

2010 ACTIVITY REPORT

# our **network** our **expertise** ✓



# Profile

The Crédit Agricole Group is market leader in full-service retail banking in France and one of the largest banks in Europe.

With operations in 70 countries, the Crédit Agricole Group is a leading partner in supporting clients with their projects in all areas of retail banking and associated specialised business lines: day-to-day banking, savings, home and consumer loans, insurance, private banking, asset management, leasing and factoring, and corporate and investment banking.

On the strength of its cooperative and mutualist foundations, the Crédit Agricole Group's expansion is underpinned by balanced growth serving the real economy and respecting the interests of its 54 million customers, 1.2 million shareholders, 6.1 million cooperative shareholders and of its 160,000 employees.

Crédit Agricole is included in the three main sustainable development indices: Aspi Eurozone since 2004, FTSE4Good since 2005 and the DJSI since 2008 (Europe and worldwide). It is ranked the eighth most sustainable corporation in the world and No.1 in France in the 2011 Global 100 List.

[www.credit-agricole.com](http://www.credit-agricole.com)

**€3.6 billion**

NET INCOME - GROUP SHARE

**€71.5 billion**

SHAREHOLDERS' EQUITY - GROUP SHARE

**10.3%**

TIER ONE RATIO

## [The Group's organisation]

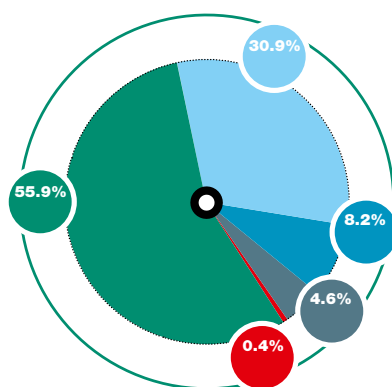


**6.1 million cooperative shareholders** form the basis of Crédit Agricole's cooperative organisational structure. They own the capital of the **2,533 Regional Banks** in the form of shares and select their representatives each year. A total of **32,496 directors** convey their expectations within the Group.

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 directions are decided.

# 55.9%

OF CRÉDIT AGRICOLE S.A.'S SHARE CAPITAL  
VIA HOLDING COMPANY SAS RUE LA BOÉTIE.



# 43.7%

OF CRÉDIT AGRICOLE S.A. SHARE CAPITAL

- Institutional investors : 30.9%
- Individual shareholders : 8.2%
- Employees via employee mutual funds : 4.6%

# 0.4%

TREASURY SHARES

 **CRÉDIT AGRICOLE S.A.**

Listed since December 2001, Crédit Agricole S.A. ensures the cohesion of the strategic development and the Group's financial unity. Crédit Agricole S.A. manages and consolidates its subsidiaries in France and abroad.

### Retail banking

#### In France

- 25% of share capital in the Regional Banks (excl. the Regional Bank of Corsica)
- LCL

#### International retail banking

- Cariparma FriulAdria group
- Emporiki
- Crédit du Maroc
- Crédit Agricole Egypt
- Lukas Bank

### Specialised business lines

#### Specialised financial services

- Consumer finance
- Lease finance
- Factoring

#### Savings management

- Asset management
- Insurance
- Private banking

### Corporate and investment banking

- Coverage and Investment Banking
- Equity Brokerage and Derivatives
- Fixed Income Markets
- Structured Finance

### Specialised subsidiaries

Crédit Agricole Immobilier, Crédit Agricole Private Equity, Idia-Sodica, Uni-Editions.



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# 01

## **reaffirming the ambition of a committed and responsible Group**

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# Message from the Chairman and the Chief Executive Officer

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**Jean-Paul CHIFFLET**

Chairman of the Board of Directors  
of Crédit Agricole CIB

**Jean-Yves HOCHER**

Chief Executive Officer  
of Crédit Agricole CIB

2010 marks the likely end of the financial crisis for Crédit Agricole CIB: the refocusing and development plan launched in 2008 led to the orderly and controlled withdrawal from those activities that no longer correspond to the Group's target risk profile. This plan has now been successfully concluded and Crédit Agricole CIB has succeeded in demonstrating its ability to produce recurrent earnings with a limited risk profile. In fact, the EUR 1 billion target for recurrent earnings was surpassed in the first nine months of the year.

In 2010, Crédit Agricole CIB focused its efforts on revenue growth through sustained sales efforts, benefitting from intra-Group synergies, and by adapting its product range to serve its clients.

A certain number of activities performed well, for example, structured finance and investment banking. Others, such as capital markets activities, suffered more. Nonetheless securitisation, treasury and foreign exchange continued to be satisfactory after having experienced exceptional conditions in 2009. In sum, Crédit Agricole CIB demonstrated its ability to combine competitiveness with risk control over the long term and to assume the challenge of Crédit Agricole's ambitions in corporate and investment banking.

With its areas of recognised expertise, a base of large clients and financing abilities backed by the solidity of the Group, Crédit Agricole CIB has defined some strategic directions for development for 2014. The development of its financing and investment banking activities will be selective and will be supported by a rigorous allocation of resources within the framework of the controlled management of funds. The Bank will integrate the new regulatory constraints now imposed on banks.

“As the vehicle for the Crédit Agricole Group's strategy in its business lines, Crédit Agricole CIB is prepared to commit fully to the success of the medium-term plan, "Commitment 2014".

As a result, our model will be built on local financing activities with areas of expertise confirmed on a global scale. The capital markets and investment banking activities will adopt the priorities of the financing activities that depend on geography, target clients, key sectors and access to liquidity.

As the vehicle for the Crédit Agricole Group's strategy in its business lines, Crédit Agricole CIB has affirmed its major role in the Group's future development. Enjoying the confidence of its shareholders, the determination of its staff and the loyalty of its large corporate and financial institution clients, Crédit Agricole CIB is prepared to commit fully to the success of the 2014 medium-term plan of Crédit Agricole S.A. : "Commitment 2014".



Jean-Paul **Chifflet**



Jean-Yves **Hocher**





# Executive Management

JEAN-YVES HOCHER

FRANCIS CANTERINI

PIERRE CAMBEFORT



**JEAN-YVES HOCHER,**  
CHIEF EXECUTIVE OFFICER OF CRÉDIT AGRICOLE CIB

After working at the French Agriculture Ministry and in the Treasury department, in 1989 Jean-Yves Hocher joined the Fédération Nationale du Crédit Agricole of which he became Chief Executive Officer in 1997, and then in 2001 the Charente-Maritime Deux-Sèvres Regional Bank as its Chief Executive Officer. In 2006, he was appointed Head of the Crédit Agricole insurance division and Chief Executive Officer of Predica, and then in May 2008, Head of the specialised financial services division of the Crédit Agricole S.A. Group. In October 2008, he was appointed Deputy Chief Executive Officer of Crédit Agricole S.A., with responsibility for the Group's Regional Bank development, payment systems and insurance. Since March 2010, Jean-Yves Hocher has been the Deputy Chief Executive Officer in charge of specialised businesses (corporate and investment banking, asset management, insurance, specialised financial services, private banking and real estate). He became Chief Executive Officer of Crédit Agricole CIB in December 2010. Jean-Yves Hocher is a graduate of the Institut National Agronomique Paris-Grignon and of the Ecole Nationale du Génie Rural, des Eaux et Forêts.

**PIERRE CAMBEFORT,**  
DEPUTY CHIEF EXECUTIVE OFFICER  
OF CRÉDIT AGRICOLE CIB

Pierre Cambefort joined the Crédit Agricole Group in 1990, first at the Caisse Nationale de Crédit Agricole and then at Crédit Agricole d'Ile-de-France from 1995 to 2003, as Head of credit development, then Head of marketing and communications. After two years as Head of the retail market at Crédit Agricole S.A., he became Senior General Manager of Crédit Agricole Centre-Est in 2006. Pierre Cambefort became Deputy Chief Executive Officer of Crédit Agricole CIB in September 2010 in charge of the coverage, the international network, the financing banking and the investment banking. Pierre Cambefort is a graduate of the Ecole Supérieure de Physique et Chimie de Paris and Stanford University.

**FRANCIS CANTERINI,**  
DEPUTY CHIEF EXECUTIVE OFFICER  
OF CRÉDIT AGRICOLE CIB

A teacher at the Economics University in Algiers and then Head of financing and cash management at Agence Française de Développement, Francis Canterini joined the Crédit Lyonnais Group in 1991. Successively Head of financing, financial communications and the financial engineering department, in 2000 he became Deputy Head of Finance before becoming Head of Finance in 2003.

In 2006, he joined the Executive Committee with responsibility for the management division. He became Deputy Chief Executive Officer of Cariparma in March 2007, then Head of risk and permanent control for the Crédit Agricole Group in February 2009.

In December 2010, Francis Canterini was appointed Deputy Chief Executive Officer of Crédit Agricole CIB in charge of support functions. Francis Canterini has a Master and an advanced DESS degree in Economics.

