactions				7,094	871	148	8,113	14,660
Total Fair value of derivative instruments held for trading - Assets	**123**	**592**	**19**	**33,499**	**123,484**	**293,977**	**451,694**	**374,015**

◆ Derivative instruments held for trading - Fair value of liabilities

€ million	31.12.2012							31.12.2011
	Exchange-traded			Over-the-counter			Total market value	Total market value
	Under 1 year	1-5 years	Over 5 years	Under 1 year	1-5 years	Over 5 years		
Interest rate instruments	**1**			**18,768**	**105,656**	**293,142**	**417,567**	**318,083**
Futures	1						1	1
Forward rate agreements				654	76		730	746
Interest rate swaps				17,101	90,910	252,943	360,954	262,117
Interest rate options				219	4,092	33,598	37,909	37,109
Caps-floors-collars				793	10,578	6,601	17,972	18,105
Other options				1			1	5
Currency and gold	**5**			**3,268**	**3,883**	**3,511**	**10,667**	**10,970**
Currency futures	4			1,242	1,170	1,259	3,675	4,286
Currency options	1			2,026	2,713	2,252	6,992	6,684
Other	**194**	**1,026**	**46**	**3,854**	**11,536**	**871**	**17,527**	**30,775**
Equity and index derivatives	150	1,026	46	698	3,133	231	5,284	11,287
Precious metal derivatives				27	4		31	84
Commodity derivatives	44			251	207	48	550	2,737
Credit derivatives and other				2,878	8,192	592	11,662	16,667
Sub-total	**200**	**1,026**	**46**	**25,890**	**121,075**	**297,524**	**445,761**	**359,828**
Forward currency transactions				6,330	1,065	117	7,512	12,048
Total Fair value of derivative instruments held for trading - Liabilities	**200**	**1,026**	**46**	**32,220**	**122,140**	**297,641**	**453,273**	**371,876**

Derivative instruments : commitments

€ million	31.12.2012 Total notional amount outstanding	31.12.2011 Total notional amount outstanding
Interest rate instruments	**13,039,689**	**13,392,547**
Futures	385,344	248,816
Forward rate agreements	1,309,145	1,404,723
Interest rate swaps	8,807,481	8,685,565
Interest rate options	1,433,900	1,830,441
Caps-floors-collars	1,103,819	1,223,002
Other options		
Currency and gold	**2,416,064**	**2,331,390**
Currency futures	1,892,239	1,674,659
Currency options	523,825	656,731
Other	**1,147,655**	**990,487**
Equity and index derivatives	63,737	150,275
Precious metal derivatives	811	1,220
Commodity derivatives	7,228	69,772
Credit derivatives and other	1,075,879	769,220
Sub-Total	**16,603,408**	**16,714,424**
Forward currency transactions	351,964	681,550
Total Notionals	**16,955,372**	**17,395,974**

Currency risk

◆ Contribution of currencies to the consolidated balance sheet

€ million	31.12.2012		31.12.2011	
	Asset	Liability	Asset	Liability
EUR	560,977	557,339	454,593	459,082
Other EU currencies	27,504	30,382	12,711	7,217
USD	253,653	256,151	276,871	290,176
JPY	29,872	29,340	39,836	40,513
Other currencies	33,284	32,078	41,993	29,016
Total	**905,290**	**905,290**	**826,004**	**826,004**

Breakdown on debt securities in issue and subordinated debt by currency

€ million	31.12.2012			31.12.2011		
	Bonds	Fixed-term subordinated debt	Perpetual subordinated debt	Bonds	Fixed-term subordinated debt	Perpetual subordinated debt
EUR	1	1,245	621	8	1,714	632
USD			4,104		1,505	4,332
Total	**1**	**1,245**	**4,725**	**8**	**3,219**	**4,964**

3.3 Liquidity and financing risk

Due from banks and loans and advances to customers: analysis by residual maturity

€ million	31.12.2012				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Loans and advances to banks	54,283	5,252	4,274	2,340	66,149
Loans and advances to customers (including lease finance)	47,729	10,431	43,084	24,759	126,003
Total	**102,012**	**15,683**	**47,358**	**27,099**	**192,152**
Impairment					(4,048)
Total Due from banks and loans and advances to customers					**188,104**

€ million	31.12.2011				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Loans and advances to banks	68,391	2,958	6,514	2,271	80,134
Loans and advances to customers (including lease finance)	83,341	12,614	47,795	28,489	172,239
Total	**151,732**	**15,572**	**54,309**	**30,760**	**252,373**
Impairment					(4,587)
Total Due from banks and loans and advances to customers					**247,786**

Due to banks and customer accounts: analysis by residual maturity

€ million	31.12.2012				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Due to banks	36,392	7,474	13,534	1,360	58,760
Customer accounts	104,498	13,860	2,036	767	121,161
Total Due to banks and customer accounts	**140,890**	**21,334**	**15,570**	**2,127**	**179,921**

€ million	31.12.2011				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Due to banks	70,224	3,391	12,453	826	86,894
Customer accounts	139,490	14,003	1,843	2,277	157,613
Total Due to banks and customer accounts	**209,714**	**17,394**	**14,296**	**3,103**	**244,507**

Debt securities in issue and subordinated debt

€ million	31.12.2012				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Interest-bearing notes	33				33
Negociables debt securities:	23,895	6,918	149	80	31,041
Bonds	1				1
Other debt securities in issue				27	27
Total Debt securities in issue	**23,929**	**6,918**	**149**	**107**	**31,102**
Fixed-term subordinated debt	75	501	23	646	1,245
Perpetual su Perpetual sub Perpetual subordinate	3		78	4,644	4,725
Total Subordinated debt	**78**	**501**	**101**	**5,290**	**5,970**

€ million	31.12.2011				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Interest-bearing notes		18	21		39
Negociables debt securities:	21,681	2,781	246	253	24,961
Bonds			8		8
Other debt securities in issue				28	28
Total Debt securities in issue	**21,681**	**2,799**	**275**	**281**	**25,036**
Fixed-term subordinated debt	296		1,841	1,082	3,219
Perpetual su Perpetual sub Perpetual subordinate	2			4,962	4,964
Total Subordinated debt	**298**		**1,841**	**6,044**	**8,183**

Financial guarantees at risk by expected maturity

Amounts presented below correspond to financial guarantees at risk, that is to say impaired or under watch.

€ million	31.12.2012				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Given financial guarantees	15	28			**43**

€ million	31.12.2011				
	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Given financial guarantees	16	39			**55**

The remaining contractual maturities are disclosed in the note 3.2 « Market Risk ».

3.4 Derivative hedging instruments

(See Risk factors and Pillar 3, « Risk management- Asset and liability management - Structural financial risks »)

Derivative hedging instruments by type of risk

€ million	31.12.2012			31.12.2011		
	Market positive	Market value negative	Notional Amount	Market positive	Market value negative	Notional Amount
FAIR VALUE HEDGES	**777**	**887**	**44,180**	**841**	**1,288**	**34,388**
Interest rate	537	718	27,932	512	672	18,189
Shareholders' equity Instruments						21
Foreign exchange	241	169	16,248	329	616	16,178
Credit						
Commodities						
Other						
CASH FLOW HEDGES	**1,037**	**162**	**20,245**	**788**	**179**	**8,092**
Interest rate	952	13	8,387	788	13	7,835
Shareholders' equity Instruments	19	73	298		166	257
Foreign exchange	66	75	11,560			
Credit						
Commodities						
Other						
HEDGING OF NET INVESTMENTS IN A FOREIGN ACTIVITY	**28**	**14**	**3,695**	**10**	**135**	**6,278**
TOTAL DERIVATIVE HEDGING INSTRUMENTS	**1,842**	**1,063**	**68,120**	**1,639**	**1,602**	**48,758**

NOTE 4 : NOTES TO THE INCOME STATEMENT

The comparative information related to the discontinuing or held-for-sale activities is separately displayed according to the IFRS 5 standard (See note 6.14 « Financial assets and liabilities related to non-current asset held-for-sale».

4.1 Interest income and expenses

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Loans and advances to banks [3]	722	1,091	1,145
Loans and advances to customers [4]	4,015	3,743	3,743
Accrued interest receivable on available-for-sale financial assets	365	477	483
Accrued interest receivable on held-to-maturity financial assets			
Accrued interest receivable on hedging instruments	495	312	312
Lease finance	21	52	52
Other assimilated interests and income			
Interest income[2]	**5,618**	**5,675**	**5,735**
Deposits by banks[3]	(878)	(924)	(925)
Customer accounts[4]	(964)	(997)	(998)
Debt securities in issue	(386)	(937)	(937)
Subordinated debt	(130)	(296)	(295)
Accrued interest payable on hedging instruments	(593)	(392)	(408)
Lease finance	(15)	(40)	(40)
Other assimilated interests and expenses		(6)	(5)
Interest expense	**(2,966)**	**(3,592)**	**(3,608)**
Net interest margin	**2,652**	**2,083**	**2,127**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.
[2] Of which €97 million on individually impaired receivables at 31.12.2012 compared to €96 million at 31.12.2011.
[3] Fee and commission income on commitments previously included under "Fee and commission income" was reclassified at 31 December 2012 under "Interest income" :
- Fee and commission income from interbank transaction amount for €43 million at 31 December 2012 against €49 million at December 2011.
- Expenses amount for -€82 million at 31 December 2012 against -€95 million at 31 December 2011.
No pro forma was prepared for this reclassification at 31 December 2011.

[4] Fee and commission income on commitments previously included under "Fee and commission income" was reclassified at 31 December 2012 under "Interest income" :
- Fee and commission income from customer transaction amount for €678 million at 31 December 2012 against €691 milli
- Expenses amount for -€19 million at 31 December 2012 against -€18 million at 31 December 2011. No pro forma was prepared for this reclassification at 31 December 2011.

4.2 Net fee and commission income

€ million	31.12.2012			31.12.2011[1]			31.12.2011 Published		
	Income	Expense	Net	Income	Expense	Net	Income	Expense	Net
Interbank transactions	77	(75)	2	59	(36)	23	58	(36)	22
Customer transactions	353	(75)	278	430	(78)	352	430	(78)	352
Securities transactions (including brokerage)	280	(205)	75	678	(684)	(6)	1,291	(730)	561
Foreign exchange transactions	11	(10)	1	10	(9)	1	10	(9)	1
Transactions on derivative instruments and other off- [2]	896	(593)	303	1,549	(641)	908	1,575	(641)	934
Payment instruments and other banking and financial services	338	(159)	179	324	(111)	213	385	(206)	179
Trust and similar activities	264	(10)	254	245	(7)	238	212	(8)	204
Net fee and commission income	**2,219**	**(1,127)**	**1,092**	**3,295**	**(1,566)**	**1,729**	**3,961**	**(1,708)**	**2,253**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.
[2] Fee and commission income on commitments previously included under "Fee and commission income" was reclassified at 31 December 2012 under "Interest income":
- Fee and commission income amount for €721 million at 31 December 2012 against €740 million at 31 December 2011.
- Expenses amount for -€101 million at 31 December 2012 against -€113 million at 31 December 2011.
No pro forma was prepared for this reclassification at 31 December 2011.

4.3 Net gains/(losses) on financial instruments at fair value through profit and loss

€ million	31.12.2012	31.12.2011[(1)]	31.12.2011 Published
Dividends received	189	340	340
Unrealised or realised gains or losses on financial assets/liabilities at fair value through profit and loss	(102)	1,934	1,982
Unrealised or realised gains or losses on financial assets/liabilities designated as at fair value through profit and loss			(18)
Gain/loss on currency transactions and similar financial instruments (excluding gain/loss on hedges on net investments in foreign activities)	210	(505)	(521)
Hedge accounting gain/loss	(1)	(1)	(1)
Net gains (losses) on financial instruments at fair value through profit and loss	**296**	**1,768**	**1,782**

[(1)] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

The change in the issuer spread on structured issues measured at fair value led, under Net banking income, to an expense of - €933 million at 31 December 2012 compared to income of €671 million at 31 December 2011 (see Note 6.2 Financial liabilities at fair value through profit and loss).

Net gain/(loss) resulting from hedge accounting

Net gain/(loss) resulting from hedge accounting decomposes as follow :

€ million	31.12.2012		
	Gains	Losses	Net
Fair value hedges			
Change in fair value of hedged items attributable to hedged risks	277	(184)	93
Change in fair value of hedging derivatives (including sales of hedges)	186	(280)	(94)
Cash flow hedges			
Change in fair value of hedging derivatives - ineffective portion			
Hedges of net investments in foreign operations			
Change in fair value of hedging derivatives - ineffective portion			
Fair value hedge of the interest rate exposure of a portfolio of financial instruments			
Change in fair value of hedged items		(77)	(77)
Change in fair value of hedging derivatives	77		77
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments			
Change in fair value of hedging instrument - ineffective portion			
Cessation of hedge accounting in the case of a cash flow hedge			
Total gain/(loss) from hedge accounting	**540**	**(541)**	**(1)**

€ million	31.12.2011[(1)]		
	Gains	Losses	Net
Fair value hedges			
Change in fair value of hedged items attributable to hedged risks	212	(495)	(283)
Change in fair value of hedging derivatives (including sales of hedges)	498	(216)	282
Cash flow hedges			
Change in fair value of hedging derivatives - ineffective portion			
Hedges of net investments in foreign operations			
Change in fair value of hedging derivatives - ineffective portion			
Fair value hedge of the interest rate exposure of a portfolio of financial instruments			
Change in fair value of hedged items	29	(10)	19
Change in fair value of hedging derivatives	10	(29)	(19)
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments			
Change in fair value of hedging instrument - ineffective portion			
Cessation of hedge accounting in the case of a cash flow hedge			
Total gain/(loss) from hedge accounting	**749**	**(750)**	**(1)**

[(1)] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

€ million	31.12.2011 Published		
	Gains	Losses	Net
Fair value hedges			
Change in fair value of hedged items attributable to hedged risks	212	(495)	(283)
Change in fair value of hedging derivatives (including sales of hedges)	498	(216)	282
Cash flow hedges			
Change in fair value of hedging derivatives - ineffective portion			
Hedges of net investments in foreign operations			
Change in fair value of hedging derivatives - ineffective portion			
Fair value hedge of the interest rate exposure of a portfolio of financial instruments			
Change in fair value of hedged items	29	(10)	19
Change in fair value of hedging derivatives	10	(29)	(19)
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments			
Change in fair value of hedging instrument - ineffective portion			
Cessation of hedge accounting in the case of a cash flow hedge			
Total gain/(loss) from hedge accounting	**749**	**(750)**	**(1)**

4.4 Net gains/(losses) on available-for-sale financial assets

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Dividends received	51	52	52
Realised gains or losses on available-for-sale financial assets[2]	213	17	17
Permanent impairment losses on variable-income securities	(69)	(57)	(64)
Gains/(losses) on disposals of loans and advances	(172)	(217)	(217)
Net gains/(losses) on available-for-sale financial assets	**23**	**(205)**	**(212)**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.
[2] Excluding realised gains or losses on permanently impaired fixed-income securities recognised as available-for-sale financial assets mentioned in Note 4.8.

4.5 Net income and expenses related to other activities

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Other net income from insurance activities	3	6	6
Change in insurance technical reserves	(4)	(2)	(2)
Net income from investment properties		1	1
Other net income (expense)	(1)	(71)	(69)
Net income (expense) related to other activities	**(2)**	**(66)**	**(64)**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

4.6 General operating expenses

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Staff costs	(2,085)	(2,301)	(2,745)
Taxes other than income or payroll-related	(120)	(75)	(79)
External services and other general operating expenses	(998)	(968)	(1,175)
General operating expenses	**(3,203)**	**(3,344)**	**(3,999)**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

These amounts include fees paid to Crédit Agricole CIB Statutory Auditors.
The breakdown of the fees recognised in 2012 income by audit firm and by type of engagement is provided below:

€ thousands (excluding taxes)	31.12.2012[1]							31.12.2011[1]	31.12.2011 Published
	Ernst & Young	Pricewater houseCoopers	Mazars & Guérard	Deloitte	KPMG	Others	**Total**	**Total**	**Total**
Independent audit, certification, review of separate and consolidated financial statements	6,351	6,017		74	181	305	12,928	13,229	15,280
Ancillary assignments and services directly linked to the mission of independent audit	1,350	721			32	4	2,107	807	1,038
Total Statutory Auditors' fees	**7,701**	**6,738**		**74**	**213**	**309**	**15,035**	**14,036**	**16,318**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

4.7 Depreciation, amortisation and impairment of property, plant equipment and intangible assets

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Depreciation and amortisation	**(127)**	**(119)**	**(148)**
- Property, plant and equipment	(86)	(81)	(98)
- Intangible assets	(41)	(38)	(50)
Impairment	**(9)**	**1**	**(5)**
- Property, plant and equipment	(9)	1	
- Intangible assets			(5)
Depreciation, amortisation and impairment of property, plant & equipment and assets	**(136)**	**(118)**	**(153)**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

4.8 Cost of risk

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Charge to reserves and impairment	**(618)**	**(635)**	**(636)**
Available-for-sale financial assets	(21)	(5)	(5)
Loans and advances	(409)	(421)	(421)
Other assets	(6)	(7)	(8)
Financing commitments	(10)	(15)	(15)
Risks and expenses	(172)	(187)	(187)
Reversals of reserves and impairment	**559**	**304**	**305**
Available-for-sale financial assets	41	37	37
Loans and advances [3]	456	199	199
Other assets	2	15	15
Financing commitments	11	8	8
Risks and expenses	49	45	46
Charges to reserves and impairment net of reversals	**(59)**	**(331)**	**(331)**
Gains or losses on disposal of available-for-sale financial assets	(34)	(32)	(32)
Bad debts written off-not impaired [2]	(399)	(124)	(124)
Recoveries on bad debts written off	46	39	39
Losses on financing commitments			
Other losses	(21)	(59)	(59)
Cost of risk	**(467)**	**(507)**	**(507)**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.
[2] Losses on loans and advances include the losses on CDO and RMBS disposals for -€348 million.
[3] Reversals of reserves and impairement on loans and advances include the collective impairments reversal on the CDO and RMBS portfolios for €212 million.

4.9 Net gains/(losses) on other assets

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Property, plant & equipment and intangible assets used in operations	**8**		
Gains on disposals	9		
Losses on disposals	(1)		
Consolidated equity investments	**36**	2	2
Gains on disposals	36	7	7
Losses on disposals		(5)	(5)
Net gains or losses on other assets	**44**	**2**	**2**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

4.10 Income tax

Tax charge

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Current tax income (charge)	553	573	593
Deferred tax income (charge)	(530)	(982)	(980)
Tax income (expense) for the period	**23**	**(409)**	**(387)**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

Reconciliation of theoretical tax rate and effective tax rate

◆ At 31 December 2012

€ million	Basis	Tax rate	Tax charge
Income before tax, goodwill impairment and share of net income of equity affiliates	**298**	**36.10%**	**(107)**
Impact of permanent differences		-23.15%	69
Impact of different rates on foreign subsidiaries		-11.74%	35
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		-9.40%	28
Impact of reduced tax rate		-4.70%	14
Impact of other items		5.17%	(16)
Effective tax rate and tax charge		**-7.72%**	**23**

The theoretical tax rate is the tax rate applicable under ordinary law (including the additional social contribution) to taxable profits in France for the year ended 31 December 2012.

◆ At 31 December 2011[1]

€ million	Basis	Tax rate	Tax charge
Income before tax, goodwill impairment and share of net income of equity affiliates	**1,341**	**36.10%**	**(484)**
Impact of permanent differences		1.64%	(22)
Impact of different rates on foreign subsidiaries		-3.65%	49
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		-2.61%	35
Impact of reduced tax rate		-0.38%	5
Impact of other items		-0.66%	8
Effective tax rate and tax charge		**30.44%**	**(409)**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

◆ At 31 December 2011 published

€ million	Basis	Tax rate	Tax charge
Income before tax, goodwill impairment and share of net income of equity affiliates	**1,229**	**36.10%**	**(444)**
Impact of permanent differences		1.71%	(21)
Impact of different rates on foreign subsidiaries		-3.50%	43
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		-1.95%	24
Impact of reduced tax rate		-0.41%	5
Impact of other items		-0.49%	6
Effective tax rate and tax charge		**31.46%**	**(387)**

The theoretical tax rate is the tax rate applicable under ordinary law (including the additional social contribution) to taxable profits in France for the year ended 31 December 2011.

4.11 Change in gains/(losses) directly recognised in equity

Gains and losses recognised for the period are disclosed below net of tax.

€ million	Gains/(losses) recognized directly in equity				Total gains/(losses) recognised directly in equity
	Due to change in translation adjustments	Change in fair value of available for- sale financial assets	Change in fair value of hedging derivatives	Actuarial gains or losses on post-employment benefits	
Change in fair value		153	122		275
Reclassified to income statement		(88)			(88)
Change in currency translation adjustments	(41)				(41)
Change in actuarial gains/(losses) on post-employment benefits				(88)	(88)
Share of other comprehensive gains/(losses) on equity affiliates	(20)	2	(2)		(20)
Other comprehensive gains/(losses) for the 2012 financial year (Group share)	**(61)**	**67**	**120**	**(88)**	**38**
Other comprehensive gains/(losses) for the 2012 financial year (minority interests)	**(10)**	**3**	**1**		**(6)**
Total other comprehensive gains/(losses) for the 2012 financial year [(1)]	**(71)**	**70**	**121**	**(88)**	**32**

Change in fair value		(54)	149		95
Reclassified to income statement		51			51
Change in currency translation adjustments	139				139
Change in actuarial gains/(losses) on post-employment benefits				(40)	(40)
Share of other comprehensive gains/(losses) on equity affiliates	44	(7)	17		54
Other comprehensive gains/(losses) for the 2012 financial year (Group share)	**183**	**(10)**	**166**	**(40)**	**299**
Other comprehensive gains/(losses) for the 2012 financial year (minority interests)	**46**	**(1)**	**2**	**1**	**48**
Total other comprehensive gains/(losses) for the 2011 financial year [(1)]	**229**	**(11)**	**168**	**(39)**	**347**

(1) Data for "Total gains and losses recognised in other comprehensive income for available-for-sale financial assets" is detailed below:

€ million	31.12.2012	31.12.2011
Gross amount	68	(3)
Tax charge	2	(8)
Net total gains or losses	**70**	**(11)**

➢ NOTE 5 : SEGMENTAL REPORTING

Definition of business

The naming of Crédit Agricole CIB's business lines corresponds to the Definition s applied within the Crédit Agricole S.A. Group.

Presentation of business lines

Operations are broken down into five business lines.

Financing activities includes French and international commercial banking and structured finance: project finance, aircraft finance, ship finance, acquisition finance, property finance, and international trade.

Capital markets and investment banking encompasses capital markets activities (treasury, foreign exchange, interest-rate derivatives and debt markets), investment banking activities (mergers and acquisitions and equity capital markets), as well as equity brokerage activities carried out by CA Cheuvreux and CLSA and futures brokerage activities carried out by Newedge.

Since the new organisation of Crédit Agricole CIB was established in the third quarter of 2012, following the adjustment plan, discontinuing activities now include the correlation business, the CDO, CLO and ABS portfolios, the equity derivatives excluding corporates and convertibles, the exotic interest rate derivatives, and the impaired portfolios of residential underlyings.

These three business lines make up nearly 100% of the Corporate and investment banking business line of Crédit Agricole S.A.

Crédit Agricole CIB is also active in private banking through its locations in France, Switzerland, Luxembourg, Monaco, Spain and Brazil.

Non-core business line activities encompass the non-operational activities of the above business lines.

5.1 Analysis by business line

Transactions between operating segments are effected at arm's length.
Segment assets are calculated on the basis of accounting items comprising the balance sheet for each operating segment.

