UPDATE A01

Financial review 2010 of Crédit Agricole Group




This update supplements the information published in the registration document of Crédit Agricole S.A. under the heading 7 "Organisational structure", sub-heading 7.1 "Group Description" in accordance with Annex 1 of European Regulation 809/2004.

It presents the 2010 financial statements of the Crédit Agricole Group.

Contents

AMF

This document was registered with the Autorité des Marchés Financiers on 28 March 2011, in accordance with Article 212-13 of the AMF's General Regulations. It supplements the Registration Document registered with the AMF on 18 March 2011 under number D.11-0146. It may be used in support of a financial transaction if accompanied by a transaction circular approved by the AMF.

CRÉDIT AGRICOLE GROUP – A EUROPEAN LEADER

Crédit Agricole Group is the leading full-service retail bank in France and one of the major banking groups in Europe.

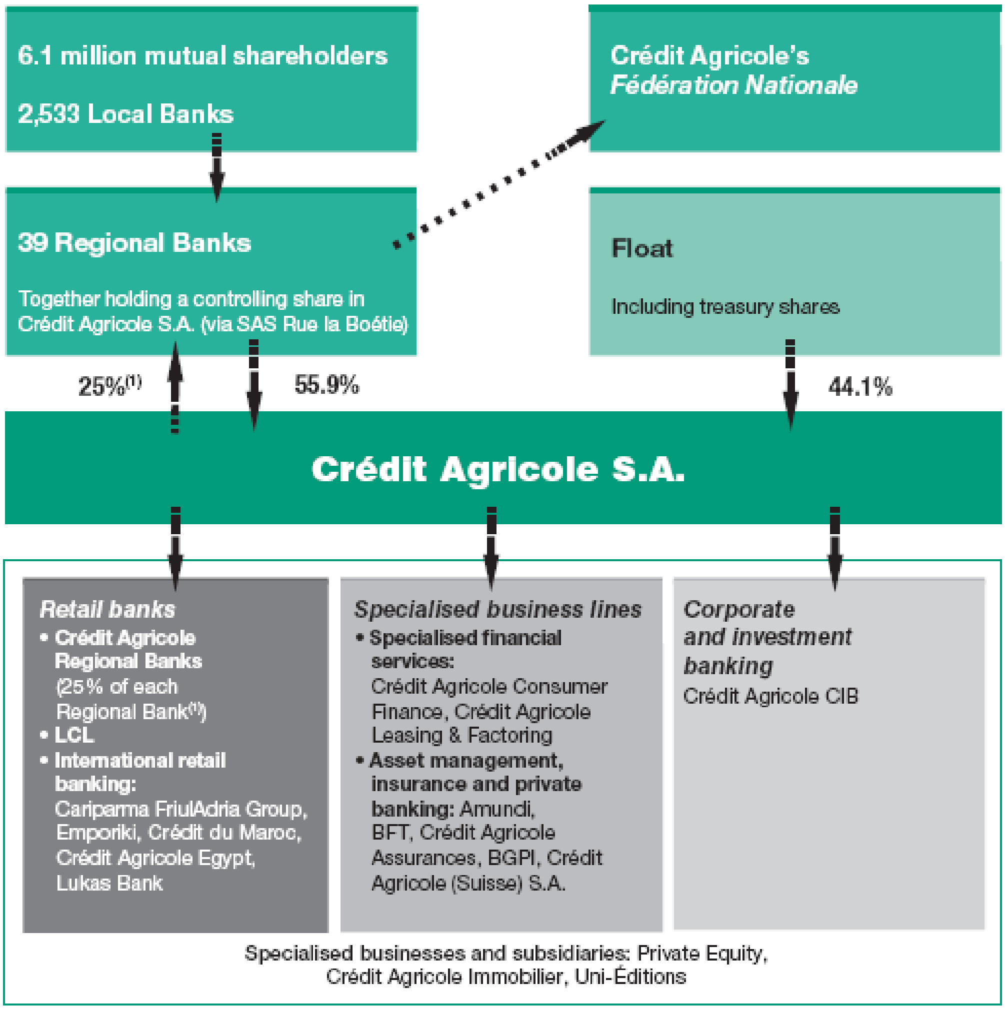
The Crédit Agricole Group is present in 70 countries across the globe and is a key partner in supporting the projects of customers in all retail banking business lines and associated specialised businesses: day-to-day banking, savings products, mortgage and consumer loans, insurance, private banking, asset management, lease finance and factoring, corporate and investment banking.

The Crédit Agricole Group, with its cooperative and mutual foundation, bases its development around stable growth geared toward supporting the real economy and the interests of its 54 million customers, 1.2 million shareholders, 6.1 million mutual shareholders and 160,000 employees.

Crédit Agricole appears in the three sustainable development benchmark indices: *Aspi Eurozone*, since 2004, *FTSE4Good* since 2005 and *DJSI* since 2008 (Europe and World). It is ranked as eighth best in the World and first in France according to the 2011 Global 100 sustainable development rankings.

Crédit Agricole Group comprises Crédit Agricole S.A., all the Regional and Local Banks and their subsidiaries.

At 31 December 2010



** Except for the Caisse Régionale de la Corse. The exact percentage of holding for each Regional Bank is given in Note 12 to the consolidated financial statements of the Crédit Agricole S.A. Group.*

THE SIX BUSINESS LINES OF CRÉDIT AGRICOLE

1. FRENCH RETAIL BANKING - REGIONAL BANKS

Net banking income: €13.8 billion

Banking services for individual customers, farmers, small businesses, SMEs and local authorities, with strong local roots.

The Crédit Agricole Regional Banks provide a full range of banking and financial products and services: savings products (money market, bonds, securities); life insurance investment products; lending (namely mortgage loans and consumer finance, loans to SMEs and small businesses); payment instruments; personal services; banking-related services; and wealth management. In addition to life insurance products, the Regional Banks also provide a broad range of property & casualty and death & disability insurance.

- 21 million individual customers
- 7,012 branches and 7,167 in-store servicing points
- Leader by market share in (source: Bank of France financial database):
  - household deposits: 24.3%;
  - household credit: 21.3%;
  - farming sector: 77.6% (source: RICA 2009).
- Penetration rate:
  - farming sector: 90% (source: Adéquation 2009);
  - small businesses: 33% (source: Pépite CSA 2010);
  - SMEs: 34% (source: TNS Sofres 2009);
  - associations: 23% (source: CSA 2010 – French observatory of finance and insurance behaviours of associations)

2. FRENCH RETAIL BANKING – LCL

Net banking income: €3.9 billion

LCL is a French retail banking network with a strong presence in urban areas. It is organised into four main business lines: retail banking for individual customers, retail banking for small businesses, private banking and corporate banking.

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

- 6 million individual customers, 320,000 small businesses, 26,400 corporates
- 2,062 outlets, including:
  - 87 locations dedicated to corporates and institutional customers;
  - 68 locations dedicated to private banking.

3. INTERNATIONAL RETAIL BANKING

Net banking income of consolidated subsidiaries: €3.3 billion

Crédit Agricole S.A. has a substantial presence in retail banking in Europe (particularly in the euro zone) and around the Mediterranean Basin. The Group Project has reconfirmed the strategy of refocusing operations on these geographical areas.

Therefore in Italy Crédit Agricole, which has been present since 2007 under the brand names Cariparma and FriulAdria, will strengthen its presence in 2011 with the purchase by Cariparma of *Caisse d'Epargne de La Spezia* (Carispe) and its 76 branches, as well as 96 branches from Intesa Sanpaolo. The 963 points of sale of this new entity (903 bank branches and 60 business centres), the vast majority being located in Northern Italy, will serve more than 1.8 million customers.

Crédit Agricole is active in Greece via Emporiki Bank, which ranks among the five largest banks locally. With its 347 points of sale it has an 8.3% credit market share with more than 1.3 million customers.

Outside the euro zone in central Europe, Crédit Agricole S.A. operates in Serbia through Crédit Agricole Srbija, in Ukraine through Index Bank, and in Poland through Lukas Bank.

In the Mediterranean basin, Crédit Agricole S.A. has operations in Morocco (76.7% stake in Crédit du Maroc) and in Egypt (Crédit Agricole Egypt in which it has a 60.5% stake).

In the Indian Ocean the Group retains a presence in Madagascar.

Crédit Agricole also has a significant presence in Portugal, through its 23.8% stake in Banco Espirito Santo, the third-largest local bank by balance sheet size, and in Spain, through its 24.7% stake in Bankinter.

The Crédit Agricole Group is also present in Spain through its 99.6% stake in Bankoa, and Belgium, through the wholly-owned Belgium Crédit Agricole S.A.S.

Pursuant to its strategy of refocusing operations on Europe and the Mediterranean basin, Crédit Agricole S.A. has already sold its interests in four Sub-Saharan banks (*Crédit du Congo, Union Gabonaise de Banque, Crédit du Sénégal and Société Ivoirienne de Banque*) to Attijariwafa bank in 2009 and continues negotiations with a view to selling its interest in Cameroon to the same group. In December 2010 the Group sold its 100% interest in the Banque Indosuez Mer Rouge in Djibouti to the Bank of Africa. In Latin America, Crédit Agricole S.A. negotiations with Banco Bilbao Vizcaya Argentaria S.A. with a view to selling 100% of its stake in Crédit Uruguay Banco S.A were successfully concluded in January 2011.

4. SPECIALISED FINANCIAL SERVICES

Net banking income: €3.9 billion

Consumer finance: Crédit Agricole Consumer Finance was created in April 2010 from the merger of Sofinco and Finaref and is a European leader in its field, with a presence in 22 countries, (19 of them in Europe). Crédit Agricole Consumer Finance has a strong position across all distribution channels: direct sales, through retail outlets (household equipment and home improvements, automobile, etc.), e-commerce and partnerships.

Crédit Agricole Consumer Finance is also developing a brokerage business and the distribution of creditor insurance, insurance intended for mobile equipment and death & disability products.

Crédit Agricole Consumer Finance manages €78.1 billion in consumer finance outstandings.

Leasing and factoring: Crédit Agricole Leasing & Factoring was formed from the merger of Crédit Agricole Leasing and Eurofactor in March 2010 and is France's biggest leasing and factoring company with a major presence in Europe.

Lease finance:

- France: number 1 in lease finance, number 1 in equipment leasing, number 2 in property leasing (source ASF) and major financial partner of the public sector and sustainable development;
- Europe: number 6 in lease finance (source Leaseurope), number 1 in lease finance in Poland (source Polish Leasing Association).

Lease finance outstandings: €18.9 billion.

Factoring:

- France: number 1 in factoring (source ASF);
- Europe: Number 5 in factoring (source company), number 4 in Germany (source Deutscher Factoring-Verband).

Factored receivables: €57.8 billion

5. ASSET MANAGEMENT, INSURANCE, PRIVATE BANKING

Net banking income: €5.0 billion

Asset management: the Group's asset management business, which is conducted principally by Amundi Group, encompasses mutual funds for retail, corporate and institutional investors, and discretionary mandate services for corporate and institutional investors**.**

Outstandings managed by Amundi Group were €710 billion in 2010.

Insurance: number 1 bancassurer in Europe (source: Argus) and number 2 life insurer in France (source: Argus), Crédit Agricole Assurances covers all customer needs related to insurance, from personal insurance to property & casualty insurance products through creditor insurance for clients in France and abroad. In France, the business relies on Crédit Agricole Regional Banks and LCL. Outside France, its products are distributed through partner bank and financial institutions networks. Insurance today covers 19 countries.

2010 premiums: €29.7 billion (a 14.6% increase compared to 2009).

Private banking: the Crédit Agricole Group is a leading player in private banking. In France, it is one of the leaders in the high net worth segment, operating under three main brands:

- Crédit Agricole Banque Privée, a concept launched by the Regional Banks as well as their common subsidiary BforBank, the first 100% online private bank;
- BGPI (Banque de Gestion Privée Indosuez), specialised private banking subsidiary of the Group mainly dedicated to high net worth customers and banking services to high net worth individuals, working closely with the Regional banks but also directly with customers;
- LCL Banque Privée, specialised asset management divisions serving high net worth customers integrated within the LCL network.

Abroad, the Group is also one of the principal players in the private banking sector where it operates under the Crédit Agricole Private Banking brand name, notably in Switzerland, Luxembourg, Monaco and in rapidly growing markets (Asia, Latin America and the Middle East).

Assets under management: €128.2 billion*.

** LCL Banque Privée assets included and excluding assets managed by the Regional Banks and the private banking operations of International retail banking.*

6. CORPORATE AND INVESTMENT BANKING

Net banking income: €5.3 billion

With operations in more than 50 countries, Crédit Agricole Corporate and Investment Bank offers its customers a full range of products and services in capital markets, brokerage, investment banking, structured finance and commercial banking. Its activities are organised in four main business lines.

Coverage and Investment Banking groups together, in France and abroad, the coverage of corporate customers and financial institutions, as well as investment banking activities, syndicated loans, commercial banking outside France and Islamic finance.

The Equity Brokerage and Derivatives division groups together equity brokerage activities in Europe, Asia and the United States, along with equity derivatives and fund activities. Crédit Agricole CIB's equity brokerage activities are organised around two subsidiaries which are leading players in their markets: Crédit Agricole Cheuvreux and CLSA. The Group's other brokerage units are Crédit Agricole Securities (USA) Inc. and Newedge, a 50/50 joint venture owned by Crédit Agricole CIB and Société Générale.

The Fixed Income Markets division covers all activities involving the trading and sale of standard or structured capital market products dedicated to corporates, financial institutions and major issuers. The division comprises six specialised business lines (alternative products, foreign exchange, interest-rate derivatives, debt and credit markets, commodities and cash management) and a commercial unit.

The Structured Finance division has nine business areas: aircraft and rail finance; shipping finance; natural resources; infrastructure and power; real estate and hotels; export and trade finance; acquisition finance; commodity trading transaction finance; tax lease finance and Global Energy Group.

KEY FIGURES FOR CRÉDIT AGRICOLE GROUP

Including the Regional Banks, Local Banks, Crédit Agricole S.A. and their subsidiaries.

Summary income statement

(in millions of euros)	2010	2009	2008
Net banking income	34,206	31,305	28,455
Gross operating income	13,357	11,652	8,263
Cost of risk	(5,191)	(6,482)	(4,600)
Net income	4,091	3,069	2,941
Net income, Group share	3,611	2,747	2,451

Business operations

(in billions of euros)	2010	2009	2008
Total assets	1,731	1,694	1,784
Gross loans	882.0	828.1	791.0
Customer deposits	811.8	774.0	732.4
Equity	77.4	74.7	69.0
Equity, Group share	71.5	68.8	63.7

Ratings

Agency	Short term	Long term	Outlook
Moody’s	P1	Aa1	Stable
Standard and Poor’s	A1+	AA-	Negative
FitchRatings	F1+	AA-	Stable

CRÉDIT AGRICOLE GROUP MANAGEMENT REPORT 2010

Contents

Operating and financial review of the Crédit Agricole Group

PRESENTATION OF THE CRÉDIT AGRICOLE GROUP'S FINANCIAL STATEMENTS

The Crédit Agricole Group comprises 2,533 Local Banks, 39 Regional Banks, a central body "Crédit Agricole S.A." and their subsidiaries.

Crédit Agricole has a unified yet decentralised organisation. It has a three-tier organisational structure, with the Local Banks grouped into the Regional Banks which, via SAS Rue La Boétie, own close to 56% of the share capital of Crédit Agricole S.A. (at 31/12/2010); the latter is listed on Euronext Paris, compartiment A.

Crédit Agricole S.A. handles financial, commercial and legal issues in a cohesive manner, while encouraging decentralised responsibility. The Local Banks form the bedrock of the Group's mutual organisation. With 6.1 million members and 32,500 directors, they play a key part in maintaining a strong local presence and close relationships between the Group and its customers. The Local Banks hold the bulk of the capital of the Regional Banks, which are co-operative entities and fully-fledged banks. The Regional Banks own SAS Rue La Boétie, which in turn holds the majority of Crédit Agricole S.A.'s share capital. The *Fédération Nationale du Crédit Agricole* (FNCA) acts as a consultative and representative body, and as a platform for dialogue and expression for the Regional Banks.

When Crédit Agricole S.A. was floated in December 2001, it was organised to represent all of the Group's business lines and components. Crédit Agricole S.A. is the central body of Crédit Agricole network, in accordance with France's Code Monétaire et Financier; it ensures the cohesion of the Crédit Agricole network and the smooth running of all credit institutions affiliated to it; it represents the Group vis-à-vis the banking authorities. It also ensures their compliance with all regulations and legislation governing them by exercising administrative, technical and financial control over them. It takes all necessary measures to guarantee the liquidity and solvency of both the network as a whole and of each of the institutions affiliated to it. It is responsible for the Group's consistent development and works with its specialist subsidiaries to co-ordinate the various business lines' strategies in France and abroad.

The Crédit Agricole Group is a banking group with a central body as defined by the first banking directive of the European Union (EC 77/780), and prepares consolidated financial statements in accordance with Directive 86/635 in the capacity of reporting entity, as defined by European regulation 1606/2002, comprising a central body and its affiliates.

CHANGES TO ACCOUNTING POLICIES AND PRINCIPLES

Application of IAS/IFRS accounting basis

The introductory note to the Crédit Agricole Group's consolidated financial statements (Note 1: "Accounting policies and principles, assessments and estimates used") for the year ended 31 December 2010 sets out the regulatory framework and comparability with the figures for 2009.

Pursuant to EC Regulation 1606/2002, since 1 January 2005, Crédit Agricole Group's consolidated financial statements have been prepared in accordance with "International Financial Reporting Standards (IFRS)" as adopted by the European Union at the end of the reporting period.

The IFRS include IAS/IFRS and new interpretations adopted by the International Financial Reporting Interpretations Committee (IFRIC).

The standards and interpretations are the same as those applied and described in the Group's financial statements for the year ended 31 December 2009 with the exception of the change in the method for recognising actuarial differences in relation to post-employment defined benefit schemes. According to IAS 19, actuarial differences relating to defined-benefit schemes may be recognised:

- in the income statement for their full amount;
- or in the income statement for a portion calculated using the corridor approach;
- or in other comprehensive income for their full amount.

Up until 31 December 2009, the Crédit Agricole Group recognised actuarial differences in the income for the period during which they were recognised.

In order to provide information that is more comparable with the principles applied by other companies, Crédit Agricole Group has decided to book all actuarial differences under "Unrealised gains and losses recognised directly in equity". This method has been applied on a permanent and consistent basis to all pension schemes from 1 January 2010.

This change in accounting option is processed in accordance with the provisions of IAS 8 applied retroactively.

Furthermore, the standards and interpretations used in the 2009 financial statements have been supplemented by the IFRS provisions adopted by the European Union as at 31 December 2010 and which became mandatory for the first time for the 2010 accounting period. These relate mainly to:

- the revised IAS 27 on consolidated and separate financial statements;
- the revised IFRS 3 on business combinations;
- the amendment to IAS 39 on items qualifying for hedging which clarify the application of hedge accounting to the inflation component of financial instruments.

The application of these new provisions has not had any significant impact on income and shareholder's equity for the period, except for the effects of the loss of significant influence on Intesa Sanpaolo S.p.A.

The Group did not apply optional standards and interpretations during the year.

CHANGES IN THE SCOPE OF CONSOLIDATION

At 31 December 2010, the Group's scope of consolidation comprised 2,533 Local Banks, 39 Regional Banks, Crédit Agricole S.A. and 534 subsidiaries and investments. Notes 12 and 2.1 to the Crédit Agricole Group financial statements, respectively, present the Group's scope of consolidation and changes to the scope at 31 December 2010.

Transactions concerning the equity investment in Intesa Sanpaolo S.p.A

In 2009, Crédit Agricole Group, via Crédit Agricole S.A. was the second-largest shareholder in Intesa Sanpaolo S.p.A with 5.8% of the voting rights at 31 December 2009.

- Stake in Intesa Sanpaolo equity-accounted as at 30 June 2009

  Following the execution of a shareholders' agreement with Assicurazioni Generali S.p.A. designed to maximise the value of the two companies' respective equity investments, Crédit Agricole S.A.'s stake in Intesa Sanpaolo S.p.A., previously recognised in available-for-sale assets, was equity-accounted from 30 June 2009 for the first time. As of that date, the positive effect of this reclassification was to increase recyclable reserves by €1,462 million compared to 31 December 2008. In the income statement the equity-accounting had a total negative impact of €232 million for Crédit Agricole Group in 2009.

- Disposal of Intesa Sanpaolo S.p.A. shares, direct representation of Crédit Agricole S.A. on the board of Intesa Sanpaolo S.p.A. and extension of presence in Italy

  On 17 February 2010, Crédit Agricole S.A. and Assicurazioni Generali S.p.A. announced the ending of their shareholders' agreement effective from 19 March 2010.

  On 18 February 2010, Crédit Agricole S.A. announced that it had reached an agreement with Intesa Sanpaolo S.p.A., approved by the Italian Antitrust Authority and dealing with several items:

  - the disposal by Intesa Sanpaolo S.p.A. of a branch network, increasing the total size of the Crédit Agricole S.A. network in Italy to more than 900 branches;
  - the presentation by Crédit Agricole S.A. of a list to Intesa Sanpaolo S.p.A.'s General Meeting of Shareholders allowing it to gain representation on Intesa Sanpaolo S.p.A.'s Supervisory Board and exercise the voting rights attached to its longstanding shareholding until 30 June 2011. Since Crédit Agricole S.A. intends to protect the Group's financial interests, it has not committed itself to a disposal by any specific date excluding the portion over and above its longstanding 0.8% stake, which is to be sold in the months following the agreement.

The implementation of these commitments has resulted in:

- an expanded footprint in Italy.

  On 22 June 2010, Intesa Sanpaolo S.p.A. and Crédit Agricole S.A. finalised the terms and conditions of the disposal by the Intesa Sanpaolo S.p.A. Group at market conditions of a branch network mostly located in geographical areas neighbouring those in which Crédit Agricole S.A. is already present. The disposal will include two groups for a total cash amount of €740 million: Cassa di Risparmio della Spezia (or Carispe), a subsidiary of the Intesa Sanpaolo S.p.A. Group, which operates a network of 76 branches located in Liguria, Tuscany and Emilia-Romagna, and a group of 96 branches acquired directly from the Intesa Sanpaolo S.p.A. Group, located mainly in the Lombardy, Latium, Tuscany and Veneto regions.
  With this transaction, the Crédit Agricole Group will have a network of 902 retail banking branches in Italy. With all its Italian businesses (banking, insurance, asset management, corporate and investment banking, leasing and factoring, specialised financial services), the Crédit Agricole Group will become the seventh-largest player in the Italian banking market.
  The completion of this transaction is subject to approval by the Bank of Italy and the European Commission which is expected in 2011;
- Direct representation of Crédit Agricole S.A. on the Supervisory Board of Intesa Sanpaolo S.p.A.;
- Disposal of Intesa Sanpaolo S.p.A. shares.

  In the first quarter of 2010 Crédit Agricole S.A. disposed of a holding of 97 million Intesa Sanpaolo S.p.A. shares, accounting for 0.8% of Intesa Sanpaolo S.p.A.'s share capital, followed by the disposal, in July 2010, of an additional 1 million shares. After these disposals, the percentage holding by Crédit Agricole Group, via Crédit Agricole S.A., in Intesa Sanpaolo S.p.A's share capital is now 4.79%. In total, the loss realised by Crédit Agricole on the disposal of these shares was €171 million recorded under "Gains and losses on other assets" in the Corporate centre;
- Ending of the representation on the Supervisory Board of Intesa Sanpaolo S.p.A. and restatement of the market value of the equity investment

  On 16 December 2010, following its Board Meeting, Crédit Agricole S.A. ended the arrangement guaranteeing it representation on the Supervisory Board of Intesa Sanpaolo S.p.A.
  Crédit Agricole S.A.'s 4.79% equity stake – with 4.99% voting rights – in Intesa Sanpaolo S.p.A. previously equity-accounted, is now reclassified under available-for-sale financial assets. This deconsolidation resulted in the restatement of the market value of Crédit Agricole S.A.'s equity stake in Intesa Sanpaolo S.p.A.
  A negative impact of €1.2 billion was therefore recognised at the moment Intesa Sanpaolo S.p.A. ceased to be equity-accounted and the transition to fair value through profit and loss of the investment took place, based on the share price of 17 December 2010. This impact is shown under "Share of net income of equity-accounted entities" in the income statement for the Corporate centre.

The market value at 17 December 2010 is that used for recognition as available-for-sale financial assets. Any subsequent change in fair value will be recorded under unrealised gains and losses recognised in equity.

Disposal of Banque Indosuez Mer Rouge

On 2 August 2010 the Bank of Africa Group and Crédit Agricole S.A. announced the conclusion of an agreement for the acquisition by the Bank of Africa of the share capital of Banque Indosuez Mer Rouge (BIMR), the banking subsidiary of Crédit Agricole in Djibouti. This sale is part of Crédit Agricole Group's strategy to refocus its international retail operations on Europe and the Mediterranean basin, a process announced at the time of the capital increase carried out by Crédit Agricole S.A. in 2008.

This transaction was effectively completed during the fourth quarter of 2010.

BIMR's results are recorded in 2010 in net income for discontinued operations of the International Retail Banking division, the heading under which the €11 million capital gain on the disposal in the fourth quarter was recorded.

Disposal of Credit Uruguay Banco

In continuation of its withdrawal from countries that are uncooperative on tax matters, on 4 May 2010 Crédit Agricole S.A. signed an agreement for the disposal of its 100% holding in Credit Uruguay Banco, its Uruguayan retail banking subsidiary, to Banco Bilbao Vizcaya Argentaria Uruguay, for €75 million.

Income from Credit Uruguay Banco was transferred to net income for discontinued operations of the International Retail Banking division. The disposal became effective in January 2011 and the corresponding income will therefore be taken into account in the first quarter of 2011.

Furthermore, certain transactions completed in 2009 only had an impact on income in 2010:

Combination of Crédit Agricole S.A.'s and Société Générale's asset management businesses

On 31 December 2009, Crédit Agricole S.A. and Société Générale completed the combination of their asset management businesses. As of that date, CAAM Group, the parent company of the group, changed its name to Amundi Group. This new business line comprises 100% of CAAM Group's operations, to which Société Générale transferred its European and Asian asset management businesses. Following this transaction, Amundi Group is 75.0% owned by Crédit Agricole Group and 25% owned by Société Générale. At 31 December 2009, the Group's consolidated balance sheet included all Amundi assets and liabilities. However, the income statement of Crédit Agricole Group included Amundi's full income statement from 1 January 2010 only.

Transactions completed in 2009 also produced changes in the consolidation scope compared to 31 December 2009. These mainly include:

- **the increase of the equity stake in CACEIS** through the acquisition of 35% of share capital and voting rights, bringing the holding from 50% to 85%. CACEIS, which was previously proportionally consolidated, was fully consolidated from 30 June 2009;
- **the disposals of Crédit du Sénégal (fourth quarter 2009), Union Gabonaise de Banque (third quarter 2009), Société Ivoirienne de Banque (fourth quarter 2009) and Crédit du Congo (third quarter 2009).** Since the fourth quarter of 2008, income from these companies has been recorded as net income from discontinued activities.

Overall, the changes in the scope of consolidation produced a marginal impact on the Group's main financial aggregates when compared to other changes. Excluding changes to the consolidation scope, net banking income would have increased by 7.7%, instead of the actual 9.3% and expenses by 4.2%, instead of the 6.1% noted. This would have resulted in an increase in the gross operating income by 13.6%, broadly in line with the 14.6% overall increase recorded.

ECONOMIC AND FINANCIAL ENVIRONMENT

During the first half of 2010, the news was dominated by the sovereign debt crisis in Europe, which began in Greece before spreading to all heavily indebted countries in the eurozone (Ireland, Portugal and, to a lesser extent, Spain). This rise in tensions resulted in an explosion in risk premiums for bonds from states judged at risk and in flight-to-safe-haven purchases of best-rated sovereign debt (the yield on German Bunds, for example, fell below 2.6% in mid-year). The concerns also gradually shifted to European banks that carry this sovereign risk. The euro was significantly penalised and lost over 15% of its value against the US dollar in six months to touch a low point of 1.19 at the beginning of June.

In response, European leaders created a stabilisation fund totalling €750 billion: €440 billion in a fund guaranteed by the member states (the European Financial Stability Facility (EFSF)) to which the European Union added €60 billion and the International Monetary Fund around €250 billion. In addition Greece is benefiting from a dedicated emergency aid programme worth €110 billion which should cover its financing requirements until the end of 2012. The European Central Bank for its part has reactivated a certain number of liquidity support measures and has also announced a programme to buy back public and private securities on secondary markets. This aid programme, which comes with stringent conditions (recipient countries must implement a programme for budget streamlining and structural reforms), enabling governments to take the necessary budget measures to put public debt back on a sustainable path without being under pressure from the markets. **This response has brought relative calm to the markets: whilst the stabilisation plan wards off any liquidity crisis in the short term, concerns about the longer term solvency of certain eurozone member states have not disappeared.**

During the summer a series of poor US figures rekindled doubts as to the sustainable nature of the recovery in the United States, with the spectre of the recession returning. Markets were quick to question the Fed's decision to increase the scale of its securities purchases (quantitative easing programme-QE) to stimulate activity in a context of high unemployment and very low inflation. This put the US dollar under pressure (which fell as low as1.42 against the euro at the beginning of November) and kept long-term rates down (low point of 2.38% at the beginning of October). Following its meeting on 2 and 3 November 2010 and in line with expectations, the Fed announced its intention to acquire an additional €600 billion of long-term US treasury bills up until June 2011, whilst leaving open the possibility of adjusting the scale of this programme either upwards or downward to pursue its objectives of full employment and price stability. **The markets responded favourably to the news and to the better than expected cyclical indicators, revising their growth forecasts for the United States upwards. These were further strengthened by the new 2011 fiscal stimulus plan announced by President Obama at the beginning of December.** With fears of the recession returning dissipating, long-term US rates naturally adjusted, gaining more than 1% in the space of a month and then fluctuating at around 3.4% until the end of year.

The US dollar also picked up, even while the markets began to speculate that Ireland might make use of the EFSF. Following the same pattern as Greece, Ireland was eventually obliged to call on European aid at the end of November, after the withdrawal of investors and the liquidity crisis. This bailout package totalled €85 billion and the Irish government has undertaken to make €15 billion in savings over four years to bring its budget deficit back below the 3% mark. At the same time, Europe has laid down the foundations for a permanent crisis resolution mechanism to follow the current emergency plan from July 2013. This mechanism provides for the involvement of private bondholders, on a case-by-case basis, after an in-depth debt sustainability analysis of countries in difficulty. As there are no details about how this mechanism would work, markets have appeared cautious about it.

These financial jolts have not arrested the recovery. In Europe, survey data at the end of the year confirmed that the recovery was still in full swing albeit at a slow, but solid, rate, because it was being driven by domestic demand. In the United States, business indicators were also positive and growth accelerated at the end of 2010 to attain 3.2% on an annualised basis (on early forecasts). This good news sustained the upward trend in risk-free rates with, by implication, portfolio reallocations towards riskier and therefore higher yielding assets. The euro, benefiting both from this renewed appetite for risk and the lull observed on the European sovereign debt front, ended the year at close to $1.34.

CRÉDIT AGRICOLE GROUP OPERATIONS AND RESULTS

(in millions of euros)	2010	2009	Change 2010/2009
Net banking income	**34,206**	**31,305**	**+ 9.3%**
Operating expenses, depreciation and amortisation	(20,849)	(19,653)	+ 6.1%
Gross operating income	**13,357**	**11,652**	**+ 14.6%**
Cost of risk	(5,191)	(6,482)	(19.9%)
Operating income	**8,166**	**5,170**	**+ 57.9%**
Share of profit in equity-accounted entities	(900)	(6)	n.m.
Net gains (losses) on disposal of other assets and changes in the value of goodwill	(658)	(480)	+ 37.1%
Pre-tax income	**6,608**	**4,684**	**+ 41.1%**
Income tax expense	(2,538)	(1,773)	+ 43.1%
After-tax income from discontinued or held-for-sale transactions	21	158	(86.7%)
Net income	**4,091**	**3,069**	**+ 33.3%**
NET INCOME, GROUP SHARE	**3,611**	**2,747**	**+ 31.5%**

In 2010 the Group put in a very solid business performance servicing customers and the economy. In an environment filled with uncertainty over the economic recovery and the solvency of certain European states and marked by the current reform of prudential regulations for financial institutions, Crédit Agricole Group's results reflect its sound business performance, in particular in French retail banking, its continuing streamlining of business subsidiaries supporting the networks and the trend towards lower costs of risk.

Retail banking networks in France, capitalising on the return of growth, achieved several business successes and maintained their commitment to the economy, accelerating growth in their outstanding loans.

Internationally, the second half of the year saw a gradual recovery of retail bank business, accompanied by investments in the networks.

The specialised businesses continued to service these, benefiting from the streamlining conducted in each of them: the Sofinco / Finaref merger, the Crédit Agricole Leasing and Eurofactor merger, the successful incorporation of Amundi and the growing strength of Crédit Agricole Assurances. Corporate and investment banking continued its refocusing. Ongoing activities, particularly financing activities, stood out by their vigorous growth, which was in line with the plan. The controlled withdrawal from discontinuing operations continued.

These changes were brought about in a context of cost control, taking account, however, of important projects within the Group that will deliver future gains such as the consolidation of Paris-based teams on the Evergreen campus in Montrouge, the NICE streamlining project for Regional Bank IT systems or the IT centre in Chartres.

2010 was characterised by a significant regular reduction in the cost of risk quarter by quarter, in line with the beginning of the economic recovery. All businesses contributed: Corporate and Investment Banking strongly, the networks (Regional Banks, LCL, International retail banking) and consumer finance more modestly. In contrast, uncertainties about peripheral eurozone countries weighed on the results of Emporiki, which saw its cost of risk increase, leading it to update its restructuring and development plan.

Finally, a number of exceptional items from outside the business lines affected the results of Crédit Agricole Group: the treatment of the equity stake in Intesa Sanpaolo S.p.A. with the disposal of some securities and the derecognition of the balance of our investment following the loss of significant influence and the recording of a positive tax of around €440 million relating to the exit tax on life-insurance contracts.

Net banking income of Crédit Agricole Group totalled €34.2 billion, up by 9.3% for the year, or 6.8% on a like-for-like basis. **Operating expenses** were €20.8 billion, a modest 3.4% increase on a like-for-like basis and at constant exchange rates, and **gross operating income** was close to €13.4 billion. It therefore grew by 14.6% over the year, a 12.5% increase on a like-for-like basis and at constant exchange rates.