## EXECUTIVE COMMITTEE



**JEAN-YVES HOCHER**  
CHIEF EXECUTIVE OFFICER



**PIERRE CAMBEFORT**  
DEPUTY CHIEF EXECUTIVE OFFICER



**FRANCIS CANTERINI**  
DEPUTY CHIEF EXECUTIVE OFFICER



**JEAN-CLAUDE BASSIEN**  
EQUITY BROKERAGE & DERIVATIVES



**JONATHAN SLONE**  
EQUITY BROKERAGE & DERIVATIVES



**GUY LAFFINEUR**  
FIXED INCOME MARKETS



**JEAN-FRANÇOIS MARCHAL**  
STRUCTURED FINANCE



**THOMAS GADENNE**  
FINANCE



**ERIC BAUDSON**  
GLOBAL IT & OPERATIONS



**IVANA BONNET**  
HUMAN RESOURCES



**DANIEL PUYO**  
RISK AND PERMANENT  
CONTROL



**JEAN-PIERRE TREMEMBERT**  
CORPORATE SECRETARY



# Board of Directors



# MANAGEMENT COMMITTEE

## Chairman

1 Jean-Paul CHIFFLET

## Directors

- 2 Edmond ALPHANDERY
- 3 Philippe BRASSAC
- 4 Frank E. DANGARD
- 5 Marc DESCHAMPS
- 6 Jean-Frédéric DREYFUS
- 7 Philippe GESLIN
- 8 François IMBAULT
- 9 Marc KYRIACOU
- 10 Jean LE VOURCH
- 11 François MACE
- 12 Didier MARTIN
- 13 Jean PHILIPPE
- 14 Jean-Louis ROVEYAZ
- 15 François THIBAUT
- 16 François VEVERKA

## Executive management

Jean-Yves HOCHER  
Pierre CAMBEFORT  
Francis CANTERINI

## Finance

Thomas GADENNE  
Olivier BELORGEY  
Adrien CASSANET  
Philippe CRENIN  
Arnaud d'INTIGNANO

## Risk and Permanent Control

Daniel PUYO  
Bernard CRUTZ  
Gilles GANTOIS  
Jean-Claude GELHAAR  
Guillaume LESAGE

## Global IT & Operations

Eric BAUDSON  
Frédéric COUDREAU  
Pierre DULON  
Romain JEROME  
Pascal de MENTQUE

## Human Resources

Ivana BONNET

## Legal

Bruno FONTAINE

## Group Internal Audit

Régis MONFRONT

## Global Compliance

Paule CELLARD

## Corporate Secretary

Jean-Pierre TREMENBERT  
Patrice RANDOLPH

## Communications

Bertrand HUGONET

## Public Affairs

Olivier MOTTE

## Senior Regional Officer Americas

Thierry SIMON

## Senior Regional Officer Asia

Patrice COUVEGNES

## Africa / Middle East

Bertrand LEVEQUE

## Central and Eastern Europe

Pierre FINAS

## Senior Country Officer Germany

Sylvia SEIGNETTE

## Senior Country Officer Italy

Philippe PELLEGRIN

## Senior Country Officer Japan

Marc-André POIRIER

## Senior Country Officer Spain

Juan FABREGAS

## Senior Country Officer United Kingdom

Arnaud CHUPIN

## Coverage & Investment Banking

Jean-Louis BERTRAND  
Jean-François BALAY  
Jean-Michel BERLING  
Andrea BOZZI  
Alix CAUDRILLIER  
Eric CHEVRE  
Michel LEFRANCOIS  
Pierre MORAILLON

## Equity Brokerage & Derivatives

Jonathan SLONE  
Jean-Claude BASSIEN  
Frédéric MERON  
Bertrand PATILLET  
Andrew REYNOLDS

## Fixed Income Markets

Guy LAFFINEUR  
Laurent COTE  
Catherine DUVAUD  
Martin FRAENKEL  
Vincent LECLERCQ  
Michel ROBERT  
James SIRACUSA  
Thomas SPITZ  
Edward WILLEMS

## Structured Finance

Jean-François MARCHAL  
José ABRAMOVICI  
Emmanuel BOUVIER D'YVOIRE  
Olivier DESJARDINS  
Alain FANAIE  
Emmanuel FELD  
Pierre GLAUSER  
Jean-François GRANDCHAMP DES RAUX  
Jean-Yves GUERITAUD  
François MARTIN  
Jacques PROST  
Jacques de VILLAINES

## Transaction & Commercial Banking

Laurent RIPOCHE

## International Private Banking

Jean-François ABADIE

## Distressed Assets

Julian HARRIS



02

**a business  
model focused  
on Group clients,  
serving the  
real economy**

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# The Crédit Agricole Group's Corporate and Investment Bank

Crédit Agricole Corporate and Investment Bank provides its clients with a complete range of products and services in capital markets, brokerage, investment banking, structured finance and commercial banking. Its activities are organised into four major divisions.

## COVERAGE & INVESTMENT BANKING

This division ensures the follow-up and development of the Group's relationships with its corporate and financial institution clients in France and abroad. The sales approach is built on geographic coverage for multi-business clients and sector coverage.

The French Regions Division and the International Liaison Desk Network complement this approach to support the Crédit Agricole Group's middle-market clients respectively in France and abroad. A dedicated unit deals with specific client requirements in the area of Islamic finance.

In addition to clients coverage, this division also handles syndicated and bilateral financing activities and corporate capital transactions (capital increase, convertible bonds, equity derivatives, etc.) and provides advisory services for mergers & acquisitions.

## EQUITY BROKERAGE & DERIVATIVES

This division covers equity brokerage in Europe, Asia and the United States, as well as equity and

fund derivatives activities. Crédit Agricole CIB's equity brokerage activities are world renowned and are organised around two leading subsidiaries: Crédit Agricole Cheuvreux, which covers all of Europe and offers access to 100 execution platforms, and CLSA, which is active throughout Asia including Japan. It also includes Crédit Agricole Securities (USA) Inc. and Newedge, a 50/50 joint venture between Crédit Agricole CIB and Société Générale.

The products offer of the Global Equity & Funds Derivatives (GED) unit makes it possible to meet the needs of a large range of clients: brokers (fund managers and investment funds) in cooperation with Crédit Agricole Cheuvreux and CLSA, through the Delta 1 product offer for trading convertible bonds and options; large corporates and sovereign funds through the offer of the corporate equity derivatives activity, a joint venture with the equity capital markets activity; and institutional investors in Europe, including the Regional Banks, LCL and Predica through a simple structured products offer.



The Large French Clients unit handles the coverage of large corporate and financial institution clients in France. Senior Bankers coordinate and oversee the efforts of the Bank's business lines and geographic units to provide clients with a complete range of products and services that meet their needs.

JEAN-LOUIS BERTRAND,  
HEAD OF LARGE FRENCH CLIENTS



### FIXED INCOME MARKETS

This division handles all the sales and trading activities of market products for corporates, financial institutions and large issuers. Thanks to a network of 31 trading rooms, including five liquidity centers in London, Paris, New York, Hong Kong and Tokyo, Crédit Agricole CIB provides its clients with a strong positioning in Europe, Asia and the Middle East. It has a targeted presence in the United States and additional points of entry in other local markets.

In order to provide clients with solutions best-suited to their specific needs, the division is organised into six product lines (alternative products group, foreign exchange, interest rate derivatives, debt & credit markets, commodities and treasury) and a sales division. These trading and sales entities are supported by dedicated research units.

### STRUCTURED FINANCE

This division combines expertise in originating, structuring and financing major export and investment transactions in France and abroad, and is primarily built on secured guarantees (aircraft, ships, corporate real estate, commodities, etc.) as well as with complex and structured loans.

With a professional staff of more than 800 based in nearly 30 locations, this division covers nine areas of activity: air transportation & rail financing, shipping finance, natural resources, infrastructure & power, real estate & lodging, export & trade finance, acquisition finance, transactional commodity finance, tax-based leases, Global Energy Group.

### TRANSACTION & COMMERCIAL BANKING

This division provides commercial banking services to corporates and financial institutions in the areas of non-structured finance, sureties and guarantees, trade finance, cash management and liability management. This division benefits from its solid attachment to the Crédit Agricole Group, the leader in payments and banking transactions in Europe.



# Geographical breakdown of revenues

## Americas

- ARGENTINA  
Buenos Aires
- BRAZIL  
São Paulo
- CANADA  
Montreal  
Toronto
- MEXICO  
Mexico
- UNITED STATES  
New York  
Chicago  
Dallas  
Houston

## Western Europe

- AUSTRIA  
Vienna
- BELGIUM  
Brussels
- FINLAND  
Helsinki
- FRANCE  
Paris  
17 branches
- GERMANY  
Frankfurt  
Hamburg
- GREECE  
Piraeus
- ITALY  
Milan
- LUXEMBOURG  
Luxembourg
- MONACO  
Monaco
- NETHERLANDS  
Amsterdam
- NORWAY  
Oslo
- PORTUGAL  
Lisbon
- SPAIN  
Madrid
- SWEDEN  
Stockholm
- SWITZERLAND  
Geneva  
Zurich
- UNITED KINGDOM  
London