€ million	31.12.2012						
	Financing	Capital markets and Investment banking	Discontinuing operations	**Total Corporate and Investment Banking**	Private Banking	Non-core business lin activities	**Total**
Net banking income	**2,111**	**1,278**	**(201)**	**3,188**	**712**	**161**	**4,061**
Operating expenses	(936)	(1,600)	(294)	(2,830)	(508)	(1)	(3,339)
Gross operating income	**1,175**	**(322)**	**(495)**	**358**	**204**	**160**	**722**
Cost of risk	(284)	1	(176)	(459)	(8)		(467)
Operating income	**891**	**(321)**	**(671)**	**(101)**	**196**	**160**	**255**
Share of net income of equity-accounted entities	164			164			164
Net gains/(losses) on other assets	(89)	126	2	39		5	44
Change in value of goodwill		(483)		(483)			(483)
Pre-tax income	**966**	**(678)**	**(669)**	**(381)**	**196**	**165**	**(20)**
Income tax charge	(298)	186	240	128	(37)	(68)	23
Net gains/(losses) on discontinuing operations		(381)		(381)			(381)
Net income for the period	**668**	**(873)**	**(429)**	**(634)**	**159**	**97**	**(378)**
Minority interests	(11)	(6)	18	1	(12)		(11)
Net Income Group Share	**657**	**(879)**	**(411)**	**(633)**	**147**	**97**	**(389)**
Segment assets of which :							
- investments in equity-accounted entities				1,369			1,369
- goodwill				(485)			(485)
Total assets				**890,304**	**14,986**		**905,290**

€ million	31.12.2011 Published						
	Financing	Capital markets and Investment banking	Discontinuing operations	**Total Corporate and Investment Banking**	Private Banking	Non-core business lin activities	**Total**
Net banking income	**2,434**	**3,194**	**(314)**	**5,314**	**572**		**5,886**
Operating expenses	(972)	(2,644)	(108)	(3,724)	(428)		(4,152)
Gross operating income	**1,462**	**550**	**(422)**	**1,590**	**144**		**1,734**
Cost of risk	(319)	(11)	(175)	(505)	(2)		(507)
Operating income	**1,143**	**539**	**(597)**	**1,085**	**142**		**1,227**
Share of net income of equity-accounted entities	134	(1)		133			133
Net gains/(losses) on other assets	2			2			2
Change in value of goodwill		(295)		(295)			(295)
Pre-tax income	**1,279**	**243**	**(597)**	**925**	**142**		**1,067**
Income tax charge	(412)	(150)	202	(360)	(25)	(2)	(387)
Net gains/(losses) on discontinuing operations							
Net income for the period	**867**	**93**	**(395)**	**565**	**117**	**(2)**	**680**
Minority interests	14	(4)		10	(8)		2
Net Income Group Share	**881**	**89**	**(395)**	**575**	**109**	**(2)**	**682**
Segment assets of which :							
- investments in equity-accounted entities				1,263			1,263
- goodwill				(290)	13		(277)
Total assets				**811,635**	**14,369**		**826,004**

€ million	31.12.2011[(1)]						
	Financing	Capital markets and Investment banking	Discontinuing operations	**Total Corporate and Investment Banking**	Private Banking	Non-core business lin activities	**Total**
Net banking income	**2,461**	**2,510**	**(234)**	**4,737**	**572**		**5,309**
Operating expenses	(959)	(1,645)	(430)	(3,034)	(428)		(3,462)
Gross operating income	**1,502**	**865**	**(664)**	**1,703**	**144**		**1,847**
Cost of risk	(320)	(10)	(175)	(505)	(2)		(507)
Operating income	**1,182**	**855**	**(839)**	**1,198**	**142**		**1,340**
Share of net income of equity-accounted entities	134			134			134
Net gains/(losses) on other assets	2			2			2
Change in value of goodwill		(295)		(295)			(295)
Pre-tax income	**1,318**	**560**	**(839)**	**1,039**	**142**		**1,181**
Income tax charge	(423)	(230)	271	(382)	(25)	(2)	(409)
Net gains/(losses) on discontinuing operations		(92)		(92)			(92)
Net income for the period	**895**	**238**	**(568)**	**565**	**117**	**(2)**	**680**
Minority interests	(11)	(4)	25	10	(8)		2
Net Income Group Share	**884**	**234**	**(543)**	**575**	**109**	**(2)**	**682**
Segment assets of which :							
- investments in equity-accounted entities				1,237			1,237
- goodwill				(290)	12		(278)
Total assets				**807,454**	**14,369**		**821,823**

(1) According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

5.2 Analysis by geographical zone

The geographical analysis of segment assets and results is based on the place where operations are booked for accounting purposes.

€ million	31.12.2012			31.12.2011		
	Net income, Group share	O/w revenues	Segment assets	Net income, Group share	O/w revenues	Segment assets
France (including overseas departments and territories)	(1,150)	1,151	706,490	(275)	2,398	617,592
Other European Union countries	169	1,096	44,689	169	955	42,727
Rest of Europe	180	609	19,165	189	634	19,510
North America	221	614	86,166	243	701	86,821
Central and South America	(2)	43	900	10	58	688
Africa and Middle-East	120	54	2,903	186	116	3,577
Asia and Pacific (excl. Japan)	89	381	22,276	178	881	35,108
Japan	(16)	113	22,701	(18)	143	19,981
Total	**(389)**	**4,061**	**905,290**	**682**	**5,886**	**826,004**

➢ NOTE 6 : NOTES RELATED TO THE BALANCE SHEET

6.1 Cash, Central banks

€ million	31.12.2012		31.12.2011	
	Assets	Liabilities	Assets	Liabilities
Cash	21		28	
Central banks	37,484	1,057	21,839	81
Book Value	**37,505**	**1,057**	**21,867**	**81**

6.2 Financial assets and liabilities at fair value through profit and loss

Financial assets at fair value through profit and loss

€ million	31.12.2012	31.12.2011
Financial assets held for trading	583,492	461,855
Financial assets designated at fair value through profit or loss upon initial recognition	5	188
Book Value	**583,497**	**462,043**
Of which lent securities	435	720

In application of the IFRS 5 standard, financial assets at fair-value through profit and loss of the concerned entities are classified under Non-current assets held-for-sale for €1,148 million.

Financial assets held for trading

€ million	31.12.2012	31.12.2011
Loans and advances to customers [1]	253	263
Securities bought under repurchase agreements [4]	83,978	38,027
Securities held for trading	47,567	49,550
- Treasury bills and similar items	34,090	25,465
- Bond and other fixed-income securities[2]	9,134	14,878
- Equities and other variable-income securities[3]	4,343	9,207
Derivative instruments	451,694	374,015
Book Value	**583,492**	**461,855**

[1] Including loans being syndicated.
[2] Including monetary mutual funds.
[3] Including equity mutual funds.
[4] At 31 December 2011, securities bought under repurchase agreements recognised at the transaction date were recorded for their notional amount as counterpart to the sundry creditors' account for €2 billion; at 31 December 2012, these operations, which represented €22 billion, were recorded in "financing commitments given" between the transaction date and the settlement date.

Financial assets designated at fair value through profit or loss

€ million	31.12.2012	31.12.2011
Securities designated as at fair value through profit or loss upon initial recognition	5	188
- Treasury bills and similar items		
- Bonds and other fixed-income securities [1]	5	94
- Equities and other equity variable-income securities [2]		94
Book Value	**5**	**188**

[1] Including money-market and monetary UCITS.
[2] Including Equity mutual funds UCITS

Financial liabilities at fair value through profit and loss

€ million	31.12.2012	31.12.2011
Financial liabilities held for trading	609,429	466,678
Financial liabilities designated as at fair value upon initial recognition		
Book Value	**609,429**	**466,678**

In application of the IFRS 5 standard, financial liabilities at fair-value through profit and loss of the concerned entities are classified under Non-current liabilities held-for-sale for €1,177 million.

Financial liabilities held for trading

€ million	31.12.2012	31.12.2011
Securities sold short	32,504	26,259
Securities sold under repurchase agreements [1]	90,991	36,013
Debt securities in issue	32,661	32,530
Derivative instruments	453,273	371,876
Book Value	**609,429**	**466,678**

[1] At 31 December 2011, securities sold under repurchase agreements recognised at the transaction date were recorded for their notional amount as counterpart to the sundry debtors' account for €7 billion; at 31 December 2012, these operations, which represented €27 billion, were recorded in "financing commitments received" between the transaction date and the settlement date.

6.3 Derivative financial instruments held for trading

Detailed information is provided in note 3.4 on cash flow and fair value hedges, particularly for interest and exchange rates.

6.4 Available-for-sale financial assets

€ million	31.12.2012			31.12.2011		
	Fair value in balance sheet	Gains directly in equity	Losses directly in equity	Fair value in balance sheet	Gains directly in equity	Losses directly in equity
Treasury bills and similar items	18,924	92	3	5,128		50
Bonds and other fixed-income securities	10,049	147	214	7,905	89	83
Equities and other variable-income securities	383	113	6	524	127	16
Investment securities in non-consolidated companies	705	119	9	707	116	9
Available-for-sale receivables	23					
Book value of available-for-sale financial assets[(1)]	**30,084**	**471**	**232**	**14,264**	**332**	**158**
Tax		**(105)**	**(75)**		**(69)**	**(41)**
Gains and losses directly in equity on available-for-sale fi nancial assets (net of tax)		**366**	**157**		**263**	**117**

(1) Of which €136 million related to impaired available-for-sale fixed-income securities;
€690 million relating to impaired available-for-sale variable-income securities;
No guarantees received on impaired outstandings;
No relevant item less than 90 days past-due;
€533 million in impairment of available-for-sale securities and receivables at 31 December 2012.

6.5 Due from banks and loans and advances to customers

Due from banks

€ million	31.12.2012	31.12.2011
Banks		
Loans and advances	40,092	44,290
Performing current accounts in debit and receivables	*6,769*	*7,022*
Performing overnight time accounts and loans	*17,271*	*10,648*
Securities bought under repurchase agreements	25,626	35,479
Subordinated loans	45	27
Securities not traded in an active market	320	336
Other loans and advances	66	2
Gross value	**66,149**	**80,134**
Impairment	(553)	(564)
Book value	**65,596**	**79,570**

Loans and advances to customers

€ million	31.12.2012	31.12.2011
Customer items		
Bills discounted	11,081	10,444
Other loans	89,378	97,578
Securities bought under repurchase agreements	14,535	49,955
Subordinated loans	204	524
Securities not traded in an active market	5,188	6,782
Short-term advances	68	67
Current accounts in debit	5,548	6,581
Gross value	**126,002**	**171,931**
Impairment	(3,495)	(4,023)
Net value of customer items	**122,507**	**167,908**
Lease finance		
Property leasing	1	308
Furniture financing lease, simple rent and assimilated transactions		
Gross value	**1**	**308**
Impairment		
Net value of lease items	**1**	**308**
Book value	**122,508**	**168,216**

Receivables pledged as collateral

During 2012, Crédit Agricole brought a €1,794 million asset to support Crédit Agricole Group involvement in the financing granted by SFEF (Société de Financement de l'Economie Française), compared with €5,608 million in 2011. Substantially, the risks and rewards of the financial asset still belong to Crédit Agricole CIB.

Furthermore, during 2012, Crédit Agricole CIB brought a €2,827 million asset to the Banque de France for refinancing.

At 31 December 2012, Crédit Agricole CIB has used €4,033 million of refinancing granted by the Banque de France guaranteed by its loans and assets.

6.6 Transferred assets not derecognised or derecognised with ongoing involvement

Transferred assets not fully derecognised

€ million Nature of assets transferred	Assets transferred, but still fully recognised									
	Assets transferred					Associated liabilities				
	Book value	O/w securitisation (non-deconsolidating)	O/w securities bought/sold under repurchase agreements	Other	Fair Value	Book value	O/w securitisation (non-deconsolidating)	O/w securities bought/sold under repurchase agreements	Other	Fair Value
Held for trading	**24,546**		**24,503**	**43**	**24,546**	**24,546**		**24,503**	**43**	**24,546**
Equity instruments	1,189		1,146	43	1,189	1,189		1,146	43	1,189
Debt securities	23,357		23,357		23,357	23,357		23,357		23,357
Loans and receivables										
Designated as at fair value through profit and loss										
Equity instruments										
Debt securities										
Loans and receivables										
Available-for-sale	**48**		**48**		**48**	**48**		**48**		**48**
Equity instruments	48		48		48	48		48		48
Debt securities										
Loans and receivables										
Loans and receivables	**240**	**240**			**240**	**240**		**240**		**240**
Debt securities										
Loans and receivables	240	240			240	240		240		240
Held-to-maturity										
Debt securities										
Loans and receivables										
Total assets transferred	**24,834,**	**240**	**24,551**	**43**	**24,834**	**24,834**		**24,791**	**43**	**24,834**

6.7 Impairment deducted from financial assets

€ million	31.12.2011	Change in scope	Charges	Write-backs and utilisations	Translation adjust-ments	Transferts of non-current assets to held for-sale	Other move-ments	31.12.2012
Interbanks loans	564		10	(10)	(11)			553
Customer loans	4,023	(17)	568	(1,060)	(44)		25	3,495
of which collective reserves	*2,290*			*(694)*	*(19)*			*1,577*
Available-for-sale assets	511		90	(60)	(1)	(8)	1	533
Other financial assets	29		5	(10)	(2)	(1)	5	26
Total impairment of financial assets	**5 127**	**(17)**	**673**	**(1 140)**	**(58)**	**(9)**	**31**	**4 607**

6.8 Sovereign and non-sovereign risk exposure on European countries under supervision

Considering the economic environment that confirms the difficulties of certain EMEA countries to control their public finances, the exposure of Crédit Agricole CIB on certain European countries is displayed below:

Sovereign risk exposure on Greece, Ireland, Portugal, Italy and Spain

The scope of the listed sovereign exposures covers the exposure on state, except local authorities.

The exposure on sovereign debts corresponds to a net exposure of depreciation (balance sheet value) and gross and net of hedging.

Banking activity

€ million	31.12.2012 Net exposure Banking activity				Total Banking activity
	Banking book			Trading book (excluding derivatives)	
	Held-to-maturity securities	Available-for-sale assets	Loans and advances [1]		
Greece of which maturity before 2020					
Ireland		96			96
Portugal		146		27	173
Italy			169	47	216
Spain				61	61
Total		**242**	**169**	**135**	**546**

[1] Excluding deferred tax assets

€ million	31.12.2011 Net exposure Banking activity				Total Banking activity
	Banking book			Trading book (excluding derivatives)	
	Held-to-maturity securities	Available-for-sale assets	Loans and advances [1]		
Greece of which maturity before 2020					
Ireland		146			146
Portugal		256		8	264
Italy			192	128	320
Spain		45			45
Total		**447**	**192**	**136**	**775**

[1] Excluding deferred tax assets

For banking activity, information is presented according to the methodology that was used to perform stress tests at the request of the EBA (European Banking Authority), which means an exposure net of impairment and hedging.

The policy of European solidarity has led to the establishment of a support plan to Greece, Portugal and Ireland. In the absence of a default situation and given the plans put in place, none of these securities has been impaired.

Sovereign debt gross of hedging Banking activity - Maturity

€ million	Residual maturity	Gross exposure 31.12.2012	Gross exposure 31.12.2011
GREECE	Before 2020		
	After 2020		
	Total Greece		
IRELAND	3 months		
	1 year		
	2 years	96	
	3 years		146
	5 years		
	10 years and more		
	Total Ireland	**96**	**146**
PORTUGAL	3 months		
	1 year	146	131
	2 years		125
	3 years		
	5 years		
	10 years and more		
	Total Portugal	**146**	**256**
ITALY	3 months	169	
	1 year		192
	2 years		
	3 years		
	5 years		
	10 years and more		
	Total Italy	**169**	**192**
SPAIN	3 months		
	1 year		45
	2 years		
	3 years		
	5 years		
	10 years and more		
	Total Spain		**45**
	Total Gross Exposures	**411**	**639**

Sovereign debt Banking activities - Changes

Changes in exposure before hedging *€ million*	Outstanding at 31/12/2011	Change in fair value	Recycling of available-for- sale reserves	Accrued interests	Impairment	Payments	Disposals net of reversals of provisions	Acquisitions	Outstanding at 31/12/2012
Greece									
Ireland									
Portugal									
Italy									
Spain									
Held-to-maturity financial assets									
Greece									
Ireland	146	7		3		(50)	(10)		96
Portugal	256	22		6		(138)			146
Italy									
Spain	45					(45)			
Available-for-sale financial assets	**447**	**29**		**9**		**(233)**	**(10)**		**242**
Greece									
Ireland									
Portugal									
Italy	192						(192)	169	169
Spain									
Loans and receivables	**192**						**(192)**	**169**	**169**
Greece									
Ireland									
Portugal	8	(8)						27	27
Italy	128						(386)	305	47
Spain							(75)	136	61
Book portfolio (excluding derivatives)	**136**	**(8)**					**(461)**	**468**	**135**
Total Banking Activity	**775**	**21**		**9**		**(233)**	**(663)**	**637**	**546**

Exposure to non-sovereign risk in Greece, Ireland, Portugal, Italy, Spain, Cyprus and Hungary

Crédit Agricole CIB risk to non-sovereign risk in European countries under supervision is disclosed below. It involves portfolios of debt instruments and loans and receivables to customers and credit institutions. Exposures held for trading and off-balance sheet commitments are not included in this analysis. Breakdown by countries is by counterparty risk country.

Banking activity - Credit risk

€ million	31.12.2012 Gross oustanding loans	O/w impaired outstanding loans	Individual and collective impairment	Net outstanding loans	31.12.2011 Net outstanding loans [(2)]
Portugal					
Banks	8			8	9
Retail customers	24			24	22
Companies and Large Companies, excluding semi-public	98		(3)	95	100
Companies and Large Companies, semi-public					
Local authorities					
Total	**130**		**(3)**	**127**	**131**
Italy					
Banks	216			216	504
Retail customers	749	562	(1)	748	902
Companies and Large Companies, excluding semi-public	3,630	161	(150)	3,480	3,599
Companies and Large Companies, semi-public	3			3	3
Local authorities					
Total	**4,598**	**723**	**(151)**	**4,447**	**5,008**
Ireland					
Banks	1			1	
Retail customers	1			1	3
Companies and Large Companies, excluding semi-public	362	11	(7)	355	519
Companies and Large Companies, semi-public					
Local authorities					
Total	**364**	**11**	**(7)**	**357**	**522**
Spain					
Banks	106			106	125
Retail customers	44			44	251
Companies and Large Companies, excluding semi-public	4,273	304	(330)	3,943	4,756
Companies and Large Companies, semi-public					
Local authorities	383			383	416
Total	**4,806**	**304**	**(330)**	**4,476**	**5,548**
Greece (including Cyprus) [(1)]					
Banks	65			65	23
Retail customers	67			67	30
Companies and Large Companies, excluding semi-public	3,147	49	(85)	3,062	1,924
Companies and Large Companies, semi-public					
Local authorities					
Total	**3,279**	**49**	**(85)**	**3,194**	**1,977**
Hungary					
Banks	24			24	79
Retail customers	1			1	1
Companies and Large Companies, excluding semi-public	211			211	341
Companies and Large Companies, semi-public	26			26	21
Local authorities					27
Total	**262**			**262**	**469**
Total	**13,439**	**1,087**	**(576)**	**12,863**	**13,655**

(1) Of which €3,046 million in December 2012 and €1,871 million in December 2011 relating to ship financings matched by mortgages on the financed ships, according to the business line practises.
(2) The first analysis of exposure to non-sovereign risk was made on the basis of the consolidated statements as of 30 June 2012 ; since this first analysis, selected criteria were specified, off-balance sheet commitments being now excluded from this template and data as of 31 December 2011 were consequently revised.

Banking activity - Debt instruments

The disclosed amounts include book value of AFS debt instruments and trading book.

€ million	31.12.2012 Net exposure of debt instruments	31.12.2011 Net exposure of debt instruments [1]
Portugal		
Banks	3	3
Retail customers		
Companies and Large Companies, excluding semi-public		
Companies and Large Companies, semi-public	92	66
Local authorities		
Total	**95**	**69**
Italy		
Banks	164	71
Retail customers		
Companies and Large Companies, excluding semi-public	167	273
Companies and Large Companies, semi-public		
Local authorities		
Total	**331**	**344**
Ireland		
Banks		76
Retail customers		
Companies and Large Companies, excluding semi-public	4	6
Companies and Large Companies, semi-public		
Local authorities		
Total	**4**	**82**
Spain		
Banks		113
Retail customers		
Companies and Large Companies, excluding semi-public	127	74
Companies and Large Companies, semi-public		
Local authorities		
Total	**127**	**187**
Greece (including Cyprus) [1]		
Banks		
Retail customers		
Companies and Large Companies, excluding semi-public		
Companies and Large Companies, semi-public		
Local authorities		
Total		
Hungary		
Banks		
Retail customers		
Companies and Large Companies, excluding semi-public		
Companies and Large Companies, semi-public		
Local authorities		
Total		
Total	**557**	**682**

[1] The first analysis of exposure to non-sovereign risk was made on the basis of the consolidated statements as of 30 June 2012 ; since this first analysis, selected criteria were specified, off-balance sheet commitments being now excluded from this template and data as of 31 December 2011 were consequently revised.

6.9 Due to banks and customer accounts

Due to banks

€ million	31.12.2012	31.12.2011
Deposits	43,919	74,329
of which current accounts in credit	*4,608*	*4,303*
of which overnight accounts and borrowings	*4,397*	*3,900*
Securities sold under repurchase agreements	14,841	12,565
Book value	**58,760**	**86,894**

Customer accounts

€ million	31.12.2012	31.12.2011
Current accounts in credit	36,272	39,383
Government-related savings plans	161	
Other accounts	72,905	60,005
Securities sold under repurchase agreements	11,823	58,225
Book value	**121,161**	**157,613**

6.10 Held-to-maturity financial assets

Crédit Agricole CIB does not have any portfolio of held-to-maturity financial asset.

6.11 Debt securities in issue and subordinated debt

€ million	31.12.2012	31.12.2011
Debt securities in issue		
Interest-bearing notes	33	39
Negotiable debt securities	31,041	24,961
Bonds	1	8
Other debt securities in issue	27	28
Book value	**31,102**	**25,036**
Subordinated debt		
Fixed-term subordinated debt	1,245	3,219
Perpetual subordinated debt	4,725	4,964
Book value	**5,970**	**8,183**

6.12 Current and deferred tax assets and liabilities

€ million	31.12.2012	31.12.2011
Current taxes	1,246	1,063
Deferred taxes	1,108	1,647
Total assets of current and differed taxes	**2,354**	**2,710**
Current taxes	203	236
Deferred taxes	344	278
Total liabilities of current and differed taxes	**547**	**514**

Deferred tax assets and liabilities break down as follows:

€ million	31.12.2012		31.12.2011	
	Deferred tax Assets	Deferred tax Liabilities	Deferred tax Assets	Deferred tax Liabilities
Temporary gap between accounting and fiscal policy	**1,107**	**40**	**2,051**	**41**
Non-deductible accrued expenses	169		170	
Non-deductible provisions for risks and expenses	845		1,088	
Other temporary differences[(1)]	93	40	793	41
Deferred taxes / Unrealised reserves	**49**	**306**	**10**	**243**
Available-for-sale assets	2	31	(13)	42
Cash flow hedges		301	1	208
Gains and losses/ Actuarial differences	47	(26)	22	(7)
Deferred taxes/ Result	**45**	**91**	**39**	**447**
Impact of netting	**(93)**	**(93)**	**(453)**	**(453)**
Total deferred taxes	**1,108**	**344**	**1,647**	**278**

(1) The part of deferred taxes attributable to carry-forward deficits amounts to €209 million in 2012, €743 million in 2011.

Deferred tax assets are netted on the balance sheet by taxable entity.

6.13 Accruals, prepayments and sundry assets and liabilities

Accruals, prepayments and sundry assets

€ million	31.12.2012	31.12.2011
Sundry assets	**47,883**	**67,889**
Inventory accounts and miscellaneous	70	161
Miscellaneous debtors	43,380	41,415
Settlement accounts	4,433	26,313
Prepayments and accrued income	**7,178**	**4,028**
Items in course of transmission to other banks	3,375	2,167
Adjustment and suspense accounts	2,600	319
Accrued income	581	409
Prepayments	84	89
Other	538	1,044
Book value	**55,061**	**71,917**

(1) On December 31, 2011, securities sold under repurchase agreements recognised at trade date were recorded for their notional amount in compensation of miscellaneous debtors for €7 billion; on December 31, 2012 these transactions which amount for €27 billion are recorded in «financial commitments received» between the trade and the settlement date.

In application of the IFRS 5 standard, accruals, prepayments and sundry assets of the concerned entities are classified in «Non-current assets held-for-sale» for €2,017 million.

Accruals, deferred income and sundry liabilities

€ million	31.12.2012	31.12.2011
Sundry assets[1]	**44,783**	**51,675**
Settlement accounts	11,834	23,579
Miscellaneous creditors [3]	32,949	28,095
Liabilities related to trading securities		1
Accrued expenses and deferred income	**10,721**	**10,213**
Items in course of transmission to other banks [2]	3,797	2,338
Adjustment and suspense accounts	4,554	4,996
Deferred income	756	692
Accrued expenses	1,458	1,437
Other	156	750
Book value	**55,504**	**61,888**

[1] Amounts include accrued interest.

[2] Amounts are shown net.

[3] On December 31, 2011, securities bought under repurchase agreements recognised at trade date were recorded for their notional amount in compensation of miscellaneous creditors for €2 billion; on December 31, 2012 these transactions which amount for €22 billion are recorded in «financial commitments given» between the trade date and the settlement date.

In application of the IFRS 5 standard, accruals, deferred income and sundry liabilities of the concerned entities are classified in «Non-current liabilities held-for-sale» for €2,205 million.

6.14 Non-current assets held for sale and associated liabilities

Discontinued operations income statement

€ million	31.12.2012	31.12.2011
Revenues	**475**	**578**
General operating expenses	(531)	(655)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	(23)	(35)
Cost of risk		(1)
Pre-tax income	**(79)**	**(113)**
Share of net income in equity-accounted entities	(2)	(1)
Net gains (losses) on other assets	(1)	
Change in value of goodwill		
Income tax charge	4	22
Net income	**(78)**	**(92)**
Income associated with fair value adjustements or assets held for sale	(303)	
Net income from discontinued or held-for-sale operations	**(381)**	**(92)**
Net income per share		
Basic earnings per share	(1.46)	(0.38)
Diluted earnings per share	(1.46)	(0.38)

Discontinued operations balance sheet

€ million	31.12.2012
Cash due from central banks	
Financial assets at fair value through profit or loss	1,148
Hedging derivative instruments	
Available-for-sale financial assets	8
Loans and receivables to credit institutions	502
Loans and receivables to customers	53
Value adjustment on interest rate risk hedged portfolios	
Held-to-maturity financial assets	
Current and deferred tax assets	21
Accruals, prepayments and sundry assets	2,017
Investment in equity affiliates	24
Investment properties	
Property, plant and equipment	28
Intangible assets	15
Goodwill	42
Total Assets	**3,858**
Due to central banks	
Financial liabilities at fair value through profit and loss	1,177
Hedging derivative instruments	
Due to credit institutions	26
Due to customers	2
Debt securities	
Value adjustment on interest rate risk hedged portfolios	
Current and deferred tax liabilities	(2)
Accruals, deferred income and sundry liabilities	2,205
Provisions	143
Subordinated debt	
Total Equity and Liabilities	**3,551**
Net Assets from Discontinued Operations	**307**

Discontinued operations cash flow statement

€ million	31.12.2012
Net cash flows from (used by) operating activities	(146)
Net cash flows from (used by) investing activities	(3)
Net cash flows from (used by) financing activities	(1)
TOTAL	**(150)**

6.15 Property, plant and equipment and intangible assets (excluding goodwill)

€ million	31.12.2011	Transfers to non current assets to held-for-sale	Changes in scope	Increases (acquisitions, business combination)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	Closing balance 31.12.2012
Property, plant and equipment								
Gross value	1,681	(128)	51	75	(323)	(6)	2	1,352
Depreciation and impairment [1]	(978)	79	(32)	(96)	135	6		(886)
Book value [2]	**703**	**(49)**	**19**	**(21)**	**(188)**		**2**	**466**
Intangible assets								
Gross value	577	(73)	25	107	(74)	(2)		560
Depreciation and impairment	(406)	44	(22)	(41)	22	2		(401)
Book value [2]	**171**	**(29)**	**3**	**66**	**(52)**			**159**

[1] Including impairments on assets let to third parties.