This strong rise in **gross operating income**, enabled through cost control in a context of business restructuring, is explained in the first instance by the good results of the retail bank. The Regional Banks increased their gross operating income by 9.7%, led by strong business results (net banking income up by 5.9% on the twelve months) while costs remained under control, rising by just 3.2% in 2010 despite a number of exceptional costs, particularly linked to the NICE project. LCL recorded a constantly regular rise of 5.5% for the year, meaning that business continued to grow at a very sustained rate (with net banking income up by 2.5%), with general expenses under control (up by 0.9%, below the target of the competitiveness plan). In International retail banking, the effects of the recovery were visible at Emporiki, where gross operating income tripled compared to 2009, due to improved margins (with net banking income up by 9.1%) and significant cost reductions (-7.3%) due to the reduction in employee numbers and strict cost control measures. Excluding Emporiki, gross operating income totalled €859 million. Specialised businesses also experienced significant improvements. Gross operating income rose in Specialised financial services, (€2.2 billion, up 12.0% over the year), due notably to the vigour of the consumer finance business, which recorded significant new business. Savings management businesses performed well: insurance showed even stronger operational efficiency, with gross operating income up by 32.5% to €1.5 billion, whereas in asset management the consolidation of Amundi was a success (gross operating income up by 16.4% to €610 million). In Corporate and investment banking, the situation was more contrasted, with an excellent year for structured finance (gross operating income of the financing activities grew by 56.0%) but markets remained difficult in 2010 (gross operating income of the Capital markets and investment banking fell by 65.3%) whereas the impact of discontinuing operations fell sharply (-67.2%).

With businesses performing well commercially, and costs contained despite the streamlining efforts undertaken, the cost/income ratio of Crédit Agricole Group totalled 61.0%, down by 1.8 point compared to the previous year.

The reduction in the **cost of risk** observed since the beginning of the year accelerated at the end of the period, to attain 19.9%. The decline was driven primarily by Regional Banks, whose cost of risk fell 21.0% compared to 2009, despite further significant increase in collective reserves. Also, ongoing activities of the Corporate and Investment Bank recovered strongly in the fourth quarter (+€16 million), reflecting the improvement in the economic environment for sectors and counterparties placed on credit watch. Over the year, the cost of risk of these activities fell by 72.6%. The reduction at LCL was also noteworthy (-17.4%), linked to the French economic environment. In International retail banking (excluding Emporiki) and Specialised financial services, a reduction in the cost of risk was also observed, albeit less marked: -2.4% and -1.7% respectively. The cost of risk for Emporiki remained high over the year (€1,022 million) but remains concentrated on old generations of loans. For the Group, the cost of risk in 2010, at less than €5.2 billion, represents 60 basis points of average loans outstanding, against 81 basis points a year earlier. Impaired receivables totalled €16.9 billion at 31 December 2010, a €3.1 billion fall compared to 31 December 2009 [(*)]. These accounted for 3.5% of gross loans outstanding from credit institutions and customer loans (excluding finance lease transactions). The cover rate was 77.5% including collective reserves and 55.1% excluding collective reserves. Please refer to the section on “Risk factors” and to Note 4.8 to the Financial Statements, which provide an analysis on changes affecting the cost of risk.

Income from equity-accounted affiliates, at -€900 million, includes the negative impact of the derecognition of the equity investment in Intesa Sanpaolo S.p.A. for €1.2 billion.

Net income from other assets and changes in the value of goodwill, of -€658 million, includes the new goodwill impairment charge for Emporiki of -€445 million (a -€485 million charge had previously been booked in 2009). The negative impact of the disposal of Intesa Sanpaolo S.p.A shares for €171 million was also recorded under this heading in 2010.

After **tax** of €2.5 billion, including the positive effect of the new treatment of the exit tax in insurance (around €440 million), **net income, Group share** for Crédit Agricole Group totalled €3.6 billion, up by 31.5% compared to the previous year.

(*) 2009 data adjusted for a technical reclassification.

OPERATIONS AND RESULTS BY BUSINESS LINE

Crédit Agricole Group is organised into six business lines:

- French retail banking – Crédit Agricole Regional Banks;
- French retail banking – LCL;
- International retail banking;
- Specialised financial services;
- Asset management, insurance and private banking;
- Corporate and investment banking;

plus the Corporate centre.

The Group's business lines are defined in Note 5 to the consolidated financial statements at 31 December 2010 - "Segment reporting".

Contribution by business line to Crédit Agricole S.A.'s net income, Group share

(in millions of euros)	**31/12/2010**	**31/12/2009**
Retail banking in France	4,008	3,060
International retail banking	(962)	(478)
Specialised financial services	536	456
Asset management, insurance and private banking	1,515	1,365
Corporate and investment banking	996	(320)
Corporate centre	(2,482)	(1,336)
NET INCOME - GROUP SHARE	**3,611**	**2,747**

1. FRENCH RETAIL BANKING – CRÉDIT AGRICOLE REGIONAL BANKS

The Regional Banks delivered a strong performance in 2010, contributing €3.3 billion to net income, Group share, a 34.4% increase on 2009.

(in millions of euros)	2010	2009	Change 2010/2009
Net banking income	**13,807**	**12,912**	**+ 6.9%**
Operating expenses, depreciation and amortisation	(7,477)	(7,191)	+ 4.0%
Gross operating income	**6,330**	**5,721**	**+ 10.7%**
Cost of risk	(1,382)	(1,750)	(21.0%)
Operating income	**4,948**	**3,971**	**+ 24.6%**
Share of profit in equity-accounted entities	2	1	**x 3.5**
Net gains (losses) on disposal of other assets and changes in the value of goodwill	(10)	(5)	**+ 8.9%**
Income tax expense	(1,637)	(1,510)	+ 8.5%
NET INCOME	**3,303**	**2,457**	**+ 34.5%**
NET INCOME, GROUP SHARE	**3,302**	**2,456**	**+ 34.4%**

These results convey the strong business dynamic that continued throughout the year within the networks for all leading products.

Deposits in Livret A savings accounts increased by 38.2% to €17.1 billion in one year and the number of these accounts reached 5 million while the number of housing savings accounts (PELs) reached 4 million. Life insurance outstandings increased by 6.2% in one year to total nearly €155 billion at the end of December 2010, with the total number of policies reaching nearly 10.5 million at the end of 2010, up by 5.6% compared to the end of 2009. On-balance sheet deposits grew strongly, up 5.4% in 12 months, driven notably by demand deposit accounts where deposits grew by 7.4% in the same period. The total of all deposit inflows increased by 4.1% over a year, delivered by all customers: deposits grew by 11.9% for corporate customers, 8.5% for individual customers and 6.6% for small businesses.

Customer deposits outstanding - Regional Banks

(in billions of euros)	31/12/2010	31/12/2009	Change 2010/2009
Demand deposits	83.4	77.6	+ 7.4%
Passbook accounts (1)	87.1	80.8	+ 7.9%
Home purchase savings schemes	76.5	73.7	+ 3.8%
Time accounts and deposits(2)	52.8	52.4	+0.8%
Total bank resources	**299.8**	**284.5**	**+ 5.4%**
Life insurance	154.4	145.3	+ 6.2%
Securities (equities, bonds, negotiable debt instruments, redeemable subordinated loans, CCIs, …) (3)	44.0	44.5	(1.3%)
Mutual funds (4) and property investment funds trusts	44.9	47.3	(5.1%)
TOTAL OUTSTANDING (5)	**543.1**	**521.6**	**+ 4.1%**

(1) Passbook accounts, « youth » passbook accounts, LEP « popular savings » passbook accounts and LDD « sustainable development » passbook accounts.

(2) Including short term notes, PEP popular savings plans and CDNs owned by non-financial customers

(3) Securities held centrally in the Regional Banks' customers' portfolios (excluding negotiable debt instruments owned by financial and inter-bank customers)

(4) Including non-Group mutual funds.

(5) Excluding financial customer investments.

Account services and bank cards also showed good progress with total Double Action active cards reaching almost 1.1 million by the end of 2010.

In the loans field, the Regional Banks maintained their commitment to their customers and the French economy in 2010, a commitment that resulted in overall growth of 5.1% in customer loans outstanding in the year to attain more than €375 billion. While this growth is driven strongly by housing, with mortgages increasing by 6.5% in twelve months to attain over €202 billion, it concerns all actors and sectors of the economy, including notably agriculture (up 2.5%), corporate customers and small businesses (+1.7%). New loans in 2010 reached 18.4% in twelve months – a level close to that of 2007 – and December 2010 was a record month.

Loans outstanding - Regional Banks

(in billions of euros)	**Gross outstandings at 31/12/2010**	**Gross outstandings at 31/12/2009**	**Change 2010/2009**
Mortgages	202.5	190.2	+ 6.5%
Farming	33.4	32.6	+ 2.5%
Corporates and small businesses	82.6	81.2	+ 1.7%
Consumer finance	17.5	17.4	+ 1.0%
Local authorities	39.3	35.8	+ 9.6%
TOTAL	**375.3**	**357.2**	**+ 5.1%**

Net banking income totalled €13.8 billion in 2010, a 6.9% increase in one year. Net banking income from customer business grew by 6.6% over the same period and 6.3% excluding home purchase savings plans. The intermediation margin grew significantly, by 11.9% in 2010, as a result of the combined impacts of the yield curve, the rise in deposit commissions and the reduction in the cost of liquidity. Commissions fell slightly overall because of the reclassification of credit commissions as intermediation margins. Notwithstanding this reclassification, the change in commissions is positive.

Costs remain under control, but rose by 4% year-on-year, mainly reflecting the 2010 impact of investments linked to the NICE project. The cost/income ratio was 54.2% at end-2010, down by 1.5 point on the previous year. Excluding the NICE project, the cost/income ratio is 52.4% at end-2010, a 1.9 point decline on 2009.

The cost of risk fell markedly in 2010, by 21.0% year-on-year. The cost of risk accounted for 32 basis points of loans outstanding at the end of December 2010 compared to 50 basis points at the end of December 2009; this significant improvement was achieved despite a net strengthening of charges to collective reserves whereas charges to specific reserves fell by 27.9% year-on-year. Total outstanding provisions raised at the end of 2010 account for 107.5% of doubtful loans and receivables; these stabilised at 2.4% of gross outstanding loans and were 68.1% covered at the end of 2010 (67.9% cover rate at the end of 2009).

2. FRENCH RETAIL BANKING – LCL

In 2010, LCL confirmed its ability to achieve good results, on both the business and financial fronts.

(in millions of euros)	2010	2009	Change 2010/2009
Net banking income	**3,945**	**3,849**	**+2.5%**
Operating expenses, depreciation and amortisation	(2,575)	(2,551)	+0.9%
Gross operating income	**1,370**	**1,298**	**+5.5%**
Cost of risk	(359)	(435)	(17.4%)
Pre-tax income	**1,009**	**863**	**+16.8%**
Income tax expense	(303)	(259)	+16.8%
Net income	**706**	**604**	**+16.8%**
NET INCOME, GROUP SHARE	**706**	**604**	**+16.8%**

2010 marked the end of the competitiveness plan that has allowed LCL to position itself as a pioneer business in innovation, exemplary for the satisfaction of its customers and impressive in its results, on both the business and financial fronts. Net new account openings by individual and small business customers totalled nearly 160,000 with an emphasis on young customers.

The main focus of this plan is that the quality of the customer relationship remains at the heart of LCL's strategy, as shown by the launch of "*LCL à la carte*" for new small business customers in 2010.

Throughout 2010, LCL confirmed its role in supporting the national economy, with outstanding loans increasing by 7.4% compared to the end of 2009 to reach €82.1 billion, a figure which rises to €94.5 billion with off-balance sheet commitments to the corporate sector. This change is in line with the level of new loan production which is at its highest of the last five years. New housing loans increased by 63% over the year to €12.9 billion, a comparable level to that of 2006. In the corporate and small business market, growth was 4.7% due notably to the recovery of growth in medium- and long-term loans. LCL has exceeded its commitment to VSB/SMEs customers with significant new investment lending.

The 2010 period was also marked by the maintenance of a high level of deposit inflows (+4.6% over the year). Customer assets excluding securities grew significantly and continuously throughout the year. This dynamic was sustained by the rise in outstanding demand deposits (+10.3%), accompanied by continuing growth in life insurance (+9.1%) and to a lesser extent by the growth in outstanding on-balance sheet savings that once again was positive at 4.1%.

In this context, net banking income for 2010 was up by 2.5% to €3.9 billion year on year. Excluding provisions on home purchase savings plans, growth was 2.8%.

This growth in income was based on growth in interest margins (+3.6%) coupled with growth in commissions (+1.1%). The interest margin was boosted by the growth in outstanding loans, sustained deposit gathering and the maintenance of lending interest rate margins. In parallel, new housing loans and sustained corporate activity explain the positive change in commissions.

Following the competiveness plan, operating expenses remained tightly controlled, totalling €2.6 billion. The increase was limited to 0.9% compared to 2009.

These changes resulted in a 1 point improvement in the cost/income ratio which attained 65.3%.

Gross operating income totalled €1.4 billion in 2010, up by 5.5% compared to 2009.

The 2010 period was marked by a significant improvement in the cost of risk, which fell 17% compared to 2009, to total €359 million. Therefore, although commitments had been rising since the beginning of the year, the relative weighting for the cost of risk fell from 56 to 43 basis points.

Throughout the year the rate of doubtful and bad debts fell to 2.62% at the end of December 2010 (2.90% at the end of 2009), with the cover rate, including collective reserves attaining 73.5% (70.8% in 2009).

The reduction in the cost of risk associated with solid operating performance enabled operating income to grow by 17.1%.

In total, net income, Group share totalled €706 million, up by 16.8% in 2010.

3. INTERNATIONAL RETAIL BANKING

The results of the International retail banking division were marked in 2010 by improvements in the operating performance of the various entities and by the deterioration of the situation in Greece. This context led to an increasing cost of risk and an additional goodwill impairment charge for Emporiki.

Net income, Group share for the division in 2010 recorded a loss of €962 million. Excluding Emporiki, it reached +€308 million, up 13.4% over the year.

International retail banking income statement

(in millions of euros)	2010	2009	Change 2010/2009
Net banking income	**3,292**	**3,239**	**+1.6%**
Operating expenses, depreciation and amortisation	(2,165)	(2,187)	(1.0%)
Gross operating income	**1,127**	**1,052**	**+7.2%**
Cost of risk	(1,475)	(1,132)	+30.4%
Operating income	**(348)**	**(80)**	**x 4.3**
Share of profit in equity-accounted entities	98	135	(27.2%)
Net gains (losses) on disposal of other assets and changes in the value of goodwill	(464)	(480)	(3.3%)
Pre-tax income	**(714)**	**(425)**	**+67.9%**
Income tax expense	(203)	(189)	+7.3%
After-tax income from discontinued or held-for-sale transactions	21	158	(86.5%)
Net income	**(896)**	**(456)**	**+96.3%**
NET INCOME, GROUP SHARE	**(962)**	**(478)**	**x 2.0**

Following the disposals in 2009 of Crédit du Sénégal, Union Gabonaise de Banque and Société Ivoirienne de Banque, in 2010 the International retail banking business line continued to refocus on Europe and the Mediterranean Basin. The disposals of Banque Indosuez Mer Rouge (BIMR) and Crédit Uruguay Banco (CUB) were completed in the fourth quarter of 2010 and the first quarter of 2011 respectively. Their results were recorded under the heading "held-for-sale activities" in 2010. The disposal of Crédit Uruguay Banco became effective in January 2011 and the income from this will be recognised in the first quarter of 2011.

In an uncertain economic environment in several countries, net banking income is growing by 1.6% a year due to dynamic business activity in all networks. Growth was 3.7%, after restatement of African entities transferred to discontinued businesses in 2009, followed by that of and CUB and BIMR in 2010. The contribution of Emporiki to this good performance is particularly important, with net banking income recovering sharply. Despite the investment in the networks, operating expenses declined by 1.0% over the year, notably due to strict cost-control measures undertaken by Emporiki. Gross operating income thus increased by 7.2%, reflecting stronger operational efficiency in the networks. The cost of risk grew by 30.4% over one year, affected by the deterioration of the economic environment in Greece and provisions undertaken for the old generation of loans. Excluding Emporiki, the cost of risk fell by 4.6%.

Income for equity-accounted entities totalled €98 million, down by 27.2% over one year, principally due to a lower contribution from Bankinter. Finally, net income on other assets includes a goodwill impairment charge of €445 million recorded for Emporiki. This charge is a consequence of the updated restructuring and development plan made necessary by the deterioration of the economic environment in Greece (the charge totalled €485 million in 2009).

Overall, the net income, Group share of the International Retail Banking division recorded a loss of €962 million in 2010.

In Italy, Cariparma experienced steady activity and maintained its profitability in an environment that continued to be difficult.

Over one year, growth in deposits and loans exceeded the market(*): outstanding deposits (+1.2%) and outstanding loans (+4.3%). This solid business performances enabled net banking income to recover during the second half: for the full year it totalled €1.4 billion, a slight reduction of 0.4% over the year. Therefore, the interest margin grew, drawing in part from the dynamic loan activity, commissions were also up due to increased synergies with the Group product subsidiaries. Expenses continued to be contained, +0.6% over one year, excluding accounting for initial costs related to the consolidation of new branches and Carispezia acquired from Intesa Sanpaolo S.p.A. The cost/income ratio was 57.5% in 2010, excluding these costs. As a result of this good performance, Cariparma obtained an AA-/A-1+ rating for its first Standard & Poor's rating and retained its first place in the Banca Finanza classification, a classification based on solidity, profitability and productivity criteria.

In Greece, in order to take account of the deterioration of the economy, Emporiki updated its restructuring and development plan for the period 2009-2013. This update was undertaken in the second quarter of 2010 and has lead to the recognition of an additional goodwill impairment of €445 million.

Despite this difficult environment, net banking income in 2010 totalled €760 million, up by 9.1% over one year. It benefited from the resilience of commissions and an improvement in interest margins due to the reduction in outstanding time deposits bearing negative margins on the one hand, and the backing of Emporiki by Crédit Agricole S.A. on the other hand. Operating expenses fell sharply (-7.3% over one year) due to the significant restructuring efforts undertaken by the bank: voluntary redundancies and strict cost control measures. Overall, gross operating income totalled €165 million, tripling over one year. Excluding restructuring costs, the cost/income ratio totalled 64.2% in the fourth quarter of 2010, a reduction of 20.5 points over one year.

The cost of risk fell in the fourth quarter of 2010 but remained at a high level: it totalled €1 billion for the year, reflecting the provisioning effort carried out by Emporiki for the old generation of loans. Outstanding loans were stable overall, and the volume of loans reclassified from weak/watch list to doubtful reduced. Furthermore, the cost of risk for new loans continued to be very low due to the more selective loan approval policy.

Emporiki's contribution to net income, Group share was a loss of close to €1.3 billion for 2010, which included the goodwill impairment.

Excluding Italy and Greece, other entities of the Group posted net income, Group share of €122 million, up 14.0% over one year. This performance resulted in contrasting impacts: improvement in the cost of risk, a lower contribution from equity-accounted entities and the recognition of goodwill impairment for Crédit Agricole Srbija.

(*) Source: Prometeia - Bank balance-sheet forecast

4. SPECIALISED FINANCIAL SERVICES

In 2010, the **Specialised financial services** business line demonstrated its dynamism through high operating income. Two structural changes occurred in 2010 with the merger, on the one hand, of Sofinco and Finaref, creating CACF (Crédit Agricole Consumer Finance) and CA Leasing and Eurofactor, on the other, giving rise to CAL&F (Crédit Agricole Leasing & Factoring).

In 2010, gross operating income grew by 12.0% due to the stability of net banking income and cost control despite increased business investments. At nearly €4 billion for the year, net banking income grew by 7.2% both in consumer finance (+6.7%) as well as in lease finance and factoring (+10.6%).

In 2010 the decrease in the cost of risk was also confirmed with a continued fall since the middle of the year. The average cost of risk was 168 basis points of outstanding in 2010, 11 points less than in 2009. The reduction in the cost of risk was also observed in value with a reduction of 1.7% between 2009 and 2010.

Overall, net income, Group share totalled €536 million for 2010, continuing its high level of growth (+17.6% over one year) with an intermediation ratio below 77%, amongst the lowest in the industry.

(in millions of euros)	**2010**	**2009**	**Change 2010/2009**
Net banking income	**3,945**	**3,679**	**+7.2%**
Operating expenses, depreciation and amortisation	(1,734)	(1,705)	+1.7%
Gross operating income	**2,211**	**1,974**	**+12.0%**
Cost of risk	(1,298)	(1,320)	(1.7%)
Operating income	**913**	**654**	**+39.5%**
Share of profit in equity-accounted entities	12	10	+26.3%
Net gains (losses) on disposal of other assets and changes in the value of goodwill	-	1	n.m.
Pre-tax income	**925**	**665**	**+39.1%**
Income tax expense	(330)	(136)	x 2.4
Net income	**595**	**529**	**+12.5%**
NET INCOME, GROUP SHARE	**536**	**456**	**+17.6%**

In the area of **consumer finance**, business increased and income rose significantly. Outstanding loans totalled €78.1 billion, up by 3.0% over the year, excluding consolidation scope changes. In France, the launch of the new Sofinco TV advertising campaign around the "*café de l'Étoile*" theme, the recent positive impacts of the car scrappage scheme and the boom in the household goods sector have boosted business. Internationally, the development of new partnerships, notably in Germany with Suzuki, and the positive start to the e-commerce partnership with Pixmania in Europe led to an increase in loans of 3.3% over one year, 9.2% excluding Italy, where activity experienced a certain slowdown.

Another international new business was launched in China through a joint venture to develop a partnership with one of the main Chinese automotive distributors, Guandzhou Automobile Group, in vehicle financing for individuals and dealers.

During 2010, the results of Crédit Agricole Consumer France showed sustained growth proving the strengthening of operational efficiency: gross operating income grew by 12.1% over the year. Net banking income grew by 6.7% to €3.4 billion whilst expenses fell 0.4% due notably to the successful merger of Sofinco and Finaref in France and of Agos and Ducato in Italy. The cost/income ratio, at 40.5%, thus improved by 2.9 points compared to 2009.

The cost of risk has fallen for three consecutive quarters with a 3.3% drop over one year, to total 218 basis points of outstanding loans.

Overall, net income, Group share totalled €461 million in 2010, up by 20.0% compared to 2009.

In **factoring and lease finance**, the Group strengthened its position as French leader in both segments despite a difficult economic environment. Business activity remained very strong across all businesses and territories with good operational results. Thus, CAL&F's gross operating income totalled €233 million and grew by 18.4% over the year with net banking income up by 10.6%. Operating expenses continue to be well controlled with a cost/income ratio of 59.0% which has improved by 1.7 percentage point over the year. Overall, net income, Group share of €95 million increased by 18.2% over the year.

In **lease finance**, growth in loans and new business was confirmed quarter after quarter, with an increase of 7.4% and 6.8% respectively over the year whilst the cost of risk decreased since the middle of the year. With record high production of €6.6 billion for the year, lease finance loans totalled €19 billion at the end of 2010.

In the **factoring business**, 2010 was a record year in business terms. Factored receivables were up by 21.5% in France and 45.6% internationally, the latter now accounting for 39% of the business (a growth of 4 points compared to 2009). Factored receivables totalled €57.8 billion at the end of 2010 compared to €44.6 billion in the previous year. The cost of risk was very tightly controlled, representing 0.15% of the debts financed.

5. ASSET MANAGEMENT, INSURANCE AND PRIVATE BANKING

In 2010, the **Asset Management, insurance and private banking** division experienced significant growth in earnings and a high level of activity, enhanced by organisational changes such as the creation of Amundi. The business line took on a new dimension. Assets under management reached €1,057 billion which included €710 billion in asset management, €219 billion in life insurance and €128 billion in private banking. Assets under management grew by 26.3% year-on-year and by 5.0% on a like-for-like basis, i.e. by incorporating the SGAM assets under management in 2009. The division's net inflows reached €34.8 billion for the year 2010, stable compared to 2009 restated to account for outflows on monetary assets in 2010.

This good level of activity enabled strong growth of operating income. The gross operating income at €2.5 billion thus increased by 25.1% year-on-year on a like-for-like basis and at constant exchange rates, excluding restructuring costs at Amundi. The net banking income of nearly €5 billion in 2010 grew in all businesses of the division to reach overall like-for-like growth of 12.1%. Expenses were well-controlled and only grew by 0.8% on a like-for-like basis and excluding restructuring costs. Operating efficiency thus greatly improved with a cost/income ratio of 49.7% for improvement by 5.4 points year-on-year and like-for-like. Overall, the contribution to net income, Group share reached €1,515 million, up by 12.1% like-for-like after taking into consideration €81 million in restructuring costs at Amundi.

Income statement - Asset management, insurance and private banking

(in millions of euros)	**2010**	**2009**	**Change 2010/2009**
Net banking income	**4,978**	**3,916**	**+27.1%**
Operating expenses, depreciation and amortisation	(2,488)	(1,982)	+25.5%
Gross operating income	**2,490**	**1,934**	**+28.7%**
Cost of risk	(24)	(7)	x 3.6
Operating income	**2,466**	**1,927**	**+27.9%**
Share of profit in equity-accounted entities	3	1	x 2.8
Net gains (losses) on disposal of other assets and changes in the value of goodwill	(8)	-	n.m.
Pre-tax income	**2,461**	**1,928**	**+27.6%**
Income tax expense	(799)	(535)	+49.5%
Net income	**1,662**	**1,393**	**+19.3%**
NET INCOME, GROUP SHARE	**1,515**	**1,365**	**+11.0%**

In **Asset management**, Amundi (including the asset management activities of BFT) shows strong growth in income and a good volume of activity. Inflows thus reach €14.3 billion for all assets classes, excluding monetary assets for which the level of outflows follows market trends. Net inflow remains however positive over the year buoyed by bond funds and guaranteed funds. The resiliency of inflows follows the enhancement of positions on institutional clients, in particular internationally and the growing power of ETFs of which assets under management reached €5.3 billion at the end of December 2010. Overall assets grew by 3.2% over the year to reach €710.3 billion at 31 December 2010. Amundi is thus third in Europe and eighth worldwide in asset management.

These solid business performances are the result of enhanced operating efficiency. On a like-for-like basis, net banking income from asset management grew by 6.4% over the year to reach €1,517 million. Excluding restructuring costs and on a like-for-like basis, expenses were down by 1.8% which allowed gross operating income to increase by 18.2% to €691 million in one year. Excluding restructuring expenses, the cost/income ratio improved by 4.6 percentage points between 2009 and 2010 to reach 54.4% for the year 2010.

After accounting for €81 million in restructuring costs over the year 2010, the net income of the asset management business line came to €406 million for the year. The Group's share amounts to €305 million.

With the successful integration of CAAM and SGAM, computer migrations completed and the organisation turned toward development, Amundi is now ready to benefit from synergies which will be fully realised in 2011.

Investor services continue to post strong business growth and strong operating efficiency. In 2010, CACEIS thus incorporated the depositary/custodian operations of the mutual funds of HSBC France as well as its fund valuation subsidiary HSS. It also made progress in rationalising its securities custodian system between Paris and Luxembourg. In this context, the assets under administration grew by 8.4% between December 2009 and December 2010 and the assets under custody by 2.3% in the same period. This sustained activity allows the business line to record, between December 2009 and December 2010 an increase of 1.7% in like-for-like net banking income that came to €811 million. Expenses are down by 0.5% over the year and the cost/income ratio is down by 1.7 percentage point to reach 70.9% for the year 2010. Overall, gross operating income grew by 7.4% whereas the net income at €146 million represents an increase of 5.6% over the same period. The net income, Group share was approximately €120 million.

Private banking had dynamic activity with net inflows of €7.2 billion for the year. Moreover it benefited from a contrasted market environment in the beginning of the year that became favourable in the second half (+€4.1 billion year-on-year) for a net positive change (+€1.9 billion). In total, assets under management, including the assets of the BGPI, Crédit Agricole CIB’s International private banking and LCL, grew by 11.5% to reach €128.2 billion at 31 December 2010. 55% of these assets are held internationally, with continuing progress in regions of strong growth and, notably, in Asia and Latin America.

In terms of income, private banking operating performance was excellent: gross operating income grew by 14.0%, at constant exchange rates. This strong growth results from healthy growth in fees and margins linked to the increase in assets for an increase of 11.6% in net banking income for the year, i.e. 4.5% at constant exchange rates. Expenses are contained, growing by only 1.7% at constant exchange rates. The business line records an expense level on average assets of 0.54%, amongst the lowest in the industry.

The total net income of the private banking was €117 million, an increase of 10.5%. The Group’s share of annual income reached nearly €109 million, up 11.0%.

For the **Insurance** division, 2010 was a very good year with net income of €993 million, up by 17.4% over 2009. The Crédit Agricole Assurances Group recorded premiums of €29.7 billion in 2010, up by 14.6% over the year. At the end of December 2010, life insurance assets under management totalled €218.5 billion, of which 19.1% were unit-linked policies.

With premiums of €21.1 billion, life insurance in France grew by 17.2% in 2010, ahead of the market which increased by 4% (source: FFSA). Its market share of assets was 15.2% at 31 December 2010.

Likewise, property & casualty insurance in France achieved a very good business performance in 2010. Its premiums of €2.1 billion grew by 9% year-on-year and like-for-like, a significantly higher increase than the market at +1.5% (source FFSA). Its policies portfolio, which increased by 6% year-on-year, has doubled in six years.

International property & casualty premiums totalled €5.4 billion and were up by 7.6% year-on-year. The business momentum was possible due to the expertise of the banks in the Crédit Agricole group in the various countries. In 2010, Portuguese retirement products were, notably, very successful.

Creditor insurance collected premiums of €1 billion in 2010. The slowdown in international business following a more selective credit policy in Poland was offset by the increasing strength of the LCL partnership in France.

The insurance division maintained control over its expenses and recorded a relatively low cost/income ratio, declining steadily (from 31.7% in 2009 to 26.6% in 2010).

The QIS5 simulations (using data at 31/12/2009) confirmed the capacity of Crédit Agricole Assurances to cover its Solvency II needs on the basis of its current capital.

6. CORPORATE AND INVESTMENT BANKING

2010 income for Crédit Agricole Corporate and Investment Bank shows the relevancy of the Refocusing and Development plan implemented in Autumn 2008. Net income, Group share reached €996 million. The net income, Group share from ongoing activities reached €1.5 billion, greatly exceeding the objective of €1 billion defined in the 2008 plan.

Income statement - Corporate and investment banking

(in millions of euros)	2010	2010 Ongoing activities	2009	2009 Ongoing activities	Change 2010/2009 Ongoing activities
Net banking income	**5,315**	**5,689**	**4,156**	**5,503**	**+3.4%**
Operating expenses	(3,507)	(3,399)	(3,181)	(3,057)	+11.2%
Gross operating income	**1,808**	**2,290**	**975**	**2,446**	**(6.4%)**
Cost of risk	(623)	(283)	(1,769)	(1,032)	(72.6%)
Operating income	**1,185**	**2,007**	**(794)**	**1,414**	**+42.1%**
Share of profit in equity-accounted entities	139	139	115	115	+20.8%
Net gains (losses) on disposal of other assets	(6)	(6)	12	12	n.m.
Pre-tax income	**1,318**	**2,141**	**(667)**	**1,541**	**+39.0%**
Income tax expense	(305)	(571)	355	(364)	+56.8%
Net income	**1,013**	**1,570**	**(312)**	**1,177**	**+33.4%**
NET INCOME, GROUP SHARE	**996**	**1,541**	**(320)**	**1,136**	**+35.6%**
NET INCOME, GROUP SHARE RESTATED FOR REVALUATION OF DEBT ISSUES AND LOAN HEDGES		**1,635**		**1,279**	**+27.9%**

These good results mask the contrasting changes between the financing activities, which posted a record performance, and capital markets and investment banking whose contribution was lower compared to the exceptionally high year 2009.

Excluding the impact of loan hedges and revaluation of debt issues, **net banking income from ongoing activities** totalled €5.7 billion, a 10.7% fall compared to 2009. This decrease reflects in part the high base in 2009, particularly in the first half for capital markets and investment banking that had exceptional performances in this period – and also the mixed results of fixed income activities, in particular from the second quarter 2010 due to market volatility (slowing down of interest rate derivative and bond activities due to uncertainties related to European sovereign debt).

Operating expenses of ongoing activities increased by 11.2% year-on-year. This rise from a low point in 2009 reflects the recovery of investments in the core business lines of Crédit Agricole CIB, in application of the refocusing and development plan. The cost/income ratio of ongoing activities stayed under 60% in 2010, attaining 59.2% after restating for the revaluation of debt issues and loan hedging.

The **cost of risk for ongoing activities** recorded a net decline (down 72.6%) for the year. This change reflected the improvement in the creditworthiness of various categories of counterparties and the absence of significant new doubtful accounts in the financing bank.

The results of the equity-accounted entity, Banque Saudi Fransi, show major growth over the previous year.

After taxes, the net income, Group share for ongoing activities restated for revaluation of debt issues and loan hedges, amounted to €1,636 million after tax compared with €1,742 million in 2009.

Financing activities

(in millions of euros)	2010	2009	Change 2010/2009
Net banking income	**2,703**	**2,001**	**+35.1%**
Operating expenses	(850)	(812)	+4.6%
Gross operating income	**1,853**	**1,189**	**+56.0%**
Cost of risk	(164)	(936)	(82.5%)
Operating income	**1,689**	**253**	**x 6.7**
Share of profit in equity-accounted entities	138	117	+17.9%
Net gains (losses) on disposal of other assets	(6)	5	n.m.
Pre-tax income	**1,821**	**375**	**x 4.9**
Income tax expense	(466)	(72)	x 6.6
Net income	**1,355**	**303**	**x 4.5**
NET INCOME, GROUP SHARE	**1,343**	**285**	**x 4.7**

In 2010, active management of loan hedges enabled volatility to be considerably limited so as to reduce the impact to levels that were insignificant (-€16 million in net banking income in 2010 compared to -€420 million in 2009).

After restating this item, net banking income of the financing activities increased by 12.3% over 2009. This rise, although generalised to all businesses, was mainly the result of the excellent performance of structured financing activities.

In this area, Crédit Agricole CIB continued its growth by benefiting from activities in development (infrastructure and electricity, natural resources, aircraft and rail finance, trade finance, etc.). Crédit Agricole CIB ranks number 1 lead arranger in terms of the number of deals completed in project finance (Project Finance International and Dealogic, 2010) and has received the prize “Aircraft Finance House of the Year” (Jane’s Transport Finance, 2010) for the fifth consecutive year, rewarding its performances in aircraft financing. The bank has also benefited from the return of well-secured deals in the real estate and hotel, and shipping sectors.

In the syndication market, Crédit Agricole CIB, recognised for its expertise in syndicated loans and specialised financing, has consolidated its leading position in France and maintained its third place in the EMEA region (Thomson Financial and Dealogic, 2010).

2010 is a record year overall for the financing activities in terms of revenues, with a low cost of risk which registered a net decrease of 82.5% over 2009.

Under the combined effect of these various influences, the net income, Group share comes to €1.3 billion at the end of 2010.