FRANCE  
21%

AMERICAS  
23%

Central and Eastern Europe

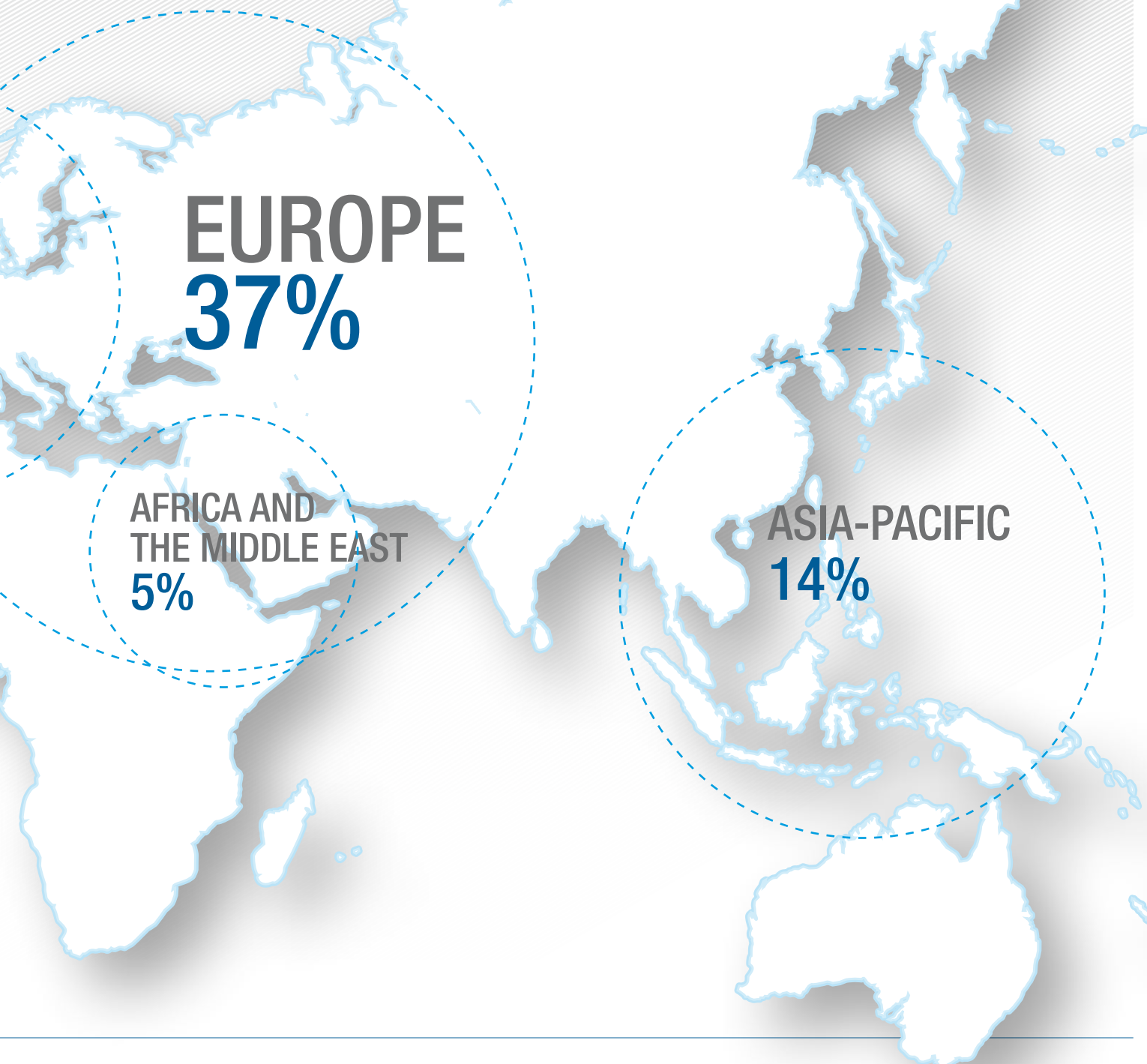
- CZECH REPUBLIC  
Prague
- HUNGARY  
Budapest
- KAZAKHSTAN  
Almaty
- POLAND  
Warsaw
- RUSSIA  
Moscow  
St Petersburg
- SLOVAKIA  
Bratislava
- UKRAINE  
Kiev

Africa and the Middle East

- ALGERIA  
Algiers
- BAHRAIN  
Manama
- EGYPT  
Cairo
- LEBANON  
Beirut
- LIBYA  
Tripoli
- SAUDI ARABIA  
Riyadh
- SOUTH AFRICA  
Johannesburg
- TUNISIA  
Tunis
- TURKEY  
Istanbul
- UNITED ARAB EMIRATES  
Dubai  
Abu Dhabi
- YEMEN  
Sana'a

Asia-Pacific

- AUSTRALIA  
Sydney
- CHINA  
Shanghai  
Beijing  
Guangzhou  
Tianjin  
Xiamen  
Shenzhen
- HONG KONG  
Hong Kong
- INDIA  
Mumbai  
Delhi  
Chennai  
Ahmedabad  
Pune  
Bangalore
- INDONESIA  
Jakarta
- JAPAN  
Tokyo
- MALAYSIA  
Kuala Lumpur  
Labuan
- PHILIPPINES  
Manila
- SINGAPORE  
Singapore
- SOUTH KOREA  
Seoul
- TAIWAN  
Taipei
- THAILAND  
Bangkok
- VIETNAM  
Ho Chi Minh City  
Hanoi



**EUROPE**  
**37%**

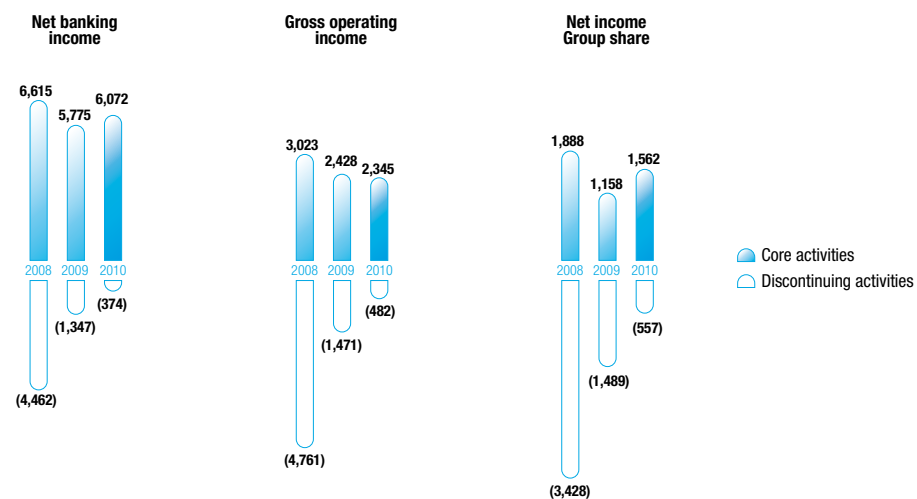
**AFRICA AND THE MIDDLE EAST**  
**5%**

**ASIA-PACIFIC**  
**14%**

# 2010 key figures

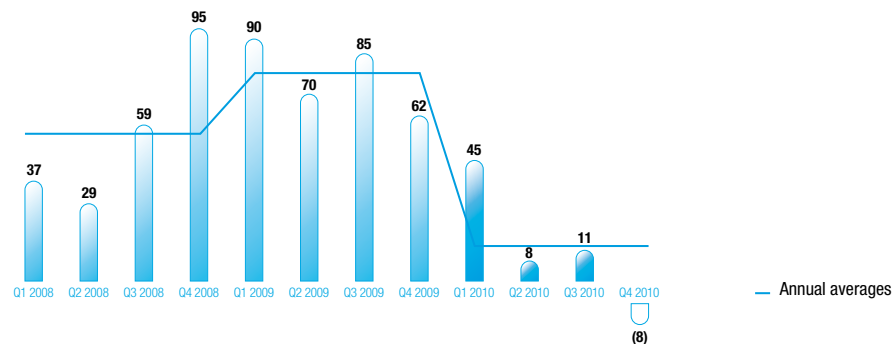
## INCOME STATEMENTS HIGHLIGHTS

€ million



## RISK-RELATED COST

Net charges / Outstanding loans to clients (in bp annualised)



**Balance sheet**

€ billion	12.31.2010	12.31.2009	12.31.2008
Total assets	<b>716.2</b>	712.4	857.5
Gross loans	<b>161.5</b>	152.7	145.8
Assets under management (private banking)	<b>71.0</b>	61.4	55.9

**Financial structure**

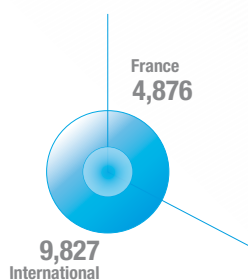
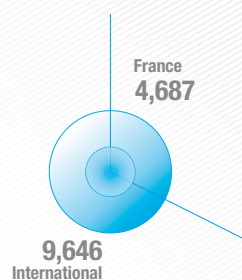
€ billion or %	12.31.2010	12.31.2009
Shareholders' equity (including income)	<b>15.3</b>	14.4
Tier I capital	<b>15.3</b>	13.9
Basel II risk-weighted assets	<b>142.6</b>	134.9
Tier I solvency ratio	<b>10.7%</b>	10.3%
Overall solvency ratio	<b>11.6%</b>	11.7%

**RATINGS**

	Short-term	Long-term	Last rating action
Moody's	Prime -1	Aa3 (stable outlook)	20 December 2010
Standard & Poor's	A-1+	AA- (negative outlook)	25 June 2009
FitchRatings	F1+	AA- (stable outlook)	23 July 2010

**HEADCOUNT END OF DECEMBER 2010**

Full-time equivalent

**2010<sup>(1)</sup>: 14,703****2009<sup>(1)</sup>: 14,333**<sup>(1)</sup> Private banking contributes to 2,258 in 2010 and to 2,196 in 2009.

# Controlling risks and focusing on strengths

In 2010, Calyon became **Crédit Agricole Corporate and Investment Bank**. The refocusing plan introduced in 2008 was successfully completed and **Crédit Agricole CIB** succeeded in demonstrating its ability to generate recurrent earnings with a balanced risk profile.