[2] The disposal during the financial year of the building sheltering the headquarters of Crédit Agricole CIB generates a decrease of the net value of property, plant and equipment and intangible assets for €179 million .

€ million	31.12.2010	Transfers to non current assets to held-for-sale	Changes in scope	Increases (acquisitions, business combination)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	Closing balance 31.12.2011
Property, plant and equipment								
Gross value	1,635		7	67	(46)	18,		1,681
Depreciation and impairment [1]	(907)		(6)	(99)	46	(12)		(978)
Book value [2]	**728**		**1**	**(32)**		**6**		**703**
Intangible assets								
Gross value	530		4	53	(18)	5	3	577
Depreciation and impairment	(360)		(3)	(55)	15	(3)		(406)
Book value	**170**		**1**	**(2)**	**(3)**	**2**	**3**	**171**

[1] Including impairments on assets let to third parties.

6.16 Reserves

€ million	31.12.2011	Changes in scope	Charges	Write-backs amounts used	Write-backs amounts released	Translation adjustments	Transferts to non-current assets to held-for-sale	Others movements	31.12.2012
Financing commitment execution risks	20		10	(1)	(11)				18
Operational risks		3			(1)			(2)	
Employee retirement and similar benefits [1]	638	1	21	(19)	(124)	(1)	(53)	126	589
Litigation	620	8	200	(98)	(47)	(2)		(28)	653
Participating interests			2						2
Restructuration	10	1	4	(4)				2	13
Other risks	81		65	(42)	(7)	1	(8)	(6)	84
Total	**1,369**	**13**	**302**	**(164)**	**(190)**	**(2)**	**(61)**	**92**	**1,359**

[1] The increase of the employee retirement benefits on December 31, 2012 mainly stems from the relevant decrease of reference rates used for the valuation of the commitments relative to defined benefit plans and other long-term benefits to take into account market conditions.

Tax audits

◆ Ongoing Crédit Agricole CIB Paris tax audit

Since February 2012, Crédit Agricole CIB has been undergoing a tax audit. The audit relates to corporate income tax returns for 2008, as well as 2009 and 2010.

A tax adjustment notice, with interruptive effect, was received at the end of December.

Crédit Agricole CIB is ready to mount a wellfounded challenge to this adjustment on all counts. The provision recognised reflects the risk estimated by Crédit Agricole CIB's Tax department.

◆ Crédit Agricole CIB Milan tax audit

At end-2012, following the tax adjustment notices already received for 2005 and 2006, Crédit Agricole CIB received a tax adjustment notice for 2008, issued by the Italian tax authorities. As in the case of the 2005 and 2006, Crédit Agricole CIB is ready to mount a wellfounded challenge to this adjustment on all counts. Crédit Agricole CIB has already sought arbitration from the French and Italian authorities with regard to 2005 and 2006.

The provision recognised for this reflects the risk estimated by Crédit Agricole CIB's Tax department.

◆ Merisma tax audit

Merisma, a Crédit Agricole CIB subsidiary, consolidated by Crédit Agricole S.A. Group for tax purposes, has been the object of tax adjustment notices for 2006 to 2010, plus surcharges for abuse of law.

Although challenged in their entirety, provisions have been set aside for the adjustments. Crédit Agricole CIB.

6.17 Shareholders' equity

Ownership structure at 31 December 2012

At 31 December 2012, ownership of the Crédit Agricole CIB parent-company's capital and voting rights was as follows:

Crédit Agricole CIB shareholders	Number of shares as of 31.12.2012	% of share capital	% of voting rights
Crédit Agricole S.A.	261,514,762	97.33%	97.33%
SACAM développement[2]	5,992,478	2.23%	2.23%
Delfinances[1]	1,180,715	0.44%	0.44%
Personnes physiques	18	ns	ns
Total	**268,687,973**	**100.00%**	**100.00%**

[1] Owned by Crédit Agricole S.A.
[2] Owned by Crédit Agricole Group.

The par value of shares is €27. All the shares are fully paid up.

Preferred shares

Entité émettrice	Date of issue	Amount of issue $ million	31.12.2012 € million	31.12.2011 € million
Crédit Agricole CIB Preferred Funding LLC	december 98	230	174	178
Crédit Agricole CIB Preferred Funding II LLC	june 02	320	243	247
		550	**417**	**425**

Earnings per share

	31.12.2012	31.12.2011
Net income (Group share) for the period (in million of euros)	(389)	682
Weighted average number of ordinary shares in issue during the period	260 345 518	237 606 975
Number of potentially dilutive shares		
Weighted average number of ordinary shares used to calculate diluted earnings per share	260 345 518	237 606 975
Basic earnings per share (in euros)	**(1,49)**	**2,87**
Earnings per share of ongoing activities(in euros)	**(0,03)**	**3,25**
Earnings per share of discontinued activities (in euros)	**(1,46)**	**(0,38)**
Diluted earnings per share (in euros)	**(1,49)**	**2,87**
Diluted earnings of ongoing activities (in euros)	**(0,03)**	**3,25**
Diluted earnings of discontinued activities (in euros)	**(1,46)**	**(0,38)**

Dividends

Dividend paid in respect of year	Net amount € million
2006	2,049
2007	
2008	
2009	
2010	955
2011	647

For 2012, the Board of Directors did not propose any dividend payment to the approbation of the shareholders's meeting.

Appropriation of net income and proposed dividend

The appropriation of net income is proposed in a draft resolution presented by the Board of Directors to the Crédit Agricole CIB Shareholders'Meeting of 30 April 2013. The proposed resolution is as follows :

FIRST RESOLUTION - APPROBATION OF PARENT-COMPANY FINANCIAL STATEMENTS

The Shareholders'meeting, ruling on an ordinary basis and after reviewing the Board of Directors report to the Shareholders'meeting, the business review of the Board of Directors, the Chairman of the Board of Directors report and the Auditors' report, approve the parent-company financial statements at 31.12.2012 as presented to them.

SECOND RESOLUTION - APPROBATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders'meeting, ruling on an ordinary basis and after reviewing the Board of Directors report to the Shareholders'meeting, the business review of the Board of Directors, the Chairman of the Board of Directors report and the Auditors' report, approve the consolidated financial statements at 31.12.2012 as presented to them.

THIRD RESOLUTION - APPROPRIATION OF NET INCOME

The Shareholders'meeting, deciding in its ordinary form, approve the 2012 €1,129,032,768.96 profit. The Shareholders'meeting decide to appropriate :

- €56,451,638.45 to the legal reserve which will amount to €478,696,694.78 in accordance with article L.232-10 alinea 1 of the Code de Commerce;
- and the balance of €1,072,581,130.51 to the Earnings carried forward which will thus amount to €2,239,924,342.58.

In compliance with the law, the annual general meeting formally noted the distributions made with respect to the three previous years:

Year	Number of shares receiving dividends	Dividend
2009		
2010	224,277,957	4.26(*)
2011	250,935,992	2.58(*)

(*) Dividend eligible to 40% abatement defined in article 158 2° of 3. of the General Tax Code for individual shareholders.

Capital management

Crédit Agricole CIB's capital management policy is defined in two stages, in close liaison with its majority shareholder:

- Compliance with the total ratio objectives set by the Crédit Agricole S.A. Group (percentage capital allocation per Crédit Agricole Group business line) and those set in discussion with the Autorité de Contrôle Prudentiel;
- Allocation between Crédit Agricole CIB's business lines based on their risk profile, their profitability and the development targeted.

In accordance with regulation, the Crédit Agricole S.A. Group has to maintain, steadily, a capital requirement ratio of at least 4% and a solvency ratio of 8%. In 2012 and 2011 the Crédit Agricole S.A. Group strictly follows those capital requirements (see chapter "Risk factors and Pillar 3 Disclosure").

6.18 Financial assets and liabilities by contractual maturity date

Financial assets and liabilities are split by contractual maturity dates
Maturity of derivative financial instruments held for trading and hedging instruments correspond to their contractual maturity date.
Equities and other variable-income securities have no contractual maturity date; they are registered in « Undefined ».

€ million	31.12.2012					
	≤ 3 months	**> 3 months to ≤ 1 year**	**> 1 year to ≤ 5 years**	**> 5 years**	**Undefined**	**Total**
Cash, due from central banks	37,505					37,505
Financial assets at fair value through profit and loss	106,406	26,068	141,557	305,117	4,349	583,497
Derivative hedging instruments	1,561	166	67	48		1,842
Available-for-sale financial assets	10,953	5,549	11,588	891	1,103	30,084
Due from Banks	54,258	5,015	4,266	2,057		65,596
Loans and advances to customers	45,056	10,306	42,986	24,160		122,508
Valuation adjustment on portfolios of hedged items					33	33
Held-to-maturity financial assets						
Total financial assets by maturity date	**255,739**	**47,104**	**200,464**	**332,273**	**5,485**	**841,065**
Due to central banks	1,057					1,057
Financial liabilities at fair value through profit and loss	118,567	21,107	151,913	317,842		609,429
Derivative hedging instruments	725	46	221	71		1,063
Due to banks	36,392	7,474	13,534	1,360		58,760
Customer accounts	104,498	13,860	2,036	767		121,161
Debt securities in issue	23,929	6,917	149	107		31,102
Subordinated debt	78	501	101	5,290		5,970
Valuation adjustment on portfolios of hedged items					109	109
Total financial liabilities by maturity date	**285,246**	**49,905**	**167,954**	**325,437**	**109**	**828,651**

€ million	31.12.2011					
	≤ 3 months	**> 3 months to ≤ 1 year**	**> 1 year to ≤ 5 years**	**> 5 years**	**Undefined**	**Total**
Cash, due from central banks	21,867					21,867
Financial assets at fair value through profit and loss	72,625	28,829	120,786	230,502	9,301	462,043
Derivative hedging instruments	1,343	195	89	12		1,639
Available-for-sale financial assets	3,843	5,210	3,138	842	1,231	14,264
Due from Banks	68,070	2,952	6,515	2,033		79,570
Loans and advances to customers	79,944	12,487	47,535	28,250		168,216
Valuation adjustment on portfolios of hedged items					23	23
Held-to-maturity financial assets						
Total financial assets by maturity date	**247,692**	**49 673**	**178,063**	**261,639**	**10,555**	**747,622**
Due to central banks	81					81
Financial liabilities at fair value through profit and loss	71,258	27,483	128,623	239,314		466,678
Derivative hedging instruments	1,425	37	76	64		1,602
Due to banks	70,224	3,391	12,453	826		86,894
Customer accounts	139,490	14,003	1,843	2,277		157,613
Debt securities in issue	21,681	2,799	275	281		25,036
Subordinated debt	298		1,841	6,044		8,183
Valuation adjustment on portfolios of hedged items					13	13
Total financial liabilities by maturity date	**304,457**	**47,713**	**145,111**	**248,806**	**13**	**746,100**

[1] The revaluation spread affected so far to «Under 3 months» has been reallocated to the «Undefined» column

NOTE 7 : EMPLOYEE BENEFITS AND OTHER COMPENSATION

7.1 Analysis of staff costs

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Salaries[2]	(1,674)	(1,913)	(2,326)
Other social security expenses	(340)	(317)	(346)
Incentive plans and profit-sharing	(25)	(39)	(40)
Payroll-related tax	(46)	(32)	(33)
Total Staff costs	**(2,085)**	**(2,301)**	**(2,745)**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

[2] Including charges relating to stock options plans for €70.1 million at 31 December 2012 compared with €69.9 million at 31 December 2011

7.2 Headcount end of December 2012

(Full-time equivalent)	31.12.2012	31.12.2011
France	4,778	4,938
Outside France	7,376	9,925
Total	**12,154**	**14,863**

7.3 Post-employments benefits, defined contribution plans

French employers contribute to a variety of compulsory pension plans. Plan assets are managed by independent organisations and the contributing companies have no legal or implicit obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole CIB has no liability in this respect other than the contributions payable.

Within Crédit Agricole CIB, there are several compulsory defined contribution plans, the main ones being Agirc/Arrco, which are French supplementary retirement plans, supplemented by an “Article 83 ”-type plan.

7.4 Post-employment obligations, defined benefit plans

Change in actuarial liability

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Actuarial liability at 31/12/N-1	**1,212**	**1,091**	**1,095**
Foreign exchange difference	9	28	28
Current service cost during the period	38	34	34
Interest cost	45	45	45
Employee contributions	10	10	10
Revision, curtailment and settlement of plan	(22)	(11)	(11)
Change in scope of consolidation	3	(10)	(10)
Benefits paid (obligatory)	(50)	(51)	(51)
Allowances for activity termination - fund external			
Actuarial gains/(losses)	137	76	76
Actuarial liability at 31/12/N	**1,382**	**1,212**	**1,216**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities

Breakdown of net charge recognised in the income statement

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Current service cost	38	34	34
Interest cost	46	45	45
Expected return on assets	(42)	(38)	(38)
Amortization of past service cost	(23)	(11)	(12)
Actuarial net gains/(losses)			
Amortisation of gains/(losses) resulted from revision, curtailment and settlement of plan	1	(1)	(1)
Net charge recognised in the income statement	**20**	**29**	**28**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities

Fair value of plan assets and reimbursement rights

€ million	31.12.2011	31.12.2011[1]	31.12.2011 Published
Fair value of assets/reimbursement rights at 31/12/N-1	**937**	**830**	**831**
Current service cost	10	24	24
Expected return on assets	42	38	38
Actuarial net gains/(losses)	6	24	26
Employer's contributions	65	67	67
Employee contributions	10	10	10
Revision, curtailment and settlement of plan			
Change in scope of consolidation	1	(10)	(10)
Allowances for activity termination			
Benefits paid by the fund	(44)	(46)	(46)
Fair value of assets/reimbursement rights at 31/12/N	**1,027**	**937**	**940**

[1] According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities

Net position

€ million	31.12.2012	31.12.2011[1]	31.12.2011 Published
Closing net actuarial liability	**1,382**	**1,212**	**1,216**
Unrecognised past service cost (plan revision)			1
Impact of asset ceiling			
Net closing actuarial liability	**1,382**	**1,212**	**1,217**
Closing fair value of assets	1,027	937	940
Net closing position (liability) / asset at year end	**(355)**	**(275)**	**(277)**

(1) According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities

Items recognised immediately in SoRIE and registered in total result (in € million)	31.12.2012	31.12.2011[1]	31.12.2011 Published
Actuarial gains and losses generated by post-employment benefit plans	131	53	53
Ajustements of asset ceiling (including the effects of IFRIC 14)			
Total of items recognised immediately in SoRIE during the year	**131**	**53**	**53**
Amount of the aggregated actuarial differences in SoRIE at year end	238	107	107

(1) According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities

Information about plan assets	31.12.2012	31.12.2011[1]	31.12.2011 Published
Breakdown of assets			
% bonds	46%	44%	44%
% equities	22%	21%	21%
% other	32%	35%	35%

(1) According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities

Defined benefit plans: key actuarial assumptions	31.12.2012	31.12.2011[3]	31.12.2011 Published
Discount rate [1]	3.08%	3.74%	3.74%
Expected return on plan assets and reimbursement rights	4.23%	4.48%	4.48%
Real return on plan assets and reimbursement rights	4.99%	6.89%	6.89%
Expected salary increases [2]	2.13%	3.63%	3.63%
Increase in healthcare costs	2.44%	2.41%	2.41%

(1) Discount rates are determined based on the average duration of the obligation, that is, the arithmetic mean of the durations calculated between the valuation date and the payment date weighted by employee turnover assumptions.
(2) Depending on the populations concerned (executive or non-executive).
(3) According to the IFRS 5 standard, the comparative information is restated to represent the impacts of the discontinuing activities.

On December 31, 2012, sensitivity rates show that:
- a change of 50pb of discount rates would lead to a 7.98% decrease of the duration of the obligation
- a change of less than 50pb of discount rates would lead to a 9.09% raise of the duration of the obligation.

7.5 Other employee benefits

Crédit Agricole CIB gives its employees an interest in its development and in its results via a number of mechanisms.

Under the profit-sharing agreement, the special reserve has been calculated since 2005 according to the statutory formula pursuant to articles D 3324-1 and D 3324-9 of the Employment Code. It is shared among beneficiaries in proportion to their gross salary and limited within a defined range, the attribution of rights also being under an upper limit.

As regards incentive plans, a new agreement has been signed for 2010, 2011 and 2012. It rewards employees for improvements in the cost/income ratio and overall performance, before the impact of exceptional factors.

The amounts distributed in the last five years have been as follows:

Financial year € million	Year of payment	Employee Profit-sharing	Incentive plans
2011	2012		27,5
2010	2011		31,6
2009	2010		
2008	2009		2,4[(1)]
2007	2008		

(1) Exceptional profit sharing compensation of €500 per employee (gross before tax).

An incentive plan distribution should be carried out in 2013 with respect to 2012.

Crédit Agricole CIB has a share ownership plan as well as a Collective Pension Savings Plan that supplements the above mentioned plans. They offer a diverse selection of mutual funds. Crédit Agricole CIB tops up employees' voluntary contributions with the payment of an abundment:

- the share ownership plan: The top-up rate was 150% for 2012, limited to €1,000 per year (under the agreement of 18 January 2012, which is valid until 31 December 2012). The same top-up rate has been renewed for 2013 (under the agreement of 23 January 2013, which is valid until 31 December 2013).
- Collective Pension Savings Plan : it was implemented on 28 April 2011 by an agreement. The top-up rate depends on invested amounts and comes in scales:

- top-up rate of 80% from 0 to €750 paid, meaning a maximum of €600;
- top-up rate of 40% from €750.01 to €2,000 paid, meaning a maximum of €500;
- top-up rate of 20% from €2,000.01 to €4,000 paid, meaning a maximum of €400;

Meaning a maximum gross top-up rate of €1,500 for €4,000 € paid.

Crédit Agricole CIB also grants long-service awards.

7.6 Share-based payments

Share attribution plans

In accordance with authorisation given by Crédit Agricole S.A.'s Extraordinary Shareholders' meeting 17 May 2006, a Crédit Agricole S.A stock options plan were implemented by Crédit Agricole S.A 's Board for Crédit Agricole CIB's contributors.

◆ 2006 stock option plans

On 18 July 2006, using the authorisation granted by extraordinary resolution of Crédit Agricole S.A. shareholders in their meeting of 17 May 2006, the Board of Directors of Crédit Agricole S.A. set the terms and conditions for granting a stock option plan and granted the necessary powers to its Chairman to carry out this plan.

On 6 October 2006, the Board of Directors created a stock option plan for executive officers and certain senior managers of Crédit Agricole S.A. and its subsidiaries, comprising 5,416,500 options for Crédit Agricole CIB staff at a strike price of €33.61.

After the operations affecting the capital of January 2007 and June 2008, Crédit Agricole S.A. Board of Directors has made adjustments on the number of options and on the strike price of the plan implemented in 2006.

The characteristics and general conditions for the existing plan at 31 December 2012 are provided in the following table:

Description of the aforementioned Crédit Agricole S.A. stock option plan

Credit Agricole S.A. stock option plans	2006	Total
Date of Credit Agricole S.A. AGM authorising the plan	17.05.2006	
Date of Credit Agricole S.A. Board meeting	18.07.2006	
Option grant date	06.10.2006	
Term of plan	7 years	
Vesting period	4 years	
First exercise date	06.10.2010	
Expiry date	07.10.2013	
Number of Crédit Agricole CIB grantees	745	
Number of options granted to Crédit Agricole CIB staff	5,905,952	
Strike price	€30.83	**5,905,952**
Performance conditions	no	
Conditions in case of departure from		
Resignation	Forfeit	
Dismissal	Forfeit	
Retirement	Retain	
Death	Retain[2]	
Number of options		
Granted to the ten largest grantees [3]	425,189	
Granted to Crédit Agricole CIB executive officers [1]	196,240	
Valuation method used	Black - Scholes	

[1] Corporate officers at vesting dates.
[2] If heirs and successors exercise within six months of death.
[3] Excluding Crédit Agricole CIB corporate officers.

Key assumptions used to value the stock option plans

Crédit Agricole S.A. values the options granted and invoices Crédit Agricole CIB on the grant date based on the market value of the options on that date. The only assumptions that may be revised during the vesting period, resulting in an adjustment to this expense, are those relating to the beneficiaries (options forfeited on resignation or dismissal).

Plans	Date of grant
	06.10.2006
Estimated length of plan	7 years
Rate of forfeiture	1.25%
Estimated dividend rate	3.03%
Volatility on the date of grant	28%

The Black-Scholes model has been used for all Crédit Agricole S.A. stock option plans.

Free share allocation plans

As part of the authorisations approved by the Extraordinary General Meeting on 18 May 2011, the Board of Directors of Crédit Agricole S.A., in its 9 November 2011 meeting , decided to implement a free share allocation plan in order to allow all employees of the Crédit Agricole S.A. Group to share in both the company's capital and its success.

Under this plan, 60 shares will be allocated to over 82,000 employees from the Crédit Agricole S.A. group in 58 countries. This allocation is not subject to any performance conditions. The only requirement is the presence of the employee during the vesting period and the keeping of the shares during the retention period.

In France and some other countries, both the vesting period and the retention period last two years. In other countries, the length of these periods has been adapted to meet local requirements: a three-year retention period (Spain and Italy) or a four-year vesting period (in which case there is no retention period).

The shares that are allocated at the end of the vesting period will be new shares.

The cost of the plan has been calculated on the basis of the share price as at 9 November 2011 (€5.02), after making deductions for the retention period and subject to turn-over hypotheses established using historical data. The cost is spread over the duration of the vesting period and its amount is not significant in 2012.

Deferred variable remuneration paid in shares or in cash linked to the share price

There were two types of deferred variable remuneration implemented by the Crédit Agricole CIB Group for 2010:

- Plans paid in shares
- Plans paid in cash linked to the price of the Crédit Agricole S.A. share.

In both cases, the variable remuneration is subject to presence and performance conditions and is paid in three instalments in March 2013, March 2014 and March 2015. The cost in relation to these plans is recorded as salary costs.

It is spread over the vesting period on a linear basis in order to take account of the presence conditions, with a corresponding entry:

- In equity for the plans paid in shares; the cost being revalued solely on the basis of an estimate of the number of shares to be paid (in relation to presence and performance conditions),
- In payroll liabilities for the plans issued in cash, with regular re-evaluation of the liability by result until the date of payment, based on changes in the Crédit Agricole S.A. share price and the vesting conditions (performance and presence conditions).

7.7 Executive officers' compensation

The term "executive officers" here refers to members of Crédit Agricole CIB's Executive Committee and Board of Directors.

The membership of the Executive Committee is set out in the Governance and Internal Control chapter of this shelf registration document.

Compensation and benefits paid to the members of the Executive Committee in 2012 were as follows:

- short-term benefits: €12.1 million including fixed and variable compensation (of which €0.33 million paid in shares) and also including social security contribution and benefits in kind;
- post-employment benefits at 31 December 2012: €7.7 million in end-of-career and pension rights under the supplementary plan in place for the Group's senior executives;
- other long-term benefits: the amount granted under long-service bonuses is insignificant;
- employment contract termination indemnities: no employment contract termination indemnities have been paid in 2012 ;
- Share-based payments : no other share-based payments have me made (except the 0.33 million aforementioned).

Directors' fees paid to members of Crédit Agricole CIB's Board of Directors with respect to work done in 2012 amounted to €0.53 million.

NOTE 8 : FINANCING AND GUARANTEE COMMITMENTS AND OTHER GUARANTEES

Commitments given and received

€ million	31.12.2012	31.12.2011
COMMITMENTS GIVEN	**159,529**	**153,747**
Financing commitments [1]	**116,320**	**110,579**
• Commitments given to credit institutions	16,212	10,949
• Commitments given to customers	100,108	99,630
Confirmed credit lines	86,354	98,359
- Documentary credits	9,032	11,250
- Other confirmed credit lines	77,322	87,109
Other commitments given to customers	13,754	1,271
Guarantee commitments	**43,209**	**43,168** [1]
• Credit institutions	7,089	6,788
Confirmed documentary credit lines	2,502	2,747
Other	4,587	4,041
• Customers	36,120	36,380
Property guarantees	2,507	2,656
Other customer guarantees [2]	33,613	33,724
COMMITMENTS RECEIVED	**173,240**	**151,927**
Financing commitments [3]	**51,135**	**20,558**
• Commitments received from credit institutions	31,303	18,974
• Commitments received from customers	19,832	1,584
Guarantee commitments	**122,105**	**131,369**
• Commitments received from credit institutions	10,985	8,955
• Commitments received from customers	111,120	122,415
Guarantees received from government bodies or similar	19,610	22,080
Other guarantees received	91,510	100,334

(1) At 31 December 2011, securities received under repurchase agreements and recognised at the transaction date were recorded for their notional amount as counterpart to the sundry creditors' account for €2 billion; at 31 December 2012, these operations, which represented an amount of €22 billion, were recorded in "financing commitments given" between the transaction date and the settlement date.