Capital markets and investment banking

(in millions of euros)	2010	2009	Change 2010/2009
Net banking income	**2,986**	**3,502**	**(14.7%)**
Operating expenses	(2,549)	(2,245)	+13.6%
Gross operating income	**437**	**1,257**	**(65.3%)**
Cost of risk	(119)	(96)	+24.0%
Operating income	**318**	**1,161**	**(72.6%)**
Share of profit in equity-accounted entities	1	(2)	n.m.
Net gains (losses) on disposal of other assets	-	7	n.m.
Pre-tax income	**319**	**1,166**	**(72.7%)**
Income tax expense	(104)	(292)	(65.4%)
Net income	**215**	**874**	**(75.4%)**
NET INCOME, GROUP SHARE	**198**	**851**	**(76.8%)**

After the excellent market conditions of 2009, capital markets and investment banking showed declining revenues in a still uncertain environment in 2010. These revenues incorporate, in very reduced proportions, the impact of unrealised income on structured debts issued by Crédit Agricole CIB (-€33 million in 2010 compared to -€504 million in 2009).

In Fixed Income activities, the performance of debt activities and credit markets as well as cash were satisfactory. Income from foreign exchange and commodities activities was almost stable but interest rates activities suffered, as for most other market players.

Crédit Agricole CIB ranks fifth largest book runner in the world for euro corporate bonds (Thomson Financial, 2010).

Investment banking, despite intense market volatility, supported numerous customers in capital increase transactions, convertible bond issues, spin-offs and employee savings schemes world wide. Crédit Agricole CIB ranks second in 2010 for Equity Capital Markets activities in France (Thomson Financial).

Brokerage revenues, in spite of declining volumes and a subdued European market, were slightly higher, carried mainly by CLSA that continued to benefit from the dynamism of the Asian markets. In 2010, discussions began concerning the principles of a future partnership between Crédit Agricole CIB and the Chinese broker CITICS. The aim of these discussions is the creation of a major global brokerage platform and investment bank in the Asia-Pacific region. The structure considered anticipates that Crédit Agricole CIB and CITICS shall each hold an equivalent stake in a holding company grouping together CLSA, CA Cheuvreux, Crédit Agricole Securities (USA) Inc., the institutional brokerage activities and the investment bank of CITIC Securities International, subsidiary of CITICS based in Hong Kong, as well as the Equity Capital Markets and M&A businesses of Crédit Agricole CIB in Asia.

The cost of risk, although rising, remains low.

After accounting for tax expenses, net income, Group share was €198 million, significantly down compared to 2009.

The VaR of ongoing activities still remains clearly below its limit of €35 million, an indicator of prudent management of market risks.

Discontinuing operations

(in millions of euros)	**2010**	**2009**	**Change 2010/2009**
Net banking income	**(374)**	**(1,347)**	**(72.2%)**
Operating expenses	(108)	(124)	(12.9%)
Gross operating income	**(482)**	**(1,471)**	**(67.2%)**
Cost of risk	(340)	(737)	(53.9%)
Pre-tax income	**(822)**	**(2,208)**	**(62.8%)**
Income tax expense	265	719	(63.1%)
Net income	**(557)**	**(1,489)**	**(62.6%)**
NET INCOME, GROUP SHARE	**(545)**	**(1,456)**	**(62.6%)**

The active management of the portfolio in run-off allowed to significantly reduce the losses stemming from these activities that became less and less penalising in the Bank's income. Net income from discontinuing operations amounted to -€557 million at 31 December 2010 compared to -€1,489 million at end-2009, an improvement of 62.6%.

Exotic equity derivatives, of which the risk exposure was reduced throughout the year, recorded positive revenues of €35 million in 2010 compared to losses of €72 million in 2009.

The stabilisation plan set up in June 2009 on the correlation portfolio allowed considerable reduction of volatility. The narrowing of spreads which began from the second quarter of 2009, coupled with active management of intrinsic risk held down the loss on net banking income to -€141 million in 2010.

Additional impairment provisions on CDOs, CLOs and ABSs were -€608 million for the year in net banking income and cost of risk following a slight hardening of assumptions for recovery in the first half of 2010, compared to -€1.8 billion in 2009. These figures include counterparty risk on monoline insurers and Credit Derivative Products Companies on which exposure continued to decline.

As an illustration, the residual exposure to monoline insurers amounted to €159 million at 31 December 2010.

7. CORPORATE CENTRE

The 2010 income statement of the Corporate centre includes exceptional items of significant amounts that makes it difficult to compare to that of 2009.

At 31 December 2010, the division's net banking income amounted to a loss of €1.1 billion compared to a loss of 446 million for the previous year incorporating BFT Banque. In 2009 it benefited from the good performance of financial management activities, and exceptional profits linked to the management of subordinated debt (debt buybacks which generated profits of €218 million). In 2010, net banking income incorporated financing costs that were 3.5% lower year-on-year, weaker performances for financial management (down 34.0% year-on-year) but a better contribution from private equity.

In 2010, operating expenses include the costs of several organisational projects: the Evergreen project, the Chartres data centre and the NICE project (the unique information system for the Regional Banks). In total, expenses grew by 5.7% year-on-year.

Income from equity-accounted entities in 2009 includes the impact of the consolidation of Intesa Sanpaolo S.p.A. by the equity method (-€232 million for the year) following the agreement reached with Generali, this being followed by the implementation of an agreement with Intesa Sanpaolo S.p.A. allowing the direct representation of Crédit Agricole S.A. on the Supervisory Board. In 2010, Crédit Agricole S.A. decided to end this arrangement. This decision led to the accounting reclassification of this investment from the category “equity-accounted entities” to that of “available-for-sale financial assets”: the net impact is -€1.2 billion under “share of profit in equity-accounted entities”.

This decision followed the agreement signed with Intesa Sanpaolo S.p.A. on 18 February 2010 that allowed Crédit Agricole S.A. to acquire new branches and included new terms related to the historical investment of Crédit Agricole S.A. in Intesa Sanpaolo. During the first half of 2010, Crédit Agricole S.A. thus sold a portion of its stake, leading to a net loss on other assets of €171 million in 2010.

Finally, during the fourth quarter of 2010, the Corporate centre recorded a positive tax impact of approximately €440 million in relation to the exit tax on life insurance.

(in millions of euros)	**2010**	**2009***	**Change 2010/2009**
Net banking income	**(1,076)**	**(446)**	**x 2.4**
Operating expenses, depreciation and amortisation	(903)	(855)	+5.7%
Gross operating income	**(1,979)**	**(1,302)**	**+52.1%**
Cost of risk	(30)	(69)	(58.2%)
Operating income	**(2,009)**	**(1,371)**	**+46.4%**
Share of profit in equity-accounted entities	(1,154)	(268)	x 4.3
Net gains (losses) on disposal of other assets and change in the value of goodwill	(168)	(8)	n.m.
Pre-tax income	**(3,331)**	**(1,647)**	**x 2.0**
Income tax expense	1,039	501	x 2.1
Net income	**(2,292)**	**(1,146)**	**x 2.0**
NET INCOME, GROUP SHARE	**(2,482)**	**(1,336)**	**+85.9%**

* *Restated for BFT Gestion transferred to the Asset management, insurance and private banking division.*

CONSOLIDATED BALANCE SHEET OF THE CRÉDIT AGRICOLE GROUP

At the end of 2010, the balance sheet total of Crédit Agricole Group was nearly €1,731 billion compared to €1,694 billion at 31 December 2009, representing a 2.2% increase. This growth of €37 billion reflects opposing effects: solid growth in Group activities, reflected primarily higher loans and deposits and available-for-sale financial assets which was however counterbalanced by a noticeable reduction in assets and liabilities at fair value through profit or loss.

ASSETS

The main items on the asset side are the loans and receivables to customers (43.9%) and to credit institutions (5.9%), available-for-sale financial assets (14.1%) and financial assets at fair value through profit of loss (23.8%). These first four items together contribute to an increase of nearly €50 billion in balance sheet assets; the last item alone shows a decrease of more than €15 billion.

Loans and receivables to customers and to credit institutions

This category records unlisted financial assets at fixed- or determinable income, adjusted for possible impairment and exposure to credit institutions. Total outstandings came to €861.2 billion, up 6.3% or €51.3 billion over 2009.

Net outstanding loans and receivables to customers (including lease finance operations) totalled €759.4 billion at 31 December 2010, up by 5.5%, or €39.7 billion, compared to 31 December 2009. With the slowing demand for loans on the part of all economic players and corporate customers in particular, this growth results from the sustained activity in customer loans in retail banking in France and Italy, as well as in consumer finance. Conversely, outstanding loans stayed low at Emporiki, in line with the risk reduction policy implemented in Greece.

Most of the growth in customer loans concerns the item "Other customer loans" which recorded an increase of €35.8 billion or 5.6% during the year, and "Securities bought under repurchase agreements" (+€5.2 billion, i.e. an increase of 14.1%).

Impairment of customer loans grew less than in 2009: these increased by 12.1% (€2.6 billion), reflecting the slowing deterioration of the economy and the stabilisation of the cost of risk in line with activity levels. Simultaneously, the overall coverage rate improved. Provisions include €6.8 billion in collective provisions.

Loans and receivables to credit institutions reached €101.8 billion at 31 December 2010, a rise of 12.9%, or €11.6 billion over the year. This increase comes mainly from the increase in securities bought under repurchase agreements of €10.5 billion during the year (+27.7%) and in accounts and advances of €2.3 billion (+4.5% in 12 months). All other items were down for the year.

Financial assets at fair value through profit or loss

Total financial assets at fair value through profit or loss amounted to €412.2 billion at 31 December 2010, compared with €427.2 billion at 31 December 2009.

Most of the portfolio (89.0%) consists in financial assets held for trading. These include mainly the positive fair value of financial derivative instruments (€235.2 billion), treasury bills and similar items (€42.6 billion), securities bought under repurchase agreements (€35.5 billion). Bonds and other fixed-income securities represent €28.1 billion at the end of 2010 and equities and other variable income securities €25.1 billion.

Overall, financial assets at fair value through profit or loss are down by 3.5% over the year; this decrease is due to the reduction of €17.1 billion in derivative instruments that is partially offset by the growth of €7.8 billion in securities bought under repurchase agreements, conducted mainly by Crédit Agricole CIB.

In addition, the portfolio contains 11.0% of securities classified as financial assets at fair value through profit or loss resulting from an option taken by the Group; the majority of these (€41.5 billion) are assets backing unit-linked contracts in insurance business, up 7.8% on 2009.

Available-for-sale financial assets

Available-for-sale financial assets (net of impairment) increased by €13.3 billion between 31 December 2009 and 31 December 2010, to reach €244.6 billion. These include mainly bonds and other fixed-income securities (51.7% of the portfolio), treasury bills and similar items (36.2%), and equities and other variable-income securities (9.1%), which are booked neither as financial assets at fair value through profit or loss nor as held-to-maturity, and are marked to market at year-end. In 2010, €1.8 billion of provisions were booked for prolonged impairment of available-for-sale securities and receivables (€2.6 billion in 2009). Net unrealised gains on available-for-sale financial assets came to €250 million after tax (compared to unrealised net losses of €4.0 billion after tax in 2009).

Held-to-maturity assets

This category encompasses securities with fixed or determinable payments that the Group has the intention and capacity to hold until maturity. They are recognised at amortised cost using the effective interest method. Their amount fell from €27.6 billion at the end of 2009 to 26.2 billion at the end of 2010 (-5.3%).

Investments in equity-accounted entities

Investments in equity-accounted entities dropped from €7.1 billion in 2009 to €4.4 billion in 2010, mainly due to the deconsolidation of the investment in the Italian bank Intesa Sanpaolo.

Goodwill

Goodwill is down slightly by €504 million to €19.9 billion. This change is mainly the result of the impairment on Emporiki during the year.

LIABILITIES

Balance sheet liabilities mainly comprise debts due to customers (36.0% of total liabilities) and to credit institutions (7.1%), financial liabilities at fair value through profit or loss (19.7%), technical reserves for insurance contracts (13.4%) and debt securities (10.9%), which altogether represent 87.1% of liabilities other than equity.

Amounts due to customers and credit institutions

Amounts due to credit institutions and customers represent €746.5 billion, up €57.0 billion for the year (+8.3% over 2009).

Amounts due to customers reached €623.3 billion at 31 December 2010. This growth by more than €45 billion in the year (+7.8%) reflects the increase in deposit collecting throughout Crédit Agricole group entities. The increase in amounts due to customers comes mainly from current accounts in credit (+€15.0 billion to €183 billion, i.e. an 8.9% increase) and other amounts due to customers (time deposits, interest bearing notes, savings bonds, etc.), which grew by €13.2 billion (+9.4%) over 12 months to reach nearly €154 billion. This growth results from the healthy activity of retail banking deposit collecting in France (LCL and Regional Banks) on these products – in particular Livret A passbook accounts. Special savings accounts were up by €9.2 billion (+4.3% over 2009). Securities sold under repurchase agreements increased by €7.3 billion to reach €59.6 billion at the end of 2010.

The geographic breakdown of resources illustrates the Group's international expansion; amounts due to foreign customers represented 30.3% in 2010 compared to 27.0% in 2009 and less than 15% six years ago.

Amounts due to credit institutions, totalling €123.2 billion**,** were up 10.3% or €11.5 billion.

Financial liabilities at fair value through profit or loss

Total financial liabilities at fair value through profit or loss amounted to €341.4 billion at the end of 2010, down by 6.6% compared to the previous year. This portfolio consists of debt instruments measured at fair value at the reporting date and taken to the income statement. It is composed of derivative instruments held for trading (€230.1 billion), securities sold under repurchase agreements (€54.6 billion), debt securities (€30.2 billion) and short selling transactions (€25.8 billion).

The €24 billion fall in financial liabilities at fair value through profit or loss is due mainly to the decline in the fair value of derivative instruments held for trading (-€19.6 billion).

Insurance company technical reserves

Insurance company technical reserves rose from €215.5 billion to €232.0 billion. The €16.5 billion increase (+7.7%) in technical reserves is due to market conditions during the period. Insurance liabilities remain partially valued under French GAAP, as required by the applicable IAS and IFRS regulations as at the reporting date.

Debt securities

Debt securities (excluding those at fair value through profit or less, see Note 6.2) declined by €7.7 billion (-3.9%) during the year to reach €188.5 billion at 31 December 2010, since the Group reduced the amount of funds raised in the market through bond issues (-€6.0 billion) whereas negotiable debt securities were down by €2.5 billion (-2.0%).

Capital

At 31 December 2010, gross capital of Crédit Agricole amounted to €110.5 billion, including minority interests of €5.9 billion and subordinated debts of €33.0 billion. The Group's share represented €104.5 billion, up €1.6 billion on 2009 in particular due to the 2.1 billion growth in consolidated reserves, and despite the €1.1 billion decline in subordinated debt issued by Crédit Agricole S.A. for the purpose of liability management.

Shareholders' equity, Group share (including net income for the year and before payment of 2010 dividends) amounted to €71.5 billion compared with €68.8 billion at 31 December 2009. This increase of €2.7 billion results primarily from the following movements:

- net income for the year 2010 of €3.6 billion;
- the negative change in gains and losses recognised directly in shareholders' equity, amounting to -€898 million.

CAPITAL MANAGEMENT AND REGULATORY RATIOS

The amendment to IAS 1 adopted by the European Union on 11 January 2006 requires disclosure of quantitative and qualitative information on the capital of the issuer and on its management: capital management objectives, policy and procedures. This information is provided in Note 3.6 to the financial statements and in “Basel II Pillar 3 disclosures”, set out below.

European solvency ratio of the Regional Banks

As credit institutions, each of Crédit Agricole's 39 Regional Banks must declare its Basel II CRD ratio.

CRD solvency ratios of the Regional Banks

(in %)	**31/12/2010**	**31/12/2009**
Higher	17.59	17.93
Mean*	13.31	12.46
Lower	9.97	9.65

* *Arithmetic average of individual solvency ratios.*

The Regional Banks’ average ratio increased by 0.85 point between the end of 2009 and the end of 2010 ; its high level was confirmed in 2010 at 13.3%.

The growth in the Regional Banks’ ratio in 2010 comes from the higher own funds numerator, which comes to +10.3% for the Regional Banks' aggregate total. This stems more particularly from an increase in their retained income which was noticeably higher between the end of 2009 and the end of 2010. The Regional Banks also relaunched share subscriptions in their local banks.

This growth in capital allowed them to easily compensate for the growth in risk-weighted assets used as the denominator, which came to +3.8% in 2010. It can be compared to the growth in loans outstanding, up +5.0% in 2010 compared to +2.1% in 2009, with a net recovery in mortgage loans, which benefit from favourable risk weighting. In 2010 the floor mechanism applicable to risks remained the same as in 2009: it represents 80% of risks calculated according to the definition of the European solvency ratio.

It is important to recall that the Regional Banks have granted to Crédit Agricole S.A their joint and several guarantee up to the total of their capital and reserves, should it prove unable to meet its obligations. This guarantee is the counterbalance of the commitments of Crédit Agricole S.A., as central body, to maintain the solvency and the liquidity of the Regional Banks. Consequently, international rating agencies award the same ratings to the issuance programmes of Crédit Agricole S.A. and of the rated Regional Banks.

RELATED PARTIES

Disclosures concerning related parties, consolidated companies and senior Group executives at 31 December 2010, are described in the consolidated financial statements at 31 December 2010 "General framework – Related parties".

INTERNAL CONTROL

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

The internal control system and procedures within the Crédit Agricole Group are defined as the framework designed manage and control all types of operations and risks and to ensure that all transactions are carried out in a manner that is proper (in compliance with laws, regulations and internal standards), secure and effective, in accordance with the references listed in item 1 below.

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

- application of instructions and guidelines set by Executive Management;
- financial performance, through the effective and adequate use of the Group's assets and resources, as well as protection against the risks of loss;
- comprehensive, accurate and ongoing knowledge of the data required to take decisions and manage risks;
- compliance with internal and external regulations;
- prevention and detection of fraud and errors;
- accuracy and completeness of accounting records and timely production of reliable accounting and financial information.

These procedures include, however, the limitations inherent to any internal control system, due in particular to technical and human failures.

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

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

1. GENERAL INTERNAL CONTROL ENVIRONMENT

The general internal control environment and principles are in keeping with the provisions of the French Monetary and Financial Code[(1)], CRBF regulation no. 97-02 as amended relating to internal control in credit institutions and investment companies, the AMF General Regulation and Basel Committee recommendations on internal control, risk management and solvency.

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

- a body of permanent rules (both external regulations and Group internal rules) compliance with which is compulsory, relating notably to accounting (Crédit Agricole chart of accounts), financial management, risk management and permanent controls applicable to the entire Crédit Agricole Group;
- the Code of Conduct of the Crédit Agricole Group;
- recommendations of the Regional Banks' Plenary Committee for Internal Control;

(1) Article L. 511-41.

- a body of "procedures applicable" to the Crédit Agricole S.A. Group, concerning the Company's organisation, operations and risks. In this context, Crédit Agricole S.A. adopted, from 2004, a set of procedures aimed at the control of its compliance with laws and regulations. These procedures have since been adapted to changes in regulations and deployed within Group entities, in particular in the areas of financial security (prevention of money laundering and terrorism financing, freezing of assets, compliance with embargoes, etc.) and in the identification of failures in applying laws, regulations, professional and compliance standards, for example. These procedures are updated regularly as required, particularly to take into account changes in regulations and in the internal control scope.

2. ORGANISATION OF THE INTERNAL CONTROL SYSTEM

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

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

Fundamental principles*

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

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

These principles are supplemented by:

- measurement, supervision and control mechanisms for credit, market, liquidity, financial and operational risk (transaction processing, quality of financial and accounting information, information systems processes), non-compliance risk and legal risk;
- a control system, forming part of a dynamic and corrective process, encompassing permanent controls, which are carried out by the operating units themselves or by dedicated staff, and periodic controls (carried out by Group Control and Audit and audit units);
- the work carried out in 2009 at Group level to implement the orders dated 14 January and 3 November 2009, and 13 December 2010 modifying regulation 97-02 as well as professional banking recommendations in relation, on the one hand, to the consistency between compensation policy and risk management objectives, and, on the other hand, the remuneration of members of executive bodies and those of risk takers.

Oversight

Following the changes instituted by Regulation 97-02 on internal control and pertaining to the organisation of the control functions, every individual who is responsible for an entity or business line, every manager, employee and all departments within the Group are reminded of their obligation to report and to be in a position at all times to demonstrate that they have adequate control over their business activities and associated risks, in accordance

* *Information on the Board of Directors is detailed in the « Preparation and Organisation of the Board's work » section of the Registration Document of Crédit Agricole S.A.*

with the standards applicable to banking and financial operations, to ensure the sustainable security of each activity and development project and to adjust the control mechanisms to be implemented to the degree of the risks incurred.

This requirement is based on organisational principles and a framework of responsibilities, operating and decision-making procedures, controls and a reporting system to be implemented in a formal, effective manner at each level of the Group: central functions, business lines, subsidiaries, operational units and support functions.

The Group Internal Control Committee

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

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

Three control functions intervening across the whole Group

The Head of Group Risk Management and Permanent Controls department and the Head of Group Control and Audit, who is in charge of periodical controls, both report directly to the Chief Executive Officer of Crédit Agricole S.A. In addition, the Compliance function, overseen by a Group Legal and Compliance Director, reports to a Deputy Chief Executive Officer, in his capacity as Head of Compliance. The three heads of Periodical Controls, Permanent Controls and Compliance have extensive access to the Audit and Risks Committee and to the Crédit Agricole S.A. Board of Directors.

Furthermore, pursuant to the order of 19 January 2010 amending Regulation 97-02, the Head of the Group Risk Management and Permanent Controls department was appointed as head of the “risks” sector of the Crédit Agricole S.A. Group and the Crédit Agricole Group.

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

- the Group Risk Management and Permanent Controls department is responsible for the oversight and control of credit, market, liquidity, financial and operational risks; it is also in charge of last-line control of accounting and financial information and of monitoring the roll-out of IT system security and business continuity plans;
- the Compliance and Legal Affairs department is responsible for prevention and control of non-compliance and legal risks. The Compliance department is responsible in particular for prevention of money laundering and terrorism financing, fraud prevention, and compliance with embargos and obligations to freeze assets. The Legal Affairs department, which is organised as a business line, has two main goals: to control legal risk which can generate litigation and liability, whether civil, disciplinary or criminal, and to provide the requisite support to the entities to enable them to engage in their business activities while minimising risks and legal costs;
- Group Control and Audit is responsible for independent periodical control to ensure that all Crédit Agricole Group entities are operating properly.

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

Pursuant to the order of 19 January 2010 amending Regulation 97-02, a head of the “risks” sector has been appointed in each main subsidiary of Crédit Agricole S.A. and each Regional Bank. His or her role is, in particular, to alert the executive and decision-making bodies to any situation which may have a significant impact on risk control.

Crédit Agricole S.A. has also circulated among its main French banking subsidiaries and the Regional Banks a “Self-Evaluation Guide”, the framework of which is based on the collection of good risk management practices circulated by the French Banking Federation and approved by the French Prudential Control Authority. This guide made it possible to ensure that the various Group entities complied with the new requirements of Regulation 97-02. Where applicable, a corrective action plan has been implemented.

Crédit Agricole S.A. and its subsidiaries

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

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

Crédit Agricole Regional Banks

The application of all the Group's regulations to the Regional Banks is facilitated by the circulation of national recommendations on internal control by the Regional Banks Plenary Committee for Internal Control and by the activity of the Crédit Agricole S.A. central control functions. The Plenary Committee, which is responsible for strengthening the Regional Banks' internal control systems, is composed of Regional Banks' Chief Executive Officers, executives and internal control officers, as well as Crédit Agricole S.A. representatives. Its work is extended through regular regional meetings and work, and through information meetings between Crédit Agricole S.A. internal control officers and their Regional Bank counterparts.

The role assigned to Crédit Agricole S.A. as the central body has led it to be very active and vigilant with respect to internal control. Crédit Agricole S.A. specifically monitors the Regional Banks' risks and controls through the Regional Banks Unit of the Risk Management and Permanent Controls department and via the Compliance department.

Role of the Board of Directors

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

The Board is informed, through the Audit and Risks Committee, of the main risks incurred by the Company and of significant incidents picked up by internal control and risk management systems.

The Chairman of the Crédit Agricole S.A. Audit and Risks Committee reports to the Board on the Committee's work in general and, more particularly, on the annual report on internal controls and on risk measurement and monitoring. As of the date of the General Meeting of Shareholders, the annual report for 2010 will have been presented to the Audit and Risks Committee and duly sent to the French Prudential Control Authority and the Statutory Auditors. It will also have been presented to the Board of Directors.

Role of the Audit and Risks Committee

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

The Audit and Risks Committee is in charge of verifying the clarity of information provided and of assessing the appropriateness of accounting methods as well as the efficiency of the risk management and internal control system. As such, it has broad communication powers in respect of all information relating to periodical control, permanent control, including accounting and financial control, and compliance control.

It receives periodic reports on activity management systems and risk measurement. A half-year report on internal control for the first half of 2010 was presented to the Committee at its meeting of 8 November 2010. The annual report for 2010 will be presented to the Committee at its meeting of 21 April 2011.

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

Role of the Chief Executive Officer in relation to internal control

The Chief Executive Officer defines the Company's general organisation and oversees its implementation by competent qualified staff. He is directly and personally involved in the organisation and operation of the internal control system. In particular, he defines roles and responsibilities and allocates adequate resources to the internal control function.

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

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

He ensures that the internal control system's adequacy and effectiveness are permanently monitored. He receives information on any failures identified by the internal control system and on proposed corrective measures. In this respect, the Chief Executive Officer receives regular reports summarising the conclusions of audits conducted by the Group Control and Audit function.

3. SPECIFIC INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT AND SUPERVISION PROCEDURES WITHIN CRÉDIT AGRICOLE S.A.

Risk measurement and supervision

Crédit Agricole S.A. has risk measurement, supervision and control procedures and systems to manage its risks (counterparty risks, market risks, operational risks, structural financial risks, others, etc.), which are adapted to its business activities and organisation, and form an integral part of the internal control system. Information is reported periodically to the executive body, the decision-making body and the Audit and Risks Committee, notably through the reports on internal control and risk measurement and supervision.

Detailed information relating to risk management is presented in the management report ("Risk factors" section) and in a separate note to the consolidated financial statements (Note 3).

Organisation of risk management and permanent control

The Risk Management and Permanent Controls function was created in 2006 in accordance with regulation 97-02 as amended. Its activity level was intense in 2010, as it focused on risk measurement and control for the Group while optimising its responsiveness and effectiveness.

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

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

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

The function is under the responsibility of the Head of Crédit Agricole S.A. Group Risk Management and Permanent Controls, who is independent of any operational function and reports to the Chief Executive Officer of

Crédit Agricole S.A. It brings together the cross-functional departments of Crédit Agricole S.A. (Group Risk Management and Permanent Controls) and the decentralised Risk Management and Permanent Controls functions, which are closest to the business lines, at each Group entity, in France and abroad. At the end of 2010, the function employed slightly more than 2,500 full-time equivalent employees within the Crédit Agricole S.A. Group scope and around 450 employees in the Regional Banks scope.

Its operation is based on structured governance bodies, including the Internal Control Committees, the Group Risk Management Committee (the forum where the Executive Committee approves the Group's strategies and is informed of its risk exposure), the Regional Banks' Risk Monitoring Committee, the Group Security Committee, the Standards and Methodology Committee, the Basel II Steering Committee, the Business Line Monitoring Committees, which bring together in regularly scheduled meetings the Group Risk Management and Permanent Controls department and the subsidiaries, and other Committees in charge, in particular, of the rating and IT systems. The Group Risk Monitoring Committee, presided by the Chief Executive Officer of Crédit Agricole S.A., meets weekly and its role is to identify emerging risks at an early stage and to devise appropriate solutions.

In 2010, the Executive Committee (*via* the Group Risk Management Committee), the Audit Committee and the Board of Directors were kept regularly informed of risk strategies and the level of the Group's financial and credit risks. The Group Risk Management Committee re-examined as often as necessary the strategies of the Group's business lines by adjusting their intervention limits. Furthermore, the Group-wide approach was continued for sensitive business sectors and countries.

Crédit Agricole S.A. cross-functional departments (Group Risk Management and Permanent Control Department)

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

Overall management of Group risks

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

The system implemented by the Group Risk Management and Permanent Controls department also comprises a "Business Line Monitoring" function, responsible for the global and individual relationship with each Crédit Agricole S.A. Group subsidiary. Dedicated business line Officers are responsible for monitoring the global and consolidated relationship with each Group subsidiary (including all risks), in particular the corporate and investment banking business line (Crédit Agricole Corporate and Investment Bank). The supervision of risks within the Regional Banks is carried out by a specific unit within the Group Risk Management and Permanent Controls department.

Risk monitoring at Group level is not only carried out by entity and by units monitoring each business line, but also carried out via the examination of risks at the Group Risk Committee and at the Regional Banks Risk Monitoring Committee.

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

These measures are supplemented by a regular assessment based on various types of "catastrophe scenarios". Work on crisis simulation exercises was marked in 2010 by continuing harmonisation of the methods used within the Group on the credit risk section, and by Group participation in the "European stress test" exercise finalised in July 2010. These simulation systems were also strengthened in 2010 by establishing extreme stress scenario managed by a limit, for Crédit Agricole CIB, and enabling the impact of very severe market shocks to be measured without seeking compensation effects between the various business lines.

The work undertaken with a view to permanently optimising the Group's risk oversight tools, and in particular to improve the completeness and reliability of consolidated credit and financial risk measures, has continued at a sustained pace.

With respect to liquidity risk, following publication of the order of 5 May 2009 amending Regulation 97-02 and the Group's decision to establish a liquidity risk management system as an advanced approach, since 2009 work has been done to strengthen the liquidity supervision and management system with a view to seeking approval of this system by the French Prudential Control Authority. The Group defined a liquidity risk supervision system and at present has tools and indicators for measuring short- and medium-term liquidity risk on a representative management scope for global liquidity risk. The Group is continuing work on this system.

Since 2008, Crédit Agricole S.A. Group has implemented measurements of risk-weighted assets for calculating share capital under Basel II based on internal models certified by the French Prudential Control Authority (the IRB approach for calculating credit risk, the AMA model for calculating operational risk; the standardised approach is applied where models are to be validated subsequently or to which that approach will be applied on a sustainable basis).

In 2010, the Group Risk Management and Permanent Controls department participated in preparation work for the implementation of the regulatory changes underway (CRD2, change in the treatment of major risks). An implementation guide on the treatment of major risks has been circulated to enable entities to prepare for these new requirements.

The risk management standards and methodologies have been adapted, with the circulation in 2010 of new Group procedure notes concerning in particular the establishment of the "risks" sector, the management of risks related to the provision of key outsourced services and the linkage between the various early warning mechanisms in force in the Group via the Group Crisis Unit's early warning procedure.

A significant incident system for all risks was established in 2009 and a procedure specifies the significant thresholds and how to report incidents to the executive and decision-making bodies of Crédit Agricole S.A., its subsidiaries and Regional Banks.

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

With risk levels remaining high in 2010, business lines and Group entities were closely monitored with, in particular: a review of their risk strategies, including their overall and individual limits, and the definition of Group limits on interest-rate risk and market risks.

Group risk controls

The Risk Management and Permanent Controls department coordinates the Group permanent controls system (definition of key control indicators by type of risk; deployment of a single software platform integrating operational risk assessment and the results of permanent controls; and organisation of reporting of control results to the relevant consolidation levels within the Group). In 2010, feedback from entities and the monitoring of indicators on a consolidated basis led to implementation of an updated accounting basis for permanent control indicators.

Decentralised risk management and permanent control functions at each Group business line

Within Crédit Agricole S.A. Group

The roll-out of the function is on a hierarchical basis with the appointment of a Risk Management and Permanent Controls Officer (RCPR) for each subsidiary or business line. The Business Line RCPR reports hierarchically to the Group RCPR and functionally to the executive body of the relevant business line. This safeguards the independence of the local Risk Management and Permanent Controls departments.

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

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

- each subsidiary or business line applies the Group-wide standards and procedures defined by the Risk Management and Permanent Controls department;
- each subsidiary or business line defines its own risk strategy, which is approved by the Group Risk Management Committee on the Risk Management and Permanent Controls department's recommendation, specifying the global limits on the entity's commitments;
- each subsidiary or business line enters into an operating agreement with the Risk Management and Permanent Controls department; this agreement is periodically revised and specifies the procedures to be applied within the entity to implement Group risk management and permanent controls for its own operations, and namely the format for reporting to the Risk Management and Permanent Controls department;
- authority is delegated from the Group RCPR to the Business Line RCPRs, which report hierarchically to the Group RCPR in carrying out their duties; these Officers are also subject to disclosure and early-warning obligations vis-à-vis the Group Risk Management and Permanent Controls department;
- a Business Line Monitoring Committee periodically brings together the Risk Management and Permanent Controls department and the entity to review the quality of the risk management and

permanent control system, as well as the level of risks, including in Corporate and Investment Banking (Crédit Agricole CIB).

Regional Banks

Banking regulations on risks apply to each Regional Bank individually. Each Regional Bank is responsible for its own risks and permanent controls framework. Each one has a Risk Management and Permanent Controls Officer, who reports to his Chief Executive Officer and is in charge of the oversight of risk management and permanent controls. The Compliance Officer may also report to him. If this is not the case, the Compliance Officer directly reports to the Chief Executive Officer. The system was supplemented in 2010 by the establishment of a “risks sector” as defined by the rules.

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

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

Internal control system for information systems security and business continuity plans

Through the internal control system that has been established, periodic reports on the main entities’ situation regarding risk monitoring of Business Continuity Plans (BCP) and IT System Security (ITSS) are made to the governance authorities for Group security.

Locally, the ITSS and BCP Officers have worked to apply and implement the general guidelines on Group security at the various levels. Several unit tests were done by the entities in this framework, and they confirmed that the emergency solutions implemented are operational.

In 2010 the Group initiated a BCP approach for each cross-functional business line, thus enabling it to ensure that, where an entity that is a link in the production chain for a business line fails, its emergency solutions do indeed enable all the other entities in the business line to continue to operate.

The national crisis management system activated in 2009 for the A/H1N1 influenza pandemic was withdrawn at the start of 2010; it was kept operational by organising periodic tests during 2010.

To respond to the increasingly specific threats to the use of Internet banking services, the Group defined an action plan aimed at securing transactions carried out by clients via this type of channel.

Furthermore, the Group initiated two major strategic projects, the effect of which will be to improve the medium-term performance and security of its current IT production sites:

- Project NICE (*Nouvelle Informatique Commune Évolutive*: new evolving joint IT system), a new single IT system for all Regional Banks, with production consolidated in two regional locations, each composed of two separate sites, instead of the five current regional sites;
- Project Greenfield, intended to consolidate most of the IT production sites for entities in the Crédit Agricole S.A. group at a single location, composed of two separate sites.

Internal control system for accounting and financial information

Roles and responsibilities for the preparation and processing of financial information

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

The Central Finance function is organised as a business line within the Crédit Agricole S.A. Group. The heads of the Finance function for a business line or subsidiary report hierarchically to the head of the business line or subsidiary and functionally to the Group Chief Financial Officer.