2010 marked the conclusion of the refocusing and development plan initiated in 2008. In terms of its results **Crédit Agricole CIB** met its commitments with respect to both the activities being wound down (with a sharp reduction in its risk profile) and its core activities (maintenance of a base of recurrent earnings of EUR 1 billion). Overall the financing and investment banking activities generated profits in all four quarters. The Group share of net income for core activities amounted to EUR 1,562 million for the full year, largely surpassing the objective defined in the refocusing and development plan.

While the overall objectives were met, the results of the financing activities and capital markets activities were mixed in 2010, with the first posting a record performance and the second making a smaller contribution. In this context, marked by a sharp reduction in risk-related costs and the activities being wound down, which were less and less penalising, **Crédit Agricole CIB** returned to profit showing a Group share of net income of EUR 1,005 million.

## FINANCING ACTIVITIES

2010 was a record year overall for financing activities in terms of revenues and with low risk-related costs that were down sharply from 2009.

The financing activities, which include loan syndication, commercial banking and structured finance, continued their growth while benefiting from activities undergoing development (natural resources, infrastructure & power, aircraft & rail financing, acquisition finance, trade finance, etc.). For the full year 2010, net income from financing activities amounted to EUR 1,314 million, 5.1 times more than in 2009. Risk-related costs declined by 82% in 2010 reflecting improved economic conditions in sectors and with counterparties on watch lists. Collective provisions amounted to nearly EUR 1.4 billion at 31 December 2010, compared with nearly EUR 1.6 billion at 31 December 2009.

**Crédit Agricole CIB** was ranked 1<sup>st</sup> mandated lead arranger in terms of the number of project finance transactions (*Project Finance International and Dealogic*, 2010), 2<sup>nd</sup> mandated lead arranger worldwide in project finance



(*Infrastructure Journal*, 2010) and received the “Aircraft Finance House of the Year” prize (*Jane’s Transport Finance*, 2010) for the fifth time since the creation of Calyon in 2004, rewarding performance in aircraft finance. The Bank also benefited from the recovery in well secured transactions in the real estate & lodging and shipping sectors.

In the loan syndication market, Crédit Agricole CIB, which is recognised for its expertise in syndicated loans and specialised financing, retained its leading position in France with a market share of 13.5%, and maintained its 3<sup>rd</sup> place in the EMEA region (*Thomson Financial and Dealogic*, 2010).

The Islamic finance activity and the French Regions Division continued their development. Lastly, the International Liaison Desk Network was very active in supporting the Crédit Agricole Group’s corporate clients. It also initiated the signing of a partnership agreement between the French agency for international investments (AFII) and Crédit Agricole CIB to support foreign investors in starting operations in France.

In the area of commercial banking, Crédit Agricole CIB strengthened and modernised its cash management product range, in particular abroad. The Bank also developed an added-value service offer for payments and liquidity management meeting clients’ specific needs.

### INVESTMENT BANKING

Despite the high volatility of markets, the investment bank supported numerous clients with share issues, convertible bond issuance, spin offs and employee savings at the global level. It also carried out many transactions with German clients and developed its business in Asia together with CLSA.

Crédit Agricole CIB was ranked 2<sup>nd</sup> bookrunner in 2010 and 1<sup>st</sup> in 2009 for its equity capital markets activity in France (*Thomson Financial*).

### CAPITAL MARKETS ACTIVITIES

The capital markets activities posted declining revenues in a persistently uncertain environment in 2010. Nonetheless debt & credit markets and treasury activities maintained satisfactory levels following exceptional market conditions in 2009. Crédit Agricole CIB was ranked 5<sup>th</sup> bookrunner worldwide for euro-denominated corporate bonds (*Thomson Financial*, 2010). Foreign exchange was the only business to record an increase in revenues in 2010 compared to 2009.

The results of the commodities business were virtually unchanged. In 2010, a new platform was put into place in partnership with EDF Trading, enabling the conclusion of physical transactions in gas, power and coal.

Interest rate activities suffered particularly as was the case with most market players.

Restructuring was undertaken with a view to maintaining a strong capacity for innovation while pursuing the automation of flow activities.

### BROKERAGE

Brokerage revenues were stable in 2010. Crédit Agricole Cheuvreux’s business was lacklustre due to unfavourable European market conditions in 2010. Newedge had stable revenues with a recovery in the fourth quarter. CLSA, on the other hand, posted a noteworthy performance thanks to still robust Asian markets. In 2010, CLSA dominated the equity brokerage business in Asia with a market share of 9.5% carried out with local counterparties (*Greenwich Associates*, 2010).

Discussions began in 2010 on the principles of a future partnership between Crédit Agricole CIB and the Chinese broker CITIC Securities. These discussions are aimed at creating a leading global brokerage platform and an investment bank in the Asia-Pacific region. The planned structure calls for Crédit Agricole CIB and CITIC Securities each to own equal shares in a holding company grouping together CLSA, Crédit Agricole Cheuvreux, Crédit Agricole Securities (USA) Inc., and the institutional brokerage and investment banking activities of CITIC Securities International, a subsidiary of CITIC Securities based in Hong Kong, as well as the equity capital markets and mergers & acquisitions business lines of Crédit Agricole CIB in Asia.



# Crédit Agricole CIB in the league tables

## Financing activities

2010

Project finance loans – worldwide (in number of deals in project finance)	<b>1</b>	Project Finance International/Dealogic
Project finance – worldwide	<b>2</b>	Infrastructure Journal
Aviation finance – worldwide (US Ex-Im Bank and ECA)	<b>1</b>	Airfinance Journal Research
Export & Trade finance – worldwide	<b>5</b>	Dealogic
Loan syndication – France	<b>1</b>	Thomson Financial/Dealogic
Loan syndication – EMEA	<b>3</b>	Thomson Financial/Dealogic

## Investment banking

2010

Equity Capital Markets – France	<b>2</b>	Thomson Financial
Mergers & Acquisitions – France (completed deal)	<b>8</b>	Thomson Financial

## Capital markets activities

2010

All corporate bonds in euros – worldwide	<b>5</b>	Thomson Financial
All sovereign bonds in euros – worldwide	<b>6</b>	Thomson Financial
Dealers of private MTNs in euros – worldwide	<b>2</b>	MTN-I 2010
ABCP multiseller conduit – EMEA	<b>2</b>	Moody's

## Brokerage

2010

### Crédit Agricole Cheuvreux

European equity recommendations	<b>1</b>	Starmine
Small & Mid Caps research – Europe	<b>1</b>	Thomson Extel
Continental European research	<b>2</b>	Institutional Investor
Pan-European ISR research	<b>1</b>	Thomson Extel

### CLSA

Sales and research combined – Asia (excluded Australia and Japan)	<b>1</b>	Asiamoney
Equity research in Asia	<b>1</b>	Greenwich Associates

### Newedge

Brokerage derivatives – United States	<b>1</b>	Commodity Futures Trading Commission
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# INTERNATIONAL PRIVATE BANKING, COMPLEMENTARY BRANDS SERVING CLIENTS

Abroad, **Crédit Agricole CIB** conducts the business of private banking under the global brand name **Crédit Agricole Private Banking**. It provides a vast range of products and services that can be adapted to clients' expectations as well as a multi-market offer. The organisation of the Group's private banking activity as a network makes it possible to share all the strategic approaches of marketing, product ranges, asset allocation principles and compliance.

## A business model of proven solidity

International private banking provides individual investors with a global approach to wealth management at all stages of life. This complex service must take into account the diversity of the family and professional components of an individual's wealth. This requires the coordination and rigorous implementation of multiple skills that are specially adapted to the needs and demands of this international clientele.

Thanks to its extensive network, **Crédit Agricole Private Banking** is ranked 14<sup>th</sup> private bank globally (*Le Monde*, May 2010) and manages client assets of EUR 115 billion.

The solidity of its business model was confirmed in 2010. The private bank continued to gather client wealth in the regions where the **Crédit Agricole Group** benefits from strong historical legitimacy, in particular in Asia, in the Middle East & Africa and in Latin America.

**Crédit Agricole Private Banking** is one of the global leaders in wealth management in terms of assets under management and its high-end offer. Thanks to its extensive expertise across all financial markets and a multicultural staff, **Crédit Agricole Private Banking** provides its clients with an international organisation with operations in 19 countries, exclusive relationships with personal advisors, financial engineering capabilities and a large range of dedicated products and services and secure Internet banking solutions.

In 2010, **Crédit Agricole Suisse** continued the development of its product offer for its private clientele with the creation of a real estate fund whose objective is to capitalise mortgage loan assets. Dynamic positioning on emerging products was particularly positive in discretionary portfolio management and enabled an increase in overweighting. For more conservative profiles, an Absolute Return contract, whose objective is the conservation of capital, was created this year.

In terms of active advice, the new direct access service provides clients the possibility of directly accessing markets for listed and OTC equities, bonds and derivative products with the execution speed of continuous ordering. Private Equity carried out its first private debt transaction.



In 2010, wealth under management rose by 10% thanks to efforts to gather new assets and market effects. For the first time, it amounted to more than EUR 10 billion and enabled the local leader to pursue an ambitious investment policy in order to meet clients' expectations.

The Investment Advisory Agreement and the CFM Opal fund launched by CFM Monaco in March and managed jointly with EDHEC are also among the notable successes of 2010.

The signature of a tripartite agreement between the principality's government, CFM Monaco and the Fondation Grameen **Crédit Agricole**, in favour of microfinance institutions and social businesses working in the rural environment, received broad media coverage.

In November, the Monacan entity also signed heads of agreement with the principality's government favouring the hiring of recent Monacan graduates.