(2) Financial guarantees presented separately at 31 December 2011 for an amount of €6,365 million have been reclassified in "Other customer guarantees". At 31 December 2012, the impact of this reclassification was €5,574 million.

(3) At 31 December 2011, securities given under repurchase agreements and recognised at the transaction date were recorded for their notional amount as counterpart to the sundry debtors' account for €7 billion; at 31 December 2012, these operations, which represented an amount of €27 billion, were recorded in "financing commitments received" between the transaction date and the settlement date.

Financial instruments given and received as collateral

€ million	31.12.2012	31.12.2011
Book value of financial assets provided as collateral (including transferred assets)		
Securities and receivables provided as collateral for the refinancing structures (SFEF, Banque de France, CRH, etc.)	32,737	59,129
Securities lent	435	720
Security deposits on market transactions	33,803	26,175
Securities sold under repurchase agreements	117,655	106,803
Total Book value of financial assets provided as collateral	**184,630**	**192,827**
Fair value of instruments received as reusable and reused collateral		
Securities borrowed	331	3
Securities bought under repurchase agreements	126,547	126,385
Securities sold short	32,173	26,255
Total Fair value of instruments received as reusable and reused collateral	**159,051**	**152,643**

Amounts represent securities lent, securities sold under repurchase agreements, as well as security deposits on market transactions.

Guarantees held

The majority of the guarantees and enhancements held consist of mortgage lines, collateral or guarantees received, regardless of the quality of the assets guaranteed.

The policy of the Group is to sell seized collateral as soon as possible. Crédit Agricole CIB has no such assets, neither at 31 December 2012, neither at 31 December 2011.

➢ NOTE 9 : RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Crédit Agricole CIB approach

Reclassifications from « financial assets held for trading » were decided then carried out in accordance with the conditions set out by the amendment to IAS 39 adopted by the European Union on 15 October 2008. They were recorded in their new accounting category at their fair value on the reclassification date.

Reclassification done by Crédit Agricole CIB

Pursuant to the amendment to IAS 39 published and adopted by the European Union on 15 October 2008, Crédit Agricole CIB did not make any reclassification in 2012 as allowed by IAS 39 standard amendment. Information on reclassifications of previous year is provided below.

◆ Reclassifications: type, reason and amount

Crédit Agricole CIB did not operate in 2012 reclassifications from the categories « Financial assets at fair value through profit and loss held for trading « towards the category « Loans and receivables « for the financial assets for which Crédit Agricole CIB changed management intent, which is now to keep these financial assets in a foreseeable future, and no longer to sell them in the short term.

Reclassifications of previous financial years relate to syndication transactions or securitisation assets.

For the assets previously reclassified and still in Crédit Agricole CIB assets at 31 December 2012, the table below displays their book value at closing date.

€ million	Total reclassified Assets		Reclassified Assets in 2012			Reclassified Assets previously		Reclassified Assets previously	
	Net book value at 31.12.2012	Estimated market value at 31.12.2012	Reclas-sification value	Net book value at 31.12.2012	Estimated market value at 31.12.2012	Net book value at 31.12.2012	Estimated market value at 31.12.2012	Net book value at 31.12.2011	Estimated market value at 31.12.2011
Financial assets at fair value through profit and loss reclassified into loans and receivables	4,872	4,556				4,872	4,556	5,902	5,322

◆ Change in fair value of reclassified assets recognised in profit or loss

The change in fair value recognised in profit and loss on assets reclassified in 2012 is shown in the table below.

	Change in recognised fair value	
	In 2012, until the reclassification date	In 2011
Financial assets at fair value through profit and loss reclassified into loans and receivables		(1)

◆ Contribution of reclassified assets to net income since the reclassification date

Analysis of the impact of the transferred assets:

€ million	Impact on pre-tax income since reclassification date							
	Assets reclassified in 2012		Assets reclassified before 2012					
	2012 Impact		Cumulated impact at 31/12/2011		2012 Impact		Cumulated impact at 31/12/2012	
	Actual income and expenses reco-gnised	If asset had been retained in its former category (change in fair value)	Actual income and expenses reco-gnised	If asset had been retained in its former category (change in fair value)	Actual income and expenses reco-gnised	If asset had been retained in its former category (change in fair value)	Actual income and expenses reco-gnised	If asset had been retained in its former category (change in fair value)
Financial assets at fair value through profitand loss reclassified into loans and receivables			(37)	(672)	(134)	131	(171)	(541)

➢ NOTE 10 : FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair values shown below are estimates made on the reporting date. They are subject to change in subsequent periods due to developments in market conditions or other factors.

The calculations represent best estimates. They are based on a number of valuation models and assumptions.

To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

In practice, and in line with the going-concern principle, not all these financial instruments would necessarily be settled immediately at the values estimatedv below.

10.1 Fair value of assets and liabilities valued on the basis of amortised cost method

€ million	31.12.2012		31.12.2011	
	Valeur au bilan	Valeur de marché estimée	Valeur au bilan	Valeur de marché estimée
Assets				
Due from banks	65,596	65,596	79,570	79,570
Loans and advances to customers	122,508	124,085	168,216	167,535
Held-to-maturity financial assets				
Liabilities				
Due to banks	58,760	58,761	86,894	86,894
Customer accounts	121,161	121,161	157,613	157,613
Debt securities in issue	31,102	31,102	25,036	25,047
Subordinated debts	5,970	5,970	8,183	8,183

In some cases, market values are close to carrying amounts. This applies primarily to:

- assets or liabilities at variable rates for which interest rates changes do not have a significant influence on the fair value, since the rates on these instruments frequently correct themselves to the market rates;
- short-term assets or liabilities where the redemption value is considered to be close to the market value;
- demand liabilities;
- transactions for which there are no reliable observable data.

10.2 Information about financial instruments measured at fair value

Analysis of financial instruments at fair value by valuation model

◆ Financial assets measured at fair value

Given amounts include related receivables and are net of impairments charges.

€ million	Total 31.12.2012	Price quoted for identical instruments in an active market: Level 1	Measurement based on observable data: Level 2	Measurement based on non observable data: Level 3	Total 31.12.2011	Price quoted for identical instruments in an active market: Level 1	Measurement based on observable data: Level 2	Measurement based on non observable data: Level 3
Financial liabilities held for trading	**583,492**	**45,295**	**535,240**	**2,957**	**461,855**	**50,314**	**403,163**	**8,378**
Advances to customers	253		253		263		263	
Securities bought under repurchase agreement	83,978		83,978		38,027		38,027	
Securities held for trading	47,567	44,571	2,979	17	49,550	45,032	3,555	963
Treasury bills and similar items	*34,090*	*34,083*	*7*		*25,465*	*25,459*	*6*	
Bonds and other fixed-income securities	*9,134*	*6,366*	*2,751*	*17*	*14,878*	*10,907*	*3,008*	*963*
Equities and other variable-income securities	*4,343*	*4,122*	*221*		*9,207*	*8,666*	*541*	
Derivative financial instruments	451,694	724	448,030	2,940	374,015	5,282	361,318	7,415
Financial assets designated as at fair value through profit and loss upon initial recognition	**5**		**5**		**188**		**188**	
Securities designated as at fair value through profit and loss upon initial recognition	5		5		188		188	
Treasury bills and similar items								
Bonds and other fixed-income securities	*5*		*5*		*94*		*94*	
Equities and other variable-income securities					*94*		*94*	
Available-for-sale financial assets	**30,084**	**26,420**	**3,664**		**14,264**	**11,242**	**3,022**	
Treasury bills and similar items	18,924	18,922	2		5,128	5,127	1	
Bonds and other fixed-income securities	10,049	7,135	2,914		7,905	5,905	2,000	
Equities and other variable-income securities	1,088	363	725		1,231	210	1,021	
Receivables available for sale	23		23					
Derivatives hedging instruments	**1,842**		**1,842**		**1,639**		**1,639**	
Total financial assets at fair value	**615,423**	**71,715**	**540,751**	**2,957**	**477,946**	**61,556**	**408,012**	**8,378**

◆ Financial liabilities measured at fair value

Given amounts include accrued interest.

€ million	Total 31.12.2012	Price quoted for identical instruments in an active market: Level 1	Measurement based on observable data: Level 2	Measurement based on non observable data: Level 3	Total 31.12.2011	Price quoted for identical instruments in an active market: Level 1	Measurement based on observable data: Level 2	Measurement based on non observable data: Level 3
Financial liabilities held for trading	**609,429**	**53,524**	**553,128**	**2,777**	**466,677**	**30,912**	**433,209**	**2,556**
Securities sold short	32,504	28,492	4,012		26,259	24,724	1,535	
Securities sold under repurchase agreements	90,991		90,991		36,013		36,013	
Debt securities in issue	32,661	23,809	8,852		32,530		32,530	
Derivative financial instruments	453,273	1,223	449,273	2,777	371,876	6,188	363,131	2,556
Financial liabilities designated as at fair value through profit and loss								
Derivative hedging instruments	**1,063**		**1,063**		**1,602**		**1,602**	
Total financial liabilities at fair value	**610,492**	**53,524**	**554,191**	**2,777**	**468,280**	**30,912**	**434,811**	**2,556**

Changes in valuation models

No material transfers between levels 1 and 2 were made over the period.

Financial instruments valued on Level 3 model

At 31 December 2012, financial instruments whose measurement is based on unobservable data (Level 3) mainly included:

- CDO units with US real-estate underlyings;
- hedges on some of the above-mentioned CDOs with US real estate underlyings;
- CDOs indexed on corporate credit risk (correlation business);
- to a lesser extent, shares of SCI property companies and SCPI property investment funds and other fixed income, equity and credit derivatives.

Valuation method

- The method used to measure super-senior CDOs with US residential underlyings is described in the "Risk Management" part of the management report.
- Corporate CDOs are valued using a pricing model, which allocates expected losses according to the level of subordination of each transaction. This model uses both observable data (credit default swap spreads) and data that became much less observable since 2008 (correlation data relating to CDOs based on a standard basket of non-corporates). Crédit Agricole CIB adjusted its model to take this factor into account and updates regularly. More specifically, on the least liquid senior tranches, Crédit Agricole CIB introduced valuation factors adjusted to its assessment of the intrinsic risk of its exposures.

◆ Valuation of net financial instruments at fair value according to level 3

Financial assets measured at fair value on a level 3

€ million	Total	Financial assets held for trading				
		Securities held for trading	*Treasury bills and similar items*	*Bonds and other variable income*	*Equities and other fixed income securities*	**Derivative financial instruments**
Opening balance (01.01.2012)	**8,378**	**963**		**963**		**7,415**
Total gains or losses [(1)]	(4,258)	(17)		(17)		(4,241)
Accounted in profit and loss	*(4,258)*	*(17)*		*(17)*		*(4,241)*
Accounted in other comprehensive income						
Purchases	769					769
Sales	(1,293)	(929)		(929)		(364)
Issues						
Settlements	(488)					(488)
Transfers	(151)					(151)
Transfers to Level 3						
Transfers out of Level 3	*(151)*					*(151)*
Closing balance (31.12.2012)	**2,957**	**17**		**17**		**2,940**

(1) Gains and losses from financial assets on the statement of financial position at the closing date amounted to -€2,558 million.
Gains and losses on financial instruments held for trading are recorded in the income statement under « Net gains/(losses) on financial instruments at fair value through profit and loss ».

Financial liabilities measured at fair value on a level 3

€ million	Total	Passifs financiers détenus à des fins de transaction					
		Securities sold short	Securities sold under repurchase agreements	Debt securities in issue	Due to customers	Due to banks	Derivative financial instruments
Opening balance (01.01.2012)	**2,556**						**2,556**
Total gains or losses [(1)]	(400)						(400)
Accounted in profit and loss	(400)						(400)
Accounted in other comprehensive income							
Purchases	1,218						1,218
Sales	(298)						(298)
Issues							
Settlements	(222)						(222)
Transfers	(77)						(77)
Transfers to Level 3							
Transfers out of Level 3	*(77)*						*(77)*
Closing balance (31.12.2012)	**2,777**						**2,777**

(1) Gains and losses from financial liabilities on the statement of financial position at the closing date amounted to +€2,035 million.
Gains and losses on financial instruments held for trading are recorded in the income statement under « Net gains/(losses) on financial instruments at fair value through profit and loss

Gains or losses relating to assets and liabilities on the balance sheet at year-end (-€523 million) mainly comprise:

- the impact of changes in values recognised on CDOs with US real-estate underlyings and the related hedges, for approximately €0.2 billion;
- the change in value of other interest rate, credit and equity derivatives, and in particular corporate CDOs valued on the basis of data that became non-observable, for -€0.7 billion.

However, the fair value alone (and the related change) of these instruments is not relevant. Indeed, these products are extensively hedged by other, less complex products, which are individually valued based on data deemed to be observable. The valuation of these hedging products (and the related changes), which to a large extent is symmetrical to the valuation of products measured on the basis of data deemed to be unobservable, does not appear in the table above.

During the period, the fair value of financial instruments transferred out of Level 3 was approximately -€228 million. These transfers are mainly due to the restored observability of some valuation inputs as they get closer to their maturity date over time and to revised observability criteria.

Sensitivity analysis for financial instruments measured using level 3 valuation techniques

At 31 December 2012, at Crédit Agricole CIB, the sensitivity to variables used in the models based on reasonable alternative assumptions amounted to approximately -€5 million (on discontinuing operations: -€2 million on CDOs with American residential underlyings and -€3 million on exotic derivatives activities).

Sensitivity is calibrated independently of the front office, based primarily on consensus data:

- Super senior ABS CDO tranches: the extent of uncertainty is estimated based on a set rate (10% change in loss scenarios);
- Equity derivatives: the extent of uncertainty over both dividends and correlation is estimated based on the standard deviation of consensus data;

10.3 Measurement of the impact of taking into account gains

€ million	31.12.2012	31.12.2011
Deferred gains at January, 1st	**162**	**241**
Deferred gains generated by new transactions during the period	32	27
Recognised in income during the period		
Amortisation and cancelled/redeemed/expired transactions	(92)	(106)
Effect of parameters or products that became observable during the year		
Deferred gains at the end of the period	**102**	**162**

➢ NOTE 11 : POST STATEMENT OF FINANCIAL POSITION EVENTS

No significant event occurred after the 2012 closing date.

NOTE 12 : SCOPE OF CONSOLIDATION AT 31 DECEMBER 2012

The scope of consolidation at 31 December 2012 is detailed as follows.

Subsidiaries, joint-ventures and associates	(a)	Subsidiaries, joint-ventures and associates	Method at 31.12.2012	% control		% interest	
				31.12. 2012	31.12. 2011	31.12. 2012	31.12. 2011
Parent company							
Crédit Agricole CIB (S.A.)		France	parent	**100.00**	100.00	**100.00**	100.00
Banks and financial institutions							
Banco Crédit Agricole Brasil SA		Brazil	full	**100.00**	100.00	**100.00**	100.00
Banque Saudi Fransi - BSF		Saudi Arabia	equity	**31.11**	31.11	**31.11**	31.11
Crédit Agricole CIB Algérie	D2	Algeria	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Australia Limited		Australia	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB China Limited		China	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Merchant Bank Asia Ltd		Singapore	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Services Private Limited		India	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB ZAO Russia		Russia	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Luxembourg		Luxemburg	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Suisse		Switzerland	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Suisse (Bahamas)		Bahamas	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Yatirim Bankasi Turk AS	S2	Turquey	full	**0.00**	100.00	**0.00**	100.00
Crédit Foncier de Monaco		Monaco	full	**70.13**	70.13	**68.95**	68.92
Finanziaria Indosuez International Ltd		Switzerland	full	**100.00**	100.00	**100.00**	100.00
Newedge (groupe)		France	proportional	**50.00**	50.00	**50.00**	50.00
PJSC Crédit Agricole CIB Ukraine	S2	Ukraine	full	**0.00**	100.00	**0.00**	100.00
UBAF		France	proportional	**47.01**	47.01	**47.01**	47.01
CA Indosuez Private Banking	E3	France	full	**100.00**		**100.00**	
CA Indosuez Gestion	E3	France	full	**100.00**		**100.00**	
Brokerage companies							
Cheuvreux/CLSA/Global Portfolio Trading Pte Ltd.	D1	Singapur	full	**0.00**	100.00	**0.00**	100.00
CLSA B.V.		Netherlands	full	**100.00**	100.00	**100.00**	98.88
Crédit Agricole Cheuvreux North America, Inc		United States	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Securities (USA) Inc		United States	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Cheuvreux Espana S.A.		Spain	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Cheuvreux International Ltd		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Cheuvreux Nordic AB SB		Sweden	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Cheuvreux S.A.		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Van Moer Courtens		Belgium	full	**92.20**	85.00	**92.20**	85.00

Subsidiaries, joint-ventures and associates	(a)	Subsidiaries, joint-ventures and associates	Method at 31.12.2012	% control		% interest	
				31.12.2012	31.12.2011	31.12.2012	31.12.2011
Investment companies							
Banque de Financement et de Trésorerie	S5	France	full	**0.00**	100.00	**0.00**	100.00
Compagnie Française de l'Asie (CFA)		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Air Finance SA		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Capital Market Asia BV		Netherlands	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Global Partners Inc.(groupe)		United States	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Holdings Limited		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB UK IH	S3	United Kingdom	full	**0.00**	100.00	**0.00**	100.00
Crédit Agricole Private Banking		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Capital Market Asia BV (Tokyo)	D2	Japan	full	**100.00**	100.00	**100.00**	100.00
Doumer Finance SAS		France	full	**100.00**	100.00	**100.00**	100.00
Fininvest		France	full	**98.31**	98.27	**98.31**	98.27
Fletirec (groupe)		France	full	**100.00**	100.00	**100.00**	100.00
IPFO		France	full	**100.00**	100.00	**100.00**	100.00
SAFEC	S4	Switzerland	full	**0.00**	100.00	**0.00**	100.00
Leasing companies							
Cardinalimmo	S3	France	full	**0.00**	49.61	**0.00**	49.61
IMMOFI CACIB (ex Financière Immobilière Crédit Agricole CIB)	D2/ S3	France	full	**0.00**	100.00	**0.00**	100.00
Insurance							
CAIRS Assurance SA		France	full	**100.00**	100.00	**100.00**	100.00
Other							
Aguadana SL	S1	Spain	full	**0.00**	100.00	**0.00**	100.00
Aylesbury BV	S3	United Kingdom	full	**0.00**	100.00	**0.00**	100.00
CA Brasil DTVM		Brazil	full	**100.00**	100.00	**100.00**	100.00
CA Conseil SA		Luxemburg	full	**99.99**	99.99	**99.99**	99.99
Calixis Finance		France	full	**100.00**	100.00	**100.00**	100.00
Calliope srl		Italy	full	**100.00**	100.00	**67.00**	67.00
Calyce PLC		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
CLIFAP		France	full	**100.00**	100.00	**100.00**	100.00
CLINFIM		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Asia Shipfinance Ltd		Hong Kong	full	**99.99**	99.99	**99.99**	99.99
Crédit Agricole CIB Finance Guernesey Ltd		United Kingdom	full	**99.90**	99.90	**99.90**	99.90
Crédit Agricole CIB Financial Products Guernesey Ltd		United Kingdom	full	**99.90**	99.90	**99.90**	99.90
Crédit Agricole CIB Financial Solutions		France	full	**99.76**	99.76	**99.76**	99.76
Crédit Agricole CIB Global Banking		France	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole CIB Preferred Funding II LLC		United States	full	**100.00**	100.00	**100.00**	100.00

Subsidiaries, joint-ventures and associates	(a)	Subsidiaries, joint-ventures and associates	Method at 31.12.2012	% control		% interest	
				31.12.2012	31.12.2011	**31.12.2012**	31.12.2011
Other							
Crédit Agricole CIB Preferred Funding LLC		United States	full	**100.00**	100.00	**100.00**	100.00
Crédit Agricole Private Banking Levante	S1	Spain	full	**0.00**	100.00	**0.00**	100.00
Crédit Agricole Private Banking Norte	S1	Spain	full	**0.00**	100.00	**0.00**	100.00
DGAD International SARL		Luxemburg	full	**100.00**	100.00	**100.00**	100.00
Ester Finance Titrisation		France	full	**100.00**	100.00	**100.00**	100.00
European NPL S.A.		Luxemburg	full	**60.00**	60.00	**67.00**	67.00
Semeru CLSA Capital Partners Pte Ltd	D2	Singapore	full	**74.76**	100.00	**74.76**	100.00
Himalia PLC		United Kingdom	full	**100.00**	100.00	**100.00**	100.00
Immobilière Sirius SA		Luxemburg	full	**100.00**	100.00	**100.00**	100.00
INCA Sarl	S2	Luxemburg	full	**0.00**	65.00	**0.00**	65.00
Indosuez Finance Ltd	S3	United Kingdom	full	**0.00**	100.00	**0.00**	100.00
Indosuez Holding SCA II		Luxemburg	full	**100.00**	100.00	**100.00**	100.00
Indosuez Management Luxembourg II		Luxemburg	full	**100.00**	100.00	**99.99**	100.00
Island Refinancing Srl		Italy	full	**100.00**	100.00	**67.00**	67.00
LDF 65 (SPV)	S2	Luxemburg	full	**0.00**	64.94	**0.00**	64.94
LSF Italian Finance Company SRL		Italy	full	**100.00**	100.00	**67.00**	67.00
Lyane BV	S2	Netherlands	full	**0.00**	65.00	**0.00**	65.00
MERISMA		France	full	**100.00**	100.00	**100.00**	100.00
Sagrantino BV		Netherlands	full	**100.00**	100.00	**67.00**	67.00
Sagrantino Italy srl		Italy	full	**100.00**	100.00	**67.00**	67.00
SNC Doumer		France	full	**99.94**	99.94	**99.94**	99.94
SCI La Baume	E3	France	full	**100.00**		**100.00**	

(a) Entrances (E) in the scope:
E 1 Theshold crossing
E 2 Creation
E 3 Acquisition (including gain of control)

Exit (S) of scope:
S 1 Business ending (selling off, dissolution)
S 2 Companies disposal outside the Group or loss of control
S 3 Entities out of consolidation scope for being «not significant»
S 4 Merger
S 5 Universel Transfer of Capital

Other:
D 1 Change in the consolidation method
D 2 Change of corporate's name

Main external transactions realised during 2012
none

Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2012

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

The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

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

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby submit our report for the year ended 31 December 2012 on:

- our audit of Crédit Agricole Corporate and Investment Bank's consolidated financial statements as attached to this report,
- the substantiation of our opinion,
- the specific procedures and disclosures required by law.

The consolidated financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements and evaluating their overall presentation. We believe that the evidence we have collected is relevant and sufficient for the formation of our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the companies and entities included in the consolidated Group in accordance with the IFRS standards as adopted in the European Union.

II. SUBSTANTIATION OF OUR OPINION

Pursuant to the provisions of Article L.823-9 of the Code de Commerce [French Commercial Code] concerning the substantiation of our opinion, we bring to your attention the following items:

- The Group books impairment reserves to cover credit risks which are inherent to its business activities. We have reviewed the arrangements put in place by management to identify and evaluate these risks and to determine the amount of impairment it considers necessary, and we have verified that these accounting estimates were based on documented methods that complied with the principles described in note 1.3 to the consolidated financial statements.
- As stated in notes 1.3 and 10.2 to the financial statements, your Group uses internal models to assess the fair value of certain financial instruments not listed in an active market. Our work entailed reviewing the control system applied to the models used, the underlying assumptions and the methods for taking into account the risks associated with such instruments.

- As stated in note 2.1 to the financial statements, your Group has estimated the impacts of current disposal operations of some entities. We have examined the methods and hypotheses used and checked that all resulting accounting estimates are based on documented methods that comply with the principles described in the financial statements. We are also satisfied with the suitability of the way they are presented in the financial statements.
- As stated in notes 1.4 and 2.4 to the financial statements, your Group carried out impairment tests on the goodwill value. We examined the way in which these tests were carried out as well as the main parameters and hypotheses used, and we are satisfied with the suitability of the way they are presented in the notes to the financial statements.
- As stated in note 1.3 to the financial statements, your Group in order to determine the fair value of the issues recorded at fair value through profit or loss, produced estimates of the Group's issuer credit risk. We have examined the methods and hypotheses used and checked that all resulting accounting estimates are based on documented methods that comply with the principles described in the financial statements.
- The Group has made a number of other accounting estimates as explained in note 1.3 to the consolidated financial statements, notably regarding the valuation and impairment of non-consolidated equity securities, the pension provision and future employee benefits, reserves for operational risks, reserves for legal risks and deferred tax assets. Our work consisted of examining the methods and assumptions used and verifying that the resulting accounting estimates are based on documented methods in accordance with the principles described in note 1.3. to the financial statements.