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

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

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

Accounting

The main purpose of the Accounting function is to draw up the separate financial statements of Crédit Agricole S.A., the consolidated financial statements of the Crédit Agricole S.A. and Crédit Agricole Groups, and Operating Segment information for the Crédit Agricole S.A. Group based on the definition of the business lines for financial reporting purposes and in compliance with IFRS 8. To fulfil this mission, the Accounting function, in accordance with applicable regulations, defines and circulates the accounting standards and principles that apply to the Group. It oversees accounting bases, lays down the rules governing the architecture of the accounting information and regulatory reporting system, and manages the accounting processes for consolidation of the financial statements and regulatory reporting.

Management control

In the field of preparing financial information, the Group Management Control function, together with the Financial Management department, defines the rules for allocating economic share capital (definition, allocation policy); consolidates, puts together and quantifies the budget and the medium-term plan for the Crédit Agricole S.A. Group; and ensures budget reporting and monitoring. To meet this objective, Group Management Control defines the management control procedures and methods and the structure and management regulations for the Group management control system.

Financial communication

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

Procedures for the preparation and processing of financial and accounting information

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

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

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

Accounting data

Figures for each individual entity are drawn up in accordance with the accounting standards applicable where the entity operates. For the purposes of preparing Group consolidated financial statements, local financial statements are restated to conform to IFRS policies and principles adopted by the Crédit Agricole Group.

Management data and risk data

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

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

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

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

Description of the permanent accounting control system

The Permanent Accounting Control function's objective is to provide adequate coverage of major accounting risks that can alter the quality of accounting and financial information. The function reports to the Risk Management and Permanent Controls department. The Group permanent accounting control function is based on cross-linking the network of Risk Management and Permanent Control officers of the subsidiaries and Regional Banks. It is directly in charge of carrying out control assignments on the functions that prepare Crédit Agricole S.A. Group financial information.

The unit has four key roles in this area:

- to define the standards and organisational and operational principles of permanent controls within the Crédit Agricole Group;
- to assess the quality of Group processes for producing accounting and financial information and the system for monitoring risks associated with this information implemented within the Crédit Agricole Group;
- to oversee and to manage the permanent accounting control systems implemented within the Group's subsidiaries and Regional Banks;
- to report to the Group's internal control oversight committees and, at their request, to the decision-making body or to the Audit and Risks Committee, on the quality of the permanent control systems regarding accounting and financial information for all entities in the Crédit Agricole S.A. Group.

In 2010, the Accounting Permanent Control unit continued managing and supporting the entities in deploying this system. It also circulated an accounting control guide and supported the entities in implementing it.

Relations with Statutory Auditors

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

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

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

As part of the duties assigned to them by law, the Statutory Auditors submit to Crédit Agricole S.A.'s Audit Committee their overall work programme, the various spot checks they have carried out, the conclusions of their work on the financial and accounting information they have reviewed in carrying out their assignment, as well as the significant weaknesses of the internal controls, with regards to the procedures used for the preparation and processing of accounting and financial information.

Non-compliance risk prevention and control

Crédit Agricole S.A., its subsidiaries and the Regional Banks each have their own Compliance department. These functions employed around 700 full-time equivalents within the Crédit Agricole S.A. Group and 195 persons in the Regional Banks.

The Compliance function is under the responsibility of the Group Head of Legal Affairs and Compliance, who reports to a Deputy Chief Executive Officer in charge of Crédit Agricole S.A. Group functions, in his capacity as Head of Compliance under the terms of Regulation 97-02.

The Compliance department has functional authority over the Compliance officers of the French and foreign subsidiaries of Crédit Agricole S.A. The Compliance officers of Crédit Agricole S.A. Group subsidiaries operate completely independently, with a hierarchical reporting line to the entity and a functional reporting line to the Compliance function.

The Group Compliance department is responsible for developing policies with respect to:

- laws and regulations, their circulation and ascertaining that they are observed,
- rules on prevention of money laundering and terrorism financing, on management of embargos and asset freezes, and fraud prevention.

The Compliance department receives monthly reports on compliance failures and compliance reports including an update of non-compliance risk maps.

The Compliance Management Committee, which is chaired by the Chief Executive Officer, holds plenary meetings on a monthly basis. It takes the decisions needed to prevent non-compliance risks and in order to implement and monitor corrective measures following the reporting of major irregularities to the Committee. The Committee periodically reports on its work to the Audit and Risks Committee of the Crédit Agricole S.A. Board of Directors.

Within the Group Compliance department, dedicated units cover specialist areas across the Group: compliance and procedures, financial security, fraud prevention, compliance and systems, coordination of training and awareness programmes. In addition, dedicated units cover business lines: Retail banking in France, International retail banking, Insurance and Specialised financial services, Capital Markets, Asset management and investor services, the financial security of International Private banking.

As the central body, Crédit Agricole S.A., via the Group Compliance department, manages and coordinates the Compliance business line in the Regional Banks, in particular by circulating the required standards in accordance with the General Regulations of the AMF and amended Regulation 97-02.

As part of the actions already initiated and following changes in the regulatory provisions, the Compliance business line has:

- circulated throughout the Group the updated procedures presented to the French Prudential Control Authority and the FED (Federal Reserve). These procedures were adapted for each entity;
- implemented, from 1 July 2010, the new AMF requirements as regards professional certification of market advisers and traders;
- finalised the definition of the Group risk classification standards by business line under the third European directive;
- established actions aimed at improving the formalisation of the CNIL system (fraud prevention and Financial Security);
- developed procedures for preventing corruption;
- continued actions to improve the global “New Activities and Products” process.

For international retail banking, the year was devoted to updating the client relations systems (client knowledge, circulation supervision) notably as part of adapting the third European Directive and the Financial Instrument Markets Directive in relevant countries (Italy, Greece, Poland). It was also devoted to taking account of the updated Group standards with respect to compliance and prevention of money laundering, and rolling out monitoring tools.

The Crédit Agricole Group overhauled its procedures to take account of the new requirements arising from the incorporation into French law of the third European Directive 2005/60/CE of 26 October 2005, relating to prevention of the use of the financial system for money laundering and financing terrorism. Notably, mapping of laundering risks was done in all the Group’s entities and business lines, in order to build a surveillance system adapted to the level of risk identified, both at the start of and throughout the business relationship.

Thus, upon entering into any new client relationship, the required checks of the client’s identifying information constitute an initial filter for preventing money laundering. During the business relationship, the personnel, assisted by computer tools for client profiling and detecting unusual transactions, must exercise vigilance appropriate to the level of risk identified with respect to money laundering and financing terrorism.

Having made a significant contribution to the profession's work managed by the Centre de Formation de la Profession Bancaire (Banking Profession Training Centre), the Group established and launched a new joint training programme for the prevention of money laundering and the financing of terrorism.

Regarding the fraud prevention function, the Group Coordination Committee formed in 2009 was supplemented by two committees specifically dedicated to business lines: Retail Banking and Insurance, on the one hand, and Corporate and Markets, on the other. In addition, a reflection process was initiated to address: starting a business relationship with business investors in the field of retail loans; establishing guidelines on controls for the prevention and detection of internal fraud in retail banking, and; monitoring unusual leave in terms of the applicable legal framework. Work on these topics resulted in recommendations for the Group entities.

The targeted fraud prevention system formalised in February 2010 is currently being rolled out within the scope of the Regional Banks.

Finally, two training modules were provided to the entities during 2010, one dedicated to general awareness of controlling fraud and a second, more operational, dedicated to preventing external fraud in retail banking.

Periodic controls

Group Control and Audit, which reports directly to the Chief Executive Officer of Crédit Agricole S.A., is the highest level of control within the Crédit Agricole Group. It is responsible for periodic controls of the Crédit Agricole Group through the missions it conducts, through the oversight of the Control and Audit function of the Crédit Agricole S.A. Group, which reports hierarchically to this function, and through management of the Regional Banks' internal audit units.

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

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

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

During the 2010 financial year, Group Control and Audit carried out field and paper audits concerning various entities and units, in particular on: the oversight of the financial security system; the governance of IT systems security; the systems for accounting control and internal fraud prevention in the Regional Banks; the Business Continuity Plans within the Crédit Agricole S.A. group; the process of producing Crédit Agricole S.A. financial data; the security of on-line Banking; the operational oversight of the main outsourced services; the integration of asset management activities contributed by Société Générale to Amundi, CA Immobilier and Predica; as well as on the scope of international retail banking (Emporiki, Lukas) and the Regional Banks, and on certain financial and regulatory issues.

Group Control and Audit also provides central oversight of the Control and Audit function for all subsidiaries, including Crédit Agricole CIB and LCL, thereby improving the effectiveness of controls, through the harmonisation of audit practices to the highest standards, in order to guarantee the security and conformity of transactions carried out in the Group's various entities and to develop common areas of expertise. The function continued to increase staffing. At the end of 2010, it employed 889 full-time equivalents within the Crédit Agricole S.A. Group (including Group Control and Audit but not including audit teams at the Regional Banks, which have 406 staff members assigned to this task).

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

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

Audits carried out by Crédit Agricole S.A. Group Control and Audit, the internal audit departments and all external audits (conducted by supervisory authorities or outside firms) are monitored through a formal system. For every recommendation formulated as a result of these audits, this system ensures that all recommendations made are implemented through corrective and prioritised action plans, according to a clearly defined timetable set by order of priority. In accordance with Article 9-1 of Group Regulation 97-02 as amended, it is the duty of the Head of the Control and Audit function to alert the Audit and Risks Committee if required.

RECENT TRENDS AND OUTLOOK

2011 OUTLOOK

The United States has made the choice of growth to alleviate the burden of debt, public and private, by once again turning on the monetary and budgetary levers to stimulate activity (no Federal Reserve rate increases expected before mid-2012). With this strategy, growth of 3% in 2011 seems possible, provided that there are also more signs of self-sustained growth increases. The rise in US long-term rates, which have stabilised since mid-December at around 3.4% (the 10-year rate), reflects the success of this gamble. **Europe, having chosen the route of austerity to bring public debt back to sustainable trajectories, is just ticking over (with growth of 1.5% in 2011) with major divergences according to governments, depending on the size of their debt problems.** The gamble is that of an ordered correction of public finances coupled with basic reforms to return to a path of healthy growth. The gamble is risky with markets ready to penalize the slightest deficiency. The high levels of risk premiums on sovereign debt of the peripheral countries are evidence of this feverishness.

A surprise came in early 2011 when the ECB adopted a decidedly more aggressive posture toward inflationary risk. The ECB, whose sole mandate is price stability in the medium term, had no other choice than to raise its tone at a time when inflation is above its target (of 2.4% in January). But the first sign of monetary tightening is still unlikely at this stage: price pressures originating upstream (higher energy and food prices) over which the ECB has no control at all. **The lack of growth in the euro zone, the high level of the unemployment rate, the latent overcapacities and a situation that is still fragile and uncertain on the sovereign debt front in peripheral countries should in addition dissuade the ECB from raising its rates in 2011.** Nevertheless, this change in tone precipitated market corrections with a sharp rise in rates on short term maturities and a rise in the Euro that reached EUR1 = USD1.37 in January.

The rebound of the European currency, against a background of forecast interest rate hikes by the ECB, should therefore be short-lived. **The foreign exchange market should give greater weight to growth differentials and to the benefit of the dollar (a target exchange rate of EUR 1 = USD 1.25 by end-2011).**

On the other hand, long-term risk-free rates will continue to rise to begin to be in accordance with the recovery plan underway (3.75% for the Germany Bund and 4% for the US 10-year rate by the end of 2011). Even though Europe is providing 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 2011, spreads in peripheral countries should end up by reducing significantly.

OUTLOOK FOR THE GROUP

On 17 March 2011, Crédit Agricole S.A. presented its medium-term plan, covering the 2011–2014 period. The plan laid out its ambition to become the European benchmark in universal customer-focused banking. This ambition is accompanied by a controlled risk and profitability profiles for value creation over the long term.

The Crédit Agricole S.A. Group's strategy thus aims to capitalise on its model by leveraging organic growth, Group effect, commitment and responsibility. This tactic should enable it to deliver an enhanced financial profile, targeting a net income, Group share of 6 to 7 billion in 2014.

RECENT EVENTS

Information about events announced subsequent to the 2010 financial year closure appear in the "Crédit Agricole S.A. management report" published in the registration document and annual report lodged with the *Autorité des Marchés Financiers* (AMF) on 18 March 2011.

Risk factors

This part of the management report sets out the type of risks to which Crédit Agricole Group is exposed, their extent and the systems used to manage them.

The information presented in accordance with IFRS 7, relating to disclosures on the financial instruments, covers the following types of risks [(*)]:

- credit risk (including country risk): risk of losses arising from a default by a counterparty leading to that counterparty's inability to meet its commitments to the Group;
- market risks: risks of losses arising from changes in market parameters (interest rates, exchange rates, prices, credit spreads);
- particular risks attributable to the financial crisis;
- structural asset/liability management risks: risks of losses arising from changes in interest rates (global interest-rate risk) and exchange rates (currency risk) and the risk of not having the necessary resources to meet commitments (liquidity risk), including risks in the insurance sector.

To cover all risks inherent in the banking business, additional information is provided concerning:

- operational risks: risks of losses resulting primarily from the unsuitability or failure of processes, systems or people in charge of transaction processing;
- non-compliance risks: risks relating to failure to comply with laws and regulations governing the Group's banking and financial activities.

ORGANISATION OF RISK MANAGEMENT

Management of the risks inherent in banking activities lies at the heart of the Group's internal control system. All staff involved, from the initiation of transactions to their final maturity, play a part in that system.

Measuring and supervising risk is the responsibility of the dedicated Risk Management and Permanent Controls function (DRG – Group Risk Management department), which is independent of the business lines and reports directly to the Executive Management of Crédit Agricole S.A.

Although risk management is primarily the responsibility of the business lines, which oversee growth in their own operations, DRG's task is to ensure that the risks to which the Group is exposed are consistent with the risk strategies defined by the business lines (in terms of global and individual limits and selection criteria) and compatible with the Group's growth and profitability objectives. Operating procedures adapted to the Regional Banks' division are defined and implemented by the DRG in order to guarantee the Group is monitored on a consolidated basis and to ensure respect for the risk strategies decided by the governing bodies of the Regional Banks (see section on Internal Control, above).

DRG performs Crédit Agricole consolidated Group-wide monitoring of risks, using a network of risk management and permanent control officers (RCPRs). In Crédit Agricole S.A. subsidiaries, these officers report hierarchically to the head of Risk Management and Permanent Controls of Crédit Agricole S.A. and functionally to the executive body of their entity or business line. The RCPRs of the Regional Banks for their part report to the Chief Executive Officer of their entity and functionally to the Group RCPR.

To ensure a consistent view of risks within the Group, DRG has the following duties:

- it defines and/or validates methods and procedures for analysing, measuring and monitoring credit, market and operational risks;
- it helps with critical analysis of the business lines' commercial development strategies, focusing on the risk impact of these strategies;
- it provides independent opinions to Executive Management on risk exposure arising from business lines' positions (credit transactions, setting of market risk limits) or anticipated by their risk strategy;
- it lists and analyses entities' risks, on which data are collected in risk information systems.

The Financial Management unit of the Group Finance department (DFG) of Crédit Agricole S.A. manages structural asset/liability risk (interest-rate, exchange-rate and liquidity) along with the refinancing policy and supervision of capital requirements.

Supervision of these risks by Executive Management of Crédit Agricole S.A. is carried out through ALM (Asset Liability Management) Committee Meetings, in which DRG takes part.

(*) These disclosures are an integral part of the consolidated financial statements for the year ended 31 December 2010 and, as such, are covered by the Statutory Auditor's Report on the consolidated financial statements.

GOVERNANCE

DRG organises a periodic review of the main credit-risk and market-risk issues through quarterly Risk Committee Meetings, which address the following issues: policies on risk-taking, portfolio analysis and analysis of cost of risk, market limits and concentration limits. These Risk Committees cover all of the Crédit Agricole Group's risks (including those of the Regional Banks) and are chaired by the Chief Executive Officer of Crédit Agricole S.A.

The DRG regularly informs Crédit Agricole S.A.'s Audit Committee about risk exposures, the methods used to measure them and its recommendations for managing them in accordance with the policies defined by the Board of Directors of Crédit Agricole S.A.

CREDIT RISK

A credit risk is realised when a counterparty is unable to honour its obligations and when the carrying amount of these obligations in the bank's books is positive. The counterparty may be a bank, an industrial or commercial enterprise, a government and its various controlled entities, an investment fund, or an individual person.

The exposure may be a loan, debt security, deed of property, performance exchange contract, performance bond 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.

I. OBJECTIVES AND POLICY

The risks taken by the Crédit Agricole entities must comply with the risk strategies approved by the Group's Risk Management Committee, which is a sub-committee of Crédit Agricole S.A.'s Executive Committee and is chaired by its Chief Executive Officer. Risk strategies are adjusted to each business line and its development plan. They set out global limits, intervention criteria (types of eligible counterparties, nature and maturity of eligible products, collateral required) and arrangements for delegating decision-making authority. These risk strategies are adjusted as required for each business line, entity, business sector or country. Business lines are responsible for complying with these risk strategies, and compliance is controlled by the risk management and permanent control officers.

Credit risks taken by Regional Banks must respect the intervention criteria and limits which have been decided by General management and approved by the Board of Directors.

Crédit Agricole S.A., its subsidiaries and Regional Banks seek to diversify their risks in order to limit their counterparty risk exposures, particularly in the event of a crisis affecting a particular industry or country. To achieve this, they regularly monitor their total exposures by counterparty, by trading portfolio, by business sector and by country (taking into account internal calculation methods, depending on the type of exposure).

Crédit Agricole CIB, the Group's corporate and investment banking arm, also carries out active portfolio management in order to reduce the main concentration risks borne by Crédit Agricole Group. The Group uses market instruments such as credit derivatives or securitisation mechanisms to reduce and diversify counterparty risk that enable it to optimise its use of capital. Similarly, potential risk concentration is mitigated by syndication of loans with outside banks and use of risk hedging instruments (credit insurance, derivatives, sharing risk with Oseo Garantie).

When the risk is recognised, an impairment policy is implemented, on a individual or portfolio basis.

II. CREDIT RISK MANAGEMENT

1. Risk-taking general principles

All credit transactions require in-depth analysis of the customer's ability to repay the debt and the most efficient way of structuring the transaction, particularly in terms of security and maturity. This analysis must comply with the risk strategy of the business line concerned and with all limits in force, both individual and aggregate. The final lending decision is based on an internal rating and is taken by the commitment units or by the Credit Committees, on the basis of an independent opinion given by a representative of the Risk Management and Permanent Control function as part of the authorisation system in place. The Group Risk Management Committee and its Chairman constitute the Group's ultimate decision-making authority. For Regional Banks, this responsibility falls to their Board of Directors, respecting the prerogatives given to Crédit Agricole S.A. by the French Monetary and Financial Code.

Each lending decision requires an analysis of the relationship between the risk taken and the expected return. In the corporate and investment banking business, an *ex ante* calculation of the transaction's expected return is carried out (RAROC – risk-adjusted return on capital).

In addition, the principle of an individual risk limit applies to all types of counterparty, whether business enterprises, banks, financial institutions, public sector or semi-public sector.

2. Risk measurement methods and systems

2.1. Internal rating systems and credit risk consolidation systems

The internal rating systems cover all of the methods, procedures and controls used for assessment of credit risk, rating of borrowers and estimation of losses in the event of default by the borrower. Governance of the rating system relies on the Standards and Methodologies Committee (CNM), chaired by the Group's head of Risk Management and Permanent Controls, whose task is to validate and disseminate standards and methodologies relating to measuring and controlling risks within Crédit Agricole Group.

In retail banking, each entity has the responsibility of defining, implementing and substantiating its rating system, in accordance with the Group standards established by Crédit Agricole S.A. Consequently, LCL, the consumer finance subsidiaries (Crédit Agricole Consumer Finance and Lukas Bank) have their own credit rating systems. Regional Banks have common risk assessment models which are managed at the Crédit Agricole S.A. level. Back-testing procedures for the parameters used in calculating the regulatory capital requirement have been defined and are operational in all entities. The integration of those parameters into each entity's risk management system is well advanced.

For the large institutional customer category, a single fifteen-grade rating scale has been established on the basis of a segmentation of risk so as to provide a uniform view of default risk "over a full business cycle". The scale comprises thirteen ratings (A+ to E-) for counterparties that are not in default (including two ratings for counterparties that have been placed on credit 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 rating	**A+**	**A**	**B+**	**B**	**C+**	**C**	**C-**	**D+**	**D**	**D-**	**E+**	**E**	**E-**
Indicative Moody's rating equivalent	Aaa	Aa1/ Aa2	Aa3/ A1	A2/A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1/B2	B3	Caa/ Ca/C
Indicative Standard & Poor's rating equivalent	AAA	AA+/ AA	AA- /A+	A/A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+/B	B-	CCC/ CC/C

Within the Crédit Agricole Group, the large customer category comprises primarily sovereigns and central banks, corporates, specialised financings as well as banks, insurance companies and other financial companies. An internal rating method tailored to each specific risk profile, based on financial and qualitative criteria, is applied to each type of large customer. For corporate clients, Crédit Agricole Group entities have common internal rating methodologies. A rating is assigned when a relationship with the counterparty is first initiated, and that rating is updated upon each request for a credit limit and upon any event that could affect risk quality. The rating assignment must be approved by a unit independent of the front office. The rating is reviewed at least annually. To ensure that each counterparty carries one and only one rating within the Crédit Agricole Group, a single entity in the Group is responsible for rating it.

The rating oversight process implemented by Crédit Agricole S.A., its subsidiaries and Regional Banks aims to ensure:

- uniformity in the handling of default events on a consolidated basis;
- proper utilisation of the internal rating methodologies;
- reliability of the data supporting the internal rating;
- back-testing of the internal rating methodologies, which is performed annually. All oversight results are presented to the Standards and Methodology Committee as well as the Group Risk Management Committee.

Furthermore, Crédit Agricole S.A., its subsidiaries and Regional Banks continue to focus on improving the risk-tracking system for:

- single-client and group risk management, which is designed to ensure accurate identification of counterparties on which there is a risk and to improve cross-functional single-client and group risks information management, which is crucial to ensuring rating uniqueness and consistent allocation of exposures to Basel portfolios. 2010 was marked, notably, by the integration of the Regional Banks' scope into the combined management mechanism for Group Risks, thereby ensuring a homogeneous view of customer Groups among all entities;

- the closing process, which aims to guarantee the quality of the process of production of the solvency ratio.

The French Prudential Control Authority (ACP) has authorised Crédit Agricole Group to use internal rating systems to calculate regulatory capital requirements for credit risk on the greater part of its retail and corporate loan portfolios.

Having internal rating systems deployed throughout the Group enables it to implement counterparty risk management based on Basel II-type indicators. Notably, in the corporate and investment banking businesses, expected loss, economic capital and risk-adjusted return measurements are used in the processes for making loan approval decisions, defining risk strategies and setting risk limits.

2010, as in previous years, was marked by the continuation of work to extend authorised scope, in the framework of the Group's sequential roll out plan.

2.2. Credit risk Measurement

The measurement of credit risk exposures includes both drawn facilities and confirmed unutilised facilities.

To measure counterparty risk on capital markets transactions, Crédit Agricole S.A. and its subsidiaries use an internal method for estimating the current and potential risk of derivative instruments such as swaps and structured products.

The risk basis is the sum of the positive market value of the instrument and an add-on coefficient applied to the nominal amount. This add-on coefficient represents the potential credit risk arising from the change in market value of derivative instruments during their residual lifespan. It is calculated using the type and residual lifespan of the instrument, based on a statistical observation of movements in its underlying instruments. When the netting and collateralisation agreements with the counterparty allow, counterparty risk is measured for the portfolio net of eligible collateral. The corporate and investment banking 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 solvency ratios or for reporting major risks;
- from the accounting principles and policies used to prepare the consolidated financial statements.

To reduce its exposure to counterparty risks, the investment bank enters into netting and collateralisation agreements with its counterparties (see section 4 below: "Credit risk mitigation mechanism").

3. Supervision system of commitments

Rules for dividing and limiting risk exposures, along with specific processes relating to commitments, are used to prevent any excessive concentration of the portfolio.

3.1. Process for monitoring concentrations by counterparty or group of related counterparties

The consolidated commitments of all Crédit Agricole Group's entities are monitored by counterparty and by group-related counterparties. A group of related counterparties is a set of French or foreign legal entities that are connected, regardless of their status and economic activity, in such a way that the total exposure to this group can be measured on the basis of exposure to one or more of these entities. Commitments to a counterparty or group of related counterparties include all loans granted by the Group as well as corporate finance transactions, bond portfolios, financing commitments and counterparty risks relating to capital market transactions. Exposure limits for counterparties and groups of related counterparties are recorded in the internal information systems of each subsidiary or business line. When several subsidiaries have a counterparty in common, a Group-level aggregate limit is set on the basis of commitment authorisation limits that depend on the internal rating.

Each operating entity reports the amount of its commitments by risk category on a monthly or quarterly basis to the Group Risk Management and Permanent Controls department. Exposures to major non-bank counterparties, i.e. those on which the aggregate commitments of the Crédit Agricole Group exceed €300 million after netting, are reported separately to the Group Risk Management Committee.

At year-end 2010, lending commitments of Crédit Agricole S.A., its subsidiaries and the Regional Banks to their ten largest non-sovereign, non-bank customers amounted to less than 5% of the total non-bank portfolio (similar level to 31 December 2009), showing good diversification of that portfolio on an individual basis.

Moreover, for the Regional Banks and LCL, major counterparty risks are monitored also via the Foncaris subsidiary. At 31 December 2010, Foncaris provided a 50% guarantee on €10.7 billion of Regional Banks' and LCL's exposures to major counterparties (€11 billion at 31 December 2009).

3.2. Portfolio review and sector monitoring process

Periodic portfolio reviews conducted by entity or business line serve to identify counterparties whose credit quality is deteriorating, update counterparty ratings, monitor risk strategies and check on changes in concentration ratios, for instance, per business sector. Moreover, the corporate and investment banking business has a portfolio modelling tool that it uses to test how well portfolios hold up under stress scenarios.

In 2010, portfolio reviews were intensified to anticipate any deterioration in risks.

The Regional Banks organise, at their level, a portfolio review and sector monitoring process adapted to their risk profile.

3.3. Process for monitoring counterparties in default and on credit watch

Counterparties in default and on credit watch are monitored closely by the business lines, in collaboration with risk management and permanent control officers. They are also the object of formal monitoring by the entities' Sensitive exposure committees and of quarterly monitoring by the Group Risk Management Committee and the Audit Committee on a consolidated basis.

3.4. Consolidated risk monitoring process

Every quarter, the Group Risk Management Committee examines the risk report produced by the Group Risk Management and Permanent Controls department. This document gives the Committee a detailed review of the Group's risk situation on a consolidated basis across all business lines. In addition, detailed periodic reviews of banking risks, country risks and the main non-banking risks are conducted during Group Risk Management Committee Meetings.

The unfavourable economic environment led Crédit Agricole S.A. to institute a Risk Monitoring Committee chaired by Executive Management. This Committee meets weekly and reviews all risk alerts collected centrally by the Group Risk Management and Permanent Controls department in accordance with the internal alert procedures.

In 2010, consolidated risk monitoring continued to benefit from deployment of the Basel II reforms, particularly as regard the improvements in internal rating systems, consolidated counterparty management and the scope covered by the risk centralisation system.

3.5. Country risk monitoring and management system

Country risk is the risk that economic, financial, political or social conditions in a foreign country will affect the financial interests of the Group. This risk does not differ in nature from “elementary” risks (credit, market and operational risks), but is an aggregate of risks resulting from vulnerability to a specific political, macroeconomic and financial environment.

The system for assessing and monitoring country risk within the Crédit Agricole Group is based on the Group's own rating methodology. Internal country ratings are based on criteria relating to the structural solidity of the economy, ability to pay, governance and political stability. Annually reviewed limits and risk strategies are applied to each country whose rating is lower than the threshold specified in the procedures.

The introduction of reporting and regular reviews enables increasingly detailed country risk monitoring, on an overall portfolio basis, as a result of greater use of quantitative tools. This approach is supplemented by scenario analyses aimed at testing the impact of adverse macroeconomic and financial assumptions. These tests enable the Group to develop an integrated view of the risks to which it may be exposed in situations of extreme tension.

The Group manages and controls its country risks according to the following principles:

- activities exposed to country risk are defined and identified through the development and monitoring of analytical country risk management tools;
- acceptable country risk exposure limits are determined through annual reviews of country strategies, depending on the vulnerability of the portfolio to country risk. The degree of vulnerability is determined by the type and structure of transactions, the quality of counterparties and the term of commitments. These exposure limits may be reviewed more frequently if developments in a particular country make it necessary. 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 Group Risk Management Committee (CRG);
- the corporate and investment banking business maintains a system for regular assessment of country risk and for updating the country risk rating quarterly for each country in which the Group does business. This rating is

produced using an internal country rating model based on various criteria (structural solidity, governance, political stability, ability and willingness to pay). Specific events may cause ratings to be adjusted before the next quarterly review;

- Crédit Agricole CIB's Country and Portfolio Risk department validates transactions whose size, maturity and degree of country risk could affect the quality of the portfolio.

Country risk exposure is monitored and controlled in both quantitative (amount and term of exposure) and qualitative (portfolio vulnerability) terms through regular specific reporting on all exposures to risky countries.

3.6. Stress scenario impacts

Credit stress scenarios are applied periodically in conjunction with the business lines to assess the risk of loss and consequent changes in capital requirements in the event of a sharp deterioration in the economic and financial environment. The results of these stress tests are examined by the Group Risk Management Committee or the Executive Committee.

In 2010, these results were also communicated to Crédit Agricole S.A.'s Board of Directors. In addition, the Group took part in the European stress test exercise, the results of which were published in July 2010.

4. Credit risk mitigation mechanisms

4.1. Collateral and guarantees received

Guarantees or collateral are intended to provide partial or full protection against credit risk.

The principles governing the eligibility, utilisation and management of collateral and guarantees received as security are defined by Crédit Agricole Group's Standards and Methodologies Committee (CNM), in accordance with the CRD system implemented as part of the Basel II solvency ratio reform. This common framework ensures a consistent approach across the Group's various entities. It documents aspects that include the conditions for prudential recognition, valuation and revaluation methods of all the various credit risk mitigation techniques that are used: collateral (notably for financing of assets: property, aircraft, ships, etc.), security in the form of guarantees, public export credit insurance, private credit insurance, financial guarantee insurance, credit derivatives, and cash collateral. The entities are in charge of implementing this framework at the operational level (management, monitoring of valuations, implementation).

Details of guarantee commitments received are presented in Note 8 to the consolidated financial statements.

Regarding financial assets obtained by enforcement of guarantees or credit enhancement measures, the Group's policy on assets that have come into its possession by these means is to sell them as soon as possible.

4.2. Use of netting contracts

If a master contract has been agreed with a counterparty, Crédit Agricole S.A. and its subsidiaries net their exposures to that counterparty. Crédit Agricole S.A., its subsidiaries and the Regional Banks also use collateralisation techniques (deposits of cash or securities) to reduce their risk positions.

4.3. Use of credit derivatives

In managing its banking book, the Group's corporate and investment banking business uses credit derivatives and a range of risk-transfer instruments specifically including securitisation. The aim is to reduce concentration of corporate credit exposure, diversify the portfolio and reduce loss levels.

The risks arising from such transactions are monitored using indicators such as VaR (Value at Risk) on all cash transactions to buy or sell protection for the bank's own account.

The notional amount of protection bought by Crédit Agricole CIB in the form of unitary credit derivatives outstanding at 31 December 2010 was €13.1 billion (€15.5 billion at 31 December 2009). The outstanding notional amount of protection sold by Crédit Agricole CIB was €907 million (€933 million at 31 December 2009).

III. EXPOSURE

1. Maximum exposure

The maximum exposure to credit risk of Crédit Agricole Group corresponds to the net carrying amount of financial assets (loans and receivables, debt instruments and derivative instruments) before the effect of non-recognised netting agreements and collateral.

Maximum exposure to credit and counterparty risk of the Crédit Agricole Group

(in millions of euros)	**31/12/2010**	**31/12/2009**
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	344,189	365,808
Hedging derivative instruments	25,205	24,649
Available-for-sale assets (excluding equity securities)	215,115	195,809
Loans and receivables to credit institutions	101,759	90,154
Loans and receivables to customers	759,452	719,787
Held-to-maturity financial assets	26,186	27,642
Exposure to on-balance sheet commitments (net of impairments)	**1,471,906**	**1,423,849**
Financing commitments given	232,646	222,203
Financial guarantee commitments given	102,894	98,111
Reserves – commitment by signature	(416)	(684)
Exposure to off-balance sheet commitments (net of provisions)	**335,124**	**319,630**
TOTAL NET EXPOSURE	**1,807,030**	**1,743,479**

At 31 December 2010, the maximum exposure to credit risk and counterparties of Crédit Agricole group amounted to €1,807 billion (€1,743 billion at 31 December 2009), up by 3.6 % over the year.

An analysis of credit risk on commercial lending commitments (loans and receivables to credit institutions, loans and receivables to customers, financing and guarantee commitments for €1,126.9 billion) is presented below. Monitoring of credit and counterparty risks at the insurance companies (€156 billion) is described below (section III of the Insurance sector risks).

2. Concentration

The analysis of concentration by geographic area and by business sector relates to the Group's commercial lending (both on and off balance sheet) to all customers (including banking counterparties excluding intra-Group transactions) before the effect of netting agreements and collateral (€1,126.9 billion at 31 December 2010, compared to €1,062.7 billion at 31 December 2009).

2.1. Portfolio diversification by geographic area

The breakdown of the commercial lending portfolio (including banking counterparties outside the Group) by geographic area covers a total of €1,125.8 billion at 31 December 2010, compared to €1,060.1 billion at 31 December 2009. The breakdown reflects the country of commercial lending risk.

Breakdown by geographic area of commercial lending of Crédit Agricole Group at 31 December 2010

Geographic risk area at 31/12/2010	Breakdown
France (retail customers)	37%
France (excluding retail customers)	29%
Western Europe (excluding Italy)	12%
Italy	7%
North America	5%
Asia-Pacific (excluding Japan)	3%
Africa and Middle East	3%
Eastern Europe	2%
Central and South America	1%
Japan	1%
TOTAL	**100%**

Breakdown by geographic area of commercial lending of Crédit Agricole Group at 31 December 2009

Geographic risk area at 31/12/2009	Breakdown
France (retail customers)	37%
France (excluding retail customers)	29%
Western Europe (excluding Italy)	13%
Italy	7%
North America	5%
Asia-Pacific (excluding Japan)	3%
Africa and Middle East	3%
Eastern Europe	2%
Central and South America	1%
Japan	1%
TOTAL	**100%**

Commercial lending commitments by major geographic area were very stable in 2010, with a slight growth in the Asia-Pacific region excluding Japan to the detriment of Western Europe.

Note 3.1 to the financial statements presents the breakdown of loans and receivables and commitments to customers and credit institutions by geographic area on the basis of accounting data.