CFM Monaco constantly invests in order to improve and modernise its premises. Because of the style of the new façade and its visibility, aesthetics, quality of reception and conviviality, the design has already received two awards and is serving as the model for the renovation of the seven branches in Monaco.



## ECONOMIC ENVIRONMENT IN 2010

During the first half of 2010, economic news was dominated by the sovereign debt crisis in Europe which began in Greece before spreading to all of the heavily indebted countries in the euro zone (Ireland, Portugal and to a lesser extent Spain).

This stress resulted in a surge in the risk premiums on the bonds of countries deemed to be risky and in safe-haven purchases of the most highly rated sovereign bonds (the yield on the German Bund fell to below 2.6% at mid-year). Worries also gradually spread to the European banks exposed to this sovereign risk. The euro was hit hard and lost more than 15% of its value against the dollar in six months to reach a low of USD 1.1923 in early June.

In response, European leaders created a stabilisation fund totalling EUR 750 billion: EUR 440 billion in a fund guaranteed by member states (the European Financial Stability Facility or EFSF), EUR 60 billion from the European Union and a financial contribution from the IMF of around EUR 250 billion. Greece was granted special status with a dedicated programme of emergency aid of EUR 110 billion which approximately covers its funding needs until the end of 2012. The ECB reactivated a certain number of non-standard liquidity support measures and also announced a programme to repurchase government and private securities on the secondary markets in order to ensure a better transmission of monetary policy. This highly conditional aid programme (a joint IMF, EU and ECB programme for fiscal house-cleaning and structural reforms for the recipient countries) is a way to buy time in order to enable governments to make fiscal efforts sufficient for putting public debts back on a sustainable track without being punished by the markets.



ISABELLE JOB,  
HEAD OF MACRO ECONOMIC RESEARCH WITHIN CRÉDIT AGRICOLE S.A.

This response made it possible to return to relative but nonetheless precarious calm on the markets since the stabilisation plan prevents any possibility of a short-term liquidity crisis, even though worries about the longer-term solvency of certain euro zone member states remain.

During the summer, a series of unfavourable US figures revived doubts about the sustainability of the US recovery, due to the threat of dipping back into recession. Very quickly, the markets began to wonder about the advisability of the Fed's increasing the size of its securities purchases (its quantitative easing programme or QE) to stimulate activity in a context of high unemployment and excessively low inflation. This outlook put pressure on

the US dollar (which reached USD 1.42 against the euro in early November) and drove down long-term interest rates (to a low of 2.38% in early October). Following the Federal Open Market Committee (FOMC) meeting on 2 and 3 November, and as expected, the Fed announced its intention to acquire an additional USD 600 billion in long-dated treasuries by June 2011 while retaining the possibility of adjusting either upwards or downwards the size of this programme in order to best meet its full-employment and price-stability objectives. The markets reacted favourably to this news and, in response to better-than-expected economic indicators, raised their US growth forecasts and particularly in early December when President Obama announced a new fiscal stimulus

## 2011 outlook (as of January 31<sup>st</sup>, 2011)

**The United States has opted for growth to lessen the weight of both private and public debt by once again activating fiscal and monetary levers (no Fed rate hikes are planned before mid-2012) to stimulate activity.**

Thanks to these two crutches, 3% growth in 2011 seems to be within reach, especially as signs of self-sustaining growth are increasingly apparent. The rise in long-term US yields, which stabilised in mid-December at around 3.4% for 10-year issues, is a reflection of this winning bet. Europe, which has chosen austerity in order to place public debts on sustainable tracks, is suffering slower growth (1.5% in 2011) with significant divergences depending on the degree of acuteness of the indebtedness problems in each member state. The bet is one of an orderly adjustment of public finances coupled with in-depth reforms in order to return to growth on a healthier basis. However this bet is risky due to watchful markets ready to penalise the slightest failing. The high risk premiums on peripheral sovereign debt bear witness to this feverishness.

In early 2011, a surprise came from the ECB which adopted a firmly more aggressive tone with regard to inflationary risk. It is clear that the ECB, whose exclusive mandate is medium-term price stability, had no choice other than to sharpen its discourse at a time when inflation was above its target level (2.4% in January). However, initial monetary tightening remains unlikely at this stage, particularly since the pressure on prices comes from the outside with increases in energy and food prices over which the ECB has no control. Nonetheless the change in tone caused market adjustments with a clear rise in yields on short maturities and an appreciation of the euro (which rose to USD 1.37 in January). The growth deficit in the euro zone, the high unemployment rate, latent overcapacity and a persistently uncertain and fragile situation with regard to peripheral sovereign debt are nonetheless expected to dissuade the ECB from raising its rates in 2011.

The attempted rise in the European currency against a backdrop of expected increases in the ECB's interest rates is thus expected to be rapidly thwarted. Currency markets are expected to give more weight to growth differentials; this is to the advantage of the dollar, and could also re-evaluate upwards the risks attached to the European currency (with a target EUR/USD exchange rate of 1.25 at the end of 2011).

On the other hand, long-term risk-free rates will continue to climb to be more in line with the budding recovery (3.75% for the German Bund and 4% for the 10-year US treasury at the end of 2011). If Europe comes up with a sufficiently convincing and credible response to the sovereign debt crisis, in particular after the meeting of the European Council on 24 and 25 March, the spreads on peripheral country debts can be expected to fall significantly.

programme for 2011. With fears of dipping back into recession having evaporated, US long-term rates were adjusted as expected and gained more than 100 basis points in one month fluctuating at around 3.4% until the end of the year.

The dollar also strengthened, all the more so as, during the interval, the markets began to speculate on Ireland's possible use of the EFSF. In accordance with a scheme identical to that of Greece, the withdrawal of investors and the liquidity crisis finally forced Ireland to call on European aid at the end of November. This bailout plan amounted to EUR 85 billion with the Irish government committing on its side to making cuts of EUR 15 billion over four years to bring its fiscal deficit under 3%.

In its wake, Europe established the basis for a permanent mechanism to resolve the crisis that is expected to replace the current emergency plan in July 2013. This mechanism provides for the involvement of private-sector debtors on a "case-by-case" basis after an in-depth examination to judge the sustainability of the debt track of countries having problems. With certain aspects of how this would work unclear, the markets reacted prudently.

These convulsive financial movements did not throw the recovery off track. In Europe, survey results at the end of the year continued to attest to the pursuit of the recovery at a slower but more solid pace since it was being supported by domestic demand. In the United States,

business indicators were also positive and growth accelerated at the end of 2010 to reach 3.2% on an annual basis (initial estimate). This good news supported the rise in risk-free rates against a backdrop of portfolio reallocations to riskier and thus, more highly remunerated assets. The euro profited from both this renewed appetite for risk and the calm seen with respect to European sovereign debt, and ended the year at USD 1.34.



## 2011-2014 A NEW PHASE

The Crédit Agricole Group's 2011-2014 strategic plan is aimed at raising the Group's earnings to nearly EUR 10 billion in four years. In this context, Crédit Agricole CIB's continued refocusing is part of this focused growth, which consists in boosting the Bank's strengths in serving its clients and key sectors and rigorously managing its resources in order to deploy them in the service of its development within a framework of the active steering of risk-weighted assets.

Crédit Agricole CIB's medium-term strategic plan already incorporates the major regulatory changes embodied in the Basel III standards: increased consumption of risk-weighted assets for certain activities, the strengthening of capital requirements and new liquidity rules.

The Bank now has the assets that will enable it to support these constraints: the active management of risk-weighted assets put into place in May 2010, the ability to share risk, a funding policy optimising risk-weighted assets, the ability to provide clients with direct market access and geographic reach giving access to major investor pools.

Historically, Crédit Agricole CIB has been recognised for its financing activities, firmly anchored in France and neighbouring European countries and endowed with confirmed sector expertise at global level. Structured finance will serve as a point of departure notably in a certain number of sectors (natural resources, infrastructure, real estate and transport) and will enable the full exercise of our function as an originator. For their part, the capital markets activities are expected to track the priorities established by the financing activities. Fixed Income Markets activities will be at the service of our target clients and will open access to a global investor

base. The equities business lines will build on the Bank's sector strengths. All of this will take place while maintaining a limited risk profile and making our geographic coverage consistent with this strategy.

We will align our geographic resources with our top-priority clients, our key sectors and access to liquidity. In France and in neighbouring European countries we will not be very selective: CAC 40 companies and those next in line are nearly all of interest to us regardless of their sector of activity. As we move further away from France we are seeking to develop our business in the above-

## Selective development

### CORPORATE BANKING

We are aiming at establishing comprehensive relationships with our clients and in particular with the target of 700 clients which we have identified in France, elsewhere in Europe, and in the Americas and Asia. Going beyond our role as a lender, we want to sell them other services. This process has already begun: from 4.7 products per client in 2008, we reached 5.2 in 2010 and **have an objective of 6 in 2014**. We will provide even greater resources to these clients in terms of weighted risks.

### STRUCTURED FINANCE

The goal is to capitalise on our existing sector leadership. The challenge will be to allocate to structured finance the amounts of weighted risks that enable it to track its market's growth. The objective for the structured finance activities in 2014 is **to remain in the top five worldwide in our target sectors** (with growth in cross-selling of 30% to 50%).