Our assessments were made, taken as a whole, and therefore assisted us in reaching our unqualified opinion as expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We also carried out, in accordance with professional standards applicable in France, the specific verification, required by law, of information relating to the Group in the management report.

We are satisfied that the information is fairly stated and agrees with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, 14 March 2013

Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Catherine Pariset Emmanuel Benoist	Valérie Meeus Hassan Baaj

7 PARENT-COMPANY FINANCIAL STATEMENTS

Approved by the Board of Directors in its meeting of 14 February 2013 and put to shareholders for their approval in the 30 April 2013 shareholders'meeting

Crédit Agricole CIB (S.A.) financial statements

ASSETS

€ million	Notes	31.12.2012	31.12.2011
Interbank and similar items		**153,896**	**135,678**
Cash, due from central banks		34,408	19,923
Treasury bills and similar items	4, 4.2, 4.3 and 4.4	50,297	27,843
Due from banks	2	69,191	87,912
Customer items	3, 3.1, 3.2, 3.3. and 3.4	**149,245**	**136,554**
Securities portfolios		**32,022**	**40,196**
Bonds and other fixed-income securities	4, 4.2, 4.3 and 4.4	25,531	28,821
Equities and other variable-income securities	4 and 4.2	6,491	11,375
Non-current assets		**7,658**	**9,005**
Participating interests and other long-term investments	5, 5.1 and 6	620	566
Investments in affiliates	5, 5.1 and 6	6,744	8,118
Intangible assets	6	152	150
Property, plant and equipment	6	142	171
Treasury shares		**0**	**0**
Accruals, prepayments and sundry assets		**527,820**	**437,672**
Other assets	7	97,936	88,386
Accruals and prepayments	7	429,884	349,286
Total assets		**870,641**	**759,105**

➢ LIABILITIES AND SHAREHOLDERS' EQUITY

€ million	Notes	31.12.2012	31.12.2011
Interbank and similar items		**85,777**	**118,126**
Due to central banks		1,056	81
Due to banks	9	84,721	118,045
Customer accounts		**162,641**	**127,427**
Government-regulated savings plans			
Other liabilities	10.1, 10.2 and 10.3	162,641	127,427
Debt securities in issue	11.1 and 11.2	**47,492**	**48,017**
Accruals, deferred income and sundry liabilities		**554,487**	**443,526**
Other liabilities	12	126,389	95,180
Accruals and deferred income	12	428,098	348,346
Reserves and subordinated debt		**9,207**	**12,105**
Reserves	13	2,680	3,442
Subordinated debt	14	6,527	8,663
Fund for general banking risks		**105**	**105**
Shareholders' equity (excl. FGBR)	15	**10,932**	**9,799**
Share capital		7,254	6,775
Share premium		906	738
Reserves		454	419
Excess of restated assets over historical cost			
Regulated reserves and investment grants		22	18
Retained earnings		1,167	1,153
Net income for the year		1,129	696
Total liabilities and shareholders' equity		**870,641**	**759,105**

➢ OFF-BALANCE SHEET ITEMS

€ million	31.12.2012	31.12.2011
Commitments given	**212,229**	**229,891**
Financing commitments[(1)]	107,271	98,822
Guarantee commitments	68,096	68,268
Securities commitments	952	5,053
Other commitments given[(2)]	35,910	57,748
Commitments received	**163,831**	**153,427**
Financing commitments[(3)]	48,007	22,327
Guarantee commitments[(4)]	111,878	122,322
Securities commitments	1,260	5,668
Other commitments received	2,686	3,110

(1) At 31 December 2011, the securities bought under repurchase agreements recognised on transaction date were recognised for their notional amount in counterparty of the miscellaneous creditors account for €2 billion; at 31 December 2012 these operations amounting to €22 billion are recognised in financing commitments given between the transaction date and the settlement date.

(2) Including a €3,142 million asset given to Crédit Agricole S.A. as guarantee relating to the group Crédit Agricole participation in the refinancing granted by SFEF (Société de Financement de l'Economie Française).
At 31 December 2011, these amounted to €5,608 million.

(3) At 31 December 2011, the securities sold under repurchase agreements recognised on the transaction date were recognised for their notional amount in counterparty of the miscellaneous debtors account for €7 billion; at 31 December 2012 these operations amounting to €27 billion are recognised in financing commitments received between the transaction date and the settlement date.

(4) Including €3,188 million of guarantee commitments received from Crédit Agricole S.A..

Off-balance sheet items: other information

Foreign exchange transactions and amounts payable in foreign currency: note 18

Transactions involving forward financial instruments: notes 19, 19.1, 19.2 and 19.3

➢ INCOME STATEMENT

€ million	Notes	2012	2011
Interest and similar income	20 and 21	4,740	5,241
Interest and similar expenses	20	(3,392)	(3,973)
Income from variable-income securities	21	422	377
Fee and commission income	22 and 22.1	1,570	1,930
Fee and commission expenses	22 and 22.1	(1,159)	(1,121)
Net gain/(loss) from trading portfolios	23	1,231	1,071
Net gain/(loss) from investment portfolios and similar	24	82	4
Other banking income		187	157
Other banking expenses		(204)	(216)
Net banking income		**3,477**	**3,470**
Operating expenses		**(2,190)**	**(2,384)**
Personnel costs	25.1 and 25.2	(1,307)	(1,448)
Other operating expenses	25.3	(883)	(936)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		**(86)**	**(72)**
Gross operating income		**1,201**	**1,014**
Cost of risk	26	(198)	(486)
Net operating income		**1,003**	**528**
Net gain/(loss) on disposal of non-current assets	27	(510)	(531)
Pre-tax income on ordinary activities		**493**	**(3)**
Net extraordinary items		0	1
Corporate income tax	28	640	702
Charges/Write-backs to the FGBR and regulated reserves		(4)	(4)
Net income		**1,129**	**696**

Notes to the parent-company financial statements

NOTE 1 : ACCOUNTING PRINCIPLES AND POLICIES

Crédit Agricole CIB (SA) prepares its financial statements in accordance with French accounting standards applicable to banks in France.

The presentation of Crédit Agricole CIB's financial statements complies with CRB (Comité de la Réglementation Bancaire) regulation 91-01, as amended by CRC (Comité de la Réglementation Comptable) regulation 2000-03 relating to the preparation and publication of parent-company financial statements of companies governed by the CRBF (Comité de la Réglementation Bancaire et Financière) amended mostly in 2010 by regulation ANC N° 2010-08 dated 7 October 2010 relative to the disclosure of credit institutions' parent-company financial statements.

The changes of the accounting policies and presentation of the financial statements compared to last year regard the following points :

- Crédit Agricole CIB applies as from 1 January 2012 the ANC regulation 2011-04 for financial institutions, concerning the accounting treatment of the procedure defined by Article 1 of the N°2011-894 law. The implementation of this new regulation had no significant impact on the period's result and net situation, given that no operation represented a significant risk or advantage not reflecting in the off-balance sheet items.

Receivables

Receivables on credit institutions, Crédit Agricole Group entities and customers are governed by Regulation 2002-03 of 12 December 2002, as amended, issued by the French Accounting Regulations Committee (Comité de la Réglementation Comptable - CRC).

They are analysed based on their initial term or the type of receivable:

- current and term receivables, for credit institutions,
- current accounts, term accounts and term advances, for internal Crédit Agricole transactions,
- commercial and other receivables and sight accounts, for customers.

In accordance with regulatory requirements, the "customers" category also includes transactions with financial customers.

Receivables are recognised initially at nominal value. Interest accrued on receivables is recognised in a receivables-related account and in the income statement.

In application of CRC Regulation 2009-03, fees and commissions received, as well as marginal transaction costs borne, are now amortised over the effective term of the credit. Accordingly, they are shown as part of the outstanding amount of the credit concerned.

The application of CRC Regulation 2002-03, as amended, concerning the accounting treatment of credit risk resulted in Crédit Agricole CIB recognising receivables with a risk of non-payment in accordance with the following rules. The use of external and/or internal rating systems contributes to appraise the existence of a credit risk.

Restructured loans

Restructured loans are loans to counterparties experiencing financial difficulties such that the credit institutions decides to alter the initial characteristics of the contract (term, interest rate etc.) in order to enable the counterparties to honour their repayment schedules.

As a result, the following are excluded from restructured loans:

- loans whose characteristics have been renegotiated on a commercial basis and whose counterparties do not show any solvency problems,
- loans whose repayment schedule has been altered due to the application of an option or contractual clause initially included in the contract (e.g.: payment holiday and extension of the loan term).

Bad and doubtful debts

Loans and advances of all kinds, even those that are guaranteed, are classified as doubtful if they carry an identified credit risk on an individual basis arising from one of the following events:

- loan or advance is at least:
  - * six months in arrears for mortgage loans taken out by personal customers in France and the EU (three months for personal customers outside France and the EU);
  - * six months in arrears for property leases taken out by personal customers in France and the EU (three months for personal customers outside France and the EU);
  - * six months in arrears for loans to local authorities in France and the EU (three months for local authorities outside France and the EU);
  - * three months in arrears for loans to central governments, regional governments and public-sector entities (all territories);
  - * three months in arrears for all other loans (all territories);
- the borrower's financial position is such that an identified risk exists regardless of whether the loan or advance is in arrears,
- the bank and borrower are in legal proceedings.

For overdrafts, the length of arrears is beginning when the debtor has exceeded an authorised limit and has been made aware of this by the institution or when the debtor has been warned that its borrowings exceed an internal control limit set by the institution, or when the debtor has drawn amounts without an overdraft authorisation.

Instead of using these criteria, the length of arrears may begin when the credit institution has requested that the debtor repay some or all of the overdraft.

Crédit Agricole CIB makes the following distinction between doubtful and bad debts:

◆ Bad debts:

Bad debts are those for which the prospects of recovery are highly impaired and which are likely to be written off in time.

For doubtful debts, interest is still recognised as long as the debt is doubtful and stops when the loan is transferred to bad debts.

◆ Doubtful debts

All doubtful debts and advances which do not fall into the bad debt category are classified as doubtful debts.

Impairment resulting from individually assessed credit risk

Once a loan is classified as doubtful, an impairment charge is deducted from the asset in an amount equal to the probable loss. This impairment corresponds to the difference between the book value of the receivable and the present value of estimated future cash flows at the contractual interest rate, taking into account the counterparty's financial position, economic outlook and any collateral minus realisation costs.

For outstandings comprising minor receivables presenting similar characteristics, the counterparty-by-counterparty review may be replaced by a statistical estimate of projected losses.

Probable losses in respect of off-balance sheet items are covered by reserves on the liabilities side of the balance sheet.

Treatment of discounts and impairment

Discounts in respect of restructured loans and impairment charges against doubtful debts are recognised in profit and loss under cost of risk. For restructured loans classified as performing, the discount is amortised to profit and loss in net interest income over the remaining life of the loan. For doubtful debts, whether restructured or not, impairment charges and write-backs are recorded under cost of risk. The rise in the book value related to the impairment write-backs and the amortisation of discounts arising from the passage of time are recorded under net interest income.

Impairment for credit risk not individually impaired

Crédit Agricole CIB also books reserves on the liabilities side of the balance sheet to cover customer risks that are not individually allocated to loans.

Collective reserves are booked for sets of counterparties and countries under surveillance and sectors showing identified risk. These reserves are designed to cover specific risks on loans classified as performing or not individually impaired, for which there is a statistical or historical probability of partial non-recovery.

◆ Country risk

Country risk (or international commitment risk) comprises "the total amount of non-compromised commitments, both on- and off-balance sheet, carried by an institution either directly or through so-called defeasance structures on private or public debtors resident in the countries listed by the French Prudential Supervisory Authority (Autorité de Contrôle Prudentiel), or for which the successful settlement depends on the situation of private or public debtors resident in such countries". (French Banking Commission (Commission Bancaire) memorandum of 24 December 1998).

When these receivables are not doubtful they remain in their original accounts.

◆ Write-off

The appreciation of the write-off period is based on an expert judgement. Crédit Agricole CIB determines it with its Risk Management division, in accordance with its knowledge of the activity.

Securities transactions

The rules on recognising securities transactions are defined by CRB regulation 90-01 as amended by CRC regulations 2005-01, 2008-07 and 2008-17 and the CRC amended regulation 2002-03, as regards identification and impairment relating to credit risk on fixed-income securities.

Securities are presented in the financial statements by type: Treasury bills and similar, bonds and other fixed-income securities (negotiable debt instruments and interbank market securities), equities and other variable-income securities.

They are classified in the portfolios specified by regulations (trading, available-for-sale, held-to-maturity, portfolio, other securities held over the long term, investments in non-consolidated subsidiaries) depending on the initial ownership intention relating to the securities identified in the accounting IT system on purchase.

Trading securities

Trading securities are securities that were originally:

- bought with the intention of selling them in the near future, or sold with the intention of repurchasing them in the near future;
- or held by the bank as a result of its market-making activity. The classification of these securities as trading securities depends on the effective turnover of the securities and significant trading volume taking into account market opportunities.

These securities must be tradable on an active market and market prices must represent real transactions taking place regularly in the market in normal competitive conditions.

Trading securities also include:

- securities bought or sold as part of specialist management of the trading portfolio, including forward financial instruments, securities or other financial instruments that are managed together and on which there is an indication of recent short-term profit taking;
- securities on which there is a commitment to sell as part of an arbitrage transaction on an organised market for financial instruments or similar.

Except where provided for by CRC regulation 2008-17 (see "Reclassification of securities" section below), securities held for trading cannot be reclassified into another category, and are presented and measured as securities held for trading until they leave the balance sheet through being sold, fully redeemed or written off.

Securities held for trading are recognized on the date they are purchased in the amount of their purchase price, excluding incidental purchase costs and including accrued interest.

Liabilities relating to securities sold short are recognized on the liabilities side of the seller's balance sheet in the amount of the selling price excluding incidental purchase costs.

At each period-end, securities are measured at the most recent market price. The overall balance of differences resulting from price variations is taken to profit and loss and recorded in the "Net gain/(loss) from trading portfolios" item.

Available-for-sale securities

This category consists of securities that do not fall into any other category.

The securities are recorded at their purchase price, excluding incidental purchase costs.

◆ Bonds and other fixed-income securities

These securities are recorded at their purchase price including accrued interest. The difference between the purchase price and the redemption value is spread over the security's remaining life according to an actuarial method.

Revenue is recorded in the income statement under : "Interest and similar income from bonds and other fixed-income securities".

◆ Equities and other variable-income Securities

Equities are recorded on the balance sheet at purchase price excluding incidental acquisition costs. Dividend revenues from equities are taken to the income statement under "Income from variable-income securities".

At the end of the period, available-for-sale securities are measured at the lower of purchase cost and market value. If the current value of an item or a homogeneous set of securities (calculated from the trading sessions on the reporting date, for example) is lower than its carrying value, an impairment loss is recorded in the amount of the unrealized capital losses, with no netting of gains recognized on other categories of securities.

Gains from hedging, within the meaning of article 4 of CRB regulation 88-02, in the form of purchases or sales of forward financial instruments, are taken into account when calculating impairment.

Possible gains are not recognized.

In addition, for fixed-income securities identified as doubtful, impairment intended to take into account counterparty risk and recognised under cost of risk is booked as follows:

- in the case of listed securities, impairment is based on market value, which intrinsically reflects credit risk. However if particular information available to Credit Agricole CIB on the financial situation of the issuer is not reflected in the market value, a specific impairment is booked;
- in the case of unlisted securities, impairment is carried out in the same way as on loans and advances to customers based on identified probable losses (cf. previous subdivision of "loans to customers"; paragraph "Impairment resulting from individually assessed credit risk").

Sales of securities are deemed to take place on a first-in first-out basis.

Impairment charges and write-backs and disposal gains or losses on available-for-sale securities are recorded under "Net gain/(loss) from investment portfolios and similar". Income from equities and other variable-income securities is recorded on the income statement under "Income from variable-income securities".

Held-to-maturity securities

Held-to-maturity securities are fixed-income securities with a fixed maturity date that have been acquired or transferred to this category with the manifest intention of holding them until maturity.

This category only includes securities for which Crédit Agricole CIB has the necessary financial capacity to continue holding them until maturity and that are not subject to any legal or other constraint that could threaten its plan to hold them until maturity.

Held-to-maturity securities are recognised at acquisition price, excluding incidental purchase costs, and including coupons.

The difference between the purchase price and the redemption price is spread over the security's remaining life.

Impairment is not booked for held-to-maturity securities if their market value falls below cost. However, if impairment is related to a risk specific to the security's issuer, impairment is booked in accordance with CRC regulation 2002-03 relating to credit risk; it is recorded in the "cost of risk" item.

In the event that held-to-maturity securities are sold or transferred to another category of securities, in a significant amount relative to the total amount of held-to-maturity securities held by the entity, the entity is no longer authorised to classify securities previously acquired and to be acquired as held-to-maturity securities during that year and for two subsequent years, in accordance with CRC regulation 2005-01, excluding the exceptions specified by this regulation and by CRC regulation 2008-17.

Portfolio securities

In accordance with CRC regulation 2000-02 and with the 2000-12 Autorité de Contrôle Prudentiel instructions, securities in this category comprise investments made on a regular basis with the sole aim of securing a capital gain in the medium term, with no intention of investing in the longer term in the development of the investee company's business or of becoming actively involved in its operational management.

In addition, securities can only be transferred to this portfolio if the significant and permanent activity is carried out within a structured framework and generates regular income, mainly coming from disposal gains.

Crédit Agricole CIB meets these conditions and can classify some of these securities in this category.

Portfolio securities are recorded at acquisition price, excluding incidental purchase costs.

On the accounts closing date, these securities are measured at the lower of cost or value in use, which is determined by taking into account the issuer's general prospects and the estimated remaining term of ownership.

For listed companies, value in use is usually the average market price assessed over a sufficiently long period (taking into account the planned term of ownership) to offset the effect of temporary sharp variations in the share price.

Any unrealised capital losses are calculated for each security, and are subject to impairment without netting of unrealised capital gains. Unrealised gains are not recognised. They are recorded in the "Net gain/(loss) from investment portfolios and similar" items, as well as the impairment flows related to these securities.

Unrealised gains are not recognised.

Investments in affiliates, non-consolidated subsidiaries and other long-term securities

- Investments in affiliates are shares in companies over which Crédit Agricole CIB (SA) has sole control and that are or may be fully consolidated in the same consolidated whole.
- Investments in non-consolidated subsidiaries are securities (other than shares in a related company) of which the other-than-temporary ownership is deemed useful for the business of a credit institution, including because it allows it to exert influence or control over the issuer.
- Other long-term securities consist of securities held with the intention of promoting long-term business relations by creating a special relationship with the issuer, but with no influence on the issuer's management due to the small percentage of voting rights held.

Investments in affiliates and non-consolidated subsidiaries are recognized at their purchase price including incidental purchase costs in accordance with CRC regulation 2008-07.

The other long-term securities are recognized at their purchase price excluding incidental purchase cost.

At period-end, the securities are measured individually on the basis of their fair value, and are stated on the balance sheet at the lower of cost or fair value.

The fair value of these securities is the sum the bank would agree to pay to acquire them, taking into account its ownership objectives.

Fair value can be estimated on the basis of various factors such as the profitability and earnings outlook of the issuing company, its shareholders' equity, the economic situation, the average listed price in the last few months and the security's mathematical value.

Where the fair value of a security is lower than acquisition cost, the unrealised loss is recognised through impairment, with no offset against unrealised gains.

Additions and releases from impairment, together with disposal gains and losses, relating to these securities are recorded under "Net gain/(loss) on disposal of non-current assets".

Market price

The market price at which the various categories of securities are measured is determined as follows:

- securities traded on an active market are measured at the latest price,
- if the market on which the security is traded is not or no longer considered active or if the security is unlisted, Crédit Agricole CIB determines the likely value at which the security concerned would be traded using valuation techniques. In the first instance, these techniques take into account recent transactions carried out in normal competition conditions. If required, Crédit Agricole CIB uses valuation techniques commonly used by market participants to price these securities, when it has been demonstrated that these techniques provide reliable estimates of prices obtained in actual market transactions.

Recording dates

Crédit Agricole CIB records securities classified as held-to-maturity securities on the settlement date. Other securities, regardless of type or classification, are recorded on the trade date.

Reclassification of securities

In accordance with CRC regulation 2008-17 of 10 December 2008, the following reclassifications of securities are now authorized:

- from the "held-for-trading" portfolio to the "held-to-maturity or "available-for-sale" portfolios in an exceptional market situation or in the case of fixed-income securities that are no longer tradable on an active market, and if the institution intends and is able to hold them for the foreseeable future or until maturity;
- from the "available-for-sale" to the "held-to-maturity" portfolio in an exceptional market situation or in the case of fixed-income securities that are no longer tradable on an active market.

Securities bought or sold under repurchase agreements, loaned and borrowed

Securities bought or sold under Repurchase agreements

Assets sold under repurchase agreements continue to be recorded on the balance sheet. The amount received is recorded as a liability. In the other party's books, assets bought under repurchase agreements are not recorded on the balance sheet, although the amount paid is recorded as an amount due.

The corresponding income and expenses are taken to profit and loss on a prorate basis.

Securities sold under repurchase agreements continue to be subject to the accounting principles applicable to the securities category from which they originate.

From 31 December 2012, the accounting treatment of all the securities bought or sold under repurchase agreements, loaned and Borrowed has been homogenised to get a better readability of the balance sheet. Before, the securities bought or sold under repurchase agreements, loaned and Borrowed with a short term disposal intention were recognised on balance sheet on the transaction date. From now on, these operations are recognised off balance sheet on the transaction date and on balance sheet on the settlement date.

- At 31 December 2012, €22 billion are recognised in Financing commitments given (versus €2 billion recognised in Securities bought under repurchase agreements at 31 December 2011) and €27.4 billion recognised in Financing commitments received (versus €7.3 billion recognised in Securities sold under repurchase agreements at 31 December 2011).
- Details about the impacts of this modification are given on the off-balance sheet items and on the notes 2, 3, 7, 9, 10 and 12.

Securities loaned and borrowed

In the accounts of the lender, a receivable is recorded in the balance sheet representing the market price of the loaned securities on the date of the loan, in place of the loaned securities. At each period end, the receivable is valued using the rules applicable to loaned securities, including the recognition of accrued interest on available-for-sale securities and held-to-maturity securities.

In the accounts of the borrower, the security is recorded as an asset under trading securities at the market price prevailing on the date the security was borrowed. A liability to the lender is recorded on the balance sheet under "Liabilities relating to stocklending transactions". At each period-end, securities are measured at the most recent market price.

Non-current assets

Crédit Agricole CIB applies CRC regulation 2002-10 relating to the depreciation, amortisation and impairment of assets.

As a result, Crédit Agricole CIB applies component accounting for all of its property, plant and equipment. In accordance with this regulation, the depreciable amount takes account of the potential residual value of assets.

In accordance with CRC regulation 2004-06, the cost of fixed assets comprises, in addition to the purchase price, associated expenses, i.e. costs related directly or indirectly to the acquisition to bring use of the asset up to standard.

Land is recorded at cost.

Buildings and equipment are measured at cost less accumulated depreciation and impairment charges.

Purchased software is measured at cost less accumulated depreciation and impairment charges.

Proprietary software is measured at production cost less accumulated depreciation and impairment charges.

With the exception of software, intangible assets are not amortized. Intangible assets may be subject to impairment if required.

Non-current assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole CIB following the application of component accounting for non-current assets. These depreciation periods are adjusted according to the type of asset and its loca- tion:

Component	Depreciation period
Land	Not depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	3 to 7 years (accelerated or straightline)
Specialist equipment	4 to 5 years (accelerated or straightline)

Based on available information on the value of its non-current assets, Crédit Agricole CIB has concluded that impairment testing would not lead to any change in the depreciable amount.

Due to banks and customer accounts

Amounts due to banks and customer accounts are presented in the financial statements according to the initial term and nature of the liabilities:

- Demand or forward debts for credit institutions;
- Ordinary accounts, forward accounts and advances for Crédit Agricole internal transactions;
- Special savings accounts and other debts for clients (including financial clients in particular).

Repurchase transactions in the form of stocks or securities are included in these various categories depending on the type of counterparty.

Accrued interest on these debts is recognized under accrued interest payable in the income statement.

Debt securities in issue

Debt securities in issue are presented according to their type: short-term notes, interbank market securities and negotiable debt securities and bonds, except subordinated debt securities which are included in liabilities under “subordinated debt”.

Interest accrued but not yet due is recognised under accrued interest and taken to profit and loss.

Bond issue share and redemption premiums are depreciated over the life of the bond; the corresponding expense is entered under “interest and similar charges on bonds and other fixed-income securities”.

Crédit Agricole CIB also defers and amortizes borrowing expenses in its parent-company financial statements.

Commissions and fees on financial services paid to Regional Banks are registered in “Fee and commission expense”.

Reserves

Crédit Agricole CIB applies the Comité de Réglement Comptable regulation N°2000-06 relating to liabilities as regards the recognition and measurement of reserves.

Reserves items include any reserves relating to financing commitments, retirement and end-of-career employee benefits commitments, disputes and other risks.

Reserve for general banking risks (F.R.B.G.)

In accordance with the fourth European directive and the CRBF regulation 90-02 of 23 February 1990 relating to shareholders’ equity and to the 90-01 instruction of the Commission Bancaire, the reserve for general banking risks is maintained by Crédit Agricole CIB at the discretion of its management, to meet any charges or risks relating to banking operations but whose incidence is not certain.

Reserves are written back to cover any incidence of these risks during a given period.