2.2. Portfolio diversification by business sector

For the non-bank commercial lending portfolio (including banking counterparties outside the Group), the breakdown by business sector covers a total of €1,076.8 billion at 31 December 2010, compared to €1,008.8 billion at 31 December 2009. The breakdown reflects the business sector on risk of commercial lending to customers.

Breakdown by business sector of commercial lending of Crédit Agricole Group at 31 December 2010

Business sector at 31/12/2010	Breakdown
Retail customers	48%
Non-trade services/Public sector/Local authorities	9%
Energy	5%
Banks	5%
Other financial activities (non-banking)	5%
Real estate	4%
Other	3%
Food processing	2%
Construction	2%
Shipping	2%
Retailing / Consumer goods industries	2%
Automotive	2%
Heavy industry	2%
Aircraft / Aerospace	2%
Health / Pharmaceuticals	1%
Telecoms	1%
Other transport	1%
Other industries	1%
Insurance	1%
Tourism/ Hotels/ Restaurants	1%
Media / Publishing	1%
TOTAL	**100%**

Breakdown by business sector of commercial lending of Crédit Agricole Group at 31 December 2009

Business sector at 31/12/2009	Breakdown
Retail customers	49%
Non-trade services/Public sector/Local authorities	9%
Energy	5%
Banks	5%
Other financial activities (non-banking)	4%
Real estate	4%
Other	3%
Food processing	3%
Construction	2%
Shipping	2%
Retailing / Consumer goods industries	2%
Automotive	2%
Heavy industry	2%
Aircraft / Aerospace	1%
Health / Pharmaceuticals	1%
Telecoms	1%
Other transport	1%
Other industries	1%
Insurance	1%
Tourism/ Hotels/ Restaurants	1%
Media / Publishing	1%
TOTAL	**100%**

Well diversified, the commercial lending portfolio breakdown by business sector remains relatively stable for 2010.

2.3. Breakdown of loans and receivables by type of customer

Concentrations by customer type of loans and receivables and commitments given to credit institutions and customers are presented in Note 3.1 to the consolidated financial statements.

The gross amount of loans and receivables outstanding (€882.0 billion at 31 December 2010) increased by 6.5% in 2010 (from €828.1 billion at 31 December 2009). The total is split mainly between large corporates and retail customers (respectively 28.8% and 47.4%, compared to 31.3% and 48.5% at 31 December 2009). The proportion of institutions other than banks and credit institutions increased to 20.4% of these amounts outstanding at 31 December 2010, compared to 19.5% at 31 December 2009.

2.4. Exposure to country risk

Global growth recovered in 2010 (+5%) and should continue in 2011. However, this has resulted in a two-speed world: with emerging countries experiencing sustained growth (7% in 2010 and more than 6% for the next two years) and developed countries where average growth should not exceed 2%. These figures mask the fact that, in several countries, growth is insufficient to contain a very volatile social situation associated, notably, to youth unemployment and inequalities fuelled by corruption.

In this continuing uncertain economic context, Crédit Agricole S.A. and its subsidiaries maintained a very selective development policy towards emerging countries, prioritising transactions that favoured a target customer base, situated mainly in investment grade countries, while ensuring the quality of the risk profile. The Crédit Agricole Group's commercial lending (on and off balance sheet) to customers at risk in emerging counties comes mainly via Crédit Agricole CIB, via UBAF (47% owned by Crédit Agricole CIB) and via International retail banking. These exposures include guarantees received coming in deduction (export credit insurance, cash deposits, securities pledged, etc.).

At 31 December 2010, commercial lending amounted to €57.7billion (€53.7 billion at 31 December 2009).

Concentration of exposures to emerging countries was stable in 2010: the top 20 countries accounted for 82% of the portfolio at year-end 2010, compared to 82.2% at year-end 2009.

Three geographic areas are predominant: Middle East and North Africa, Eastern Europe and Asia.

Middle East and North Africa

The Middle East and North Africa is the leading area of exposure, with outstandings of €19.7 billion (34.2% at 31 December 2010, compared to 36.5% at 31 December 2009). The exposures are concentrated in Morocco, United Arab Emirates and Egypt.

Eastern Europe

Exposures in this region accounted for 25.2% of the Group's emerging-country risks totalling €14.5 billion. They are concentrated in five countries: Russia, Poland, Hungary, Czech Republic and Ukraine. At 31 December 2009, this region accounted for 26.3% of emerging-country risks totalling €14.1 billion.

Asia

Asia represents the third-largest exposure among emerging markets, with 23.9% of outstandings at year-end 2010 (22.3% at year-end 2009), or €13.8 billion (€12.0 billion at 31 December 2009). Activity remained concentrated in the main countries of the region (China, Hong Kong and India), which demonstrated greater resilience in the face of the worldwide crisis.

Latin America

At year-end 2010 this region represented 10.3% of the exposure on emerging countries, with outstandings of €5.9 billion concentrated in four countries: Mexico, Brazil, Uruguay and Chile (compared to 8.7% at end-2009 for €4.7 billion).

Sub-Saharan Africa

This region represented exposure of €3.6 billion (6.3% of country risks) at year-end 2010, including 40.4% on South Africa (€3.3 billion at year-end 2009, including 35.6% on South Africa).

3. Quality of outstandings

3.1. Analysis of loans and receivables by category

The breakdown of loans and receivables due from credit institutions and customers is presented as follows:

Loans and receivables *(in millions of euros)*	**31/12/2010**	**31/12/2009**
Neither past due nor impaired	833,728	782,310
Past due but not impaired	16,881	20,057
Impaired	31,426	25,782
TOTAL	**882,035**	**828,149**

The portfolio of loans and receivables at 31 December 2010 consisted of 94.5 % in amounts that were neither past due nor impaired (94.5% at 31 December 2009).

Under IFRS 7, a financial asset is past due when a counterparty has failed to make a payment when contractually due. The Group considers that there is no identified credit risk on loans and receivables that are less than 90 days past due, accounting for 92% of past due but not impaired loans.

Details of financial assets that were past due or impaired are presented in Note 3.1 to the consolidated financial statements.

3.2. Analysis of outstandings by internal rating

The internal rating policy used by Crédit Agricole Group aims to cover the entire customer portfolio, i.e., retail customers, corporate customers, banks and financial institutions, government agencies and local authorities.

On the performing commercial lending portfolio excluding retail customers (€597.5 billion at 31 December 2010, compared to €560.8 billion at 31 December 2009), rated borrowers accounted for 80% of the total (€477.8 billion at 31 December 2010, compared to €446.0 billion at 31 December 2009). The breakdown of this portfolio is presented according to the Standard & Poor's equivalents of the Group's internal ratings.

Change in the non-bank, non-retail customers commercial lending performing portfolio of Crédit Agricole Group by indicative S&P equivalent of internal rating

Standard & Poor's equivalent of internal rating	31/12/2010	31/12/2009
AAA	21%	20%
AA	12%	13%
A	13%	12%
BBB	35%	35%
BB	14%	15%
B	2%	2%
Under watch	3%	3%
TOTAL	**100%**	**100%**

This breakdown reflects a credit portfolio of good quality, and which showed an overall improvement in its risk profile during 2010. At 31 December 2010, 81% of exposures related to borrowers with investment-grade ratings (80% at 31 December 2009), and 3% related to borrowers under watch (stable compared to 31 December 2009).

3.3. Impairment and risk coverage

3.3.1 Impairment and risk coverage policy

The policy for hedging loan loss risks is based on two kinds of impairment allowances:

- impairment allowances on an individual basis intended to cover probable losses on impaired receivables;
- collective impairment allowances under IAS 39, recognised when objective indications of impairment are identified on one or more homogeneous subgroups within the credit risk portfolio. These impairment allowances are intended to cover deterioration in the risk profile of exposures to certain countries, business sectors or counterparties, not because they are in default but because their rating has been lowered. Impairment losses on a portfolio basis are also made in retail banking.

3.3.2 Impaired financial assets

The breakdown of impaired loans and receivables due from credit institutions and customers by customer type and geographic area is presented in Note 3.1 to the financial statements.

At 31 December 2010, the total of impaired loans and receivables stood at €31.4 billion (compared to €25.8 billion at 31 December 2009). These consist of non-performing loans and commitments on which the Group sees the potential for non-recovery. Impaired assets accounted for 3.6% of the Group's gross balance-sheet outstandings at 31 December 2010 (3.1% at 31 December 2009). They were covered by €17.1 billion of individual impairment allowances (€14.6 billion at 31 December 2009), including finance lease transactions but not including collective impairment allowances.

Performing loans and receivables that were renegotiated amounted to €3.0 billion at 31 December 2010 (€2.6 billion at 31 December 2009).

4. Cost of risk

The Crédit Agricole Group's overall cost of risk amounted to €5.2 billion at 31 December 2010, compared to €6.5 billion in 2009. The net decrease in the cost of risk is due primarily to the corporate and investment banking and French retail banking business lines. On the other hand, the international retail banking business line saw a rise in its cost of risk in 2010 to €1,475 million from €1,089 million in 2009, especially as a result of the heightened risk at Emporiki Bank.

Details of the movements that affected the cost of risk are presented in Note 4.8 to the consolidated financial statements.

5. Counterparty risk on derivative instruments

The counterparty risk on derivative instruments is established according to market value and potential credit risk calculated and weighted in accordance with prudential standards. The exposures of the Crédit Agricole Group to counterparty risk on derivative instruments at 31 December 2010 are presented in Note 3.1 to the consolidated financial statements.

MARKET RISK

Market risk is the risk of a negative impact on the income statement or balance sheet of adverse fluctuations in the value of financial instruments following changes in market parameters, particularly:

- interest rates: interest rate risk is the risk of a change in the fair value of a financial instrument or the future cash flows from a financial instrument due to a change in interest rates;
- exchange rates: currency risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates;
- prices: price risk is the risk of a change in the price or volatility of equities and commodities, baskets of equities or stock market indices. The instruments most exposed to this risk are equity securities, equity derivative instruments and commodity derivative instruments;
- credit spreads: credit risk is the risk of a change in the fair value of a financial instrument resulting from movement in the credit spreads for indices or issuers. For more complex credit products, there is also the risk of a change in fair value arising from a change in correlation between issuer defaults.

I. OBJECTIVES AND POLICY

Crédit Agricole Group has a specific market risk management system with its own organisation independent of operational hierarchies, monitoring and consolidation procedures, risk identification and measurement methods.

The system covers all market risks arising from capital market activities, mainly arbitrage and directional positions taken by the trading desks. The investment portfolios of the finance departments are monitored separately.

II. RISK MANAGEMENT

1. Local and central organisation

Crédit Agricole S.A. Group has two distinct but complementary levels of market risk management:

- at the central level, the Group Risk Management and Permanent Controls department coordinates all Group-wide market risk supervision and control issues. It standardises data and data processing to ensure consistency of both consolidated risk measurement and controls. It keeps the executive (Crédit Agricole S.A. Executive Management) and administrative bodies (Board of Directors, Audit Committee) informed on exposures and how well market risks are contained;
- at the local level, for each Crédit Agricole S.A. Group entity, a risk management and permanent controls officer monitors and controls market risks arising from the activities of the business lines. Within the Crédit Agricole CIB subsidiary, the Risk Management and Permanent Controls department relies on decentralised teams of risk controllers, generally based abroad. These control functions are performed by three teams:
  a) monitoring of the risks management whose role is to ensure a monitoring and control of market risks for all product lines: limit proposals which are approved by the Market Risk Committee and monitored for their compliance, analysis of limit excesses as well as significant variations in results brought to the attention of the Market Risk Committee;
  b) quantitative analysis: validation of risk valuation and measurement models, identification and quantification of modelling risks;
  c) activity monitoring: control and validation of market parameters used for the production of results and risk indicators, production of management results and risk indicators for all activities covered by market risk limits.

Operating agreements between the central and local levels determine the level of information, format and frequency of the reports that entities must transmit to Crédit Agricole S.A. (Group Risk Management and Permanent Controls department).

Regional Banks have no vocation to speculate or carry out arbitrage operations on the international capital markets. Their market activities are limited to refinancing, hedging and cash-flow management activities which generate little or no prudential charges.

2. Decision-making and risk monitoring Committees

Three governance bodies are involved in the management of market risk at Crédit Agricole S.A. Group level:

- the Group Risk Management Committee, chaired by Crédit Agricole S.A.'s Chief Executive Officer, examines the market situation and risks incurred on a quarterly basis. It reviews the utilisation of limits, any significant breaches of limits and incidents, and the analysis of net banking income from a risk standpoint. This Committee approves the aggregate limits on each entity's market risks when it presents its risk strategy and makes the main decisions in the matter of risk containment;
- the Risk Monitoring Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., reviews the main indicators of market risk on a weekly basis;
- the Standards and Methodology Committee meets periodically and is chaired by the Head of Group Risk Management and Permanent Controls. Its responsibilities include approving and disseminating standards and methods concerning the supervision and permanent control of market risks.

In addition, each entity has its own Risk Committee. The most important of these is Crédit Agricole CIB's Market Risk Management Committee (CRM), which meets twice a month and is chaired by the Executive Management member in charge of risks. It is made up of Crédit Agricole CIB's Head of market risk management and the risk managers responsible for specific activities. This Committee reviews Crédit Agricole CIB's positions and the results of its capital market activities and verifies compliance with the limits assigned to each activity. It is empowered to make decisions on requests for temporary increases in limits.

III. MARKET RISK MEASUREMENT AND MANAGEMENT METHODOLOGY

1. Indicators

Market risk supervision is based on a combination of several indicators that are subject to global or specific limits. These indicators fall into three main categories: Value at Risk (VaR), stress scenarios and complementary indicators (risk factor sensitivities, combined qualitative and quantitative indicators). The measurement system for these indicators relies on a process of evaluating positions for each entity that is subject to market risk. The permanent control process includes procedures for validating models and also procedures for structuring the back-testing of models.

1.1. Value at Risk (VaR)

The central element of the market risk measurement system is Value at Risk (VaR). VaR can be defined as the maximum theoretical loss on a portfolio in the event of adverse movements in market parameters over a given timeframe and for a given level of confidence. The Crédit Agricole S.A. Group uses a confidence level of 99%, a timeframe of one day, and one year of historical data. In this way, market risk incurred by the Group in its trading activities can be monitored on a daily basis by quantifying the estimated maximum level of loss in 99 out of 100 cases, after inclusion of a number of risk factors (interest rate, currency, asset prices, etc.). The inter-correlation of such factors affects the maximum loss amount.

The netting figure is defined as the difference between total VaR and the sum of VaRs by risk factor. It represents the effects of netting among positions held simultaneously on different risk factors. A procedure known as back-testing (comparing each day's result against VaR estimated the day before) is used to confirm the relevance of the methodology.

The main method used to measure VaR is the historical VaR method. The Monte Carlo method is used only for a portion of Crédit Agricole CIB's commodity-related activities.

The internal VaR model of Crédit Agricole CIB, which is the main contributor to the VaR of the Crédit Agricole S.A. Group, has been approved by the regulatory authorities.

The process of measuring a historical VaR for risk positions on a given date D is based on the following principles:

- compilation of a historical database of risk factors on positions held by Crédit Agricole S.A. Group entities (interest rates, share prices, exchange rates, commodity prices, volatilities, credit spreads, correlation, etc.);
- determination of 261 scenarios corresponding to 1-day changes in risk factors, observed over a rolling one-year period;
- adjustment of parameters corresponding to date D according to the 261 scenarios;
- remeasurement of the day's positions based on the 261 scenarios.

The 99% VaR figure based on the 261 scenarios is equal to the average of the second and third worst risks observed.

The VaR calculation methodology undergoes constant improvement and adjustment to take into account, among other things, the changing sensitivity of positions to risk factors and the relevance of the methods to new market conditions. For example, efforts are made to incorporate new risk factors and to achieve finer granularity on existing risk factors.

Limitations of the historical VaR calculation

The main methodological limitations of the VaR model are the following:

- the use of daily shocks assumes that all positions can be liquidated or covered in one day, which is not always the case for certain products and in certain crisis situations;
- the use of a 99% confidence interval leaves out losses that could occur outside that interval: VaR is consequently an indicator of risk under normal market conditions and does not take into account movements of exceptional magnitude;
- VaR does not provide any information on amounts of exceptional losses (outside the 99% confidence interval).

Backtesting

On Crédit Agricole CIB's capital market activities, the relevance and limitations of the VaR model are checked by backtesting. The purpose of backtesting is to verify after the fact whether the number of exceptions (days when actual losses exceeded estimated VaR) was within the 99% confidence interval (a loss exceeding estimated VaR should occur only two or three times a year). For 2010, only one exception was seen at the level of Crédit Agricole CIB's aggregate VaR.

Stressed VaR

In response to changes in regulatory standards, Crédit Agricole CIB has introduced a metric known as "Stressed" VaR that retains the most unfavourable one-year observation period during the last five years. This metric was introduced from June 2010. At the end of 2010, the period retained includes, notably, the end of 2008.

1.2. Stress scenarios

The second quantitative element of market risk indicators is stress scenarios. They complement the VaR measure, which does not capture the impact of extreme market conditions Stress scenarios are calculated following Group principles to simulate extreme market conditions, they are the result of different complementary approaches:

- historical scenarios, which consist in replicating the impact on the current portfolio of major crises observed in the past. The past crises used as historical stress scenarios are the 1987 stock market crash, the 1994 bond market crisis; the 1998 credit market crisis, with falling equity markets, sharply rising interest rates and declining emerging-country currencies;
- hypothetical scenarios anticipating plausible shocks, which are developed in conjunction with economists. The hypothetical scenarios used are economic recovery with rising equity and commodity markets, flattening yield

curves, appreciation of the USD and narrowing credit spreads; and liquidity crunch, with flattening yield curves, widening credit spreads and falling equity markets.

The stress scenarios are calculated weekly.

At year-end 2010, the risk levels of the Crédit Agricole Group (excluding the Crédit Agricole CIB business in run-off, which is monitored separately) as measured under historical and hypothetical stress scenarios were as follows:

In addition other types of stress tests are performed:

- at the level of the entities, adverse stress tests enabling evaluation of the impact of major and unfavourable market movements for all business lines including businesses in run-off;
- at the level of Crédit Agricole CIB, extreme stress tests, calculated since the beginning of 2010, enabling measurement of the impact of even more severe market shocks without looking for the impacts of netting between different business lines.

1.3. Complementary indicators

Other complementary indicators are also produced as part of the risk containment system and are subject to limits. These include indicators of sensitivity to various risk factors, loss alerts, stop-loss indicators, nominal amounts, outstandings, remaining terms, etc. These indicators provide finer-grained measurements of exposure to different market risk factors and serve to fill out the summary picture of risks supplied by VaR and stress scenarios.

2. Use of credit derivatives

As part of its capital markets activities, Crédit Agricole CIB has developed a business in credit products (trading, structuring and customer sales) that entails the use of credit derivatives. The products currently traded are simple credit default swaps (CDSs) in which credit spreads are the main risk factor. The business in complex and structured products is managed in run-off.

All of these positions are measured at fair value, with deductions for model and parameter uncertainties.

These activities are managed through a system of market-risk indicators and limits designed to cover all risk factors. These indicators are:

- VaR (historical, 99%, daily, including credit spread risk and correlation risk);
- credit sensitivity;
- sensitivity to correlation;
- sensitivity to interest rates.

Independent teams are responsible for valuing positions, calculating risk indicators, setting limits and validating models.

IV. EXPOSURE ON CAPITAL MARKETS (VALUE AT RISK)

Given the low level exposure of Regional Banks to the market risk, the total VaR of Crédit Agricole S.A. Group is representative of the VaR of Crédit Agricole Group on market activities.

The VaR of the Crédit Agricole S.A. Group is calculated by incorporating the impacts of diversification between the different entities of the Group since 31 December 2009.

Crédit Agricole CIB's capital market activities are taken to be those within the scope of the regulatory VaR measure (including the ongoing and discontinuing operations).

The change in VaR on capital markets activities of the Crédit Agricole S.A. Group between 31 December 2009 and 31 December 2010, broken down by major risk factor, is shown in the table below:

Breakdown of VaR (99%, 1 day)

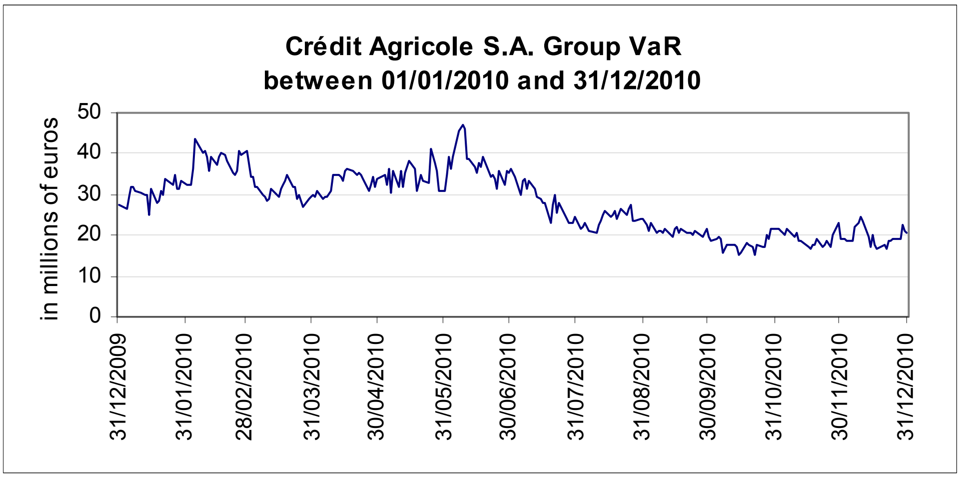
(in millions of euros)	**31/12/2010**	**Minimum**	**Maximum**	**Average**	**31/12/2009**
Fixed income	10	7	19	12	15
Credit	13	11	34	21	23
Foreign exchange	4	2	9	3	3
Equity	3	1	11	5	4
Commodities	2	1	7	2	3
Netting	(11)			(15)	(21)
VaR of the Crédit Agricole Group	**21**	**15**	**47**	**28**	**27**
For reference : Total VaR of all entities	*25*	*24*	*56*	*38*	*42*

At 31 December 2010, Group VaR was €21 million (including €19 million on Crédit Agricole CIB alone). The netting offset (-€11 million) is defined as the difference between total VaR and the sum of the VaRs by risk factor.

Without accounting for the diversification between the different entities of the Group, the total VaR would be €25 million, compared to €42 million at 31 December 2009.

- The fixed income VaR, calculated for the consolidation scope on cash and interest-rate derivatives activities reduced to €10 million at 31 December 2010 (compared to €15 million at 31 December 2009). This VaR has, notably, been sensitive to shocks observed for European sovereign debt issuers.
- The credit VaR, which is calculated for the consolidation scope on credit market activities, was €13 million at 31 December 2010 compared to €23 million at 31 December 2009. The credit risk factor was the principal risk factor at 31 December 2010. The decrease in credit VaR is attributable to the businesses in run-off at Crédit Agricole CIB which continues in 2010 to benefit from measures to reduce the risk profile and the reduction of the level of credit spreads.
- At 31 December 2010, the contributions of equity, foreign exchange and commodities VaR were more marginal totalling €3 million, €4 million and €2 million respectively.

The time path of VaR during 2010 is plotted in the following chart:



V. EQUITY RISK

Equity risk arises in the trading and arbitrage of equity securities as well as on shares held in the investment portfolio and on treasury shares.

1. Equity risk from trading and arbitrage activities

Equity risk from trading and arbitrage activities arises from positions taken on shares and stock market indices via cash or derivatives markets (positions in exotic equity derivatives are being managed in run-off mode, and no new transactions of this kind are being made). The main risk factors are the prices of equities and equity indices, the volatility of these prices and smile parameters of this volatility[(*)].

Measurement and containment of equity risk is addressed in the description of the processes indicated in section III above.

This risk is monitored by means of VaR. Equity VaRs during 2010 are shown in the table in section IV above.

Equity VaR was €3 million at 31 December 2010 compared to €4 million at 31 December 2009.

2. Equity risk from other activities

Some Crédit Agricole Group entities hold portfolios of available-for-sale financial assets that are invested partly in equities and structured products whose market value depends on prices of underlying equities and equity indices. At 31 December 2010, total outstandings exposed to equity risk *via* these portfolios are primarily comprised of available-for-sale financial assets for €29.5 billion (including insurance company portfolios for €19.3 billion) and financial assets at fair value through profit or loss held by insurance companies for €8.3 billion.

Note 6.4 to the financial statements gives figures in particular on outstandings of equities, and unrealised gains and losses on available-for-sale financial assets. Information on market risk (including equity risk) on the portfolios held by the insurance companies is presented below in the section on insurance sector risks.

(*) The smile is the parameter which takes into account the variability in volatility according to the exercise price of options.

SENSITIVE EXPOSURES BASED ON THE FINANCIAL STABILITY BOARD RECOMMENDATIONS

In line with the recommendations of the Financial Stability Board, the following statements present the exposure of the Crédit Agricole Group to risks stemming from the financial crisis. These risks mainly relate to the corporate and investment banking activities.

I. SUMMARY SCHEDULE OF EXPOSURES

(in millions of euros)	**Assets in loans and receivables**				**Accounting category**	**Assets at fair value**			**Other**	**Accounting category**
	Gross exposure	**Discount**	**Collective provision**	**Net exposure**		**Gross exposure**	**Discount**	**Net exposure**		
RMBS	1,508	(399)	(31)	1,078	(1)	504	(352)	152		
CMBS				195				17		
Unhedged super senior CDOs	3,382	(1,343)	(643)	1,396	(2)	6,112	(4,866)	1,246		(4)
Unhedged mezzanine CDOs						1,164	(1,164)	0		
Unhedged CLOs	1,507	(27)	(9)	1,471		427	(16)	411		
Protection acquired from monolines						511	(352)	159		(5)
Protection acquired from CDPC						780	(108)	672		
LBO – final share	4,990		(384)	4,606	(3)					
LBO – share to be sold								263		(6)
Cash lines given to ABCP conduits sponsored by Crédit Agricole CIB									15,182	
Cash lines given to other *ad hoc* entities sponsored by Crédit Agricole CIB									1,121	(7)
Cash lines given to other *ad hoc* entities sponsored by a third party									542	

(1) *Loans and receivables to credit institutions and to customers - Securities not listed in an active market (see Note 6.5 to the consolidated financial statements).*

(2) *Loans and receivables to customers - Securities not listed in an active market (see Note 6.5 to the consolidated financial statements).*

(3) *Loans and receivables to customers - Other customer loans / Financing commitments given to customers (see Notes 6.5 and 8 to the consolidated financial statements).*

(4) *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).*

(5) *Financial assets at fair value through profit or loss - Derivatives (see Note 6.2 to the consolidated financial statements).*

(6) *Financial assets at fair value through profit or loss - Loans and receivables to customers (see Note 6.2 to the consolidated financial statements).*

(7) *Financing commitments given to customers (see Note 8 to the consolidated financial statements).*

II. MORTGAGE ASSET-BACKED SECURITIES (ABS)

RMBS *(in millions of euros)*	United States		United Kingdom		Spain	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
Recognised under loans and receivables						
Gross exposure	1,009	1,106	301	432	198	220
Discount [(1)]	(344)	(382)	(60)	(87)	(26)	(30)
Net exposure	**665**	**724**	**241**	**345**	**172**	**190**
Recognised under assets measured at fair value						
Gross exposure	389	506	80	110	35	30
Discount	(344)	(460)	(5)	(30)	(3)	(3)
Net exposure	**45**	**46**	**75**	**80**	**32**	**27**
% underlying subprime on net exposure	95%	93%				
Breakdown of gross exposure by rating						
AAA	5%	9%	48%	51%	65%	95%
AA	4%	6%	35%	26%	9%	2%
A	1%	4%	6%	7%	26%	1%
BBB	3%	6%	1%	10%		1%
BB	4%	1%	10%	3%		1%
B	4%	9%		2%		0%
CCC	23%	21%		1%		
CC	14%	12%				
C	36%	29%				
Non rated	6%	3%				

CMBS *(in millions of euros)*	United States		United Kingdom		Other	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
Recognised under loans and receivables						
Net exposure [(1)]		13	73	155	122	188
Recognised under assets measured at fair value						
Net exposure		22	12	10	5	9

(1) of which €31 billion of collective reserves at 31 December 2010 compared to €106 billion at 31 December 2009

Purchases of protection on RMBSs and CMBSs measured at fair value were as follows:

- 31 December 2009: nominal = €627 million; fair value = €210 million;
- 31 December 2010: nominal = €589 million; fair value = €175 million.

Mortgage ABSs are measured at fair value based on information provided by outside sources.

III. MEASUREMENT METHODOLOGY FOR SUPER SENIOR CDO TRANCHES WITH US RESIDENTIAL MORTGAGE UNDERLYINGS

1. Supersenior CDOs measured at fair value

Supersenior CDOs are measured by applying a credit scenario to the underlyings (mainly residential mortgages) of the ABSs making up each CDO.

The final loss percentages on loans at the end of their term are determined on the basis:

- of the quality and origination date of each residential loan
- and the historical behaviour of similar portfolios (prepayments, scheduled payment experience, observed losses).

	Loss rates on subprime produced in		
	2005	**2006**	**2007**
31/12/2009	26%	42%	50%
31/12/2010	**32%**	**42%**	**50%**

Information on the sensitivity to the parameters used in the models is given in Note 10.2 to the consolidated financial statements at 31 December 2010.

2. Supersenior CDOs at amortised cost

Impairment is recognised on these CDOs when credit risk is manifest.

IV. UNHEDGED SUPER SENIOR CDOS WITH US RESIDENTIAL MORTGAGE UNDERLYINGS

At 31 December 2010, Crédit Agricole CIB's net exposure to unhedged super senior CDOs was €2.6 billion (after taking into account a collective reserve of €643 million).

1. Breakdown of super senior CDOs

(in millions of euros)	**Assets at fair value**	**Assets in loans and receivables**
Nominal	**6,112**	**3,382**
Discount	(4,866)	(1,343)
Collective reserves		(643)
Net value	**1,246**	**1,396**
Net amount (at 31 December 2009)	*743*	*1,566*
Discount rate (1)	**80%**	**69%**
Underlying		
% of underlying subprime assets produced before 2006	51%	32%
% of underlying subprime assets produced in 2006 and 2007	21%	14%
% of underlying Alt-A assets	9%	22%
% of underlying Jumbo assets	3%	8%

(1) After inclusion of fully written down tranches.

In 2010, net banking income from the revaluation of CDOs at their fair value, is -€138 million.

2. Other exposures at 31 December 2010

(in millions of euros)	**Nominal**	**Discount**	**Collective reserves**	**Net**
Unhedged CLOs measured at fair value	427	(16)		411
Unhedged CLOs recognised in loans and receivables	1,507	(27)	(9)	1,471
Unhedged mezzanine CDOs	1,164	(1,164)		0

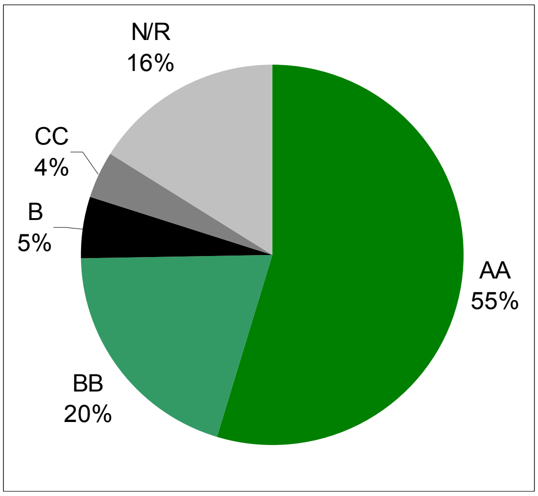
V. PROTECTION

1. Protection purchased from monolines at 31 December 2010

1.1. Exposures to monoline counterparty risks

(in millions of euros)	Monolines to hedge:				Total protections acquired from monolines
	US residential CDOs	**Corporate CDOs**	**CLOs**	**Other underlyings**	
Gross notional amount of purchased protection	159	5,684	2,768	390	9,002
Gross notional amount of hedged items	159	5,684	2,768	390	9,002
Fair value of hedged items	109	5,611	2,466	305	8,491
Fair value of protection before value adjustments and hedges	**51**	**73**	**303**	**85**	**511**
Value adjustments recognised on hedges	(14)	(37)	(249)	(52)	**(352)**
RESIDUAL EXPOSURE TO COUNTERPARTY RISK ON MONOLINES	**37**	**35**	**54**	**33**	**159**

1.2. Breakdown of net exposure to monolines



AA*: Assured Guarantee
BB*: Radian
B*: MBIA
CC*: Ambac and Syncora (ex-XL)
N/R*: FIGC and CIFG

** Lowest rating issued by Standard & Poor's or Moody's at 31 December 2010.*

2. Protection purchased from CDPC (Credit Derivative Product Company)

At 31 December 2010 the net exposure to CDPC was €672 million (compared to €858 million at 31 December 2009), mainly on corporate CDOs, after taking into account a discount of €108 million (compared to €324 million at 31 December 2009).

VI. LBO

1. Shares to be sold

These shares are recognised under assets measured at fair value.

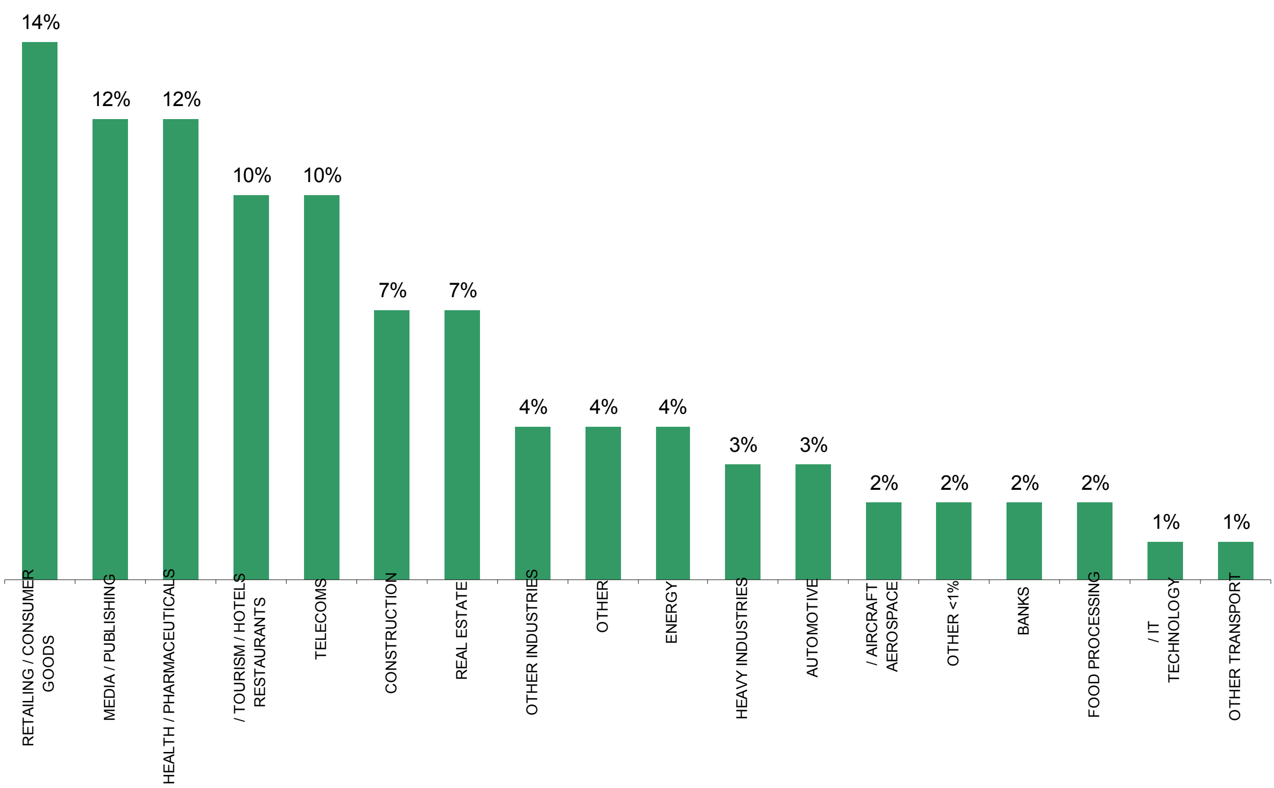
Net exposure at 31 December 2010 was €0.3 billion on 1 deal (the same as at 31 December 2009).