### FINANCIAL INSTITUTIONS

Financial institutions are a top-priority target. We want to increase our ties with a target of 450 institutions (banks, insurance companies, etc.), with a **commercial net banking income objective of more than 35% of overall net banking income**.

mentioned key sectors. As a result, in a given country, we either find sector depth and the country is of interest to us or we find funding in which case it is also of interest to us, or we find neither and we must make choices. We will probably be led to reduce the number of countries in which Crédit Agricole CIB is present from around 50 to around 40 in the coming years.

In Europe, we will attempt to strengthen our presence by consolidating the multi-product coverage of our top-priority clients. In the Americas, we will strengthen structured finance and pursue the development of a dollar-denominated bond platform. In Asia, we will develop our corporate origination capability and our structured finance transactions and will intensify the raising of liquidity. Lastly, we must more precisely define our target for the Middle East.

In the coming years, we must rigorously manage our resources in order to redeploy them to support our development. For 2014, we have a savings plan that will enable us to reduce our expenses by EUR 170 million. This

general objective involves the Bank itself and not our brokers. Crédit Agricole CIB's cost-income ratio is already at a satisfactory level. Therefore, we did not want to enter into a simple process of cost reductions but wanted to reallocate the savings achieved to the sales side. This plan for operating efficiency is built on the overhaul of front- and back-office processes, a plan to streamline our IT infrastructure and purchasing optimisation. Savings will also come from streamlining our international operations. The money saved will be available for investment in stepping up automation, streamlining our business applications and selectively strengthening our front-office staff.

Our strategy is clear and the Crédit Agricole Group's support is a given. The plan is the result of a collective effort and is also the result of a selective development project. With our shareholders' support and our clients' trust we must now bolster our existing strengths.

**Jean-Yves Hocher**  
Chief Executive Officer of Crédit Agricole CIB



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## FIXED INCOME MARKETS

In all the business lines of Fixed Income Markets, the objective will be to strengthen our offer to target clients and our access to investors. **By 2014, net banking income is expected to increase by 30% to 40% compared with 2010.** To do so will require strengthening our dollar-denominated offer, increasing our offer of new currencies selectively, continuing to develop our interest rate and currency processing platforms and capitalising on structured finance to develop in commodities.

## EQUITIES BUSINESS LINES

This involves building Investment Banking activities based on our geographic priorities in France and neighbouring European countries. We are particularly attached to this business and have decided to develop sector specialities one step at a time. **Two sectors have been selected internally: natural resources and telecommunications** and a third at the Group's request, **the food industry.** The equities business lines' net banking income objectives will also increase by 20% to 30% compared with 2010.

## 2014 OBJECTIVES

- Net banking income of around **EUR 7 billion;**
- A cost-income ratio lower by **6 percentage points compared with 2010;**
- Group share of net income of around **EUR 1.8 billion;**
- Return on equity of **13% to 15%.**



# 03

## **strong acquired values in sustainable development and human capital**

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# Environmental policy

**In 2010, Crédit Agricole CIB continued its efforts to minimise the direct ecological footprint of its activities. As in 2009, this translated into a reduction of its contribution to greenhouse gas emissions and the development of recycling practices.**

## ENERGY

In Paris, energy consumption remained unchanged in 2010 compared with 2009 for the buildings managed by Crédit Agricole CIB.

Light-regulating presence detectors were installed in the lavatories. A quarter of the head office electricity (17% for the entire Paris area) comes from renewable sources.

While considerably more difficult, efforts to minimise energy consumption were also undertaken at sites where Crédit Agricole CIB only rents space. Thus in London, the energy reduction in the premises occupied by Crédit Agricole CIB came to 5% over the past two years despite an increase in the number of employees.

## TRANSPORT

A corporate travel plan was prepared in 2009 for the Paris area. The objective was to reduce emissions linked to transport by 15% over three years compared to the average from 2005 to 2007. The main measures defined to reach this goal were introduced in 2010, and included the extension of the travel policy (for example work-related trips of fewer than three hours are now to be made by train and the use of taxis has been curtailed) and the promotion of the car pool exchange (with 617 members). Crédit Agricole CIB

in London supports the "Cycle to work" programme that reflects the United Kingdom government's plan to encourage the public to cycle to work.

## PAPER

Virtually all of the printer paper used by Crédit Agricole CIB in Paris, London and New York bears either the Forest Stewardship Council or the Sustainable Forest Initiative label, attesting to the fact that it comes from sustainably managed forests. A similar procedure has been under development in Hong Kong since 2009.

Paper consumption at the Paris head office was reduced by 3% in 2010 and by 29% over three years. The use of recycled paper is gradually becoming standard practice in Paris, New York and Tokyo.

## WASTE

Electronic equipment, used batteries, light bulbs and empty ink cartridges are collected and sorted in order to be recycled in both Paris and London. As an example, most of the computers at Crédit Agricole CIB in Paris are disassembled to be recycled or sold at low prices to various associations by the Ateliers du Bocage (a subsidiary of the Emmaüs foundation).

Following the lead of Paris, a sorting procedure became standard practice at the London building in 2010.

# DIRECT IMPACT OF THE NAME CHANGE

## Minimising the direct impact of the name change continued in 2010.

The French company Bilum transformed an enormous advertising banner into handbags and accessories.

In addition, unavoidable emissions were offset by the purchase of carbon credits relating to the construction of a “stream flow” hydroelectric power plant in Malana, India. This programme was carried out with the assistance of EcoAct, whose main tasks involve helping companies and local government bodies to assess, reduce and offset their climate footprint.



“ We evaluated the carbon footprint of all of the travel and production of communications materials and campaigns relating to Crédit Agricole CIB’s name change. We then proposed various programmes to offset the carbon footprint. This was an innovative approach since it was the first time that a company of this size took into account the carbon aspect of a change of identity at international level.

**SIMON GIRARD,**  
CARBON STRATEGY CONSULTANT AT ECOACT



**HÉLÈNE DE LA MOUREYRE,**  
FOUNDER OF BILUM

## A second life for an advertising banner

### What is the idea behind Bilum?

What is involved is recovering materials scheduled for disposal and giving them a second life.

### You use “social integration enterprises” to make your products. What does this involve?

It made no sense for me to send this material, which to begin with was waste, to the other side of the world in order to enjoy lower manufacturing costs. I therefore sought the means to work close to where I was located and decided to work with a “social integration enterprise” to clean the banners and handle the logistics of the handbags that are subsequently sent to stores. The design work is handled by workshops specialised in leather goods because the material is extremely rigid and solid. These workshops are increasingly scarce in France but I found companies providing aid through work (ESATs) which employ disabled persons.

### Can you provide us with details of your collaboration with Crédit Agricole CIB?

Crédit Agricole CIB welcomed this project with great enthusiasm and kind consideration. I worked directly with the communications department as part of an internal grant process. The Bank found it more cost-effective to make these grants in France based on already-existing communications tools rather than to manufacture bags in China using materials whose origins were uncertain. From our first meeting, my idea was warmly received.

### What specifically did this collaboration entail?

Crédit Agricole CIB had a banner approximately 15 meters wide and 25 meters high (the height of an eight-storey building - gigantic!) on Avenue Charles de Gaulle in Neuilly. This huge banner trumpeted the colours of the Bank’s new campaign. Once it was taken down, we recovered the material to transform it into handbags and accessories such as brief cases. It was a first for me: cutting up Sean Connery into pieces... This banner was so huge that the result on the accessories was highly pixelated. The eyebrows range from a skin colour to brown. The whole creates an artistic and painterly dimension.

### What are Bilum’s corporate values?

Concrete ecology and “an end to waste!”. In fact, Bilum’s values are a return to common sense.







# Environmental and social responsibility

The challenges of environmental and social responsibility are major requirements for Crédit Agricole CIB, a founding member of the Equator Principles. This commitment to comply with certain requirements is part of the Crédit Agricole Group's policy of responsibility.

## CONSIDERATION OF THE CHALLENGES OF SUSTAINABLE DEVELOPMENT

The environmental and social sensitivity of transactions has been assessed since 2009. An ethics committee for transactions presenting an environmental or social risk (the CERES committee chaired by the Head of Compliance) issues recommendations prior to credit committee meetings for all transactions which it deems require the close monitoring of their environmental or social aspects.

The taking into account of sustainable development challenges was extended in 2010 with the launch of reflections on the specific challenges relating to climate change and the preparatory work for a broader implementation of the Equator Principles.

At the same time, efforts to raise all employees' awareness of these issues continued with training sessions on the fundamentals of sustainable development, the Equator Principles and the Climate Principles.

## A UNIT DEDICATED TO TRANSACTIONS LINKED TO ENVIRONMENTAL AND SOCIAL CHALLENGES

At the end of 2009, the Sustainable Banking unit was created in order to assist clients with transactions linked to environmental and social challenges. In 2010, the unit worked with Crédit Agricole CIB business lines and the Group's various entities. Its activity was sustained thanks to the 40% growth in transactions linked to green technologies and renewable energy, the markets for emissions rights and responsible investment.

Several emblematic contracts were signed in areas as diverse as the financing of renewable energy infrastructure, the sale of carbon credits for several sovereign and supranational entities and the creation of environmental and social funds. The Sustainable Banking unit was also involved in initiatives aimed at enabling less developed countries to benefit from the potential offered by financial markets for commodities.

## SALE OF EMISSIONS REDUCTION CERTIFICATES

The World Bank (International Bank for Reconstruction and Development) finalised the sale of 600,000 tonnes of certified emission reduction (CER) certificates between 24 June and 1 July 2010.

In its capacity as a director, the World Bank is responsible for organising the sale of CERs on behalf of the Climate Change Adaptation Fund.