Transactions on forward financial instruments and options

Hedging and market transactions involving forward interest-rate, exchange-rate or equity instruments are recorded in accordance with CRB modified regulations 88-02 and 90-15 and with 94-04 modified instruction of the Autorité de contrôle prudentiel (former Commission Bancaire).

Commitments relating to these transactions are recorded off-balance sheet, the amount recorded being the nominal value of the contracts: this amount represents the volume of transactions outstanding.

Gains and losses from these transactions are recorded by type of instrument and strategy.

Where instruments are measured at market value, that value is determined:

- on the basis of available prices, if an active market exists;
- with the help of valuation methods and models.

Interest rate and foreign exchange transactions (swaps, FRAs, caps, floors, collars and swaptions)

Crédit Agricole CIB uses interest-rate and currency swaps mainly for the following purposes:

1. to maintain individual open positions in order, when possible, to take advantage of interest rate movements;
2. to hedge interest rate risks affecting one item or a set of homogeneous items;
3. to hedge and manage the group’s overall interest rate risk, except for transactions described in [2] and [4];
4. to carry out specialist management of a trading portfolio consisting of interest-rate or currency swaps, other forward interest-rate instruments, debt instruments or similar financial transactions.

Income and expenses related to transactions mentioned in the above section are recognized in the income statement as follows:

1. income and expenses are taken to profit and loss on a prorate basis, and reserves are booked for unrealised losses,
2. income and expenses are taken to profit and loss symmetrically to the recognition of income and expenses on the hedged item or set of items,
3. income and expenses are taken to profit and loss on a prorata basis, and unrealised gains and losses are not recognised,
4. income and expenses are taken to profit and loss at market value, adjusted through a reserve to take into account counterparty risks and future administrative expenses related to these contracts.

Market value is determined by discounting future cash flows using the zero coupon method.

As a rule, instruments cannot be reclassified between categories, except for transfers from category [2] to category [1] or [4] in the event of an interrupted hedge. Transfers are valued at the net book value of the instrument, which is then subject to the rules of the portfolio to which it is transferred.

Up-front and termination fees regarding interest rate or foreign exchange contracts are spread over the remaining maturity of the transaction or hedged item, except in the case of marked-to-market contracts, for which they are taken directly to the income statement.

Other interest-rate or equity transactions

Crédit Agricole CIB uses various instruments such as interest rate futures and equity derivatives for trading or specific hedging purposes.

Contracts concluded for trading purposes are stated at market value, and the corresponding gains or losses are taken to the income statement.

Gains or losses, realised or unrealised, resulting from the mark-to-market valuation of specific hedging contracts are spread over the maturity of the hedged instrument.

Credit derivatives

Crédit Agricole CIB uses credit derivatives mainly for hedging purposes, in form of Credit Default Swaps (CDS).

CDSs are recognised as forward financial instruments, and premiums paid are recorded on a prorata basis in the income statement. Contracts concluded for trading purposes are stated at market value, and the corresponding gains or losses are taken to the income statement.

Complex transactions

A complex transaction is a synthetic combination of instruments of identical or different types and valuation methods. These transactions are recognised as a single batch or as a transaction whose recognition is not governed by any explicit regulations, with the result that it is up to Crédit Agricole CIB to choose an accounting policy. The purpose of this choice is to reflect the economic reality of the transaction in accordance with the principles of fair presentation and substance over form.

Foreign exchange transactions

Foreign currency-denominated assets and liabilities are translated at year-end exchange rates. The resulting gains and losses, together with gains and losses arising from exchange rate differences on transactions during the period, are taken to the income statement.

Monetary receivables and payables, along with forward foreign exchange contracts that appear as foreign-currency off-balance sheet commitments, are translated at the market rate in force at the balance-sheet date or at the market rate on the nearest previous date.

Spot and forward foreign exchange contracts

At each period end, spot foreign exchange contracts are valued at the spot exchange rate of the currency concerned.

Forward foreign exchange transactions categorised as trading transactions are recognised at market value using the forward rate applicable to the remaining period of the contract. Recorded net gains or losses are entered in the income statement under "Net gain/(loss) from trading portfolios - foreign exchange and similar financial instruments".

Net gains and losses on forward foreign exchange transactions that are categorised as spot exchange transactions in connection with loans and borrowings, are recognised on a prorate basis over the period of the contracts.

Currency futures and options

Currency futures and options are used for trading purposes as well as to hedge specific transactions.

Contracts concluded for trading purposes are stated at market value, and the corresponding gains or losses are taken to the income statement.

Gains or losses, realised or unrealised, resulting from the mark-to-market valuation of specific hedging contracts are recognised symmetrically to the hedged transaction.

Integration of branches outside France

Branches keep their own accounts in accordance with accounting rules in force in the countries in which they are located.

At accounts closing, the balance sheets and income statements of branches are adjusted according to French accounting rules, translated into euros and included in the head-office accounts after eliminating reciprocal transactions.

The balance sheets and income statements of foreign branches are translated into euros at year-end exchange rates.

The gains or losses that may result from this translation are recorded on the balance sheet under "Accruals, prepayments and sundry assets and liabilities".

Financing commitments

Off-balance sheet items include any undrawn portion of financing commitments as well as guarantees given and received.

If a commitment given appears likely to be used, leading to a loss for Crédit Agricole CIB, a reserve is recorded under liabilities.

Publishable off-balance sheet items do not mention commitments relating to financial futures or foreign exchange transactions.

They also do not include commitments received concerning treasury bills, similar securities and other securities given as guarantees.

However, details of these items are provided in note 18 (Outstanding foreign exchange transactions) and note 19 (Transactions in financial futures).

Employee profit-sharing and incentive plans

Employee profit-sharing and incentive plans are recognised in the income statement under "personnel costs" in the year in which the employees' rights are earned.

Post-employment benefits

Retirement and early retirement benefits - defined benefit plans

As from 1 January 2004, Crédit Agricole CIB applies CNC recommendation 2003-R.01 of 1 April 2003 relating to the recognition and measurement of commitments relating to pensions and similar benefits.

In application of this recommendation, Crédit Agricole CIB sets aside reserves to cover its liabilities for retirement and similar benefits falling within the category of defined-benefit plans.

These obligations are measured based on a set of actuarial, financial and demographic assumptions, and following the Projected Unit Credit method. This method consists in booking a charge for each period of service, for an amount corresponding to employee's vested benefits for the period. This charge is calculated based on the discounted future benefits.

Since actuarial gains and losses are taken immediately to profit and loss, the amount of the reserve is equal to:

- the present value of the obligation to provide the defined benefits as of the balance sheet date, calculated in accordance with the recommended actuarial method;
- less the fair value of any plan assets. These assets may be in the form of an eligible insurance policy. In the event that 100% of the obligation is fully covered by such a policy, the fair value of the policy is deemed to be the value of the corresponding obligation (i.e. the amount of the corresponding actuarial liability).

To the extent that the reform (law 2010-1330 of the 9 November 2010 reforming the pension scheme) does not modify the existing professional agreements but only the actuarial assumptions on retirement age, it is analysed as an update of actuarial assumptions and not as a modification of scheme. As such, the impact of the reform has to be recognised as the other actuarial gains and losses, entirely in profit and loss.

Pension plans - defined contribution plans

There are various mandatory pension plans to which "employer" companies contribute. The funds are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to provide all the benefits corresponding to the services rendered by staff during the current and previous years.

As a consequence, Crédit Agricole CIB has no liability in this respect other that the contributions to be paid for the year ended.

The amount of the contributions with respect to these pension plans is recognised under "personnel costs".

Extraordinary income and expenses

These comprise income and expenses that are extraordinary in nature and relate to transactions that do not form part of Crédit Agricole CIB's ordinary activities.

Corporate income tax

In general, only tax due is recorded in the parent-company financial statements.

The tax charge stated on the income statement corresponds to corporate income tax due by Crédit Agricole CIB (SA) with respect to that period. It also includes the 3.3% social-security contribution.

Crédit Agricole CIB is 100%-owned, directly or indirectly, by Crédit Agricole S.A. and is an integral part of the Crédit Agricole S.A. tax consolidation group.

The tax consolidation gain/loss is the difference between the tax due by the Crédit Agricole CIB tax sub-group to Crédit Agricole S.A. and the sum of individual tax amounts of subsidiaries forming an integral part of the Crédit Agricole CIB sub-group. This gain/loss is recorded as an income or expense under "Corporate income tax".

NOTE 2 : DUE FROM BANKS

Analysis by residual maturity

€ million	31.12.2012							31.12.2011
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Loans and advances:								
- Sight	19,095				19,095		19,095	12,082,
- Time	5,551	2,482	2,073	2,073	12,179	111	12,290	26,240
Pledged securities								
Securities bought under repurchases [(1)]	32,048	3,639	1,986		37,673	23	37,696	49,459
Subordinated debt			363	282	645	1	646	650
Total	**56,694**	**6,121**	**4,422**	**2,355**	**69,592**	**135**	**69,727**	**88,431**
Impairment					(501)	(35)	(536)	(519)
Net book value					**69,091**	**100**	**69,191**	**87,912**

[(1)] At 31 December 2011, the securities bought under repurchase agreements recognised on transaction date were recognised for their notional amount in counterparty of the Other liabilities account; at 31 December 2012 these operations amounting to €10 billion are recognised in financing commitments given between the transaction date and the settlement date.

Among related parties, the main counterparty is Crédit Agricole S.A. (€5,977 million at 31.12.2012 and €29,965 million at 31.12.2011).

NOTE 3 : CUSTOMER ITEMS

3.1 Analysis by residual maturity

€ million	31.12.2012							31.12.2011
	Under 3 months	3 months to 1 year	1-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Bills discounted	1,494	407	295	8	2,204	1	2,205	1,025
Other loans	11,598	7,567	38,948	20,911	79,024	406	79,430	91,989
Securities bought under repurchases[(1)]	64,116	3,689			67,805	8	67,813	43,357
Current accounts in debit	1,307				1,307	3	1,310	1,477
Impairment					(1,335)	(178)	(1,513)	(1,294)
Net book value					**149,005**	**240**	**149,245**	**136,554**

[(1)] At 31 December 2011, the securities bought under repurchase agreements recognised on transaction date were recognised for their notional amount in counterparty of the Other liabilities account; at 31 December 2012 these operations amounting to €12 billion are recognised in financing commitments given between the transaction date and the settlement date.

3.2 Analysis by geographical zone of beneficiary

€ million	31.12.2012	31.12.2011
France (including overseas departments and territories)	24,735	22,925
Other EU countries	44,386	41,430
Other European countries	3,484	4,558
North America	41,668	34,806
Central and South America	10,871	11,245
Africa and Middle-East	5,928	7,170
Asia and Pacific (excl Japan)	10,583	11,830
Japan	8,685	3,483
Total principal	**150,340**	**137,447**
Accrued interest	418	401
Impairment	(1,513)	(1,294)
Net book value	**149,245**	**136,554**

3.3 Bad and doubtful debts and impairment by geographical zone

€ million	31.12.2012					
	Gross outstandings	Of which doubtful debts	Of which bad debts	Impairment on doubtful debts	Impairment on bad debts	Coverage %
France (including overseas departments and territories)	24,735	193	208	(77)	(159)	58.45%
Other EU countries	44,386	486	364	(168)	(241)	48.09%
Other European countries	3,484	67	17	(32)	(15)	56.05%
North America	41,668	144	155	(28)	(133)	53.81%
Central and South America	10,871	33	252	(20)	(209)	80.18%
Africa and Middle-East	5,928	194	91	(99)	(81)	63.40%
Asia and Pacific (excl Japan)	10,583	193	2	(14)	(2)	8.00%
Japan	8,685	99		(57)		57.58%
Accrued interest	418	42	136	(42)	(136)	100.00%
Book value	**150,758**	**1,451**	**1,225**	**(537)**	**(976)**	**56.53%**

€ million	31.12.2011					
	Gross outstandings	Of which doubtful debts	Of which bad debts	Impairment on doubtful debts	Impairment on bad debts	Coverage %
France (including overseas departments and territories)	22,925	194	182	(47)	(177)	59.64%
Other EU countries	41,430	462	394	(149)	(285)	50.74%
Other European countries	4,558	44	6	(15)	(6)	42.81%
North America	34,806	85	159	(38)	(117)	63.51%
Central and South America	11,245	81	89	(43)	(77)	70.70%
Africa and Middle-East	7,170	78	100	(29)	(90)	66.82%
Asia and Pacific (excl Japan)	11,830	8	14	(4)	(12)	72.92%
Japan	3,483	112		(64)		57.14%
Accrued interest	401	50	91	(50)	(91)	100.00%
Book value	**137,848**	**1,114**	**1,034**	**(439)**	**(855)**	**60.26%**

3.4 Analysis by type of customer

€ million	31.12.2012				
	Gross outstandings	Of which doubtful debts	Of which bad debts	Impairment on doubtful debts	Impairment on bad debts
Individuals	890	1	1	(1)	(1)
Farmers	13				
Other small businesses	79	78	15	(49)	(14)
Financial institutions	72,106	216	359	(161)	(303)
Corporates	74,727	1,114	698	(284)	(506)
Local authorities	1,416		16		(16)
Other	1,109				
Accrued interest	418	42	136	(42)	(136)
Book value	**150,758**	**1,451**	**1,225**	**(537)**	**(976)**

€ million	31.12.2011				
	Gross outstandings	Of which doubtful debts	Of which bad debts	Impairment on doubtful debts	Impairment on bad debts
Individuals	940	16	2	(12)	(1)
Farmers	75				
Other small businesses	66	50	10	(27)	(10)
Financial institutions	54,302	180	536	(27)	(391)
Corporates	78,240	818	371	(324)	(339)
Local authorities	1,810		24		(23)
Other	2,012				
Accrued interest	401	50	91	(50)	(91)
Book value	**137,848**	**1,114**	**1,034**	**(439)**	**(855)**

NOTE 4: SECURITIES - ANALYSIS BY TYPE

€ million	31.12.2012					31.12.2011
	Trading securities	Available for-sale securities	Portfolio securities	Held-to maturity securities	Total	Total
Treasury bills and similar items	33,105	17,132			50,237	27,872
- of which premiums to be amortised		(5)			(5)	*(1)*
- of which discounts to be amortised		24			24	*1*
Accrued interest		63			63	23
Impairment		(3)			(3)	(52)
Net book value	**33,105**	**17,192**	**0**	**0**	**50,297**	**27,843**
Bonds and other fixed-income securities						
Issued by public-sector entities	362	2,522		18	2,902	1,990
Other issuers	10,924	7,045		4,972	22,941	27,157
- of which premiums to be amortised		(29)		(984)	(1,013)	*(2,764)*
- of which discounts to be amortised		28			28	*9*
Accrued interest		86		5	91	78
Impairment		(166)		(237)	(403)	(404)
Net book value	**11,286**	**9,487**	**0**	**4,758**	**25,531**	**28,821**
Equities and other variable-income securities	6,321	149	103		6,573	11,446
Accrued interest						
Impairment		(16)	(66)		(82)	(71)
Net book value	**6,321**	**133**	**37**	**0**	**6,491**	**11,375**
Total	**50,712**	**26,812**	**37**	**4,758**	**82,319**	**68,039**
Estimated values	**50,712**	**27,008**	**40**	**5,712**	**83,472**	**70,428**

Trading book:
Crédit Agricole CIB (S.A.) owns sovereign debts of Spain, Italy and Portugal.
For Spain, net positive exposure amounts to €61 million.
For Portugal, net positive exposure amounts to €27 million.

Banking book:
Crédit Agricole CIB (S.A.) owns sovereign debts of Portugal and Ireland.
For Portugal, net positive exposure amounts to €142 million.
For Ireland, net positive exposure amounts to €94 million.

4.1 Reclassification

Crédit Agricole CIB carried out reclassifications of securities to 1 October 2008 as permitted by CRC regulation 2008-17. Information about these reclassifications is provided below.

There were no additional reclassifications of securities from 2009 to 2012.

◆ Reclassifications: type, reason and amount

€ million	Total reclassified assets	
	Book Value 31.12.2012	Estimated market value
From “held-for-trading” to “held-to-maturity”	at 31.12.2012	3,458

Trading book securities transferred to investment securities correspond to those securities that, at the date of the transfer, can no longer be traded on an active market and for which Crédit Agricole CIB has changed its investment intention, which is now to hold the financial assets for the foreseeable future or until maturity. The inactive nature of the market is assessed primarily on the basis of a significant reduction in the trading volume and level of activity, and/or significant disparity in available prices over time and between various market operators.

◆ Income contribution of transferred assets since reclassification

The contribution from assets transferred to net income for the year since the date of reclassification comprises all profits, losses, income and expenses recognised in the income statement and other comprehensive income or expenses.

€ million	Pre-tax impact on 2009 earnings since reclassification (Assets reclassified before 2009)					
	Cumulative impact at 31/12/2011		2012 Impact		Cumulative impact at 31/12/2012	
	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)	Recognized income and expenses	If the asset had been kept in its original category (change in fair value)
From "held-for-trading" to "held-to-maturity"	(92)	(646)	(139)	121	(231)	(525)

4.2 Breakdown of listed and unlisted securities between fixed-income and variable-income securities

€ million	31.12.2012				31.12.2011			
	Bonds and other fixed income securities	Treasury bills and similar items	Equities and other variable income securities	Total	Bonds and other fixed income securities	Treasury bills and similar items	Equities and other variable income securities	Total
Listed securities	21,516	49,548	5,269	76,333	20,781	27,872	10,968	59,621
Unlisted securities	4,327	689	1,304	6,320	8,366		478	8,844
Accrued interest	91	63		154	78	23		101
Impairment	(403)	(3)	(82)	(488)	(404)	(52)	(71)	(527)
Net book value	**25,531**	**50,297**	**6,491**	**82,319**	**28,821**	**27,843**	**11,375**	**68,039**

4.3 Treasury bills, bonds and other fixed-income securities - Analysis by residual maturity

€ million	31.12.2012							31.12.2011
	≤ 3 months	≥ 3 months ≤ 1 year	≥ 1 year ≤ 5 years	≥ 5 years	Total principal	Accrued interest	Total	Total
Bonds and other fixed income securities	6,650	3,267	9,483	6,443	25,843	91	25,934	29,225
Treasury bills and similar items	12,899	7,531	20,843	8,964	50,237	63	50,300	27,895
Impairment							(406)	(456)
Net book value							**75,828**	**56,664**

4.4 Treasury bills, bonds and other fixed-income securities - Analysis by geographical zone

€ million	31.12.2012	31.12.2011
France (including overseas departments and territories)	24,755	11,556
Other countries of the European Economic Area	27,041	13,168
Other European countries	853	990
North America	4,808	5,927
Central and South America	5,656	4,246
Africa and Middle-East	81	103
Asia and Pacific (excl.Japan)	5,013	9,320
Japan	7,873	11,708
Total principal	**76,080**	**57,019**
Accrued interest	154	101
Impairment	(406)	,(456)
Net book value	**75,828**	**56,664**

NOTE 5 : INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

COMPANY	CUR-RENCY	Share Capital	Premiums reserves and retained earnings before appropriation of earnings	Owner-ship	Book value of invest-ments	Loans and advances outstanding granted by Crédit Agricole CIB	Guarantees and other commitments given by Crédit Agricole CIB	Revenues for the latest year excl. VAT (from audited accounts)	Net income for the latest year	Dividends received during the year
		In million of local currency units	In million of local currency units	in %	In million of EUR	In million of local currency units	In million of local currency units	In million of local currency units	In million of local currency units	In million of EUR
I. - DETAILED INFORMATION ON INVESTMENTS WHOSE BOOK VALUE EXCEEDED 1% OF CRÉDIT AGRICOLE CIB'S SHARE CAPITAL										
A - BANKING SUBSIDIARIES (more than 50% owned)										
Banco CA Brasil SA	BRL	684	47	75.49	192	USD 10		104	38	10
CA Algerie CIB Bank s.p.a.	DZD	10,000	27	99.99	97		EUR 3 USD 31	1,346	930	8
CA GLOBAL PARTNERS Inc	USD		346	100.00	220	USD 360		2	4	
CA PRIVATE BANKING	EUR	2,201		100.00	2,201	CHF 1,580		1		
CA-CIB (China) Limited	CNY	3,000	128	100.00	313	EUR 1		495	208	21
CA-CIB Global Banking	EUR	145	136	100.00	311				5	5
CASA BV	JPY	9,023	1,765	100.00	498	JPY 8,742 USD 183		7,900	(2,519)	
CLIFAP	EUR	110	6	100.00	113					
DGAD INTERNATIONAL	EUR	7	276	100.00	255	EUR 206	EUR 3		2	
MERISMA SAS	EUR	1,150	(38)	100.00	1,102	EUR 106			(15)	
Sub-total (1)					**5,302**					
B - BANKING AFFILIATES (10 and 50 % owned)										
BANQUE SAUDI FRANSI	SAR	7,232	9,512	31.11	230		EUR 2	4,585	2,911	122
CA-CIB Preferred. Funding II LLC	USD	654	(159)	50.00	242			16	16	1
CA-CIB Preferred Funding LLC	USD	393	(38)	50.00	174			14	14	1
CREDIT AGRICOLE EGYPT S.A.E	EGP	1,148	547	13.07	75		EGP 18 EUR 2 USD 2	1,072	308	3
Inmobiliaria Colonial	EUR	226	1,115	19.68	95			191	15	
NEWEDGE GROUP	EUR	395	1,383	50.00	459	EUR 1,099 JPY 506	EUR 1,807 JPY 2,650 USD 49	428	(631)	
UBAF	EUR	251	35	47.03	121		EUR 25	68	19	8
Sub-total (2)					**1,396**					
II. - GENERAL INFORMATION RELATING TO OTHER SUBSIDIARIES AND AFFILIATES										
A - Subsidiaries not covered in I. above (3) a) French subsidiaries (aggregate) b) Foreign subsidiaries (aggregate)					**524** 219 305					
B - Affiliates not covered in I. above (4) a) French affiliates (aggregate) b) Foreign subsidiaries (aggregate)					**142** 12 130					
Total associates (1) + (2) + (3) + (4)					**7,364**					

5.1 Estimated value of participating interests

€ million	31.12.2012		31.12.2011	
	Book Value	**Estimated value**	**Book Value**	**Estimated value**
Investments in affiliates				
Unlisted securities	8,618	8,830	9,454	9,247
Listed securities				
Advances available for consolidation				
Accrued interest				
Impairment	(1,874)		(1,336)	
Net book value	**6,744**	**8,830**	**8,118**	**9,247**
Investments in non-consolidated companies and other long-term securities				
Participating interests				
Unlisted securities	214	109	230	292
Listed securities	464	1,034	350	1,418
Advances available for consolidation	2		2	
Accrued interest				
Impairment	(72)		(34)	
Sub-total of investments	608	1,143	548	1,710
Other long-term securities				
Unlisted securities	16	4	24	31
Listed securities				
Advances available for consolidation				
Accrued interest				
Impairment	(4)		(6)	
Sub-total of investments	12	4	18	31
Net book value	**620**	**1,147**	**566**	**1,741**
TOTAL OF INVESTMENTS	**7,364**	**9,977**	**8,684**	**10,988**

The market value shown in the above table is the quoted price of the shares on their trading market at 31 December. It may not be representative of the realisable value of the securities.

€ million	31.12.2012	31.12.2011
	Book Value	**Book Value**
Total gross values		
Unlisted securities	8,848	9,708
Listed securities	464	350
TOTAL	**9,312**	**10,058**

NOTE 6: CHANGE IN NON-CURRENT ASSETS

€ million	31.12.2011	Changes in scope	Merger	Increase (Acquisitions)	Decrease (Disposals) (Maturity)	Translation Difference	Other movements	31.12.2012
Participating interests and investments in non- consolidated companies								
Gross value	10,034		(233)	3	(516)	(2)	7	9,293
Impairment	(1,370)			(610)	34			(1,946)
Other long-term securities								
Gross value	24				(3)	(3)		18
Impairment	(6)					3		(3)
Advances available for consolidation								
Gross value	2							2
Impairment								
Accrued interest								
Net book value	**8,684**	**0**	**(233)**	**(607)**	**(485)**	**(2)**	**7**	**7,364**
Intangible assets	**150**			**33**	**(31)**			**152**
Gross value	425			62	(32)			455
Amortisation	(275)			(29)	1			(303)
Property, plant and equipment	**171**			**(25)**	**(4)**			**142**
Gross value	713			31	(18)	(2)		724
Amortisation	(542)			(56)	14	2		(582)
Net book value	**321**	**0**	**0**	**8**	**(35)**	**0**	**0**	**294**

The recognition of a technical loss of €11.5 million recognised in intangible asset resulted from the BFT TUP (Transfer of all assets and liabilities).
The recognition of a technical loss of €39 million attributed to SNC Doumer resulted from the Mescas TUP (Transfer of all assets and liabilities).This loss has been impaired at 31 December 2012 for €29 million.

NOTE 7: OTHER ASSETS, ACCRUALS AND PREPAYMENTS

€ million	31.12.2012	31.12.2011
Sundry assets[(1)]	**97,936**	**88,386**
Financial options bought	53,815	39,778
CODEVI bonds		
Miscellaneous debtors[(2)]	42,158	45,614
Settlement accounts	1,963	2,994
Due from shareholders - unpaid capital		
Prepaid expenses	**429,884**	**349,286**
Items in course of transmission to other banks	399	2,165
Adjustment accounts	428,241	345,271
Accrued income	456	381
Prepaid expenses	177	424
Unrealised gains and deferred losses on financial instruments		
Bond issue premiums and discounts	73	70
Other	538	975
Net book value	**527,820**	**437,672**

(1) Amounts shown are net of impairment and include accrued interests.