2. Final shares

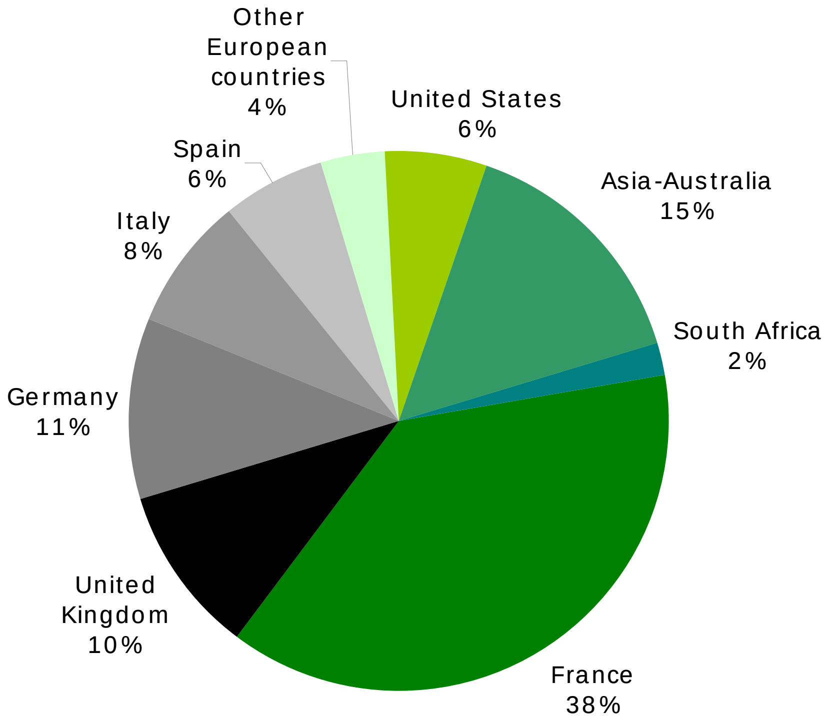
These shares are recognised in loans and receivables. Exposure at 31 December 2010 was €5 billion on 149 deals (€5.8 billion on 160 deals at 31 December 2009).

At 31 December 2010, a €384 million collective provision had been recognised for outstanding positions.

Breakdown by business sector at 31 December 2010



Breakdown by geographic area at 31 December 2010



In addition, LCL had leverage financing exposure of €2.2 billion at 31 December 2010 (compared to €1.9 billion at 31 December 2009).

VII. SECURITISATION

1. ABCP conduits sponsored by Crédit Agricole CIB on behalf of third parties

At 31 December 2010	Atlantic	LMA	Hexagon	Total
Ratings (S&P/Moody's/Fitch)	A1/P1/F1	A1/P1	A1+	
Country of issue	USA	France and USA	France	
Cash lines provided by Crédit Agricole CIB *(in millions of euros)*	7,070	7,459	653	15,182
Value of assets financed *(in millions of euros)*	3,907	5,770	484	10,161
Maturity of assets (weighted average)				
0-6 months	53%	95%	100%	
6-12 months	12%			
More than 12 months	35%	5%		
Breakdown of assets by geographic area				
USA	100%	5%		
United Kingdom		4%		
Italy		33%	70%	
Germany		9%	27%	
Dubai		6%		
Spain		8%		
France		26%	3%	
Other (1)		9%		
Breakdown by nature of assets *(as % of assets held)*				
Automobile loans	12%	13%	27%	
Trade receivables	49%	80%	73%	
Commercial real estate loans				
Residential real estate loans	2%			
Consumer finance		5%		
Equipment loans	3%			
CLOs and CBOs (2)	2%			
Other (3)	32%	2%		

(1) Mainly Belgium, Ireland and the Netherlands.

(2) Collateralised Loan Securitisation and Collateralised Bond Securitisation.

(3) On Atlantic: commitments on investors in "capital calls" funds (18.6%), commercial loans (5.5%), securitisation of Swift payments (5.7%) and securitisation of aerospace loans (1.9%).

(3) On LMAs: commitments on investors in "capital calls" funds (1.7%).

These conduits are not consolidated. At 31 December 2010, they had issued €10 billion in commercial paper, of which €0.5 billion is held by Crédit Agricole CIB.

Letters of credit issued by Crédit Agricole CIB in connection with ABCP financings amounted to €0.6 billion.

2. Other conduits sponsored by Crédit Agricole CIB on behalf of third parties

Crédit Agricole CIB granted €1.1 billion in liquidity facilities to other special purpose vehicles.

3. Conduits sponsored by a third party

Crédit Agricole CIB granted €0.5 billion in liquidity facilities.

Crédit Agricole CIB does no cash securitisation for its own account and is not a co-sponsor of securitisation on behalf of third parties.

ASSET/LIABILITY MANAGEMENT

I. ASSET/LIABILITY MANAGEMENT – STRUCTURAL FINANCIAL RISKS

Crédit Agricole S.A.'s Financial Management Department defines financial management principles and ensures their consistent application within Crédit Agricole Group. It has responsibility for organising financial flows, defining and implementing refinancing rules, performing asset/liability management and managing prudential ratios.

Optimising financial flows within Crédit Agricole Group is an ongoing objective. Pooling of surplus resources and making it systematically possible to hedge the associated risks contribute to this objective.

Thus the principles of the Group's ALM approach ensure that any surpluses and shortfalls in terms of customer resources in particular at Regional Banks and LCL are centralised in the books of Crédit Agricole S.A. This resource pooling helps in refinancing other Group entities as needed (including Crédit Agricole Leasing & Factoring and Crédit Agricole Consumer Finance).

This system for centralising the management of liquidity at Crédit Agricole S.A. serves to control and optimise cash management, especially since it is accompanied by partial interest-rate matching.

Consequently, the Group has a high level of financial cohesion, with limited diffusion of financial risks, particularly liquidity risk. However, the Group's various entities are responsible for managing the risk that remains at their level, within the limits assigned to them.

Limits are issued by order of the Chief Executive Officer of Crédit Agricole S.A. in the framework of the Group Risk Management Committee and apply throughout the Crédit Agricole S.A. Group:

- subsidiaries that carry asset/liability risks comply with limits set by Crédit Agricole S.A.'s Group Risk Management Committee;
- methods of measuring, analysing and managing assets and liabilities of the Group are defined by Crédit Agricole S.A. Regarding retail banking balance sheets in particular, a consistent system of conventions and run-off planning has been adopted for Regional Banks, LCL and the foreign subsidiaries;
- Crédit Agricole S.A. consolidates the subsidiaries' measurements of their asset-liability risks. Results of these measures are monitored by Crédit Agricole S.A.'s Treasury and ALM Committee;
- Crédit Agricole S.A.'s Financial Management department and Risk Management and Permanent Controls department take part in Meetings of the ALM committees of the main subsidiaries.

At the level of Regional Banks, their Boards of Directors set limits concerning the overall interest-rate risk and the trading portfolio and determine the triggers for the management of their investment portfolio (AFS). These limits are subject to monitoring by Crédit Agricole S.A.

II. GLOBAL INTEREST-RATE RISK

1. Objectives and policy

Global interest-rate risk management aims to protect the net asset value of Group entities and optimise their interest margins.

Net asset value and interest margins vary according to the sensitivity of net present values and cash flows on financial instruments, held on or off the balance sheet, to changes in interest rates. This sensitivity arises when the interest-rate reset dates on assets and liabilities do not coincide.

Much of the Group's exposure relates to retail banking. Significant maturity transformation is characteristic of retail banks' balance sheets. As liabilities, they have numerous items of non definite maturity (capital, demand deposits, savings deposits, etc.), whereas their assets consist mainly of term products such as loans.

These include:

- in France, Regional Banks (for which the Group's financial centralisation rules provide structural backing from Crédit Agricole S.A. to cover a substantial portion of the risk) and LCL (for which the financial management arrangement transfers some risks to be managed by Crédit Agricole S.A.);
- internationally, Emporiki and Cariparma in particular.

Given the nature of their business, other subsidiaries such as Crédit Agricole CIB, Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring, Lukas and EFL also present a global interest-rate risk.

When new acquisitions are made, Crédit Agricole S.A. organises the incoming entity's adoption of the global interest-rate risk management standards and methods in force and prepares a calibration report on the limits for the entity. This report is then presented to the Group Risk Management Committee for a decision.

2. Risk management

Each entity, in accordance with the Group's limits and standards, manages its exposures under the supervision of its ALM Committee.

The Group's exposure to global interest-rate risk is presented regularly to Crédit Agricole S.A.'s Treasury and ALM Committee.

This Committee is chaired by the Chief Executive Officer of Crédit Agricole S.A. and includes several members of the Executive Committee along with representatives of the Risk Management and Permanent Controls department:

- examines the individual positions of Crédit Agricole S.A. and its subsidiaries along with consolidated positions at each quarterly closing;
- examines compliance with limits applicable to the Crédit Agricole S.A. Group and to entities authorised to bear global interest-rate risk under limits set by the Group Risk Management Committee;
- validates the guidelines for global interest-rate risk of Crédit Agricole S.A. managed by the Financial Management department.

This department and the Risk Management and Permanent Controls department are represented on the subsidiaries' ALM committees. They ensure harmonisation of methods and practices across the Group and monitor compliance with the limits assigned to each of the subsidiaries' entities.

Each Regional Bank's situation as regards global interest-rate risk is reviewed quarterly by the Regional Banks' Risk Management Committee.

3. Methodology

Crédit Agricole Group uses the (fixed-rate) gap method to measure its overall interest-rate risk.

This entails calculating the maturity schedules of assets, liabilities, off-balance-sheet items and hedging derivatives that have fixed-rates or are sensitive to inflation (particularly those on retail banking balance sheets). These maturity schedules are then aggregated for each period (on monthly and annual basis) on the basis of average outstandings over the relevant period. The maturity schedules take into account risk until the interest rate is reset (the fixed-rate period), for adjustable-rate instruments, or until the contract term, for fixed-rate instruments with a redemption date, while modelling customer behaviour as necessary (early withdrawals or redemptions, etc.).

Calculating the gaps requires modelling the run-off as a function of interest rates on certain balance sheet items in order to be sure that risks are managed using a prudent risk-return trade-off. This is the case in particular for items with no defined maturity (capital, demand deposits, savings deposits, etc). These models have been validated by the Crédit Agricole S.A. Standards and Methodologies Committee.

Run-off conventions are determined using a methodology that looks at past behaviour of the balance sheet item in question. The models are regularly back-tested.

The reference gap is the gap observed at the end of the reporting period. This is the "static" gap. Forecasts of loan production can then be employed to generate a projected gap.

The gaps are consolidated quarterly at Group level. Where management requires it, some entities measure their gaps more frequently.

The rules that apply in France to the *Livret A* interest rate, which is a benchmark for part of the deposits collected by the Group's retail banking business (regulated products and others), index a portion of the interest to inflation over a rolling 12-month period. As a result, the Group hedges the risk associated with these balance sheet items using instruments (carried on or off the balance sheet) for which the underlying is an inflation rate.

Option risks are included in the gaps using a delta-equivalent measure of the residual position. A significant portion of these risks is hedged using other option-based products, however.

The Group is primarily exposed to changes in interest rates in the euro zone (real rates, reflecting inflation, and nominal rates). The Group also manages interest-rate positions related to other currency zones, mainly the US dollar, the Polish zloty, the Swiss Franc and the Japanese Yen.

The limits set at Group and entity levels put bounds on the size of gaps and thus on the resulting global interest-rate risk. The rules for setting limits are intended mainly to enable the Group to comply with the second pillar of the Basel II regulations regarding global interest-rate risk but also to limit the impact of changes in interest rates on net income. These limits must be approved by each entity's decision-making body.

Each entity (including Crédit Agricole S.A.) hedges the interest-rate risks borne by this method of financial organisation at its own level, by means of forward instruments (forwards, swaps, options, etc.) held either on or off the balance sheet. For example, the fair value hedging relationships are put in place as a result of monitoring fixed-rate gaps.

4. Exposure

The Group's interest-rate gaps are broken down by type of risk (nominal rate/real rate) in the various currencies. They measure the surplus or deficit on sources of fixed-rate funds. By convention, a positive (negative) figure represents a downside (upside) risk on interest rates in the year considered. The figure indicates the economic sensitivity to a change in interest rates.

The results of these measures for Crédit Agricole Group consolidate scope at 31 December 2010 are as follows:

Gaps in euros (at 31 December 2010)

(in billion of euros)	2011	2012-2016	2017-2021	> 2021
Gaps in euros	(26.4)	5.0	13.1	0.0

In terms of net banking income sensitivity during the first year (2011), Crédit Agricole Group is exposed to an increase in the euro zone interest rates (Eonia) and would lose €264 million in the event of a sustained rise of 100 basis points, giving a net banking income sensitivity of 0.77% (benchmark net banking income: €34.21 billion).

At 31 December 2009, reckoning in terms of net banking income sensitivity in the first year (2010), the Crédit Agricole Group was exposed to a rise in the euro zone interest rate (Eonia) and would have lost €216 million in the event of a sustained rise of 100 basis points, giving a net banking income sensitivity of -0.69% (benchmark net banking income of €31.31 billion).

Based on these sensitivity figures, the net present value of losses incurred in the next 30 years in the event of a 200-basis-point downward shift in the euro zone yield curve is less than 2% of Crédit Agricole Group's regulatory capital (Tier 1 + Tier 2) after deduction of equity investments.

Other currency gaps (at 31 December 2010)

(in billion of euros)	2011	2012-2016	2017-2021	> 2021
Other currency gaps (1)	1.8	1.3	0.8	0.2

(1) Sum of euro-equivalent absolute values for all currency gaps in billions of euros.

The aggregate sensitivity of 2011 net banking income to a change (primarily a rise) in interest rates for all other currencies amounts to 0.05% of reference (2010) net banking income of Crédit Agricole Group. The main foreign currencies to which Crédit Agricole Group has exposure are the US dollar, the Polish zloty, the Swiss franc and the Japanese yen (the main currency to which the Regional Bank consolidation scope is exposed is the Swiss franc).

At 31 December 2009, overall net banking income sensitivity for 2010 to a change (primarily a rise) in interest rates for all other currencies amounts to 0.06% of 2009 reference net banking income of Crédit Agricole Group. The main foreign currencies to which Crédit Agricole Group has exposure are the US dollar, the Polish zloty, the Swiss franc and the Moroccan dirham (the main currency to which the Regional Bank consolidation scope is exposed is the Swiss franc).

III. FOREIGN EXCHANGE RISK

Foreign exchange risk is treated differently depending on whether the currency position is structural or operational.

1. Structural foreign exchange risk

The Group's structural foreign exchange risk arises from long-term investments by the Group in assets denominated in foreign currencies (equity of the foreign operating entities, whether resulting from acquisitions, transfers of funds from the head office, or capitalisation of local earnings), with the Group's reference currency being the euro.

At 31 December 2010, the Group's main structural foreign currency positions, on a gross basis before hedging, are in US dollars (and related currencies such as the South African rand and the Hong Kong dollar), sterling pounds, Swiss francs, Polish zlotys, Japanese yen and Swedish kroner.

Foreign exchange risks are borne mainly by Crédit Agricole S.A. and its subsidiaries. Regional Banks retain only a residual risk. Positions are determined on the basis of financial statements.

In most cases, the Group's policy is to borrow in the currency in which the investment is made in order to immunise that asset against foreign exchange risk.

The Group's policy for managing structural foreign exchange positions has two overall objectives:

- first, to immunise the Group's solvency ratio against currency fluctuations. Unhedged structural foreign exchange positions are sized to match the portion of foreign exchange risk-weighted assets that is not covered by other types of capital in the same currency;
- second, to hedge the risk of asset impairment due to changes in exchange rates.

Five times a year, the Group's foreign exchange positions are presented to the Treasury and ALM Committee, which is chaired by the Chief Executive Officer. General decisions on how to manage positions are taken during these meetings. In this case, the Group documents net investment hedges in foreign currencies.

2. Operational foreign exchange risk

Operational foreign exchange risk arises mainly from revenues and expenses of all kinds that are denominated in currencies other than the euro, including specific and collective foreign-currency provisions, net income generated by foreign subsidiaries and branches, dividends, and the like.

Crédit Agricole S.A. manages the positions affected by foreign currency revenues and expenses that appear on its books, as does each entity within the Group that bears significant risk. The Foreign Subsidiaries' Treasury departments manage their operational foreign exchange risk in their local currency.

The Group's general policy is to limit its operational currency positions and not to hedge revenues that have not yet materialised, unless there is a strong probability that losses will materialise and unless the impairment risk is high.

In accordance with the foreign exchange risk monitoring and management procedures, operational currency exposure positions are updated monthly, or daily for foreign exchange trading operations.

The balance sheet contributions of the various currencies and bonds and subordinated debt by issue currency are indicated in Note 3.2 to the consolidated financial statements.

IV. LIQUIDITY AND FINANCING RISK

Like all credit institutions, the Group is exposed to a risk of not having sufficient funds to honour its commitments. This risk may materialise, for example, in the event of massive withdrawals of customer deposits, a crisis of confidence or a general shortage of liquidity in the market (limited access to inter-bank and money markets).

1. Objectives and policy

The Group's primary objective in managing liquidity is to ensure that it has in a position to face up to liquidity crisis situations of a severe nature over prolonged periods of time.

The Group relies on a system for assessing and monitoring liquidity risk based on maintaining liquidity reserves, organising its refinancing seeking to curb short term refinancing, achieve an appropriate long-term refinancing timeframe and diversify sources of refinancing, and ensuring a balanced development between loans and deposits.

The system is underpinned by a series of limits, indicators and procedures.

It is applied consistently across the Crédit Agricole Group, thereby allowing liquidity risk to be assessed and managed on a consolidated basis.

The system has been assented by the Board of Directors of Crédit Agricole S.A.

This internal approach complies with the liquidity ratio set out in the ministerial order of 5 May 2009 on identifying, measuring, monitoring and managing liquidity risks. This order applies to all of the Group's credit institutions.

2. Risk management

Crédit Agricole S.A. is responsible for rolling out and consolidating the risk management system across the entire Crédit Agricole Group.

Within Crédit Agricole S.A., this responsibility falls to both the Financial Management department which manages refinancing at an operational level, monitors reserves and coordinates Treasury departments; and the Risk Management department, which validates the risk management system and ensures that limits and other rules are respected.

The management of short term refinancing involves:

- setting spreads on short term funds raised under the various programmes (mainly negotiable CDs);
- centralising assets eligible for refinancing by the central banks of Group entities and specifying the terms and conditions of use in the framework of tenders;
- monitoring and forecasting cash positions.

The management of long-term refinancing involves:

- surveying needs for long-term funds and tradeoffs that might be made;
- planning refinancing programmes to meet these needs;
- executing and monitoring these programmes over the year;
- reallocating the funds raised to Group entities;
- setting prices for liquidity in intragroup flows.

The body in charge of these tasks at an operational level is the Group's Treasury and Liquidity Committee, which reviews all matters relating to liquidity issues ranging from intraday to medium/long-term. This Committee also acts as the liaison between the Treasury departments of Crédit Agricole S.A. and Crédit Agricole CIB (the Group's two most active Treasury departments), and prepares proposed policy directions for the Treasury and Asset-Liability Management Committee in the management of the Group's liquidity risks.

The Treasury and Asset-Liability Management Committee chaired by the Chief Executive Officer of Crédit Agricole S.A. (who is also briefed on the Group's liquidity positions) is responsible for all key decisions concerning the management of refinancing programmes, launch of new programmes, validation of refinancing budgets, and management of the balance between loans and deposits.

The Group Risk Management Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., is responsible for approving aggregate liquidity limits.

If refinancing markets tighten, committees may be set up between by Executive Management and the Risk Management and Finance departments in order to keep a close watch on the Group's liquidity situation.

3. Refinancing conditions in 2010

The difficulties encountered by certain euro zone countries in refinancing their debt led to the emergence of new tensions on refinancing markets as from the second quarter of 2010. During this period, Crédit Agricole Group – like all other credit institutions – suffered the consequences of the net rise in long-term spreads on it issues and a fall in available volumes.

Tensions in the market eased from July onwards, due in part to sound management of the expiry of the one-year loan granted by the European Central Bank for €442 billion. This has previously been cause for concern in the market.

The situation on short- and long-term refinancing markets deteriorated once again towards the end of 2010 owing to the Irish debt crisis.

In 2010, Crédit Agricole S.A. raised €28 billion in long-term debt, ahead of its initial target of €25 billion. Crédit Agricole CIB raised more than €10 billion in 2010, mainly from its international customers.

Issues of debt and refinancing guaranteed by collateralised receivables represented €11.6 billion and had an average maturity of 7.2 years. These included:

- Crédit Agricole covered bonds: €7.1 billion;
- CRH (Caisse de refinancement de l'habitat): €3.3 billion;
- Other sources of financing: €1.2 billion.

It also issued senior unsecured debt (Euro Medium Term Note [EMTN], USMTN, Australian Dollar Issuance Program [ADIP], currency investments and private placements in euros) for a total of €9.7 billion and an average maturity of 4.4 years.

In 2010, Crédit Agricole S.A. also issued €1.25 billion of new generation subordinated debt (Lower Tier 2) with a maturity of 10.5 years. Pending the final version of Basel III capital adequacy rules, Crédit Agricole S.A. issued bonds which would be classified as "senior" as opposed to "subordinated" if it no longer met the new regulatory requirements.

Lastly, the debt issues distributed by the retail networks totalled €5.4 billion and had an average duration of 9.7 years.

Crédit Agricole S.A. also forged ahead with its policy of diversifying across the collateralised and uncollateralised debt markets, including:

- Covered bonds;
- EMTNs;
- USMTN (US 144A);
- kangaroo bonds, issued for the first time in October 2010 as part of the Australian Dollar Issuance Program (ADIP);
- the subordinated debt market;
- the retail market, with placements of Crédit Agricole S.A. bonds via the retail branch network in France.

Moreover, a detailed analysis, by residual maturity, of loans and receivables to credit institutions and customers, due to banks and customers, debt securities and subordinated debt is presented in Note 3.3 to the Consolidated Financial Statements.

4. Methodology

Crédit Agricole Group's liquidity risk management and oversight system is based around indicators divided into four separate groups:

- short term indicators derived largely from simulations of crisis scenarios. The purpose of these is to schedule maturities and volumes of short term refinancings as a function of liquidity reserves, cash flow from commercial business and repayment of long-term borrowings;
- long-term indicators used to assess the risk of a rise in Crédit Agricole issue spreads and to schedule maturities of long-term debt so as to anticipate Group refinancing requirements;

- diversification indicators. These are used to limit concentration in sources of refinancing;
- cost indicators used to measure the short term and long-term trends in the Group's issue spreads and evaluate the impact of a higher or lower liquidity cost.

The definition of these indicators and the way in which they are to be managed are set out in a series of standards which were reviewed and validated by various Group bodies during the year.

At an operational level, the liquidity risk management and oversight system is based on an internal tool rolled out in the entities (Regional Banks and subsidiaries) that measures and analyses the indicators defined in the standards and therefore enables the Group to monitor entities' liquidity positions and compliance with limits.

Regulatory measures such as liquidity ratios are monitored as part of liquidity risk management (assessment, forecast, management). The Group has analysed the documents published in this area during the year, particularly the "International framework for liquidity risk measurement, standards and monitoring" published in December 2010. This document introduces the liquidity coverage ratio (LCR) for managing one-month liquidity and the net stable funding ratio (NSFR). The Group has also carried out a number of simulations in this respect.

5. Exposure

5.1. Liquidity ratio

Credit institutions in France are subject to the "standard" liquidity ratio set out in the ministerial order of 5 May 2009 and introduced in June 2010. This liquidity ratio is the ratio of cash and other short term assets to short term liabilities. It is calculated monthly, on a company basis, with the minimum figure being 100%.

At 31 December 2010, the liquidity ratio of Crédit Agricole S.A. parent company was 120%, compared to 122% at 31 December 2009.

The changes introduced to liquidity regulations in June, with the "standard" ratio replacing the 88-01 ratio did not lead to any major change in the Group's refinancing structure.

V. HEDGING POLICY

Within Crédit Agricole Group, derivative instruments are used for three main purposes:

- to meet demand from Group customers;
- to manage the Group's financial risks;
- to take positions for the Group's own account as part of specific trading activities.

Derivatives not held for hedging purposes (as defined by IAS 39) are recognised in the trading portfolio. Accordingly, these derivatives are monitored for market risk as well as counterparty risk, where applicable. Certain derivative instruments may be held for the economic hedging of financial risks, but without meeting the IAS 39 criteria (prohibition on equity hedging, etc.). For this reason, they are likewise recognised in the trading portfolio.

In all cases, the intent of the hedge is documented at the outset and verified quarterly by appropriate tests (forward-looking and backward-looking).

Each Group entity manages its financial risks within limits set by the Group Risk Management Committee chaired by the Chief Executive Officer of Crédit Agricole S.A.

Regional Banks, for their part, manage their risks under limits fixed by their decision-making and executive bodies.

The tables in Note 3.4 to the consolidated financial statements give the market values and notional amounts of hedging derivative instruments.

1. Fair value hedges and cash flow hedges

Global interest-rate risk management aims to reconcile two approaches:

- protection of the Group's net asset value, which requires matching balance sheet and off-balance sheet items that are sensitive to interest rate variations (i.e. fixed-rate items, for the sake of simplicity) against instruments that are also fixed-rate, so as to neutralise the variations in fair value that occur when interest rates change. If the matching is done by means of derivative instruments (mainly fixed-rate swaps, inflation swaps and market caps), the derivatives are classified as **fair value hedges** if the instruments (micro FVH) or groups of instruments (macro FVH) identified as the hedged items (fixed-rate assets and inflation: customer loans and receivables; fixed-rate liabilities and inflation: demand deposits and savings deposits) are eligible under IAS 39. As mentioned above, these derivatives are recognised in the trading portfolio by default, even though they represent economic hedging of risk.

  To check hedging suitability, hedging instruments and hedged items are grouped by maturity using contract characteristics or, for certain balance sheet line items (particularly deposits), using assumptions based on the financial characteristics of the products and historical behaviour. The comparison between the two maturity schedules (hedges and hedged items) means that hedging can be documented in a forward-looking manner for each maturity;
- protection of the interest margin, which requires neutralising variations in future cash flows associated with instruments or related balance sheet items that are affected by interest rate resets on the instruments, either because they are indexed to interest rate indices that fluctuate or because they will be refinanced at market rates by some point in the future. If this neutralisation is effected using derivative instruments (mainly interest rate swaps), the derivative instruments are classified as **cash flow hedge** (CFH) instruments. This neutralisation can also be carried out for balance sheet line items or instruments that are identified individually (micro CFH) or portfolios of line items or instruments (macro CFH).

The table below shows the amount of cash flows covered by cash flow hedges, broken down by projected maturity date, for the main relevant subsidiaries:

Remaining time to maturity *(in millions of euros)*	**At 31 December 2010**			
	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total**
Cash flows hedged	104	660	1,935	2,699

2. Net investment hedge in foreign currencies

A third category of hedging is protection of the Group's net asset value against fluctuations in exchange rates and resulting changes in the value of assets or liabilities held in currencies other than the Group's reference currency, which is the euro. The instruments used to manage this risk are classified in **the net investment hedge in foreign currencies category.**

RISKS IN THE INSURANCE SECTOR

Crédit Agricole Group carries out its insurance activities through the sub-group Crédit Agricole Assurances. This sub-group markets savings, death and disability products, property and casualty and creditor insurance. The Group's life insurance entities mainly sell savings and pension plans, death benefit and disability insurance products. Non-life entities offer a wide range of products, mainly property and casualty, personal injury, unemployment and health insurance.

Four types of risks are monitored and managed by Crédit Agricole Assurances Group entities:

- market risks, mainly ALM related: these can arise from interest rate risk, equity risk, foreign exchange risk, liquidity risk or redemption risk, all of which are measured based on the guarantees given to the customer (guaranteed minimum return, floor rate, etc.);
- counterparty risks on portfolio assets (issuer credit quality) and on reinsurers;
- technical risks associated with the insurance business, which vary depending on levels of claims and premiums. These mainly depend on pricing, marketing and medical screening. Part of these risks can be reinsured by paying a premium to reinsurance companies;
- operational risks, particularly in process execution. These risks may be specific to insurance but are monitored and managed in accordance with Crédit Agricole S.A. Group standards and procedures.

Insurance risks are monitored under the current regulatory framework for solvency requirements, known as Solvency 1, which applies at entity level as well as at consolidated level. Crédit Agricole Assurances Group is in compliance with all applicable solvency requirements. The adjusted solvency ratio calculated on the basis of the consolidated financial statements is reported annually to the French Prudential Control Authority (ACP).

Meanwhile, following adoption of the European "Solvency 2" Directive, Crédit Agricole Assurances Group is readying itself for these new regulations. It has planned and launched projects, at subsidiary and Group level, to implement the new rules and monitor their smooth progress toward full compliance with the directive by end-2012. All Crédit Agricole Assurances Group's entities took part in the European QIS5 (quantitative impact study No. 5) carried out in 2010 under the auspices of the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS). The studies assessed the solvency margins required by Crédit Agricole Assurances Group based on its consolidated financial statements and the diversification of Group entities. Working from the QIS5 specifications as applied to the 31 December 2009 financial statements, qualifying capital under the transitional rules amply covers the capital requirements defined by Solvency 2.

I. RISK MONITORING AND MANAGEMENT

1. Risk strategy

Crédit Agricole Assurances Group's risks are managed as part of the Crédit Agricole S.A. Group's insurance business Risk strategy. Each entity in France and each foreign subsidiary draws up a risk strategy, based on a schematic mapping of its major risk exposures (market, technical, counterparty and operational risks specific to their business) and their valuation.

These risk strategies are the formal expression of the different policies entities use to manage their risks (financial, subscription, pricing, provisioning, reinsurance, claims management, etc.). They notably fix global limits in between which these risk exposures are kept (through asset allocation, counterparty limits, hedging rules, for instance) and prescribe management and supervision procedures. These are reported to Crédit Agricole S.A.'s Group Risk Management department (DRG) in a process coordinated with the heads of Risk Management and Permanent Controls (RCPR) at each entity. They are submitted for validation to the Group Risk Management Committee chaired by Crédit Agricole S.A.'s CEO.

2. Operational risk management

Risk management policies defined by each company are reviewed at least once a year and approved by their Board of Directors.

Operational management of the risks specific to each entity's business is based around regular committees (financial or investment committees, ALM committees in life insurance, technical committees, reinsurance committees in property and casualty, etc.). These committees are responsible for monitoring the risk situation, based on the reporting system of the particular business line (investment, actuarial affairs, ALM reports, etc.), and presenting analyses to support the risk management process. If necessary, they can draw up proposals for action, which are then submitted to the Board of Directors.

Crédit Agricole Assurances S.A. has also drawn up a set of standards for foreign subsidiaries to be applied in each subsidiary. These define limits on the scope of decentralised decisions and lay down rules for the decision process.

3. Risk monitoring

Risk monitoring procedures within the entities implement the directives of Crédit Agricole Group as they apply to the insurance business. They are examined during meetings of the Internal Control or Risk Management and Permanent Control Committees, in light of the permanent and periodic control reports. The same committees also examine the risk scoreboards which report relevant indicators for each risk type and monitor compliance with limits. The head of Risk Management and Permanent Controls can propose operational limits and alert thresholds to the committees in addition to the global limits set by the Risk strategy. Any alteration to these global limits must be resubmitted for approval to the Crédit Agricole S.A. Group Risk Management and Permanent Controls department.

Whenever execution of financial management is entrusted to investment service providers, delegation agreements are signed setting out in detail the risk management and control procedures as well as the monitoring methods (limit monitoring, monitoring of risk strategy targets, etc.).

Crédit Agricole Assurances S.A. has set up a group-wide Risk Management and Permanent Control Committee to make high-level policy for risk management and permanent controls in the insurance business and to monitor risks at consolidated level.

In addition, as part of its consolidated supervision process, Crédit Agricole S.A. Group carries out quarterly risk reviews of the entities belonging to Crédit Agricole Assurances Group based on reports from the RCPRs to the Crédit Agricole S.A. DRG. Committees organised by DRG meet several times a year with each subsidiary. They are attended by the local CEO, local RCPR and Crédit Agricole Assurances S.A. RCPR, to examine risk management and control processes as well as any current risk issues affecting the entity. The RCPRs alert DRG of any breaches to global limits. An action plan is then drawn up to rectify the breach.

4. Risk measurement tool for the savings and pensions business

In the savings and pensions business, risk measurement relies on modelling to assess the company's risks by simulating its asset-liability matching on the basis of economic methods. This modelling is used to make MCEV (Market Consistent Embedded Value) and capital requirement calculations under Solvency 2. The modelling tool, which has been used in France since 2005, has now also been deployed in the main entities outside France active in savings and in the death and disability business: Portugal, Italy, Greece and Japan. It is also used by Crédit Agricole Assurances S.A.'s ALM (Asset Liability Management) team dedicated to international subsidiaries to monitor the other life subsidiaries.

The tool replicates the insurer's policy choices in different market environments (asset allocation, contract revaluation, fees charged, etc.) and the behaviour of policyholders (mortality tables, simulation of structural and cyclical redemption patterns, etc.). It also takes into account the regulatory constraints (minimum policyholder profit participation, technical provisions, asset class limits, etc.). Simulations carried out using this tool shed light of the major decisions made by each company, whether commercial (products, rates paid), financial (asset allocation, hedging, etc.) or underwriting (reinsurance) and inform debates on governance issues.

II. MARKET RISK

In each Crédit Agricole Assurances Group entity, transactions on financial markets are governed by policies appropriate to the entity's asset portfolio and matching of their liabilities (ALM). These take into account regulatory limits, internal limits (those approved under the Risk strategy or operational limits set by the entity), financial diagnosis based on the market outlook in a range of probable economic scenarios, and stress scenarios.