Crédit Agricole CIB has been chosen as the counterparty to these sales, with the final acquirers of the CERs primarily European players wanting to comply with their emissions quotas.



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### A NEW MICROCREDIT PROGRAMME IN CHINA

In 2010, Crédit Agricole CIB renewed its commitment to Heifer International, a charitable organisation that operates programmes to fight poverty in more than 50 countries. Following its successful three-year (2007-2010) programmes of assistance to the underprivileged farming population of the Yunnan region in China, Crédit Agricole CIB renewed its partnership in the Sichuan Yilong region. This second partnership, which runs until 2014, makes it possible to support two projects.

The first is aimed at assisting poor farmers to become self-reliant while conserving the environment. The Crédit Agricole CIB fund will help 235 families who have agreed to make gifts of their animals' offspring ("Passing on the gifts") to 386 other families over a period

of three years. By the end of 2011, some 500 families will have benefited from the "Passing on the gifts" project and eventually some 621 families will benefit from Crédit Agricole CIB's gift.

For the second project, Crédit Agricole CIB will extend its partnership to the province of Sichuan, which was hit by a devastating earthquake in May 2008. In all, the Bank will help 740 families in the villages of Dengbao, Caijiaping and Mengziliang in Yilong County. In addition, 20 rural associations will be set up in these three villages making it possible for the inhabitants to help each other in the development of animal husbandry. The residents can follow training programmes on respecting the environment and mountain vegetation, and will also learn about the zero-grazing feeding system and biogas production.



In February 2011, Crédit Agricole CIB received the "Caring Company Logo" attributed by the Hong Kong Council of Social Services (HKCSS). This is the second year in a row that Crédit Agricole CIB has received this prize in recognition of its social responsibility efforts.

### EQUATOR PRINCIPLES

**Crédit Agricole CIB is one of the banks that launched the Equator Principles in June 2003 and has worked actively for the success of these principles which have become a project finance market standard in just few years.**

**Crédit Agricole CIB ranks projects based on a tool to assess environmental and social impact developed by the Bank in 2008. The tool's relevance is constantly reassessed as a function of acquired experience and in 2010, the decision was taken to make several improvements to it.**

### IMPLEMENTATION OF THE EQUATOR PRINCIPLES

The implementation of the Equator Principles was developed at the initiative of the Structured Finance business line at Crédit Agricole CIB. In the first instance, risk assessment and management are carried out by business managers who are assisted by a network of local correspondents who provide the support needed for each geographic centre for the structuring of project finance packages and are in constant contact with a coordination unit.

Crédit Agricole S.A.'s Industrial and Sector Research unit provides assistance and sheds additional light by applying its skills to environmental and technical issues. It thus enables the refinement of risk analysis and identification as a function of the sector of activity. The Coordination unit, comprising operating staff from the Structured Finance business line, coordinates the practical aspects of implementing the Equator Principles. It oversees the network of local correspondents and puts into place specific training programmes for staff.

The CERES committee, which replaced the Equator Principles Committee in 2009, is consulted for all cases likely to be rated A, and validates the classification of projects as A, B or C.

### EFFORTS TO EXTEND THE EQUATOR PRINCIPLES

Crédit Agricole CIB has been an active participant from the outset in several work groups put into place within the framework of the Equator Principles. In particular, the Bank has contributed to the elaboration of codes of best practices intended to promote the use of these principles for financing other than project finance.

As a result, in 2010 Crédit Agricole CIB evaluated the possibility of applying the Equator Principles on a best-effort basis to the financing of the construction of industrial assets that do not meet the definition of project finance within the meaning of the Basel Committee on banking control. This approach is expected to allow the gradual extension of environmental and social risk assessment and management to all financing for which significant environmental stakes have been identified.

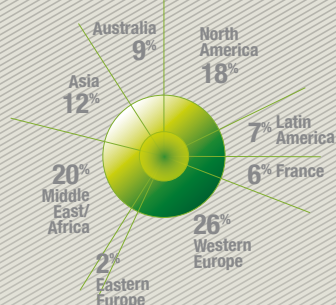
# EQUATOR PRINCIPLES: CONCLUSIVE RESULTS SINCE 2003

## Equator Principles statistics

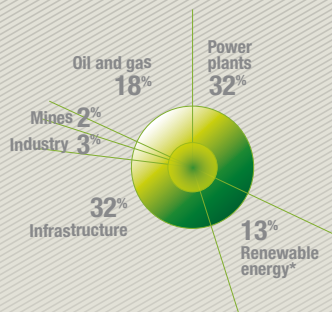
Altogether 366 projects had been classified at 31 December 2010, of which 70 during 2010:

- 25 projects were classified A, including 5 in 2010;
- 288 were classified B, including 53 in 2010;
- 53 were classified C, including 12 in 2010.

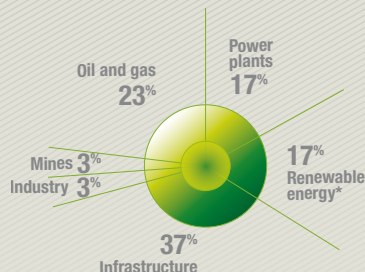
### BREAKDOWN OF PORTFOLIO PROJECTS BY REGION



### BREAKDOWN OF PORTFOLIO PROJECTS BY SECTOR



### BREAKDOWN BY SECTOR OF PROJECTS RANKED IN 2010



\*Renewable energy = wind, solar, biomass and hydraulic power



ERIC COCHARD,  
HEAD OF SUSTAINABLE DEVELOPMENT

### What are the origins of the Equator Principles?

In 2003, some ten international commercial banks, including Crédit Agricole (the only French bank), agreed on a charter for taking into account the environmental and social impact of the infrastructure projects that they financed. This charter is known as the Equator Principles.

### What are the Equator Principles?

The Equator Principles imply a due diligence process for banks and the obligation for their borrowers to analyse and manage the impact of their projects in accordance with the World Bank's environmental and social standards and in particular with its performance criteria.

### What precisely are these criteria?

These criteria concern subjects such as forced population displacement and respect for biodiversity and human rights. All the environmental and social issues encountered in major infrastructure projects are thus dealt with.

### What obligations do the Equator Principles impose on borrowers?

They must comply with the action plans (conservation of biodiversity, management of waste and dangerous substances, etc.) in order to reduce as much as possible the potential negative impact and offset any unavoidable impact.

### What is the interest of the Equator Principles for banks?

There is a dual interest. First of all, there is the indisputable interest of managing image risk by avoiding being associated with projects whose impact would not be managed in an appropriate manner. Secondly, and just as important to my way of thinking and which is directly linked to Crédit Agricole CIB's method of deploying the Equator Principles, is the teaching of environmental risk management to the Bank's sales force. This results in an ability to anticipate and therefore manage as effectively as possible the environmental complexity inherent in many major infrastructure projects around the world.

### What have been the results of the Equator Principles?

The Equator Principles have been truly successful and, in just a few years, have become a project finance market standard. This is probably because they constitute a very concrete sustainable development effort. The objective is not to reduce the number of projects financed but to take into account environmental and social considerations in an optimal manner. As a result, since 2003 we have seen an increase in the intrinsic quality of projects with regard to these aspects whether involving impact studies, action plans or consultation with local populations, a key element of the World Bank standards.



# Climate challenges and human rights

The fight against global warming and efforts in favour of human rights are major elements of the Crédit Agricole Group's corporate social responsibility (CSR). In 2010, the launch of reflections on the challenges linked to climate change illustrated Crédit Agricole CIB's commitments.

## EFFORTS TO FIGHT AGAINST GLOBAL WARMING

The Climate Principles launched on 2 December 2008 by the Crédit Agricole Group and four other leading financial institutions recognise the role that can be played by the financial sector in mobilising efforts to fight against climate change.

Crédit Agricole CIB has committed to a progress-based approach aimed at better understanding the climate stakes linked to its loan portfolio.

Work began in 2010 on the principle for quantifying induced emissions with the assistance of the Quantitative Finance and Sustainable Development Chair. At this point, many of the methodological difficulties encountered have not been resolved and the objective appears to be particularly ambitious in the framework of a corporate and investment bank. Nonetheless, this work will continue in 2011.

## FINANCING RENEWABLE ENERGY

Crédit Agricole CIB is one of the leading players in financing renewable energy. The Bank has been involved in this sector for more than ten years with the financing of its first wind farms in

1997 and the financing of a solar energy project in Spain in 2008. The financing of renewable energy is an integral part of the strategy of the Structured Finance business line, and Crédit Agricole CIB continues to take a voluntary approach to supporting its clients' development in this market segment throughout the world.

This financing of renewable energy accounts for 24% of the amount committed to electrical generation projects (and 32% in terms of the number of transactions, given their smaller average unit amount).

## CRÉDIT AGRICOLE CHEUVREUX, PIONEER IN TERMS OF SRI

Since the 2008 signing of the Principles for Responsible Investment (PRI) under the aegis of the United Nations, Crédit Agricole Cheuvreux has incorporated Environmental, Social and Governance (ESG) factors into its financial research. Its stock reports systematically include ESG analysis data sheets.

Thanks to its specific expertise in climate issues and its research on the carbon market, Crédit Agricole Cheuvreux was selected in 2010, as it had been in 2009, for the analysis and editing of the Carbon Disclosure Project on the 300 leading stocks in Europe.



The purpose of the Chair is to favour the development of methodologies for taking into account the new challenges linked to sustainable development by financial players.