(2) At 31 December 2011, the securities sold under repurchase agreements recognised on transaction date were recognised for their notional amount in counterparty of the miscellaneous debtors account for €7 billion; at 31 December 2012 these operations amounting to €27 billion are recognised in financing commitments received between the transaction date and the settlement date.

NOTE 8: IMPAIRMENT DEDUCTED FROM ASSETS

€ million	31.12.2011	Additions	Write-back or utilisation	Translation differences	Other movements	31.12.2012
Interbank loans	519	7	(10)	(9)	29	536
Customer loans	1,294	546	(316)	(26)	15	1,513
Securities (AFS, portfolio and HTM)	527	93	(149)	(6)	23	488
Participating interests and other long-term investments	1,376	611	(35)	(2)		1,950
Other	14	19	(2)		(11)	20
Total	**3,730**	**1,276**	**(512)**	**(43)**	**56**	**4,507**

NOTE 9: DUE TO BANKS - ANALYSIS BY RESIDUAL MATURITY

€ million	31.12.2012							31.12.2011
	Under 3 months	3 months to 1 year	1 year-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Deposits								
- sight	7,330				7,330		7,330	7,600
- time	18,417	9,796	16,620	3,192	48,025	136	48,161	80,133
Pledged securities								
Securities sold under repurchase agreements [2]	25,922	1,354	1,890	44	29,210	20	29,230	30,312
Book value [1]							**84,721**	**118,045**

[1] Of which €13,154 million with Crédit Agricole S.A. at 31 December 2012.

[2] At 31 December 2011, the securities sold under repurchase agreements recognised on transaction date were recognised for their notional amount in counterparty of the Other assets account ; at 31 December 2012 these operations amounting to €11 billion are recognised in financing commitments received between the transaction date and the settlement date.

NOTE 10: CUSTOMER ACCOUNTS

10.1 Analysis by residual maturity

€ million	31.12.2012							31.12.2011
	Under 3 months	3 months to 1 year	1 year-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Current accounts in credit	23,652				23,652	10	23,662	25,238
Other accounts	52,438	3,688	6,203	1,841	64,170	107	64,277	47,450
Securities sold under repurchase agreements [1]	74,111	17	572		74,700	2	74,702	54,739
Book value							**162,641**	**127,427**

[1] At 31 December 2011, the securities sold under repurchase agreements recognised on transaction date were recognised for their notional amount in counterparty of the Other assets account; at 31 December 2012 these operations amounting to €16 billion are recognised in financing commitments received between the transaction date and the settlement date.

10.2 Analysis by geographical zone

€ million	31.12.2012	31.12.2011
France (including overseas departments and territories)	30,198	34,037
Other countries of the European Union	57,642	37,985
Other European countries	1,796	2,120
North America	51,999	38,991
Central and South America	3,113	2,793
Africa and Middle-East	3,319	2,550
Asia and Pacific (excl.Japan)	6,175	7,035
Japan	8,280	1,792
Total principal	162,522	127,303
Accrued interest	119	124
Net book value	**162,641**	**127,427**

10.3 Analysis by type of customer

€ million	31.12.2012	31.12.2011
Individuals	479	458
Farmers		1
Other small businesses	17	11
Financial institutions	112,706	81,228
Corporates	36,141	30,685
Local authorities	2,279	7,170
Other	10,900	7,750
Accrued interest	119	124
Net book value	**162,641**	**127,427**

➢ NOTE 11: DEBT SECURITIES IN ISSUE

11.1 Analysis by residual maturity

€ million	31.12.2012							31.12.2011
	Under 3 months	3 months to 1 year	1 year-5 years	Over 5 years	Total principal	Accrued interest	Total	Total
Interest-bearing notes								4
Money market instrument								
Negotiable debt securities:	20,053	7,908	11,225	7,781	46,967	185	47,152	47,672
- Issued in France	13,864	6,573	11,170	7,781	39,388	159	39,547	43,435
- Issued abroad	6,189	1,335	55		7,579	26	7,605	4,237
Bonds (note 11.2)		320	20		340		340	341
Other liabilities								
Net book value					**47,307**	**185**	**47,492**	**48,017**

11.2 Bonds (in currency of issue)

€ million	Maturity schedule of the bonds at 31.12.2012			Bonds at 31.12.2012	Bonds at 31.12.2011
	Up to 1 year	1- 5 years	Over 5 years		
Euro	**292**	**20**		**312**	**312**
Fixed-rate	2			2	3
Floating-rate	290	20		310	309
Other currencies	**28**			**28**	**28**
Fixed-rate	11			11	12
Floating-rate	17			17	16
Total principal	**320**	**20**		**340**	**340**
Fixed-rate	13			13	15
Floating-rate	307	20		327	325
Accrued interest					1
Net book value				**340**	**341**

➢ NOTE 12: OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

€ million	31.12.2012	31.12.2011
Sundry liabilities[(1)]	**126,389**	**95,180**
Liabilities relating to trading securities	34,338	24,238
Liabilities relating to borrowed securities	3,890	6,746
Financial options sold	59,880	38,718
Miscellaneous creditors[(2)]	24,282	20,353
Settlement accounts	3,999	5,125
Payments yet to be made		
Other		
Accruals and deferred income	**428,098**	**348,346**
Items in course of transmission to other banks	899	2,362
Adjustment accounts	425,184	342,771
Deferred income	615	800
Accrued expenses	1,214	1,232
Unrealised losses and deferred gains on financial instruments		
Other	186	1,181
Book value	**554,487**	**443,526**

(1) Amounts include accrued interests.
(2) At 31 December 2011, the securities bought under repurchase agreements recognised on transaction date were recognised for their notional amount in counterparty of the miscellaneous creditors account for €2 billion; at 31 December 2012 these operations amounting to €22 billion are recognised in financing commitments given between the transaction date and the settlement date.

NOTE 13: RESERVES

€ million	31.12.2011	Changes in scope	Charges	Write-backs and utilisations	Translation differences	Other movements	31.12.2012
Country risks	731		6	(168)	(10)	191	750
Financing commitment execution risks	19		14	(16)			17
Retirement and similar benefits	156	2	84	(16)	(1)	(19)	206
Financial instruments	91					(8)	83
Litigation[1]	640	10	247	(241)	(1)		655
Other reserves[2]	1,805		405	(1,039)	(11)	(191)	969
Book value	**3,442**	**12**	**756**	**(1,480)**	**(23)**	**(27)**	**2,680**

[1] including €647 million:
- tax cases: €153 million
- customer cases: €332 million
- social cases: €162 million

[2] including, in relation to CACIB Paris :
- sector risks: €837 million
- other risks and expenses: €116 million

NOTE 14 - SUBORDINATED DEBT - ANALYSIS BY RESIDUAL MATURITY

(in currency of issue)

€ million	31.12.2012					31.12.2011
	Under 3 months	3 months to 1 year	1 year-5 years	Over 5 years	Total	Total
Fixed-term subordinated debt		**500**		**1,383**	**1,883**	**3,768**
* Euro		500		550	1,050	1,600
* Other EU currencies						
* Dollar				833	833	2,168
* Yen						
* Other currencies						
Perpetual subordinated debt				**4,643**	**4,643**	**4,735**
* Euro				680	680	681
* Other EU currencies						
* Dollar				3,963	3,963	4,054
* Yen						
* Other currencies						
Participating securities and loans						
Total principal		**500**		**6,026**	**6,526**	**8,503**
Accrued interest					1	160
Book value					**6,527**	**8,663**

➢ NOTE 15: CHANGE IN SHAREHOLDERS' EQUITY (BEFORE DISTRIBUTION)

€ million	Shareholders'equity						
	Share capital	**Pre-miums and reserves**	**Reserves and excess of restated assets over historical cost**	**Retained earnings**	**Regulated impairment**	**Net income**	**Total**
31 December 2010	**6,056**	**852**		**684**	**13**	**1,388**	**8,993**
Dividends paid in 2011							
Increase / decrease				106			**106**
2011 net income						696	**696**
Appropriation of 2010 earnings	720	305		363		(1,388)	
Net charges / write-backs					4		**4**
31 December 2011	**6,775**	**1,157**		**1,153**	**18**	**696**	**9,799**
Dividends paid in 2012							
Increase / decrease							
2012 net income						1,129	**1,129**
Appropriation of 2011 earnings	479	203		14		(696)	**0**
Net charges / write-backs					4		**4**
31 December 2012	**7,254**	**1,360**	**0**	**1,167**	**22**	**1,129**	**10,932**

At 31 December 2012, share capital comprised 268,687,973 shares with a par value of €27.

➢ NOTE 16: ANALYSIS OF THE BALANCE SHEET BY CURRENCY

€ million	31.12.2012		31.12.2011	
	Assets	**Liabilities and shareholders' equity**	**Assets**	**Liabilities and shareholders' equity**
Euro	522,340	535,427	437,479	449,314
Other EU currencies	44,853	23,963	23,170	23,408
Dollar	228,435	237,729	227,139	218,476
Yen	45,087	44,441	43,266	44,241
Other currencies	29,926	29,081	28,051	23,666
Total	**870,641**	**870,641**	**759,105**	**759,105**

NOTE 17: TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES, AND EQUITY INVESTMENTS

€ million	31.12.2012	31.12.2011
Loans	**14,749**	**11,739**
Banks and financial institutions	3,930	2,468
Customers	3,426	5,447
Bonds and other fixed income securities	7,393	3,824
Debt	**39,406**	**29,423**
Banks and financial institutions	21,670	21,936
Customers	11,017	6,577
Debt securities in issue and subordinated debts	6,719	910
Commitments given	**20,517**	**15,736**
Financing Commitments to banks and financial institutions	1,971	262
Financing Commitments to customers	372	204
Guarantee given to banks and financial institutions	11,121	12,432
Guarantee given to customers	7,050	2,838
Securities bought with possible repurchase agreement	3	
Oher commitments given		

NOTE 18: NON-SETTLED FOREIGN EXCHANGE TRANSACTIONS AND AMOUNTS PAYABLE IN FOREIGN CURRENCIES

€ million	31.12.2012		31.12.2011	
	To be received	To be delivered	To be received	To be delivered
Spot foreign-exchange transactions	**18,200**	**18,176**	**22,420**	**22,459**
Foreign currencies	15,838	16,344	18,474	18,078
Euro	2,362	1,832	3,946	4,381
Forward currency transactions	**158,242**	**157,914**	**1,434,869**	**1,432,691**
Foreign currencies	129,447	122,897	1,239,646	1,188,033
Euro	28,795	35,017	195,223	244,658
Lending and borrowing in foreign currencies	**1,819**	**8**	**1,091**	**227**
Total	**178,261**	**176,098**	**1,458,380**	**1,455,377**

NOTE 19: TRANSACTIONS INVOLVING FORWARD FINANCIAL INSTRUMENTS

€ million		31.12.2012			31.12.2011		
		Hedging transactions	Other transactions	Total[2]	Hedging transactions	Other transactions	Total
Futures and forwards		**5,751**	**12,748,157**	**12,753,908**	**5,551**	**15,125,759**	**15,131,310**
Exchange-traded[1]			**6,034,391**	**6,034,391**		**5,426,603**	**5,426,603**
Interest-rate futures			6,034,362	6,034,362		5,404,921	5,404,921
Currency futures			3	3			
Forward equity and index instruments							
Other			26	26		21,682	21,682
Over-the-counter[1]		**5,751**	**6,713,766**	**6,719,517**	**5,551**	**9,699,156**	**9,704,707**
Interest-rate swaps		5,512	6,356,920	6,362,432	5,002	6,754,848	6,759,850
Forward rate agreements							
Forward equity and index instruments			34,020	34,020		51,520	51,520
Other		239	322,826	323,065	549	2,892,788	2,893,337
Options		**11,454**	**4,181,025**	**4,192,479**	**18,209**	**4,636,254**	**4,654,463**
Exchange-traded			**30,985**	**30,985**		**73,218**	**73,218**
Forward interest-rate instruments	Bought		5,582	5,582		1,019	1,019
	Sold		8,178	8,178		1,442	1,442
Equity and index instruments	Bought		8,231	8,231		35,157	35,157
	Sold		8,882	8,882		35,600	35,600
Forward currency instruments	Bought		112	112			
	Sold						
Other forward instruments	Bought						
	Sold						
Over-the-counter		**11,454**	**4,150,040**	**4,161,494**	**18,209**	**4,563,036**	**4,581,245**
Interest-rate swaptions	Bought		735,803	735,803		940,183	940,183
	Sold		689,593	689,593		956,603	956,603
Forward interest-rate instruments	Bought		507,611	507,611		563,859	563,859
	Sold		596,533	596,533		665,937	665,937
Equity and index instruments	Bought		5,393	5,393		14,978	14,978
	Sold		5,855	5,855		15,747	15,747
Forward currency instruments	Bought		243,226	243,226		280,735	280,735
	Sold		263,377	263,377		317,871	317,871
Other forward instruments	Bought		1,019	1,019		8,258	8,258
	Sold		1,156	1,156		8,545	8,545
Credit derivatives	Bought	10,785	552,002	562,787	13,401	374,970	388,371
	Sold	669	548,472	549,141	4,808	415,350	420,158
Total		**17,205**	**16,929,182**	**16,946,387**	**23,760**	**19,762,013**	**19,785,773**

(1) The amounts stated under futures and forwards correspond to cumulative lending and borrowing positions (interest-rate swaps and swaptions) or to cumulative purchases and sales of contracts (other contracts).

(2) Including €1,272,665 million with Crédit Agricole S.A. at 31 December 2012.

19.1 Forward financial instruments - Fair value

€ million	31.12.2012			31.12.2011		
	Total fair value		Notional	Total fair value		Notional
	Assets	Liabilities		Assets	Liabilities	
Futures		(1)	390,586	2	(1)	287,340
Currency options	4,123	(3,923)	511,192	5,551	(5,128)	651,655
Exchange-traded currency options						
Interest-rate options	35,519	(37,910)	1,433,462	35,540	(37,111)	1,843,737
Forward rate agreements	773	(729)	1,308,926	766	(746)	1,404,721
Interest rate swaps	365,906	(361,178)	8,785,328	266,082	(262,170)	8,747,791
Currency swaps	10,818	(11,152)	1,911,980	9,235	(9,001)	1,744,327
Interest-rate forwards						
Caps, floors and collars	14,328	(17,976)	1,104,144	14,202	(18,112)	1,229,797
Equity, index and commodity derivatives	4,998	(5,238)	64,395	13,350	(11,805)	155,486
Other	11,770	(12,402)	1,120,218	19,312	(20,131)	847,014
Sub-total	**448,235**	**(450,509)**	**16,630,231**	**364,040**	**(364,205)**	**16,911,868**
Forward currency transactions	3,420	(2,622)	316,156	10,492	(8,324)	2,873,905
Total	**451,655**	**(453,131)**	**16,946,387**	**374,532**	**(372,529)**	**19,785,773**

19.2 Forward financial instruments - Analysis by residual maturity

€ million	Over-the-counter			Exchange-traded			31.12.2012	31.12.2011
Notional outstandings	Up to 1 year	1-5 years	Over 5 years	Up to 1 year	1-5 years	Over 5 years	Total	Total
Interest-rate instruments	**2,595,329**	**2,508,864**	**2,512,500**	**1,263,663**	**2,023,943**	**2,118,147**	**13,022,446**	**13,478,828**
Futures				267,328	123,258		390,586	252,779
Forward rate agreements	1,074,183	234,743					1,308,926	1,404,721
Interest-rate-swaps	1,345,639	1,297,074	1,139,990	984,343	1,900,135	2,118,147	8,785,328	8,747,792
Interest-rate options	2	340,592	1,080,326	11,992	550		1,433,462	1,843,738
Caps, floors and collars	175,505	636,455	292,184				1,104,144	1,229,798
Foreign currency and gold	**1,472,776**	**709,873**	**240,411**	**112**	**0**	**0**	**2,423,172**	**2,376,572**
Currency futures	1,166,431	564,222	181,327				1,911,980	1,724,918
Currency options	306,345	145,651	59,084	112			511,192	651,653
Other Instruments	**417,883**	**730,276**	**18,122**	**5,358**	**12,458**	**516**	**1,184,613**	**1,056,468**
Equity and index derivatives	15,129	24,014	6,920	5,358	12,458	516	64,395	155,485
Precious metal derivatives	565	79					644	258
Commodity derivatives	4,549	2,548	549				7,646	86,325
Credit derivatives	397,640	703,635	10,653				1,111,928	814,400
Sub-total	**4,485,988**	**3,949,013**	**2,771,033**	**1,269,133**	**2,036,401**	**2,118,663**	**16,630,231**	**16,911,868**
Forward currency transactions trading book	270,901	39,072	5,856				315,829	2,873,025
Forward currency transactions banking book	239	81	7				327	881
Sub-total	**271,140**	**39,153**	**5,863**	**0**	**0**	**0**	**316,156**	**2,873,906**
Total	**4,757,128**	**3,988,166**	**2,776,896**	**1,269,133**	**2,036,401**	**2,118,663**	**16,946,387**	**19,785,773**

19.3 Forward financial instruments - Counterparty risk

€ million	31.12.2012		31.12.2011	
	Market value	Potential credit risk	Market value	Potential credit risk
OECD governments, central banks and similar institutions	2,940	1,363	2,040	1,915
OECD financial institutions and similar	199,569	68,788	191,099	77,909
Other counterparties	20,358	11,001	27,359	15,493
Total by counterparty type	**222,867**	**81,152**	**220,498**	**95,317**
By instrument:				
- Interest rates, exchange rates and commodities	216,862	68,369	211,604	90,330
- Equity and index derivatives	6,006	12,784	8,896	4,987
Impact of netting agreements	**186,513**	**51,846**	**188,016**	**50,823**
Total after impact of netting agreements	**36,354**	**29,306**	**32,482**	**44,494**

Contracts between members of the network are not included, because they carry no risk.

NOTE 20: NET INTEREST AND SIMILAR INCOME

€ million	31.12.2012	31.12.2011
Interbank transactions [1]	571	1,597
Customer items [2]	2,946	3,049
Bonds and other fixed-income securities (see note 21)	432	569
Other interest and similar income	791	26
Interest and similar income [3]	**4,740**	**5,241**
Interbank transactions [1]	(1,435)	(2,034)
Customer items [2]	(764)	(1,002)
Bonds and other fixed-income securities	(724)	(871)
Other interest and similar expenses	(469)	(66)
Interest and similar expense [4]	**(3,392)**	**(3,973)**
Net interest and similar income	**1,348**	**1,268**

(1) Commissions on commitments formerly related to commissions are reclassified at 31.12.2012 in the Interest income and expense. Commissions on commitments with financial institutions income amount to €29 million at 31.12.2012 versus €42 million at 31.12.2011. Charges amount to -€54 million at 31.12.2012 versus -€63 million at 31.12.2011. The above detailed amounts for 31.12.2011 are not pro forma.

(2) Commissions on commitments formerly related to commissions are reclassified at 31.12.2012 in the Interest income and expense. Commissions on commitments with customers income amount to €346 million at 31.12.2012 versus €325 million at 31.12.2011. Charges amount to -€2 million at 31.12.2012 versus -€2 million at 31.12.2011.

The above detailed amounts for 31.12.2011 are not pro forma.

(3) Including €110.4 million income with Crédit Agricole S.A. at 31.12.2012.

(4) Including €196 million charge with Crédit Agricole S.A. at 31.12.2012.

NOTE 21: INCOME FROM SECURITIES

€ million	Fixed-income securities		Variable-income securities	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Investments in non-consolidated subsidiaries and affiliates, other long-term securities			410	362
Available-for-sale and portfolio securities	302	387	12	15
Held-to-maturity securities	130	182		
Other securities				
Income from securities	**432**	**569**	**422**	**377**

NOTE 22: NET COMMISSION AND FEE INCOME

€ million	31.12.2012			31.12.2011		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	707	(817)	(110)	638	(545)	93
Customer transactions	364	(28)	336	454	(34)	420
Securities transactions	42	(76)	(34)	32	(274)	(242)
Foreign exchange transactions	(1)	(6)	(7)		(5)	(5)
Transactions involving forward financial instruments and other off-balance sheet transactions	207	(159)	48	481	(187)	294
Financial services (see note 22.1)	251	(73)	178	325	(76)	249
Net commission and fee income[1]	**1,570**	**(1,159)**	**411**	**1,930**	**(1,121)**	**809**

[1] Including -€47.1 million of commissions with Crédit Agricole S.A. at 31 December 2012.

Note 22.1 Banking and financial services

€ million	31.12.2012	31.12.2011
Net income from managing mutual funds and securities on behalf of customers	71	102
Net income from payment instruments	11	7
Other net financial services income (expense)	96	140
Financial services	**178**	**249**

NOTE 23: TRADING GAINS/(LOSSES)

€ million	31.12.2012	31.12.2011
Trading securities	384	(201)
Forward financial instruments	1,275	1,610
Foreign exchange and similar financial instruments	(428)	(338)
Net trading gains/(losses)	**1,231**	**1,071**

NOTE 24: GAINS/LOSSES ON INVESTMENT PORTFOLIOS AND SIMILAR

€ million	31.12.2012	31.12.2011
Available-for-sale securities		
Impairment charges	(6)	(121)
Impairment write-back	42	112
Net impairment (charge)/write-back	**36**	**(9)**
Disposal gains	80	23
Disposal losses	(60)	(14)
Net disposal gain/(loss)	**20**	**9**
Net gain/(loss) from available-for-sale securities	**56**	
Investment portfolios		
Impairment charges	(6)	(4)
Impairment write-back	8	3
Net impairment (charge)/write-back	**2**	**(1)**
Disposal gains	24	7
Disposal losses		(2)
Net disposal gain/(loss)	**24**	**5**
Net gain/(loss) from investment portfolios	**26**	**4**
Net gain/(loss) from investment portfolios and similar	**82**	**4**

NOTE 25: OPERATING EXPENSES

Note 25.1 Average staff costs of the year

€ million	31.12.2012	31.12.2011
Salaries	(955)	(1,080)
Social security expenses	(293)	(303)
Incentive plans	(20)	(35)
Employee profit-sharing		
Payroll-related tax	(39)	(30)
Personnel costs [1]	**(1,307)**	**(1,448)**

[1] Including -€66 million of pension expenses at 31.12.2012.
Including -€36 million of pension expenses at 31.12.2011.

25.2 Headcount

In FTE : Full-Time Equivalent	31.12.2012	31.12.2011
Managerial	3,501	3,546
Non-managerial	624	635
Managerial and non-managerial staff at foreign branches	2,839	3,452
Total	**6,964**	**7,633**
Of which:		
- France	4,125	4,181
- Abroad	2,839	3,452

25.3 Other administrative expenses

€ million	31.12.20112	31.12.2011
Taxes other than on income or payroll-related	(100)	(61)
External services	(660)	(713)
Other administrative expenses	(123)	(162)
Total	**(883)**	**(936)**

➢ NOTE 26: COST OF RISK

€ million	31.12.2012	31.12.2011
Charges to reserves and impairment	**(1,133)**	**(1,252)**
Impairment on doubtful debts	(481)	(502)
Other charges to reserves and impairment	(652)	(750)
Write-backs from reserves and impairment	**1,746**	**1,085**
Write-backs from doubtful debt impairment	316	523
Other write-backs of reserves and impairment	1,430	562
Changes in reserves and impairment	**613**	**(167)**
Bad debts written off - not provided for	(313)	(224)
Bad debts written off - provided for	(554)	(140)
Recoveries on bad debts written off	56	45
Cost of risk	**(198)**	**(486)**

➢ NOTE 27: NET GAIN/(LOSS) ON NON-CURRENT ASSET DISPOSALS

€ million	31.12.2012	31.12.2011
Long-term investments		
Impairment charges		
Held-to-maturity securities		
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	(664)	(464)
Impairment write-backs		
Held-to-maturity securities		
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	89	56
Net impairment (charge)/write-back	**(575)**	**(408)**
Held-to-maturity securities		
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	(575)	(408)
Disposal gains		
Held-to-maturity securities	26	25
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	57	25
Disposal losses		
Held-to-maturity securities	(24)	
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	(34)	(173)
Net disposal gain/(loss)	**25**	**(123)**
Held-to-maturity securities	2	25
Investments in affiliates, non-consolidated subsidiaries and other long-term securities	23	(148)
Gains/(losses)	**(550)**	**(531)**
Property, plant and equipment and intangible assets		
Disposal gains	40	
Disposal losses		
Gains/(losses)	**40**	
Net gain/(loss) on disposal of non-current assets	**(510)**	**(531)**

➢ NOTE 28: CORPORATE INCOME TAX

€ million	31.12.2012	31.12.2011
Current tax[1]	644	699
Other tax	(4)	3
Total	**640**	**702**

[1] Buyback by Crédit Agricole S.A. of carry-forward of previous tax deficits in accordance with the tax integration (€0.985 billion in 2012 compared with €0.837 billion in 2011).

Crédit Agricole CIB is part of the Crédit Agricole S.A tax consolidation group. Crédit Agricole CIB can sell its tax deficits in accordance with the tax agreement between Crédit Agricole CIB and Crédit Agricole S.A.

NOTE 29: OPERATIONS IN NON-COOPERATIVE COUNTRIES OR TERRITORIES

(Operations in non-cooperative countries or territories within the meaning of Article 238-0 A of the French General Tax Code).