Crédit Agricole Assurances Group is continuously aware of the need to manage financial risks. Its strategy of diversifying allocations across all asset classes (fixed income, equities, alternative investment, real estate) allows it to control the total volatility of the value of its investment portfolio. Depending on portfolio size, profit targets and risk profiles, some types of investment may be forbidden or only authorised under certain conditions, e.g. via collective investment vehicles.

Crédit Agricole Assurances Group's savings, pension and death and disability businesses are particularly affected by market risks owing to the very large volume of financial assets held to cover policyholder liabilities. Market risks are tested under stress scenarios to see how changes in the main risk factors would impact profitability (policyholder participation company profit or loss) and solvency: fall in equities, rise in rates, looking at their consequences for new inflows, redemptions (based on laws used in the internal modelling tool).

1. Interest-rate risk

Interest-rate risk is the risk of a change in the value of the fixed income portfolio due to interest rates level. Investments at floating rates expose the Group to fluctuations in future cash flows, whereas investments at fixed rates expose it to variations in the fair value of portfolio instruments.

Indeed, a fall in rates may reduce the profitability of portfolios and ultimately create problems meeting guaranteed minimum returns. A rate rise could make Crédit Agricole Assurances Group's savings policies less competitive and create a risk of mass redemptions (potentially leading to forced sales of part of the fixed income portfolio in unfavourable market conditions and at a loss).

The bond portfolio (excluding units and securities issued by Crédit Agricole S.A.) amounts to €156 billion at 31 December 2010, compared to €149 billion at 31 December 2009.

To address this risk, Crédit Agricole Assurances Group has drawn up the following hedging and management rules:

- risk of decline in interest rates, owing to the presence of liabilities that feature a minimum guaranteed return superior to zero. This risk is managed by setting a minimum allocation to fixed income, and a minimum share in fixed-rate bonds and hedging instruments (swaps, swaptions, floors).

  In France, regulations call for recognition of a "provision for financial hazard" if the return on assets becomes insufficient to meet the insurer's liabilities to policyholders on guaranteed returns. No such provision was recognised by Crédit Agricole Assurances Group at 31 December 2009 or at 31 December 2010;
- risk of rate rises, to protect the entity against the risks of policyholders redeeming their policies in the event of a sharp and lasting rise in long-term yields making savings policies uncompetitive compared to other savings vehicles. This risk is managed by caps against a rise in rates which at end-2010 covered more than a third of assets managed under the fixed income portfolio and by keeping more than 15% of the portfolio invested in assets that can respond to rate rises, (liquid assets with low capital risk).

The sensitivity to rate risk of Crédit Agricole Assurances Group's fixed income portfolio excluding assets of unit-linked contracts, assuming a 100 basis point rise or fall in interest rates, is as follows (net of the impact on deferred policyholder surplus and tax):

(in millions of euros)	**31/12/2010**		**31/12/2009**	
	Impact on Net income	**Impact on equity**	**Impact on Net income**	**Impact on equity**
100 bp rise in risk-free rates	(5)	(752)	9	(636)
100 bp fall in risk-free rates	5	704	(25)	646

Impacts on securities held as available-for-sale financial assets are recognised in equity. Impacts on securities held for trading are recognised in profit or loss.

The Group's technical liabilities are largely insensitive to rate risks for the following reasons:

- savings reserves (92% of technical reserves excluding unit-linked policies): these are based on the pricing rate which is unchanging over time for any particular policy. As a result, a change in interest rates will have no impact on the value of these commitments;
- property and casualty reserves: these technical reserves are not discounted to present value and changes in interest rate therefore have no impact on the value of these commitments;
- mathematical reserves for benefits (personal injury, disability): the discount rate used in calculating these reserves is based on the interest rate in force at the calculation date. Therefore, the size of these commitments varies with interest rates. However, these technical commitments represent 1% of Crédit Agricole Assurances' technical reserves excluding unit-linked policies and pose no significant risk.

Borrowings arranged by Crédit Agricole Assurances Group pay fixed rates. Interest is therefore insensitive to rate changes.

2. Equity risk

Equity-market risk is the risk of a decline in the value of investments in equities consequent to a decline in stock market indices.

Investments in equities (including mutual funds and excluding unit-linked products) amounted to €27.6 billion at 31 December 2010 (of which €19.3 billion in available-for-sale financial assets and €8.3 billion in financial assets at fair value through profit or loss) compared to €37 billion at end-2009, this decrease being the result of a deliberate policy of reducing exposure to this asset class.

Falls in equity asset values can have multiple consequences: a negative impact on income if values are significantly impaired with implications for future profitability, guaranteed minimum return reserves and withdrawals.

Asset allocation studies performed on a regular basis have led the Group to cap the proportion of diversification assets based on the implied volatility of the equity markets.

The optimal long-term allocation is estimated accordingly. Crédit Agricole Assurances Group has also defined rules for hedging and managing risks to the value of diversification assets, using options to partially hedge the risk of a fall in equity markets.

Crédit Agricole Assurances Group's sensitivity to equity risk, assuming a 10% rise or decline in equity markets, is as follows (impacts are shown net of deferred policyholder surplus and tax):

(in millions of euros)	31/12/2010		31/12/2009	
	Impact on Net income	**Impact on equity**	**Impact on Net income**	**Impact on equity**
10% rise in equity markets	56	127	89	154
10% decline in equity markets	(60)	(127)	(93)	(148)

These sensitivity measurements include the impact of changes in the benchmark equity index on assets measured at fair value, reserves for guaranteed minimum return and reserves for the right to withdraw from unit-linked policies as well as any additional impairment provisions required by a decline in equity markets.

Changes to the fair value of available-for-sale financial assets are recognised in reserves for unrealised gains or losses, all other items are recognised in profit or loss.

3. Foreign exchange risk

Foreign exchange risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates.

Diversification of investments to international financial markets (equities, fixed income) automatically creates exposure to foreign exchange risk. For dollar, yen and sterling pounds assets held through dedicated mutual funds, a minimum hedging rate is set for each currency. Fixed income mutual funds are systematically hedged against foreign exchange risk.

At end-2010, residual foreign exchange exposure was low.

4. Liquidity risk

Liquidity risk is the risk of not being able to cover liabilities when due, as a result of a mismatch between the cash requirement and the Crédit Agricole Assurances Group's available cash. It is a concern mainly for entities conducting savings and death and disability insurance business.

Liquidity risk can result from:

- illiquid investments. To deal with this risk, Crédit Agricole Assurances Group's entities look carefully at liquidity when selecting their investments. Most are securities listed on liquid regulated markets. The values of other asset classes – private equity, over-the-counter derivatives, etc. – are monitored by the investment managers to whom responsibility has been delegated;
- a mismatch between the maturity schedules of investments (assets) and insurance contracts (liabilities). Crédit Agricole Assurances Group's entities have established a prudential framework for managing liquidity as part of their ALM policy.

Furthermore, life entities have defined a “reactivity” ratio intended to reflect the company's ability to come up with short term liquidity without risking loss of value. This indicator is calculated as the ratio of assets maturing in less than two years to the total portfolio. Liquid assets maturing in less than two years include cash, money-market mutual funds, fixed income mutual funds whose sensitivity is controlled, floating-rate and inflation-indexed bonds, as well as hedges on 2- to 5-year CMS indices and fixed-rate bonds with a remaining maturity of less than two years. Also, a payability test analyses the ability of each subsidiary to meet massive outflows (tripling of historical redemptions).

In the non-life business, internal simulations are also carried out to quantify any liquidity risk following shocks to liabilities (increase in claims) and/or assets (deterioration of financial markets).

III. CREDIT OR COUNTERPARTY RISK

A second dimension of the policy for containing financial risks is containment of counterparty risk, that is, the risk of payment default by one or more issuers of instruments held in the investment portfolio. Counterparty risk on reinsurers is treated in section IV below on reinsurance.

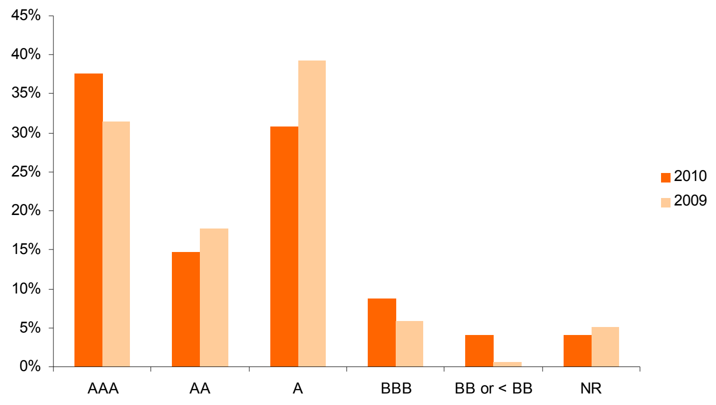
As with market risks, each Crédit Agricole Assurances Group's entity has a policy on controlling credit or counterparty risks tailored to its own portfolio profile, covering both overall risk to the fixed income portfolio and individual risks.

Accordingly, counterparty risk is contained in the first instance by aggregate limits based on issuer credit ratings.

Crédit Agricole Assurances S.A.'s rules do not allow direct holdings of securities rated lower than BBB, save in the exceptional case of a downgrade that occurred after the acquisition, and provided the repayment capacity of the issuer involved remains intact. Indirect investments *via* a specialist fund in high-yield securities, when permitted by investment rules is subject to strict weighting constraints.

At 31 December 2010, non-investment grade bonds held either directly or indirectly made up 3% of Crédit Agricole Assurances Group total portfolio, compared to 0.4 % at end-2009.

In addition to the concentration ratios imposed by local regulations, entities have also defined risk limits for each name linked to its credit quality. These may be calibrated against either the entity's own equity or the total assets in the portfolio. At 31 December 2010, the bond portfolio (excluding unit-linked policies and securities issued by Crédit Agricole S.A.) breaks down by credit rating as follows:



Additional diversification rules may be imposed (on sectors, bank deposits, etc.).

In 2010, exposure to the weakest sovereign issuers in the euro zone was continuously supervised, through strict rules on limiting positions and in some cases programmes to reduce exposure. A highly selective approach was also taken to choosing corporate or financial credits from these countries.

IV. TECHNICAL RISKS

Underwriting risk takes different forms depending on the nature of the insurance, life or non-life.

Risks related to reinsurance are treated separately in section IV-3 below.

1. Technical risks from personal insurance

In the life business, underwriting risk results from the pricing of risks associated with the length of a human life and the hazards of life at the time the policy is written. It can also arise from mortality shocks (such as a pandemic).

The main businesses concerned are savings and death and disability insurance and creditor insurance as regards the death benefit feature of the policies.

Underwriting risk arises from the assumptions underlying the pricing of the benefits and the financial options that the policyholder can exercise.

These mainly consist of:

- four elementary biometric risks:
  - mortality risk (benefit paid in the event of death),
  - longevity risk (benefit paid in the event of survival, as on a life annuity or whole life policy, etc.),
  - morbidity risk (benefit paid in the event of disability and need for long-term care),
  - disability risk (benefit paid in the event of inability to work);
- the behavioural risk associated with early redemption (or prorogation, arbitration, termination, etc.) of insurance policies in comparison with the expected level;
- the risk that expense charges will be insufficient to cover operating expenses and commission paid to distributors.

Underwriting risk is measured on the basis of observed gaps in these factors between the pricing elements used when the policy was written and the actual annual results on the policy portfolio:

- for the biometric risks, statistical tables are established either from national or international statistics or from insurance portfolio statistics (experience tables);
- for redemption risk, probability criteria are constructed on the basis of observation on the portfolio (for structural redemptions) and primarily on expert opinion (for cyclical redemptions not amenable to statistical observation);
- for loading risk, the relevant gap is the difference between expenses actually charged and expenses borne by the insurer.

To limit behavioural risk, the policy remuneration strategy, which is partly discretionary, takes into account market conditions on a forward-looking basis. The participation payout strategy relies on tests of sensitivity to market conditions or loss experience. Stress tests made in the first half of 2010 were used to evaluate different crediting rate policies over the course of the next five years based on analyses of the impacts on earnings, reserves and solvency.

Similarly, modelling of policyholder behaviour and *ex post* analysis of their actual behaviour were used to adjust the duration of assets to the duration of liabilities at regular intervals, so as to limit the risk of an unexpected deviation in redemptions.

Given the weight and the general physiognomy of the portfolios (mass risk, average capital), only catastrophe risk is liable to have any real impact on results in individual or group death and disability insurance. The French life insurance subsidiary, Predica, portfolio benefits from BCAC cover (*Bureau Commun des Assurances Collectives*), both on Group death benefits (insured loans) and individual death and disability benefits (open group), as well as, in part, supplementary cover of disability risk.

As regards unit-linked contracts, variations in the value of the underlying assets are borne by the policyholders, provided there is no floor guarantee benefit payable under the policy. In the event that the insured dies, this guarantee entitles the beneficiaries to receive at least the amount invested by the insured, regardless of the value of the unit-linked account at the date of death. The insurer is thus exposed to a composite risk determined by (i) the probability of death of the insured and (ii) the financial risk on the value of the unit-linked account. A technical provision is recognised for the floor guarantee. It is measured using an economic model incorporating the two components.

The performance of unit-linked funds is monitored on a regular basis, *via* comparison with the competition for funds available on the open market, and in terms of how to apply formula-based funds.

As regards reinsurance, Crédit Agricole Group entities in the savings and death and disability business in France and internationally make little use of reinsurance.

As it is:

- the bulk of their business is in individual savings products;
- the death and disability risk policies that they distribute are made up of a very large number of small risks, with the exception of the long-term care policies;
- strong financials and prudent management enable them to exceed the minimum required solvency ratio by a comfortable margin.

2. Technical risks from property and casualty and creditor insurance

This mainly concerns the property and casualty business and non-life benefits included in creditor insurance policies.

The main risks from property and casualty and creditor insurance are as follows:

- Poor selection of risks and under-priced premiums;
- Claims management;
- Concentration and catastrophe risks.

The technical risk is managed by means of five policies:

- underwriting policy, which is specific to each market or type of policy and which sets the rules that partners must apply in distributing policies;
- pricing policy, which is governed by the entity's development strategy, and for which pricing rules and procedures are formalised as part of the strategy;
- commercial policy, which is part of the risk strategy for managing the entity's financial equilibrium and long-term solvency;

- partner compensation policy, which is governed by management agreements;
- claims management policy, which depends on manuals of procedures and controls to be applied by those in charge of managing claims;
- reinsurance policy.

The technical result on non-life business is measured mainly using the claims ratio, which is the ratio of claims paid to premiums earned on the business. Claims ratios are calculated every month by product line.

They are analysed by actuaries in terms of their variation from one quarter to the next and their closeness to the initial targets.

They are presented to the relevant Management Committees. Tracking claims ratios serves to identify products that are structurally unprofitable and therefore require solutions to improve underwriting results (new rate schedule, redefinition of the target customer or the underwriting rules, restriction of policy benefits, etc.), and to identify where efforts must be made on pricing, for example, when a product's sales volume is not satisfactory.

Monitoring of underwriting risk is supplemented by the analysis of portfolios from the standpoint of production over time (policyholder profile, etc.), breakdown of claims (frequency, average cost, etc.) and the evolution in claims by year of occurrence.

Concentration risk in non-life insurance relates to a concentration of risks resulting in an aggregation of liabilities arising from a single claim.

Two types of concentration risks should be distinguished:

- underwriting concentration risk in which policies are written by one or more Group entities on the same risk;
- claim concentration risks, where policies are written by one or more Group entities on risks that are different, but liable to be triggered by a single covered event or the same primary cause.

This type of risk is hedged, first, by a policy of diversifying the risks written in a single region and, second, by reinsurance to limit the financial impact of major events (storms, natural disasters, civil liability claims, serial risks, unemployment, etc.). The reinsurance policy thus seeks to achieve a high level of protection against systemic and/or exceptional events, thereby reducing the volatility of net income and protecting capital (through a general hedge of retentions and any overruns in individual reinsurance agreements covering each type of risk).

3. Reinsurance risk

Reinsurance risks are of three types:

- inappropriate reinsurance (insufficient cover or, on the other hand, payment of too high a premium which erodes technical margins and competitiveness);
- risk of a reinsurer defaulting and not being able to pay all their share of the claims;
- no or virtually no reinsurance on a given activity or guarantee given.

Risk containment measures have been implemented along four lines:

- monitoring the adequacy of reinsurance cover relative to the commitments to insureds;
- monitoring the reinsurers' credit rating;
- monitoring the dispersion of risk across reinsurers;
- monitoring results on each reinsurance agreement.

Reinsurance policy seeks to optimise protection through a good cover/price ratio.

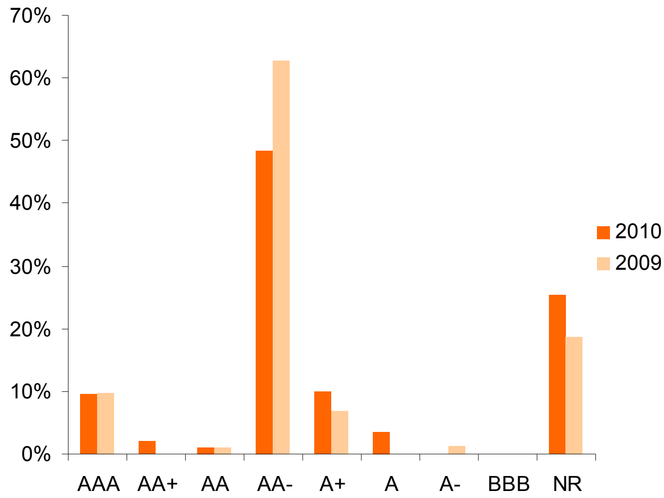
The terms and conditions of reinsurance (premium rates, nature of cover, types of limits, etc.) are for the most part reset annually when reinsurance agreements are renewed.

The reinsurance plan is reviewed annually by the Board of Directors at subsidiary level.

Since the entity will be left to pick up the liabilities of any reinsurer who defaults, financial robustness is a prime criterion in selecting reinsurers. Similarly, limits on the share of risks taken on by each reinsurer both globally and under each agreement, where possible, tends to reduce the impact of a default.

Net business ceded to reinsurers (ceded reserves and current accounts with reinsurers net of cash deposits received) totalled €0.5 billion at 31 December 2010, unchanged from end-2009.

Their breakdown by rating is as follows:



V. OPERATIONAL RISK AND COMPLIANCE RISK

Monitoring of operational risk and compliance risk follows the rules established for Crédit Agricole S.A. Group and presents no characteristics specific to the insurance business (see section below on operational risks).

OPERATIONAL RISK

Operational risk is the risk of loss resulting from shortcomings or failure in internal procedures, human error, information systems or external events. It includes legal risk but not strategic or reputational risk.

I. OBJECTIVES AND POLICY

The operational risk system, adjusted to each Group entity, comprises the following components common to the entire Group:

- **governance of the operational risk management function:** supervision of the system by Executive Management (*via* the Operational Risk Committee or the operational risk unit of the Internal Control Committee), oversight and co-ordination of the system by Risk Management and Permanent Control officers (Crédit Agricole S.A. and entities), entities' responsibilities in controlling their risks through the network of Operational Risk Managers;
- **identification and qualitative assessment of risks** through risk mapping, and the use of indicators to monitor the most sensitive processes;
- **collection of operational loss data and an early-warning system** to report significant incidents, which are consolidated in a database used to measure and monitor the cost of risk;
- **annual calculation** (except for significant events: major loss, change in organisation, etc.) **and allocation of regulatory capital** for operational risks at both consolidated and entity levels;
- periodic production of an **operational risk scorecard** at entity level, plus a Group summary.

II. RISK MANAGEMENT: ORGANISATION AND SUPERVISION SYSTEM

The organisation of operational risk management forms part of the overall Risk Management and Permanent Controls function: Operational risk officers, most of whom now cover permanent risk monitoring, report to the heads of Risk Management and Permanent Controls in the various entities.

Crédit Agricole Group uses an operational risk scorecard covering most of its business lines. This scorecard shows the main sources of risk affecting most business lines, along with exposure profiles differentiated by subsidiary and business line: recurring risk, mainly arising from external fraud involving payment instruments in retail banking or stock market errors in asset management, and investor services, higher risk in corporate and investment banking (counterparty litigation and capital markets) and factoring (external fraud).

The scorecard also reflects the effect of action plans designed to reduce the impact of exceptional risks (i.e. by strengthening information systems and controls when encountering high unit losses primarily affecting asset management and factoring operations) as well as to reduce the frequency of recurring risks (electronic banking fraud and heightened monitoring of external fraud in the consumer finance businesses).

Initiatives taken to counter internal fraud in 2007, in particular at Crédit Agricole CIB, have been extended through implementation of a system to bring the risk thereof under further control. Measures include reviewing authorisation procedures, strengthening early-warning systems and creating an anti-fraud unit in the Compliance function.

For the **identification and qualitative assessment of risk** component, a new risk mapping campaign was initiated. In collaboration with the Group's legal function, legal risks were mapped in addition to operational and compliance risks. As every year, the results of these risk mapping efforts will be analysed by each entity in the course of the first quarter and will be presented to the operational Risk Management Committee.

To improve operational risk tools even further and promote overall consistency in the Risk Management and Permanent Controls function, an Intranet-based mapping tool was made available to the entities. This tool is closely integrated with the SCOPE permanent controls tool (sharing of the same framework, cross-reporting, etc.), making it possible to confirm the choices of methodology in the link between risk mapping and risk management (permanent controls, action plans, etc.). Similarly, the current loss compilation tool was migrated to an Intranet tool in 2010 and will be deployed generally in 2011.

Lastly, concerning the **calculation and allocation of regulatory capital** component, the application chain was secured and automated. An operational risk information system evolution plan will be implemented in 2011.

A biannual Committee for back-testing the Advanced Measurement Approach (AMA) model was created for the purpose of analysing the model's sensitivity to changes in the risk profile of the entities. The Committee has identified areas where improvements are possible, especially in modelling the historical loss experience. Working groups are already engaged on these tasks, and work on them will continue through the first half of 2011.

III. METHODOLOGY

The main entities of Crédit Agricole Group use the *Advanced Measurement Approach (AMA)*: Crédit Agricole CIB, Amundi Group, LCL, Crédit Agricole Consumer Finance, Agos and all Regional Banks. The use of the AMA for these entities has been validated by the French Prudential Control Authority in 2007 and reconfirmed (following the change in legal status) for Amundi, Crédit Agricole Consumer Finance and Agos in 2010.

Work on integrating Cariparma and FriulAdria using AMA continued in 2010.

For the entities that use the standardised approach (TSA), the weighting coefficients used in calculating the capital requirement are those recommended by the Basel Committee.

AMA regulatory capital requirements calculation

The AMA method for calculating capital requirements for operational risk has the following objectives:

- increase control over the cost of operational risk, and prevent exceptional risks across the Group's various entities;
- determine the level of capital needed for the measured risks, which may be lower than that calculated using the standardised approach;
- promote improvements in permanent controls through the monitoring of action plans.

The systems implemented within the Group aim for compliance with all qualitative criteria (making risk measurement an integral part of day-to-day management, independence of the risk function, periodic disclosure of operational risk exposures etc.) and Basel II quantitative criteria (99.9% confidence interval over a 1-year period; incorporation of internal data, external data and analyses of scenarios and factors reflecting the operating environment; incorporation of risk factors that influence the statistical distribution, etc.).

The AMA model for calculating capital requirements is based on an actuarial model called the Loss Distribution Approach, which is unique to the Group. The largest entities handle their own capital allocation based on centrally defined principles.

Internal factors (change in the entity's risk profile) are considered according to:

- organisational changes within the entity;
- changes in risk mapping;
- an analysis of the history of internal losses and the quality of the risk management system, in particular via the Permanent Controls function.

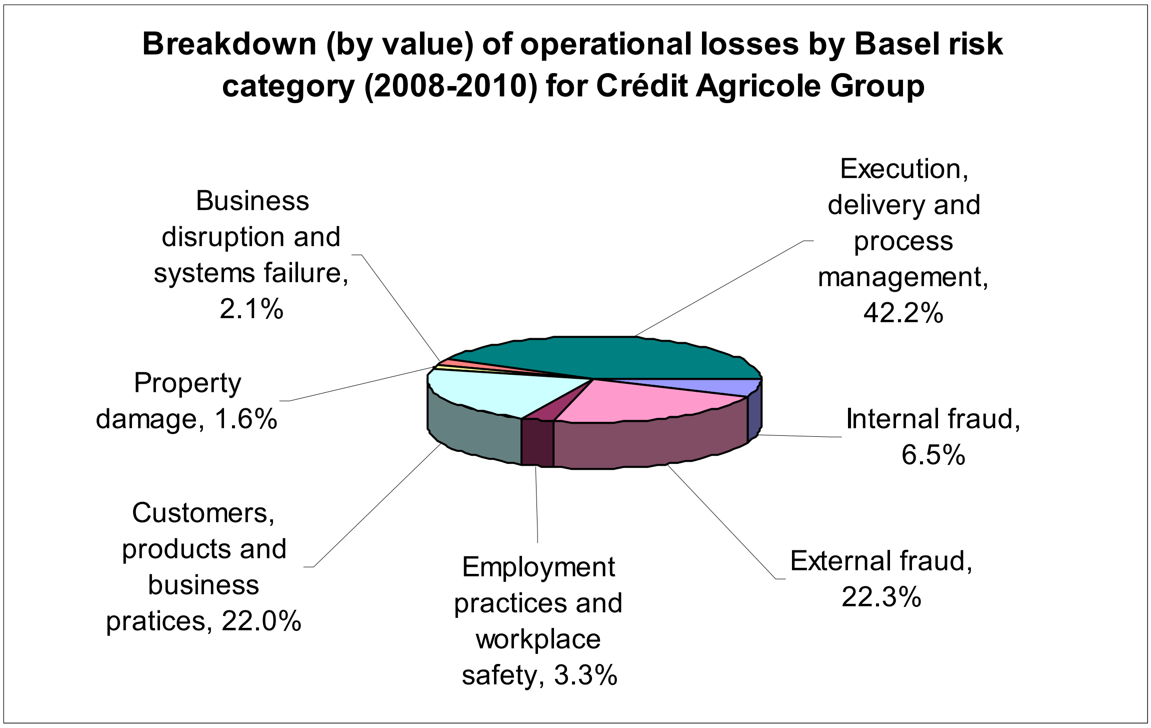
Concerning external factors, strategic monitoring of incidents observed in the other institutions is conducted through the analysis of the ORX consortium database, which catalogues losses at approximately 50 banks throughout the world including Crédit Agricole S.A. Depending on the results of this analysis, the stress tests developed in the various Group entities are reviewed.

The model was designed and developed according to the following principles:

- it must form an integral part of the risk policy;
- it must be pragmatic, *i.e.* the methodology must be applicable to real operating conditions;
- it must have educational value, in order to be endorsed by senior management and business lines;
- it must be robust, *i.e.* it must be able to provide estimates that are realistic and stable from one year to the next.

The model has been regularly validated by the Crédit Agricole Group's Standards and Methodology Committee, chaired by the head of Group Risk Management and Permanent Controls.

IV. EXPOSURE



Generally, the exposure to operational risks, down in 2010, reflects the principal activities at Crédit Agricole Group:

- substantial exposure to the Execution risk category, due to processing errors inherent in all activities;
- marked exposure to external fraud, essentially in retail banking via card fraud;
- finally, moderate exposure to commercial disputes.

V. INSURANCE AND COVERAGE OF OPERATIONAL RISKS

Crédit Agricole Group has obtained insurance coverage for its operational risks to protect its assets and profits. For high-intensity risks, Crédit Agricole S.A. has taken out Group insurance policies on behalf of its subsidiaries and through Camca on behalf of Regional Banks, from major insurance companies. These policies harmonise the transfer of personal and property risks and set up specific professional civil liability and fraud insurance programmes for each business line. Furthermore, business-line subsidiaries are responsible for managing lower intensity risks themselves.

In France, insurance of operating assets (property and IT equipment) includes third-party liability coverage for buildings with the highest exposure to this risk. This insurance is supplemented by special coverage for civil operating liability.

Insurance policies for operating loss, fraud and securities risks, Group professional civil liability, and civil liability for executive officers were renewed in 2010.

Basel II eligible policies contribute to reducing the amount of capital that must be held against operational risks (within the 20% authorised limit).

High-frequency and low-intensity risks that cannot be insured on satisfactory financial terms are retained in the form of deductibles or are pooled within Crédit Agricole S.A. Group by its captive reinsurance subsidiary (Crédit Agricole Réassurance CARE), whose aggregate exposure does not exceed 6% of the above risks.

COMPLIANCE RISKS

Compliance risks refer to a potential lack of adherence to rules governing financial and banking activities. These rules may be laws, regulations, professional or ethical standards, instructions, professional codes of conduct, or efforts to combat money-laundering, corruption or the financing of terrorism.

A dedicated monitoring system ensures that these risks are controlled and that their impact in terms of financial losses, or legal, administrative or disciplinary sanctions, is minimised. The common objective is to preserve the Group's reputation.

The organisation and main actions relating to compliance are detailed in the key economic performance indicators section of the part of the registration document dealing with employee, social and environmental information related to Crédit Agricole S.A. Group.

The prevention, monitoring and control of compliance and reputational risks are detailed in the report of the Chairman of the Board of Directors to the General Meeting of Shareholders on the preparation and organisation of the Board's work and on the internal control procedures implemented within the Company, as required by the French Financial Security Act of 1 August 2003.

Basel II Pillar 3 disclosures as at 31 December 2010

The decree of 20 February 2007, transposing Basel II regulations into French law, requires relevant financial institutions (mainly credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management systems. Crédit Agricole Group's risk management system and exposure levels are presented in this section and in the section of the management report entitled "Risk Factors". The Crédit Agricole Group has chosen to disclose its Pillar 3 information in a separate section from its Risk Factors with the aim of clearly presenting the new Basel II requirements. This section provides information on capital requirements, constituents of capital and exposures to credit risk, market risk and operational risk.

Crédit Agricole Corporate and Investment Bank also discloses detailed information on Pillar 3 requirements on a sub-consolidated basis in its registration document.

REGULATORY BACKGROUND

I. SCOPE OF APPLICATION OF THE CAPITAL REQUIREMENTS FOR THE PURPOSES OF PRUDENTIAL SUPERVISION

Credit institutions and investment firms are subject to solvency and large exposure ratios on an individual and, where applicable, sub-consolidated basis, although they may be exempt under the provisions of Article 4 of Regulation 2000-03 of 6 September 2000.

The decree of 20 February 2007 provides for exemption from these ratios under certain circumstances. The French Prudential Control Authority (ACP) has agreed that some of Crédit Agricole Group's subsidiaries may benefit from exemption on an individual or, where applicable, sub-consolidated basis.

As such, Crédit Agricole S.A. has been exempted by the French Prudential Control Authority on an individual basis, in accordance with the provisions of Article 4.2 of the aforesaid Regulation 2000-03. In 2009 an additional subsidiary, Crédit Agricole Covered Bonds, was exempted.

II. REFORM OF REGULATORY RATIOS

The decree of 20 February 2007 transposing the European Capital Requirements Directive (CRD) into French law sets out the "capital requirements applicable to credit institutions and investment firms". In accordance with these provisions, Crédit Agricole Group has incorporated the impacts of the implementation of this new directive into the management of its capital and of its risks.

The CRD ratio is mandatory as of 1 January 2008. However, banks continue to calculate the old CAD ratio, as the Regulatory Authority has set a floor for capital resources at 80% of the CRD requirements until 31 December 2011.

The solvency ratio, calculated in accordance with the European Capital Requirements Directive, is based on the assessment of weighted assets of credit risk, of market risk and of operational risk. The resulting capital requirements for each type of risk are set out below in the section entitled "Capital requirements by type of risk".

In accordance with the decree of 20 February 2007, exposure to credit risk is measured using two methods:

- the standardised approach, which is based on external credit ratings and fixed weightings for each Basel exposure class;
- the Internal Ratings Based approach (IRB), which is based on the bank's own internal rating system.

  There are two subsets of the IRB approach:

  - the "Foundation Internal Ratings-Based" approach under which the institutions may use exclusively their own default probability estimates;
  - the "Advanced Internal Ratings-Based" approach under which institutions use all their internal estimates of the risk components: default probabilities, loss given default, exposure on default, maturity.

In late 2007, the French Prudential Control Authority authorised Crédit Agricole Group to use its internal rating systems to calculate regulatory capital requirements for credit risk on retail and corporate exposures throughout almost all of its consolidation scope.

In the Pillar 3 tables, LCL and the Regional Banks's portfolios have been included in the IRB scope even where ratings have been obtained using the entreprise's rating methodology. The reason for this presentation choice is to provide precise information on the risk structure of these portfolios. It should be noted, however, that these portfolios are risk-weighted using the standardised method. An adjustment is then made to risk-weighted assets to incorporate the difference between the two approaches and this adjustment is reported under the Pillar 3 standardised heading.

In addition, the French Prudential Control Authority authorised, as of 1 January 2008, Crédit Agricole Group's main entities to use the Advanced Measurement Approach (AMA) to calculate their capital requirements for operational risk. The Group's other entities use the standardised approach, in accordance with regulations.

The main Group entities still using the standardised method (mainly Cariparma and Emporiki outside France and Crédit Agricole Leasing & Factoring in France) are continuing their respective projects for gradual transition to the advanced measurement approach (IRB, AMA). The roll out schedule fixed in conjunction with the French Prudential Control Authority in May 2007 is updated annually based on the progress of each entity.

RISK MANAGEMENT

The policies and procedures for managing each category of risk are described in the management report under “Risk factors”.

REGULATORY RATIOS

I. REGULATORY SCOPE

Difference between the accounting and regulatory scopes of consolidation:

Insurance companies consolidated in the financial statements are not included in the regulatory scopes of consolidation. These insurance companies do not present a lack of capital.

Information on these entities and their consolidation method for accounting purposes is provided in Note 12 to the financial statements, “Scope of consolidation at 31 December 2010”.

II. REGULATORY RATIOS AT 31 DECEMBER 2010

The table below shows the European CRD solvency ratio and details Crédit Agricole Group’s weighted risks and the regulatory capital requirements calculated in accordance with the applicable regulations.

The total solvency ratio is calculated as the ratio between total regulatory capital and the sum of:

- credit risk-weighted assets;
- regulatory capital requirements for market and operational risk multiplied by 12.5.