JEAN-MICHEL LASRY,  
HEAD OF THE CHAIR AT  
CRÉDIT AGRICOLE CIB

#### **QUANTITATIVE FINANCE AND SUSTAINABLE DEVELOPMENT CHAIR**

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

#### **EFFORTS IN FAVOUR OF HUMAN RIGHTS**

Crédit Agricole CIB's actions comply with the Crédit Agricole Group's corporate values and in particular the Human Rights Charter adopted by the Group in December 2009.

#### **POLICY ON THE FINANCING OF MILITARY AND DEFENCE EQUIPMENT**

In 2010, Crédit Agricole CIB defined a sector policy concerning the arms industry. This policy in particular provides for the gradual winding-down of loan facilities extended to companies manufacturing or marketing anti-personnel mines or cluster bombs. With regard to the transactional financing of military and defence equipment many conditions are also imposed on the nature of transactions, the identity of the parties involved and their validation by official bodies.



# Development and support policy

The goal of the Group's Human Resources policy is to ensure that each function in the organisation is occupied by a highly motivated employee whose skills and performance correspond to the demands and challenges of his position.

## TRAINING POLICY

In line with 2009, the 2010 training plan was aimed at supporting Crédit Agricole CIB's development plan while making certain that the Bank had the collective and individual skills indispensable to achieving the goals set by its business lines.

The main directions taken by training in 2010 were:

- continued implementation of measures to develop a managerial culture;
- strengthening the technical skills of the business lines by creating training programmes, in particular with a priority on "risks";
- preventing psycho-social risks with the introduction of efforts to raise awareness and listen to managers and employees experiencing stress;
- supporting senior employees, in particular with a proposal to review the second part of careers;
- deploying regulatory training via e-learning.

Crédit Agricole CIB thus provided a training offer comprising nearly 300 programmes relating to technical and managerial skills in order to cover the collective and individual needs of its employees.

Regulatory training as well as the fundamentals of performance assessment is provided via e-learning in order to provide access to the greatest possible number of employees worldwide.

## CAREER MANAGEMENT AND JOB MOBILITY POLICY

Crédit Agricole CIB is committed to supporting and developing its talented individuals. The Group follows a career management policy aimed at allowing each employee, regardless of his level in the organisation, to broaden his professional experiences in a structured manner.

In this respect, the Group has set an objective to favour internal job mobility as opposed to external recruitment whenever possible. Open positions are posted on an internal job exchange.

In addition to the usual meetings between employees, managers and Human Resources managers, Crédit Agricole CIB has introduced a harmonised career management approach that is shared at the global level to take into account the international nature of its activities and corporate culture.



Launched in October 2010, PotentiELLES is the network of women executives at Crédit Agricole CIB. Founded on the initiative of a group of women within the Bank, the network has since obtained the support of Executive Management and the Human Resources department.

The two main objectives of PotentiELLES are, first, to provide women executives with opportunities to exchange views, reflect on their careers and provide an opening to other similar networks; second, to stimulate reflection within the Bank on the staff gender mix as a performance lever and the rules for professional advancement.

PotentiELLES is also one of the founding networks of Financi'Elles, an association of women's networks in the finance, banking and insurance sectors.

With 230 members in 2010, PotentiELLES contributed to the promotion of leadership development workshops for women and the networking of the Bank's women via lunches and conferences. It also proposed the implementation of gender mix monitoring which has since been taken over by Executive Management.

# JOB MOBILITY, ONE OF THE KEY FACTORS IN CAREER MANAGEMENT

With operations in more than 50 countries, Crédit Agricole CIB provides a propitious environment for its employees' job mobility and development.

66% of the employees are based outside France and more than 100 nationalities are represented within the Bank.

The wealth and diversity of the capital markets, investment banking and financing business lines make it possible to offer employees numerous opportunities to change functions or geographic locations as well as the possibility to develop their skills during the course of their careers.

Job mobility is one of the featured aspects of the career management policy at Crédit Agricole CIB. It occupies a privileged place in the action plans put into place by the Bank's Human Resources department over the past two years.



IVANA BONNET,  
HEAD OF HUMAN RESOURCES

## How do you place mobility in career management within a Corporate and Investment Bank?

Given the specific nature of our businesses and the high level of expertise required, job mobility is one of the essential aspects of career management. During the course of their careers, our employees may be led to change within their own departments, within the Bank's other business lines and with respect to the geographic regions where we operate. This enhances their skills and adaptability so that they are capable of taking on greater responsibilities.

## You speak of job mobility but what exactly do you offer to employees?

The most obvious and frequent change is a job change within the same department. As an example, we can take the case of a structurer joining the capital markets sales force or that of a back-office manager becoming a middle-office manager.

But moves to another department are also frequent with employees using the cross-departmental skills they have developed, rounded out with any required training. To give you an idea, 302 employees benefited from this type of mobility in 2010. Next of course comes geographic mobility which is the most visible kind and which, because of our global presence, is one of our main strengths. During the year, 136 employees moved among 25 countries. In fact, we insist that our programme of international mobility involves all our employees around the world. For this reason, we use an IT application that informs employees of available positions before they are advertised outside the Bank. In this way, internal and external candidates for all available positions can be examined objectively by our business line managers. This system allows us to fill around one quarter of vacant positions through internal transfers.

## In practice, what takes place in a job change?

It is important to keep in mind that the main actors in job mobility are the employees themselves. It is up to them to mention their desire for career development to their line manager and Human Resources manager. As a general rule, the subject of a possible job change is dealt with during the annual evaluation interview. The Human Resources manager is thus at the heart of the system for coordinating available positions with employees' desires for change. As the Head of the Human Resources department, I firmly believe that we prepare the future of Crédit Agricole CIB when we work with our employees to prepare their futures through our dynamic career management policy.

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### 2010 job mobility figures

371

intra-business line changes

136

international changes

302

changes from one business line to another

50

changes within the Crédit Agricole S.A. Group





# Recruitment policy

Recruiting talented individuals represents one of the major challenges faced by Crédit Agricole CIB in supporting its development plan and changes to its business lines.

## DEVELOPING APPEAL AND PRE-RECRUITMENT

**Crédit Agricole CIB continues to be committed to integrating young people into its workforce.**

### RELATIONS WITH SCHOOLS AND UNIVERSITIES

Crédit Agricole CIB maintains close relationships with schools and universities. Numerous managers and employees accompany the Human Resources teams at School Forums, in France and abroad, in order to share their experiences with students.

Educational partnerships (case studies, courses, trading games) and the participation in admissions panels are current practices. Conferences and visits to the company are also organised for students. In 2010, the schools relations unit continued its efforts with the finance associations of engineering and business schools in France (for example, Club Finance Paris) and in Asia through its partnership with the ShARE organisation.

### WORK-STUDY PROGRAMME

Crédit Agricole CIB maintains a sustained work-study programme which won two prizes at the AMEF Victoires in June 2010: the "Grand Prix du Jury" and the Master 2 prize.

Specific training and a practical guide help Apprenticeship Masters support the programme's participants.

## RECRUITMENT

**From the front-office to performance support functions, Crédit Agricole CIB offers all the positions available at a corporate and investment bank, both in France and abroad.**

### SUPPORT FOR MANAGERS

A "Manager-Recruiter" guide has been designed to help managers find the behavioural and managerial skills necessary for Crédit Agricole CIB's performance and to harmonise the recruitment process. It was made available in France and abroad in March 2010 and was then completed with recruitment training in France and London.

### INFORMATION SYSTEMS RECRUITMENT PLAN

Information system developments resulted in the introduction of a vast recruitment plan for strategic information system functions. Launched in early March 2010, this programme enabled the hiring of 130 employees, mainly in Paris but also in Singapore, New York and London.

In 2010,  
Crédit Agricole CIB had:

**571**  
interns in France

**192**  
work-study programme  
participants in France

**93**  
international interns  
at foreign subsidiaries

**36%**  
of the interns and work-study  
programme participants  
completing their studies  
were recruited on the basis  
of permanent or fixed-term  
employment contracts,  
international internships or  
temporary employment contracts



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## INTEGRATION AND LOYALTY-BUILDING

Within three months of their arrival, new employees are invited to a breakfast meeting organised by Human Resources representatives.

This meeting provides an opportunity to present the company and the integration process as well as to answer questions.

## SOCIAL AND SOCIETAL RESPONSIBILITY

In line with its historical values, the **Crédit Agricole S.A. Group** has for many years paid particularly close attention to its social and societal responsibility. Continuing the work begun in 2009, **Crédit Agricole CIB** worked in particular in 2010 on issues related to psycho-social risks.

## PSYCHO-SOCIAL RISK PREVENTION AND MANAGEMENT

In 2010, **Crédit Agricole CIB** conducted a survey of 4,300 employees in France with a response rate of 46%. The analysis of a diagnostic on this subject made it possible to identify two lines of thinking: the one oriented towards collective efforts for all employees in France and the second aimed at specific efforts for certain targeted business lines. These efforts are led by **Crédit Agricole CIB** through a joint management-employee committee.

## DISABILITIES

Efforts were made in 2010 to favour the integration of disabled persons in France: awareness-raising and individual support measures (workstation adaptations, access to premises, help with travel, the use of sign language, etc). In addition, in 2010, **Crédit Agricole CIB** signed a contract with a company in the adapted sector for the recycling of its IT waste.

In July 2010, **Crédit Agricole CIB's** annual work-study programme event brought together Apprenticeship Masters, programme participants, Human Resources staff and the heads of apprenticeship training center (CFA) in order to review the current situation and present the prospects for work-study programmes at the company.

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