Investment process

Projects to carry out acquisitions and disposals by all entities directly or indirectly controlled by Crédit Agricole S.A. must meet the strategic guidelines defined by the Board of Directors of Crédit Agricole S.A. and applied by the Group's general management.

A Group procedural memo sets out the framework for intervention for the business lines and central functions of Crédit Agricole S.A. As such, the Group Finance Division and Strategy and Development Division are consulted to ensure that the business and financial results expected from the project are met. They also determine whether the proposed transaction is a viable opportunity and whether it is consistent with the Group's strategic guidelines. The Risk Management and Permanent Controls function and of the Compliance and Legal Affairs Departments are brought in to issue recommendations that fall within the scope of their respective responsibilities.

This principle is applied across the subsidiaries, in respect of new products and new business activities, via special Committees.

Risk monitoring procedures

The following entities are included in the internal control scope of the Crédit Agricole S.A. Group and, as such, are covered by the Group's non-compliance risk prevention and control procedures (which more specifically include rules on prevention of money-laundering and terrorism financing). These are described in the Chairman's Report to the Board of Directors in the Crédit Agricole S.A. shelf-registration document (where applicable).

Country	Company name	Event	Activity	Legal form	% holding by the Group
Philippines	CLSA (Philippines) Inc (*)		Brokerage	Limited company	100%
	CLSA Exchange Capital Inc (*)		Investment company	Limited company	60%
	Crédit Agricole CIB - Succursale de Manille		Inactive (**)	Branch	100%
	Philippine Distressed Assets Asia Pacific (SPV-AMC) 1, Inc		Distressed Assets management	Limited company	100%
	Philippine Distressed Assets Asia Pacific (SPV-AMC) 2, Inc		Distressed Assets management	Limited company	64%

(*) CLSA is treated according to IFRS 5 in the financial statements since 2012.
(**) Banking license suppressed since 18 December 2012.

The above list was drawn up in accordance with the decree of 4 April 2012 published by the Ministry of the Economy, Finances and Industry.

An additional clause to the convention aiming at preventing tax evasion in the field of income tax has been signed between the Philippines and France on 25 November 2011.
This additional clause has been promulgated by France on 29 November 2012 (Law n° 2012-1321 of 29/11/2012, JORF n°0279 of 30/11/2012).

Auditors' general report on the parent-company financial statements

Year ended 31 December 2012

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

The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the parent-company financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the parent-company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the parent-company financial statements.

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

To the Shareholders,

In accordance with the terms of our appointment at your Annual Meeting, we hereby submit our report for the year ended 31 December 2012 on:

- our audit of Crédit Agricole CIB's parent-company financial statements as attached to this report,
- the substantiation of our opinion,
- the specific procedures and disclosures required by law.

The parent-company financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE PARENT-COMPANY FINANCIAL STATEMENTS

We have conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the parent-company financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the parent company financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements and evaluating their overall presentation. We believe that the evidence we have collected is relevant and sufficient to provide a basis for our audit opinion.

In our opinion, the parent-company financial statements give a true and fair view, according to French accounting principles, of the results of operations for the year ended 31 December 2012 and of the company's financial situation and assets at that date.

II. SUBSTANTIATION OF OUR OPINION

Pursuant to the provisions of Article L.823-9 of the Code de Commerce [French Commercial Code] concerning the substantiation of our opinion, we bring to your attention the following items:

Accounting estimates

- As indicated in note 1 to the financial statements, the company books impairment reserves to cover credit risks relating which are inherent to its business activities. We have reviewed the arrangements put in place by management to identify and evaluate these risks and to determine the amount of impairment it considers necessary, and we have verified that these accounting estimates were based on documented methods that complied with the principles described in note 1 to the financial statements.
- Your company uses internal models to assess the fair value of certain financial instruments not listed in an active market. Our work entailed reviewing the control system applied to the models used, the underlying assumptions and the methods for taking into account the risks associated with such instruments.

- As a usual part of the process of preparing financial statements, your company's management has made a number of other accounting estimates relating in particular to the valuation of investments in participating interests and other long-term investments, the measurement of recognised pension liabilities and provisions for legal disputes. We reviewed the assumptions made and verified that these accounting estimates were based on documented methods that complied with the principles described in note 1 to the financial statements.

Our assessments were made in the context of our audit of the parent-company financial statements, taken as a whole, and therefore assisted us in reaching our unqualified opinion as expressed in the first part of this report.

III. SPECIFIC PROCEDURES AND DISCLOSURES

We also carried out the specific verifications required by law, in accordance with professional standards applicable in France.

We have no comments regarding the fair presentation and consistency with the parent company financial statements of the information provided in the Board of Director's Management Report, and in the documents addressed to the shareholders with respect to your Company's financial position and the financial statements.

We verified the consistency of the information provided pursuant to article L. 225-102-1 of the Code de Commerce pertaining to compensation and benefits in kind paid to corporate officers and to commitments made to corporate officers, with the information contained in the accounts or with the data used to draw up these accounts and, where applicable, with the information collected by your Company from companies that control your Company or are controlled by it. On the basis of our work, we attest to the fairness and accuracy of this information.

In accordance with the law, we have verified that all the information regarding acquisitions and the identity of shareholders and voting rights have been disclosed in this business review.

Neuilly-sur-Seine and Paris-La Défense, 14 March 2013

Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Catherine Pariset Emmanuel Benoist	Valérie Meeus Hassan Baaj

8 GENERAL INFORMATION

Information about the company

Corporate's name

Crédit Agricole Corporate and Investment Bank

Registered office

9 quai du Président Paul Doumer
92920 Paris La Défense cedex - France
Tél. : 33 1 41 89 00 00
Website : www.ca-cib.com

Financial year

The company's financial year begins on 1 January and ends on 31 December each year

Date of incorporation and duration

The Company was incorporated on 23 November 1973. Its term ends on 25 November 2064, unless the term is extended or the company is wound up before that date

Legal status

Crédit Agricole Corporate and Investment Bank is a French societé anonyme (joint stock corporation) with a Board of Directors governed by ordinary company law, in particular the Second Book of the Code de Commerce.

Crédit Agricole Corporate and Investment Bank is a credit institution approved in France and authorised to conduct all banking operations and provide all investment and related services referred to in the Code Monétaire et Financier. In this respect, Crédit Agricole CIB is subject to oversight by French supervisory authorities, particularly the Autorité de contrôle prudentiel. In its capacity as a credit institution authorised to provide investment services, the Company is subject to the Code Monétaire et Financier, particularly the provisions relating to the activity and control of credit institutions and investment service providers.

Crédit Agricole CIB is affiliated, since December 2011, to the Crédit Agricole network, in the meaning of the Code monétaire et financier.

Material contracts

Crédit Agricole CIB has not entered into any material contracts conferring a significant obligation or commitment on the Crédit Agricole CIB Group, apart from those concluded within the normal conduct of its business.

Recent trends

Crédit Agricole CIB's prospects have not suffered any significant deterioration since 31 December 2012, the date of its latest audited and published financial statements (see "Recent trends and outlook " section, page 104).

Significant changes

Since the 14 February 2013 Board meeting that approved the 31 December 2012 financial statements, there has been no exceptional event or dispute likely to have a significant effect on the financial position, activity, results or assets of the Crédit Agricole CIB Company and Group.

Affiliation

Pursuant the article R 512-18 of the Code monétaire et financier, Crédit Agricole CIB has been affiliated with the Crédit Agricole network in 2011. As mentioned by the article R 512-18 of the Code monétaire et financier, the central organs of the credit institutions "have to deal with the cohesion of their network and to take care of their affiliated institutions' smooth functioning. To that purpose, they take all the necessary measures, notably to guarantee the liquidity and the solvability of each of these institutions as well as the whole network."

Documents on display

All reports, letters and other documents and all historical financial information, assessments and statements made by an expert at the issuer's request, part of which has been included or mentioned in this document, and all financial information for each of the two years preceding the publication of this document may be consulted at Crédit Agricole CIB's website: www.ca-cib.com or at its registered office: 9 quai du Président Paul Doumer 92920 Paris La Défense.

A copy of the articles of association may be consulted at the registered office.

Crédit Agricole CIB publications

The annual information report below lists the information published or made public by the Crédit Agricole CIB Group in the last twelve months to meet legal or regulatory obligations applying to financial instruments, issuers of financial instruments and financial instrument markets as required by article 222.7 of the AMF's general regulations.

◆ Shelf-registration document

Available on the Crédit Agricole CIB website (www.ca-cib.com) and on the Autorité des Marchés Financiers website (www.amf-France.org)

◆ Issue programs and prospectus as issuer or guarantor

Available on the Bourse de Luxembourg website (www.bourse.lu) and approved by CSSF

◆ Press releases

Published on the Crédit Agricole CIB website (www.ca-cib.com)

◆ Documents filed with the Registrar of the Nanterre commercial court

Available at the: www.infogreffe.fr

(Crédit Agricole CIB number: 304 187 701)
Filing notice published in la Gazette du palais: 3 Boulevard du Palais 75004 Paris

◆ Publications in the Bulletin des Annonces Légales Obligatoires (BALO)

Published on the www.journal-officiel.gouv.fr/balo

Additional information

➢ FEES PAID TO STATUTORY AUDITORS [1]

Crédit Agricole CIB's college of auditors [2]

In '000 €	ERNST & YOUNG				PRICEWATERHOUSECOOPERS			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2012	2011	2012	2011	2012	2011	2012	2011
Audit								
Independent audit, certification, review of parent company and consolidated financial statements (A)								
Issuer	3,505	3,491	46%	57%	2,956	3,265	39%	42%
Fully-consolidated subsidiaries	2,468	2,161	33%	35%	3,632	3,750	48%	48%
Ancillary assignm (*) (B)								
Issuer	1,204	100	16%	2%	205	183	3%	2%
Fully-consolidated subsidiaries	23	404	0.3%	7%	656	350	9%	4%
Sub-total (A) + (B)	**7,200**	**6,156**	**95%**	**100%**	**7,449**	**7,548**	**98%**	**97%**
Other services (C)								
Legal, tax, personnel-related	131	13	2%	0%	163	229	2%	3%
Others to be disclosed (if >10% of audit fees)	221	0	3%	0%	0	16	0%	0%
Sub-total (C)	**352**	**13**	**5%**	**0%**	**163**	**245**	**2%**	**3%**
Total (A) +(B) +(C)	**7,552**	**6,169**	**100%**	**100%**	**7,612**	**7,793**	**100%**	**100%**

(*) In 2012, ancillary assignments mainly include procedures carried out in connection with the adjustment plan of Crédit Agricole CIB, with compliance review works to comply with regulations, and with procedures performed in the context of financial instruments issuances.

Other Statutory auditors engaged in the audit of fully consolidated Crédit Agricole CIB Group subsidiaries

In '000 €	Mazars & Guerard				Deloitte				KPMG				Autres			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%		Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Audit																
Independent audit, certification, review of parent-company and consolidated financial statements																
	0	156	0	100%	0	0	0	0%	181	227	85%	100%	305	220	95%	100%
Ancillary assignments																
	0	0	0%	0	0	0	0%	0%	32	0	15%	0%	16	0	5%	0%
Total	**0**	**156**	**0%**	**100%**	**0**	**0**	**0%**	**0%**	**214**	**227**	**100%**	**100%**	**322**	**220**	**100%**	**100%**

(1) These figures indicate the annual cost of Statutory auditors' fees.
(2) Including fully consolidated Crédit Agricole CIB subsidiaries audited by the College of Auditors.

Statutory auditors' special report on related party agreements and commitments

Shareholders' Meeting to approve the financial statements for the year ended 31 December 2012

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

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

To the shareholders,

In our capacity as the Company's statutory auditors, we hereby submit our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of the contractual agreements or commitments indicated to us or that we may have identified in the performance of our engagement. It is not our role to comment as to whether they are beneficial or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code, to assess the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required to inform you in accordance with Article R.225-31 of the Code de commerce concerning the implementation of the agreements and commitments already approved by the shareholders' meeting.

We have taken the steps we consider necessary to comply with professional code of the Compagnie Nationale des Commissaires aux Comptes (France's national association of statutory auditors) relating to this assignment. These steps consisted of verifying that the information provided to us is consistent with the underlying documents from which it was taken.

Agreements and commitments submitted for approval by the shareholders' meeting

Agreements and commitments authorised during the past financial year

In accordance with article L.225-40 of the French Commercial Code, we have been informed of the agreements and commitments that have obtained prior approval from your Board of Directors.

WITH THE MEMBERS OF THE EXECUTIVE MANAGEMENT

Guarantee provided to the members of the Executive management

NATURE AND PURPOSE

Your Board of Directors has authorized on 20 December 2012 the issue by your company of a guarantee in favor of the Chief Executive Officer and deputy Chief Executive Officers and other senior executives who are signatories of certificates that imply responsibilities.

TERMS AND CONDITIONS

The guarantee granted by the Company to the Chief Executive Officer and deputy Chief Executive Officers and other executives covers possible risks relative to their responsibility in case of administrative or judicial proceedings instituted against them, notably in the United States, during the period of time prescription applicable to claims, plus three months.

Agreements and commitments unauthorised previously

Pursuant the articles L.225-42 and L.823-12 of the Code de commerce, we point out that the following agreements and commitments have not been submitted to a prior approval of your Board of Directors.

We have to inform you about the circumstances justifying why the approval process has not been followed.

1. WITH THE MEMBERS OF THE BOARD OF DIRECTORS

Guarantee granted to the members of the Board of Directors

NATURE AND PURPOSE

Your Board, which was requested to authorize the execution by your Company of a guarantee in favor of the Directors, including the Chairman, to cover potential risks of proceedings against them, notably U.S. proceedings, found that the directors were all interested and therefore were unable to vote.

TERMS AND CONDITIONS

The guarantee granted by the Company to the Chief Executive Officer and deputy Chief Executive Officers and other executives covers possible risks relative to their responsibility in case of administrative or judicial proceedings instituted against them, notably in the United States, during the period of time prescription applicable to claims, plus three months.

Given that the directors could not take part in the vote, the convention described above has not been subjected to a prior authorization defined by the Article L.225-38 of the Commercial Code.

2. MISTERS JEAN-YVES HOCHER, CHIEF EXECUTIVE OFFICER AND PIERRE CAMBEFORT, DEPUTY CHIEF EXECUTIVE OFFICER

Management Agreement of CLSA (BV)

NATURE AND PURPOSE

Your Board of Directors has authorized on 2 March 2009, the signing project by your company relating to a Management Agreement concerning CLSA. A new Management Agreement was signed on 20 July 2012 with the conclusion, at that same date, of a put option with the company CITICS International of the remaining 80.1% of CLSA.

TERMS AND CONDITIONS

The Management Agreement signed on 5 March 2009 notably fixed the objectives of strengthening regarding the governance of CLSA and models of cooperation with the Group and also redefined or deleted exclusivity fields. A new Management Agreement was signed in 2012 to take into account some specificities, particularly by aligning the duration of the Management Agreement with the expected duration of the completion of CLSA disposal. The new agreement came as a substitute for the 5 March 2009 Management Agreement and maintains cooperation models and fields of exclusivity.

This agreement has not been authorized by the Board of Directors prior to its implementation. We underline that, during its 14 February 2013 meeting, the Board of Directors decided to authorize a posteriori this agreement.

Agreements and commitments already approved by the shareholders’ Meeting

Agreements and commitments approved in prior years

In accordance with article R. 225-30 of the Code de commerce, we were informed that the execution of the following agreements and commitments, already approved by the shareholders’ meeting in prior years, was pursued in 2012.

1. WITH CRÉDIT AGRICOLE S.A.

Subscription for preference shares or deeply subordinated notes

NATURE AND PURPOSE

Further to the link-up between the corporate and investment banking businesses of Crédit Agricole S.A. Group and Crédit Lyonnais, Crédit Lyonnais made a partial asset transfer to Crédit Agricole Indosuez (which became Crédit Agricole Corporate and Investment Bank).

In view of the above transaction, it was deemed necessary to increase your company’s shareholders’ equity. Two issues of deeply subordinated notes, in US dollars, were carried out in 2004. Crédit Agricole bought USD1,730 million of these notes.

TERMS AND CONDITIONS

No coupon is payable by your company for the year 2012 on these two issuances.

2. WITH LE CRÉDIT LYONNAIS

Sale of Banque Française Commerciale Antilles-Guyane (BFC-AG) by your company to Crédit Lyonnais

NATURE AND PURPOSE

In order that BFC-AG be provided with adequate supervision for its retail banking activity, your company sold its stake in BFC-AG to Crédit Lyonnais, which became its sole core shareholder, on 1 July 2005.
The sale, realised on 1 July 2005, did not lead to liabilities guarantees, includes a claw back clause expired at the closing of the financial accounts of the BFC-AG of the year 2008. Within the framework of the arbitration made by Crédit Agricole S.A., the implementation of the claw back clause has been extended until 31 December 2011.

TERMS AND CONDITIONS

The claw back clause was implemented in 2012 in accordance with the arbitration decision made by Crédit Agricole S.A.. LCL paid $7.5 million to Crédit Agricole CIB in application of the claw back clause defined by the Article 3 of the contract signed on 1 July 2005 between the LCL and Crédit Agricole CIB. A product of 7.5 million was therefore recognized in the year 2012 income.

Indemnity agreement by your company for Crédit Lyonnais

NATURE AND PURPOSE

Crédit Lyonnais' corporate and investment banking division (CIB) was transferred to your company on 30 April 2004 with effect from 1 January
2004 for accounting and legal purposes, except for short-, medium- and long-term commercial loans, which were transferred later, with effect from 31 December 2004 at the latest.

To comply with the principle of retroactive effect from 1 January 2004, your company undertook to indemnify Crédit Lyonnais for counterparty risks relating to those loans from 1 January 2004.

TERMS AND CONDITIONS

The guarantee amounted to €8,179,900 at 31 December 2012 and remuneration for 2012 totaled €37,655.75.

3. WITH S.N.C. DOUMER

Loan granted by your company to SNC Doumer

NATURE AND PURPOSE

The building at 9, quai du Président Paul Doumer, the registered office of your company, was owned, until 18 December 2012, by S.N.C Doumer (which was granted a margin-free loan by your Company).

TERMS AND CONDITIONS

This loan, arrived to due date, was fully repaid at 29 June 2012 (EUR 6,270,289.690) and the amount of interest paid in 2012 amounted to EUR 33,632.25.

4. WITH NEWEDGE GROUP

NATURE AND PURPOSE

On 9 November 2010, your Board of Directors authorised your company to sign an agreement which deals with the subcontracting to Newedge Group of the back-office services for derivative financial instruments traded on regulated markets in France and abroad.

The agreement covers the transactions carried out by your company and those carried out by Crédit Agricole S.A. and Indosuez Finance UK Limited, a subsidiary of your company for which the back-office process was entrusted to your company and the latter has recourse to Newedge Group for back-office services.

TERMS AND CONDITIONS

The subcontracting agreement comprises the following main services provided by Newedge Group:

- the recording of transactions on financial instruments,
- the reconciliation of these transactions with those recognised by clearing houses,
- the financial flow processing, input and interface of your Company's accounting system.

The fee due to Newedge Group for the services provided is defined as follows:

- for your Company and Indosuez Finance UK Limited, a minimum annual amount with a tracking index revised upwards on the basis of the volume of transactions entrusted to Newedge Group;
- for Crédit Agricole S.A, a minimum monthly amount with a tracking index revised upwards on the basis of the volume of transactions entrusted.

These two scales are subject to an annual tracking index covenant on the basis of a benchmark indice. It is possible to reduce the minimum amounts if there is a decrease in the scope of the service entrusted, provided that it complies with a five month notice.

The amount due to Newedge Group for 2012 for this whole service totaled €1,747,455.54

5. WITH CORPORATE OFFICERS :

MR. FRANCIS CANTERINI, DEPUTY CHIEF EXECUTIVE OFFICER

NATURE AND PURPOSE

Your Board of Directors has authorized on 11 May 2011 the commitments made by Crédit Agricole S.A. in favor of Mr. Francis Canterini.

TERMS AND CONDITIONS

Crédit Agricole S.A. has informed the Company that the employment contract of Mr. Canterini with Crédit Agricole S.A. would be reactivated in the event of termination of his Chief Executive Officer office position of your company. Mr. Canterini would be reassigned to Crédit Agricole S.A. or another unit of Crédit Agricole S.A. group, at a position taking into account his qualifications and experience, and as regards the rights relating to seniority, the duration of his position as deputy Chief Executive Officer of the Company.

The term of office of Mr. Francis Canterini as deputy Chief Executive Officer ended on 19 September 2012 in accordance with the provisions relating to age limit. His employment contract with Crédit Agricole S.A. was then reactivated and he was seconded to your Company as deputy General Manager.

Neuilly-sur-Seine and Paris-La Défense, 14 March 2013

Statutory Auditors

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Catherine Pariset	Emmanuel Benoist	Valérie Meeus	Hassan Baaj

Person responsible for the shelf registration document and for auditing the accounts

➢ RESPONSABILITY STATEMENT

I hereby certify that, to my knowledge and after all due diligence, the information contained in this registration document is true and accurate and contains no omissions likely to affect the import thereof.

I certify that, to my knowledge, the financial statements were prepared in accordance with applicable accounting principles and give a true and fair view of the assets, financial position and results of the company and all consolidated companies, and that the management report, of which the content is described in a cross-reference table on page 292, gives a true and fair view of the business activities, results and financial position of the company and all consolidated companies, along with a description of the main risks and uncertainties they face.

I have obtained a letter from the statutory auditors upon completion of their work in which they state that they have verified the information relating to the financial situation and financial statements provided in this document and read the document as a whole.

Courbevoie, 18 March 2013,

The Chief Executive Officer of Crédit Agricole
Jean-Yves HOCHER

➢ STATUTORY AUDITORS

Primary and alternate statutory auditors

PRIMARY STATUTORY AUDITORS	
Ernst & Young et Autres Member of the Ernst & Young network	PricewaterhouseCoopers Audit Member of the PricewaterhouseCoopers network
Member of the Versailles regional association of statutory auditors Company represented by : Valérie Meeus and Hassan Baaj	Member of the Versailles regional association of statutory auditors Company represented by : Catherine Pariset and Emmanuel Benoist
Head office : 1-2 Place des saisons 92400 Courbevoie - Paris-La Défense	Head office : 63 Rue de Villiers 92200 Neuilly-sur-Seine

ALTERNATE STATUTORY AUDITORS	
Picarle et Associés	Mr. Etienne Boris
Member of the Versailles regional association of the statutory auditors	Member of the Versailles regional association of statutory auditors
Company represented by: Marc Charles	
Head office : 1-2 Place des saisons 92400 Courbevoie - Paris-La Défense	Head office : 63 Rue de Villiers 92200 Neuilly-sur-Seine

LENGTH OF STATUTORY AUDITORS' MANDATES	
Ernst & Young et Autres was renewed Statutory Auditor for six financial periods by the shareholders' meeting of 9 May 2012.	PricewaterhouseCoopers Audit was renewed Statutory Auditor for six financial periods by the shareholders' meeting of 9 May 2012.

LENGTH OF ALTERNATE AUDITORS MANDATES	
Picarle et Associes mandate as alternate auditors to Ernst & Young et Autres was renewed for a period of six financial periods by the shareholders' meeting of 9 May 2012.	Pierre Coll mandate as Alternate Auditor to PricewaterhouseCoopers Audit expired during the shareholders' meeting of 9 May 2012 Mr Etienne Boris has been appointed Alternate Auditor to PricewaterhouseCoopers Audit for a period of six financial periods by the shareholders' meeting of 9 May 2012.

Cross-reference table

The following table indicates the page references corresponding to the main information headings required by regulation EC 809/2004 enacting the terms of the “ Prospectus ” Directive.

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In accordance with article 28 of EC regulation 809/2004 and article 212-11 of the AMF’s general regulations, the following are incorporated for reference purposes: the consolidated financial statements for the period ended 31 December 2011, the statutory auditors’ report on the consolidated financial statements for the period ended 31 December 2011 and the financial situation and 2011 net income respectively presented on pages 145 to 218, 81 to 98 and 100 to 126 of Crédit Agricole CIB’s 2011 shelf-registration document registered by the AMF on 16 March 2012 under number D.12-0166 and available on the Crédit Agricole CIB website (www.ca-cib.com).

Regulated information within the meaning of by Article 221-1 of the AMF General Regulation contained in this registration document	Page number
This registration document, which is published in the form of an annual report, includes all components of the 2012 annual financial report referred to in paragraph I of Article L. 451-1-2 of the Code Monétaire et Financier as well as in Article 222-3 of the AMF General Regulation:	
Parent company financial statements and Statutory Auditors' report	243
Consolidated financial statements and Statutory Auditors' report	159
Management report which contains: - the analysis of the financial situation and 2012 results, and a description of main risks and doubts (art.L225-100 and L.225-100-2 of Code de commerce)	93-111
Statement by person responsible	289
Pursuant to Articles 212-13 and 221-1 of the AMF General Regulation, this document also contains the following regulatory information:	
Chairman's report on corporate governance and internal control and Statutory Auditors' report thereon	48
Annual information document	283
Description of share buyback programmes	N/A

This document is environment friendly: it was designed to optimize the amount of paper. It was printed from sustainable managed forests (branded PEFC). The printer is green certified. It recycles the waste due to printing.

This document is recyclable.

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CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

9 quai du Président Paul Doumer
92920 Paris La Défense Cedex
01 41 89 00 00

www.ca-cib.com

This Shelf-registration document is available

on the Crédit Agricole CIB website: www.ca-cib.com

and on the Autorité des Marchés Financiers website: www.amf-france.org