(in billions of euros)	**31/12/2010**	**31/12/2009**
Tier 1 capital (A)	**61.2**	**57.0**
Equity capital and reserves, Group share	69.5	66.5
Tier 1 capital as agreed by the French Prudential Control Authority		
Hybrid minority interests	2.3	2.4
Hybrid instruments included in Tier 1 capital as agreed by the French Prudential Control Authority	11.6	11.2
Deduction from Tier 1 capital	(22.2)	(23.1)
Tier 2 capital (B)	**25.7**	**23.6**
Tier 3 capital	**0.0**	**0.5**
Deductions from Tier 1 and Tier 2 capital	**7.0**	**9.8**
Deductions from Tier 1 capital (C)	3.3	4.6
Deductions from Tier 2 capital (D)	3.7	5.2
including stakes in credit and banking institutions amounting to more than 10% of their capital or which provide significant influence over these institutions (at 100%)	*3.7*	*6.2*
including securitisation exposures weighted at 1,250%	*2.6*	*2.7*
including, for institutions using IRB approaches, the negative difference between the sum of value adjustments and collective impairment losses on the relevant exposures and the expected losses	*0.1*	*0.1*
Deductions of insurance companies' equity	**12.4**	**10.9**
Total net available capital	**67.5**	**60.5**
o/w		
Tier 1 (A – C)	57.9	52.4
Tier 2 (B – D)	22.0	18.4
Tier 3	0.0	0.5
Total risk-weighted assets excluding floor	**493.4**	**490.4**
Credit risk	446.2	440.2
Market risk	10.0	11.3
Operational risk	37.2	38.8
Total risk-weighted assets including floor applicable on Tier 1 capital adequacy ratio	**561.6**	**538.9**
Total risk-weighted assets including floor applicable on total capital adequacy ratio	**575.5**	**554.6**
CAD risks (or Basel I)	702.9	673.6
Tier 1 solvency ratio	**10.3%**	**9.7%**
Total solvency ratio	**11.7%**	**10.9%**
Tier 1 solvency ratio excluding floor	**11.7%**	**10.7%**
Total solvency ratio excluding floor	**13.7%**	**12.3%**

At 31 December 2010 the Crédit Agricole Group's total CRD solvency ratio was 11.7%, including Basel II Tier 1 capital of 10.3%, reflecting the Group's financial strength. As Basel II risk-weighted assets are lower than Basel I risk-weighted assets (after applying the floor, which was lowered to 80% on 1 January 2009), floored Basel I risk-weighted assets are used as the denominator, as was done at 31 December 2009.

On a comparable basis, i.e. on a floored Basel I basis, at 31 December 2009 the Group's total ratio was 10.9% and the Tier 1 ratio was 9.7%.

Changes in 2010 in the various components of this ratio are analysed below:

- Basel II risk-weighted assets totalled €493.4 billion at 31 December 2010, up 0.6% from their end-2009 level of €490.4 billion:
  - at €446.2 billion, credit risks were up 1.4%;
  - market risks were down 12.2 %, explained by the change in the VaR;
  - operational risks were reduced by 4.2%;
- Tier 1 capital totalled €57.9 billion at 31 December 2010. It was affected by deductions of investments and securitisation exposures amounting to €3.3 billion.

  In 2010, net income, Group share amounted to €3.6 billion, taking into account the negative impact of the deconsolidation of Intesa Sanpaolo S.p.A. and the impairment of the Group's investment in Emporiki.

  The main significant events during the year were as follows:

  - the disposal in the first quarter of 2010 of 0.8% of the capital of Intesa Sanpaolo S.p.A. (interest in the capital fell from 5.55% to 4.79%), then the deconsolidation of this equity-accounted interest in December 2010, which had a marginally negative impact on Tier 1 capital and a positive impact on total capital;
  - as regards Emporiki, the update of the restructuring and development plan resulted in the second quarter in an additional impairment of €418 million in goodwill, which however had no impact on the ratio since goodwill is already restated from Tier 1 capital;
  - the Group carried out an employee share issue which raised €109 million. This operation was undertaken at the price of €7.11 per share given a 20% discount on the share's market price;
  - Crédit Agricole S.A. also offered shareholders the option to receive the dividend in respect of 2009 in shares. The shares distributed to third parties amounted to **€40 million**, which represents an acceptance rate on the third-party section of 8.5%. In total, including the SAS Rue la Boétie's subscription to 100% of its dividends in shares, the overall acceptance rate for this operation was around 60%;
- the supplementary capital net of deductions (Tier 2) increased by €3.6 billion due to issues, amortisations and repayments of subordinated debt. Second-level subordinated debt issues, net of amortisations and buybacks, amounted to €2.7 billion. The amount of senior subordinated debt decreased by €0.4 billion following a buyback;
- Tier 3 capital was reduced to zero at 31 December 2010, after the repayment of the €500 million debt on 31 March 2010;
- the deduction of the equity-accounted value of the insurance companies was €12.4 billion at the year-end. In accordance with the regulations, this deduction was made from total shareholder capital.

CAPITAL, CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY

I. COMPOSITION OF CAPITAL

Regulatory capital is calculated in accordance with Regulation No. 90-02 of 23 February 1990 as amended by the decree of 25 August 2010 published by the *Comité de la réglementation bancaire et financière* related to capital. It is divided into three categories: Tier 1, or core capital, Tier 2 and Tier 3 capital, from which various types of deductions are made.

Capital is allocated according to the following criteria: decreasing degree of robustness and stability, duration, degree of subordination.

1. Tier 1 capital or core capital

This includes:

a. Permanent equity (capital, reserves, minority interests) after deductions

- equity capital;
- reserves, including revaluation adjustments and other comprehensive income.

  Unrealised gains or losses on available-for-sale financial assets are recognised for accounting purposes in other comprehensive income and are restated as follows:

  - for equity instruments, net unrealised gains are deducted from Tier 1 capital on a currency by currency basis, net of the amount of tax already deducted for accounting purposes. 45% of the gains before tax are then added back to Tier 2 capital on a currency by currency basis. Net unrealised losses are not restated;
  - other comprehensive income from cash flow hedges are neutralised;
  - other comprehensive income from other financial instruments, including debt instruments or loans and receivables are also neutralised;
  - impairment losses on available-for-sale assets recognised through profit or loss are not restated;
- share and merger premiums;
- retained earnings;
- net earnings for the year, i.e. net income, Group share, less a provision for dividends;
- minority interests include the share of minority interests in stakes held by Crédit Agricole S.A.;
- the following items are deducted:
  - treasury shares held, valued at their book value,
  - intangible assets including start-up costs and goodwill.

b. Hybrid instruments (including preferred shares)

These include non-innovative capital instruments and innovative capital instruments, the latter with a strong repayment incentive notably *via* a step-up mechanism. Hybrid instruments consist of the deeply subordinated notes issued under the terms of Article L. 228-97 of the French Commercial Code, as amended by the French Financial Security Act of 1 August 2003, and preferred securities issued under UK and US laws, which arise from the consolidation of *ad hoc* vehicles for the indirect issue of hybrid instruments.

A grandfather clause (Article 5.II of Regulation No. 90-02 as amended by the decree of 29 December 2010) has been provided for non-innovative and innovative hybrid instruments already issued which do not comply with the eligibility criteria specified by Article 2.b of Regulation No. 90-02 (amended), in particular in respect of loss absorption conditions. This clause applies to all the hybrid instruments outstanding as at 31 December 2010 and provides for limits as of 2020 to the total outstanding of hybrid instruments.

These hybrid instruments will be included in Tier 1 capital subject to prior approval by the General Secretariat of the French Prudential Control Authority (SGACP).

Hybrid instruments are subject to certain limits relative to Tier 1 capital (before the deductions set out in item 3 below):

- "innovative" hybrid instruments, as defined above, are limited to 15% of Tier 1 capital subject to prior approval from the SGACP providing that they meet the criteria for eligibility as core capital;
- total hybrid instruments – both innovative and non-innovative – may not exceed 35% of core capital;
- hybrid instruments (including the aforementioned preferred shares), and the aforementioned minority interests, taken collectively, may not exceed 50% of Tier 1 capital.

Deeply subordinated notes

Details of the deeply subordinated notes as at 31 December 2010 were as follows:

Issuer	Date of issue	Amount on issue (in millions)	Currency	Call dates	Compensation	Innovative(I) / Non-innovative (NI)	Prudential amounts at 31/12/2010 (in millions of euros)*
Crédit Agricole S.A.	Feb. 2005	600	EUR	Feb. 2015 then annually	6% then starting 04/02/2006, 10y CMS +0.025%, cap at 7.75%	NI	600
Crédit Agricole S.A.	Nov. 2005	600	EUR	Nov. 2015 then quarterly	4.13% then starting 09/11/2015, E3M +1.65%	I	594
Crédit Agricole S.A.	Feb. 2006	500	GBP	Feb. 2016 then quarterly	5.136% then starting 24/02/2016, Libor 3M GBP +1.575%	I	580
Crédit Agricole S.A.	Aug. 2006	400	CAD	Aug. 2016 then quarterly	5,5% then starting 11/08/2016, CDOR 3M Cad +1.75%	I	139
Crédit Agricole S.A.	Oct. 2007	500	USD	Oct. 2012 then half-yearly	7,375%	NI	372
Crédit Agricole S.A.	Dec. 2007	250	NZD	Dec. 2017 then quarterly	10.035% (rate revision in 2012) then starting 19/12/2017, NZD 3M +1.90%	NI	144
Crédit Agricole S.A.	Dec. 2007	650	EUR	Dec. 2012 then quarterly	7.625% then starting 27/12/2012, E3M +3.10%	NI	650
Crédit Agricole S.A.	May 2007	1,500	USD	May 17 then every 10 years	6.637% then starting 31/05/2017, Libor 3M USD +1.2325%	NI	1,118
Crédit Agricole S.A.	Jan. 2008	400	GBP	Jan. 2020 then quarterly	7.589% then starting 30/01/2020, Libor 3M GBP +3.55%	I	463
Crédit Agricole S.A.	March 2008	850	EUR	March 2018 then quarterly	8.2% then starting 31/03/2018, E3M +4.80%	I	849
Crédit Agricole S.A.	Sept. 2008	500	EUR	Sept. 2018 then quarterly	10.653% then starting 30/09/2018, E3M +6.80%	I	499
Crédit Agricole S.A.	June 2009	1,350	USD	Dec. 2014 then half-yearly	9.75%	NI	1,004
Crédit Agricole S.A.	Oct. 2009	1,000	USD	Oct. 2019 then quarterly	8.375% then starting 13/10/2019, Libor 3M USD +6.982%	I	744
Crédit Agricole S.A.	Oct. 2009	550	EUR	Oct. 2019 then quarterly	7.875% then starting 26/10/2019, E3M +6.424%	I	547
Crédit Agricole S.A.	Oct. 2009	300	GBP	Oct. 2019 then quarterly	8.125% then starting 26/10/2019, Libor 3M GBP +6.146%	I	346
CACEIS	Nov. 2007	40	EUR	Nov. 2017 then quarterly	6.315% then starting 28/11/2017, E3M +2.80%	I	40
Newedge	Dec. 2008	103	USD	Dec. 2013 then quarterly	8.60% then starting 23/12/2013, Libor 3M +6.5%	NI	77
TOTAL							**8,766**

* *Amounts used for the COREP declaration*

2. Tier 2 capital or supplementary capital

This includes in particular:

- funds from subordinated debt instruments that meet the conditions set out in Article 4c of Regulation 90-02 on capital (perpetual subordinated notes);
- funds from subordinated debt instruments that meet the conditions set out in Article 4d of Regulation 90-02 on capital (redeemable subordinated notes);
- 45% of net unrealised gains on equity instruments transferred on a currency by currency basis before tax into Tier 2 capital;
- the positive difference between expected losses calculated using the internal rating-based approach and the sum of value adjustments and collective impairments on the relevant exposures.

Perpetual subordinated notes

Issuer	Date of issue	Amount on issue (in millions)	Currency	Call dates	Compensation	Prudential amounts at 31/12/2010 (in millions of euros)*
Crédit Agricole S.A.	June 2003	1,050	GBP	June 2018 then every 5 years	5% then starting 20/06/2018, 5 Y UKT + 0.97% +1%	577
Crédit Agricole S.A.	March 2003	636	EUR	March 2015 then every 12 years	5.2% then starting 07/03/2015, 12-year government borrowing rate +1.50% (revised every 12 years)	590
Crédit Agricole S.A.	June 2003	159	EUR	July 2011 then every 8 years	4.1% then starting 03/07/2011 until 03/07/2019, 8-year government borrowing rate +1%, then starting 03/07/2019, 8-year government borrowing rate + 1.25% (revised every 8 years)	131
Crédit Agricole S.A.	June 2003	497	EUR	July 2016 then every 13 years	4.7% then starting 03/07/2016 until 03/07/2029, 13-year government borrowing rate +1%, then starting 03/07/2029, 13-year government borrowing rate + 1.25% (revised every 13 years)	458
Crédit Agricole S.A.	Dec. 2003	505	EUR	Dec. 2015 then every 12 years	5% then starting 24/12/2015, 12-year government borrowing rate + 0.75 % (revised every 12 years)	432
Crédit Agricole S.A.	June 2006	500	EUR	June 2011 then quarterly	4.61% then starting 30/06/2011 until 30/06/2016, E3M +1.29%, then starting 30/06/2016, E3M +2.04%	500
LCL	Nov. 1985	229	EUR	-	Average of average monthly rates of return for payment of govt.-guaranteed and similar loans (INSEE publication) – 0.15%	132
LCL	Jan. 1987	229	EUR	Jan. 1994 then annually	Average of average monthly rates of return for payment of govt.-guaranteed and similar loans (INSEE publication) – 0.30%	151
TOTAL						**2,971**

* *Amounts used for the COREP declaration*

In addition, subordinated debts at 31 December 2010 also included (cf. Note 6.9 to the consolidated financial statements):

- mutual security deposits;
- participating securities and loans;
- redeemable subordinated notes (TSR).

3. Deductions from capital

Deductions are described in Articles 6, 6 bis and 6 quater of Regulation 90-02 on share capital. They include equity interests representing more than 10% of the equity capital of a credit institution or investment firm, as well as subordinated debt holdings and any other equity-based instruments. 50% of the amounts concerned is deducted from Tier 1 capital and 50% from Tier 2 capital. In addition, in accordance with Article 6 bis of the aforementioned
Regulation 90-02, the deductions include securitisation exposures weighted at 1,250% held by institutions subject to that Regulation when these exposures are not included in the calculation of weighted exposure amounts.

Finally, these deductions also include the deduction for expected losses on the share portfolio, and, where relevant, the negative difference for institutions using internal ratings-based approaches between the collective impairments and the expected losses.

Tier 1 consists of Tier 1 capital after the relevant deductions.

Symmetrically, Tier 2 consists of supplementary capital after the related relevant deductions.

On the other hand, as authorised by the aforementioned Article 6, Crédit Agricole Group's stakes in insurance companies and its holdings of their subordinated debt and other equity items are deducted from total capital (except for transactions completed after 31 December 2006). In exchange, Crédit Agricole Group is subject to an additional capital requirement based on the appendix to Regulation 2000-03 which describes the supervision of financial conglomerates.

4. Tier 3 capital

This includes subordinated debt with an initial term equal to or more than two years, within the regulatory limits imposed. However at 31 December 2010 the Group no longer holds any Tier 3 capital.

II. CAPITAL REQUIREMENTS BY TYPE OF RISK

The capital requirements set out below by risk type, by approach and by exposure class (for credit risk) correspond to 8% of the risk-weighted exposures set out in the table of prudential ratios, which represents the regulatory minimum. Weighted exposures are calculated by applying a weighting ratio to each exposure at risk.

The capital requirements for credit risk, market risk and operational risk were €39.5 billion at 31 December 2010, up 0.8% on 31 December 2009.

Capital requirement for credit risk in the Standardised approach

(A definition of the exposure classes is given in the section entitled "Exposure to credit and counterparty risk")

(in billions of euros)	31/12/2010		31/12/2009	
	Risk-weighted assets	**Capital require-ments**	**Risk-weighted assets**	**Capital require-ments**
Central governments and central banks	2.9	0.2	2.7	0.2
Institutions	13.6	1.1	12.6	1.0
Corporates	99.9	8.0	95.3	7.6
Retail customers	48.3	3.9	43.7	3.5
Equity	3.6	0.3	4.8	0.4
Securitisation	0.4	0.0	0.5	0.0
Other non-credit obligation assets	21.4	1.7	23.9	1.9
TOTAL CAPITAL REQUIREMENTS FOR STANDARDISED CREDIT RISK APPROACH	**190.1**	**15.2**	**183.5**	**14.6**

The capital requirement for credit risk in the standardised approach edged up slightly compared to 2009, by 4.1% to €15.2 billion, representing 38% of total capital requirements at 31 December 2010.

The Corporate and Retail customers portfolios account for almost 80% of the total capital requirement and are concentrated mainly in the entities that are part of the sequential transition project to the IRB approach and are to be processed using the IRB method according to the Group's rollout schedule.

Capital requirement for credit risk under the internal ratings-based (IRB) approach

(A definition of the exposure classes is given in the section entitled “Exposure to credit and counterparty risk”)

(in billions of euros)	31/12/2010		31/12/2009	
	Risk-weighted assets	**Capital require-ments**	**Risk-weighted assets**	**Capital require-ments**
Central governments and central banks	2.0	0.2	2.1	0.2
Institutions	20.0	1.6	20.2	1.6
Corporates	132.0	10.6	135.0	10.8
Retail customers	68.9	5.5	69.3	5.5
Small businesses	*21.3*	*1.7*	*21.8*	*1.7*
Revolving retail	*4.2*	*0.3*	*7.3*	*0.6*
Residential mortgages	*25.9*	*2.1*	*21.7*	*1.7*
Other retail	*17.5*	*1.4*	*18.5*	*1.5*
Equity	24.6	2.0	21.1	1.7
Simple risk-weight approach	24.6	2.0	21.1	1.7
Private equity exposures in sufficiently diversified portfolios (190% weighting)	*3.6*	*0.3*	*3.0*	*0.2*
Listed equity exposures (290% weighting)	*10.3*	*0.8*	*6.5*	*0.5*
Other equity exposures (370% weighting)	*10.7*	*0.9*	*11.6*	*0.9*
Internal models method	0.0	0.0	0.0	0.0
Securitisation	8.9	0.7	9.1	0.7
Other non-credit obligation assets				
TOTAL CAPITAL REQUIREMENTS FOR INTERNAL RATINGS-BASED CREDIT RISK APPROACH	**256.4**	**20.6**	**256.8**	**20.5**

The capital requirements for credit risk in the IRB approach amounted to €20.6 billion, representing 52% of total capital requirements at 31 December 2010, stable compared with the previous year.

As in previous years, the breakdown by Basel portfolio shows the high percentage of Corporate exposures, which accounted for more than half of the total. This stems mainly from the importance of the Group’s corporate financing operations.

The capital requirements for retail exposures stem mainly from LCL and from the Consumer finance subsidiaries such as Crédit Agricole Consumer Finance.

Capital requirements for market risk

(in billions of euros)	31/12/2010		31/12/2009	
	Risk-weighted assets	Capital require-ments	Risk-weighted assets	Capital require-ments
Market risk in standardised approach	6.0	0.5	6.9	0.5
Interest rate risk	*3.2*	*0.3*	*3.9*	*0.3*
Equity position risk	*0.1*	*0.0*	*0.1*	*0.0*
Foreign exchange risk	*2.5*	*0.2*	*2.6*	*0.2*
Commodities risk	*0.2*	*0.0*	*0.3*	*0.0*
Market risk in internal models approach	4.0	0.3	4.5	0.4
Of which additional capital requirements arising from exceeding the large exposures limits	*0.0*	*0.0*	*0.0*	*0.0*
TOTAL REQUIREMENTS FOR MARKET RISK	**10.0**	**0.8**	**11.4**	**0.9**

The capital requirement for market risk amounted to €0.8 billion, representing 2% of total capital requirements at 31 December 2010 as at 31 December 2009.

It should be noted that capital requirements for market risk continued to decline (-12% in 2010, after falling 61% in 2009).

Capital requirement for payment and settlement risk

This requirement is small and amounted to €1.1 million for the Group as a whole at 31 December 2010 compared with €0.44 million at 31 December 2009.

Capital requirements for operational risk

(in billions of euros)	31/12/2010		31/12/2009	
	Risk-weighted assets	Capital require-ments	Risk-weighted assets	Capital require-ments
Operational risk in the standardised approach	10.9	0.9	11.2	0.9
Operational risk in the advanced measurement approach	26.3	2.1	28.7	2.3
TOTAL CAPITAL REQUIREMENTS FOR OPERATIONAL RISK	**37.2**	**3.0**	**39.9**	**3.2**

The capital requirement for operational risk amounted to €3.0 billion, representing 8% of the Group's total capital requirements at 31 December 2010.

The calculation under the advanced measurement approach accounted for 71% of total capital requirements for operational risk.

The main contributing entities remain unchanged compared to 2009: the Regional Banks, Crédit Agricole CIB, LCL and Amundi for the advanced approach and Emporiki, Cariparma and Crédit Agricole Consumer Finance for the standardised approach.

III. ASSESSMENT OF INTERNAL CAPITAL ADEQUACY

The Group has implemented an internal capital adequacy assessment system covering the Crédit Agricole Group, the Crédit Agricole S.A. Group and the Group's main French and foreign entities.

A project aimed at rolling out Pillar 2 in the Regional Banks was initiated at the start of 2010. This approach is designed to meet the requirements of Pillar 2 of the Basel II reform, and more particularly the Internal Capital Adequacy Assessment Process (ICAAP), implemented under the responsibility of the banks.

Its main purpose is to ensure that the Group's economic capital and that of its main subsidiaries is adequate for the risks incurred, while ensuring quality control of risks and checks.

The risks quantified for the purposes of internal capital are:

- risks covered by Pillar 1 of the Basel II reform (credit and counterparty risk, market risk and operational risk);
- risks covered by Pillar 2 of the Basel II reform (interest-rate risk in the banking book and credit concentration risk).

Liquidity risk is not included in this approach as the Group takes a qualitative approach to this risk through its management and supervision systems, as well as through its liquidity continuity plan.

In addition to these risks, the internal capital approach requires banks to make sure that their capital requirements calculated under Pillar 1 adequately cover all residual risk related to risk mitigation techniques and securitisation transactions. Failing that, for internal capital purposes, a risk adjustment to Pillar 1 requirements must be made by any entities exposed to these risks.

The quantitative approach used to calculate internal capital is incremental compared with Pillar 1 requirements. This approach consists in:

- adjusting capital requirements calculated under Pillar 1 so that internal capital adequately reflects, from an economic standpoint, all the material risks in each business activity;
- supplementing Pillar 1 requirements to take account of Pillar 2;
- taking account, on a prudent basis, of the impacts of diversification resulting from the broad spread of business activities within the same group.

Internal capital for credit risk exposures excluding retail banking is based on an internal economic capital model with a degree of confidence of 99.97%, making it possible in particular to obtain a better understanding of the concentrations in credit portfolios.

For market risk which is monitored in VaR, the internal capital anticipates expected regulatory developments for market risk (stressed VaR, IRC and Comprehensive Risk), by using a model quantifying the impact of a rating migration or a default in the following 12 months. As is the case for credit risk, the degree of confidence used to calculate internal capital is 99.97%.

For interest-rate risk in the banking book, Crédit Agricole Group applies the interest rate shocks set out in Pillar 2 of the Basel II reform to calculate its internal capital, i.e. an immediate and parallel (upward and downward) 200 basis points shift. Internal capital includes the risk-offsetting impact of the interest margin on customer deposits.

Crédit Agricole Group entities are responsible for calculating their internal capital in accordance with the standards and methods defined by the Group. More specifically, they must ensure that their ICAAP approach is appropriately organised and managed. Internal capital determined by the entities is reported to the central body.

Crédit Agricole S.A. presented these economic capital measurement approaches to the French Prudential Control Authority and the Committeee of European Banking Supervisors at the end of 2009.

CREDIT RISK

I. EXPOSURE TO CREDIT RISK

Definitions:

- **Probability of default (PD):** the probability that a counterparty will default within a period of one year;
- **Exposure at risk (EAD):** exposure amount in the event of default. The concept of exposure encompasses balance sheet assets plus a proportion of off-balance sheet commitments;
- **Loss given default (LGD):** ratio between the loss incurred upon counterparty default and the amount of the exposure at the time of default;
- **Gross exposure:** amount of the exposure (balance sheet + off-balance sheet), after the impacts of netting and before the application of any credit risk mitigation techniques (guarantees and collateral) and the credit conversion factor (CCF);
- **Credit 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;
- **Expected losses (EL):** the amount of the average loss the bank expects to have to recognise in its loan portfolio within one year;
- **Risk-weighted assets (RWA):** weighted exposures are calculated by applying a weighting ratio to each exposure. The ratio is a function of the characteristics of the exposure and the calculation method used (IRB or standardised);
- **Value adjustments:** impairment losses on a specific asset due to credit risk, recognised either through a partial write-down 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 Control Authority (ACP).

Moreover, credit exposures are classified by counterparty type and financial product type, based on the seven exposure classes shown in the table below and set out in Article 40-1 of the decree of 20 February 2007 on capital requirements applicable to credit institutions and investment firms:

- in addition to exposures to central governments or central banks, the Central government or central banks class includes exposures to certain regional and local authorities and public sector agencies that are treated as central government agencies, as well as multilateral development banks and international organisations;
- the Institutions class comprises exposure to credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not classified under central government agencies;
- the Corporates class is divided into large corporates and small and medium-sized businesses, which are subject to different prudential treatment;
- the Retail customers class is broken down into residential mortgages, revolving retail, other retail loans and small businesses;
- the Equity class comprises exposures that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance;
- the Securitisation class includes exposures to securitisation operations or structures, including those resulting from interest rate or exchange rate derivatives, independently of the institution's role (whether it is the originator, sponsor or investor);
- the Other non-credit obligation assets class mainly includes fixed assets and accruals and prepayments.

1 Breakdown of exposures

1.1 Exposures by type of risk

The table below shows Crédit Agricole Group's exposure to credit and counterparty risk by exposure class for the standardised and internal ratings based approaches. This exposure is the amount of gross exposure after the impact of netting and before the application of any credit risk mitigation techniques (guarantees and collateral).

Exposure to credit risk by approach and class of exposure: gross exposure

(in billions of euros)	31/12/2010							31/12/2009		
	Standardised		IRB		Total			Total		
	Credit risk	o/w counter-party risk	Credit risk	o/w counter-party risk	Credit risk	o/w counter-party risk	Average exposure	Credit risk	o/w counter-party risk	Average exposure
Central governments and central banks	79.6	45.8	96.2	3.5	175.8	49.3	153.7	131.7	10.6	125.1
Institutions	99.9	19.3	115.5	39.4	215.4	58.7	207.5	199.6	57.6	216.7
Corporates	114.0	8.5	336.7	28.2	450.7	36.7	436.7	422.8	37.9	448.0
Retail customers	95.7	-	423.5	-	519.2	-	505.6	492.0	-	485.6
Equity	4.7		8.7		13.4		13.9	14.4		14.3
Securitisations (securitisation position)	0.7		66.4		67.1		64.7	62.3		53.6
Other non-credit obligation assets	46.2				46.2		43.5	40.8		56.1
TOTAL	**440.8**	**73.6**	**1,047.0**	**71.1**	**1,487.8**	**144.7**	**1,425.7**	**1,363.6**	**106.1**	**1,399.4**

Exposures to credit risk by approach and class of exposure: EAD

(in billions of euros)	31/12/2010							31/12/2009		
	Standardised		IRB		Total			Total		
	Credit risk	o/w counter-party risk	Credit risk	o/w counter-party risk	Credit risk	o/w counter-party risk	Average exposure	Credit risk	o/w counter-party risk	Average exposure
Central governments and central banks	75.9	45.8	95.1	3.5	**171.0**	49.3	149.2	**127.4**	10.5	121.2
Institutions	72.9	19.3	111.3	39.4	**184.2**	58.7	179.6	**174.9**	58.8	184.8
Corporates	94.4	8.5	288.2	28.2	**382.6**	36.7	372.3	**362.0**	37.9	380.7
Retail customers	72.5	-	415.6	-	**488.1**	-	476.1	**464.1**	-	457.4
Equity	2.7		8.3		**11.0**		10.7	**10.4**		10.7
Securitisation	0.7		59.3		**60.0**		56.0	**52.0**		47.3
Other non-credit obligation assets	45.0				**45.0**		42.1	**39.2**		54.0
TOTAL	**364.1**	**73.6**	**977.8**	**71.1**	**1,341.9**	**144.7**	**1,285.9**	**1,230.0**	**107.2**	**1,256.1**

Exposure to credit risk by approach and class of exposure: RWA

(in billions of euros)	31/12/2010							31/12/2009		
	Standardised		IRB		Total			Total		
	Credit risk	o/w counter party risk	Credit risk	o/w counter party risk	Credit risk	o/w counte rparty risk	Average exposure	Credit risk	o/w counter party risk	Average exposure
Central governments and central banks	2.9	-	2.0	-	**4.9**	-	4.8	**4.8**	-	4.9
Institutions	13.6	1.8	20.0	4.8	**33.6**	6.6	33.2	**32.8**	7.4	32.2
Corporates	99.9	2.2	132.0	12.5	**231.9**	14.7	231.1	**230.3**	18.0	230.5
Retail customers	48.3	-	68.9	-	**117.2**	-	115.1	**113.0**	-	113.3
Equity	3.6		24.5		**28.1**		27.0	**25.9**		26.5
Securitisation	0.4		8.9		**9.3**		6.3	**3.2**		1.6
Other non-credit obligation on assets	13.9				**13.9**		14.4	**14.9**		15.8
TOTAL	**182.6**	**4.0**	**256.3**	**17.3**	**438.9**	**21.3**	**431.9**	**424.9**	**25.4**	**424.8**

The average amount by exposure class at 31 December 2010 is the arithmetic average between exposures at 31 December 2010 and exposures at 31 December 2009. At 31 December 2009, the principle was the same (2009/2008 basis), contrary to 2008 when the arithmetic average was calculated between exposures at 31 December 2008 and exposures at 30 June 2008.

Gross exposure for the loan book totalled €1,488 billion at end-December 2010, a 9% increase year-on-year. Gross exposure in 2010 was marked by growth in all portfolios with the exception of equity (down by 6.3% i.e. €0.9 billion): and was particularly significant for central governments and central banks (+33.5%), corporates (+6.6%), retail customers (+5.5%) and institutions (+7.9%). The loan portfolio's EAD identically grew by 9.1% over the year.

Counterparty risk exposure rose by 36% over the year to €145 billion of gross exposure. Measured in terms of EAD, the increase was very similar: +35% to €145 billion at the end of December 2010, concentrated on central governments and central banks (+367%) with stability for institutions and a slight fall of -3.2% for corporates.

Counterparty risk

The entities calculate counterparty risk for all their exposures, whether in the banking book or the trading portfolio. For items in the trading portfolio, counterparty risk is calculated in accordance with the provisions relating to the prudential supervision of market risk.

The prudential treatment of counterparty risk on derivative financial instruments in the banking book is defined in the French transposition (decree of 20 February 2007) of the European directive. Crédit Agricole S.A. Group uses the market price method to measure its exposure to counterparty risk on future derivative financial instruments in the banking book.

The exposure at default on the counterparty risk amounted to €145 billion at 31 December 2010: €63.8 billion in the form of derivative instruments and €80.9 billion in the form of security financing operations).

Information on exposure to forwards / futures is also provided in Note 3.1 "Credit risk" to the financial statements.

Update at 31 December 2010 on Crédit Agricole Group's sovereign exposure published following its CEBS stress tests (exposure of the banking Group on a consolidated basis)

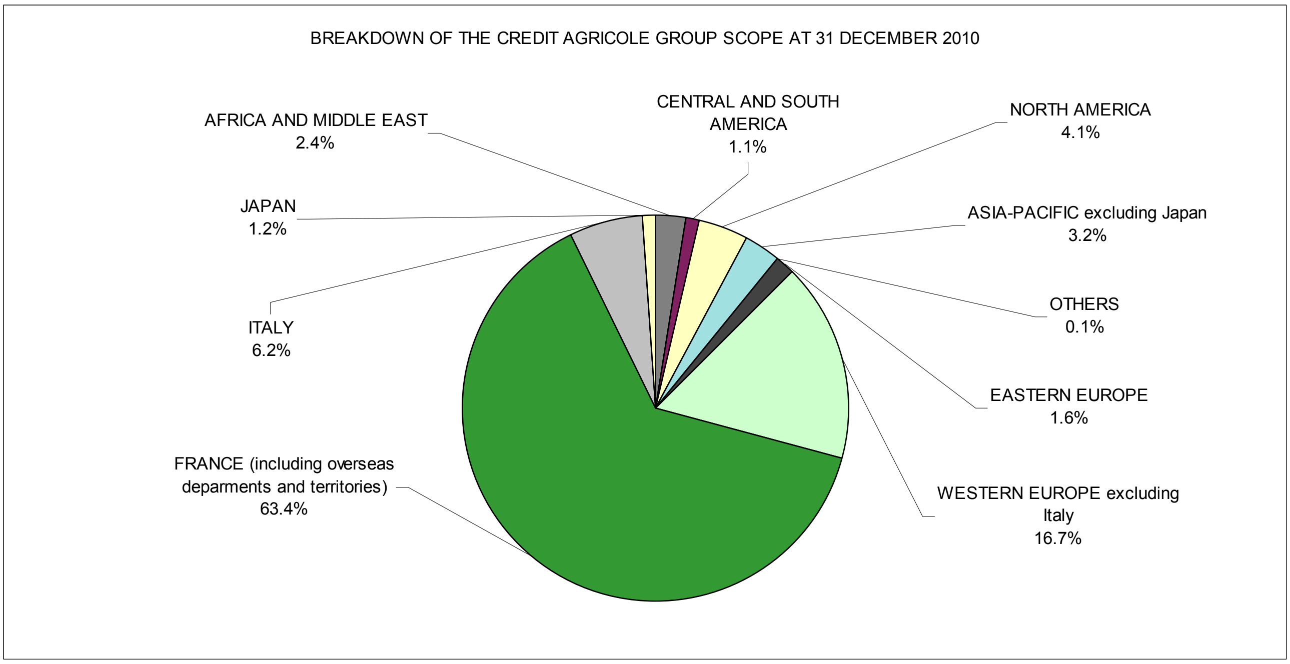
(in millions of euros)	Gross exposure			Net exposure
	Total	o/w banking book	o/w trading book	
Austria	806	738	68	806
Belgium	2,285	2,189	96	2,285
Bulgaria	16	0	16	16
Cyprus	0	0	0	0
Czech Republic	2	1	1	2
Denmark	3	2	1	3
Estonia	0	0	0	0
Finland	566	507	59	566
France	28,851	25,699	3,152	28,851
Germany	747	341	406	747
Greece	655	535	120	655
Hungary	230	0	230	230
Iceland	0	0	0	0
Ireland	111	77	34	111
Italy	10,115	8,680	1,435	10,115
Latvia	0	0	0	0
Liechtenstein	0	0	0	0
Lithuania	0	0	0	0
Luxembourg	0	0	0	0
Malta	0	0	0	0
Netherlands	529	529	0	529
Norway	3	3	0	3
Poland	320	198	122	320
Portugal	1,060	858	202	1,060
Romania	57	38	19	57
Slovakia	0	0	0	0
Slovenia	6	0	6	6
Spain	2,241	1,894	347	2,241
Sweden	8	8	0	8
United Kingdom	321	299	22	321

1.2 Exposures by geographic area

The breakdown by geographical area includes all Crédit Agricole Group's exposures except for securitisations assets and other non-credit obligation assets.

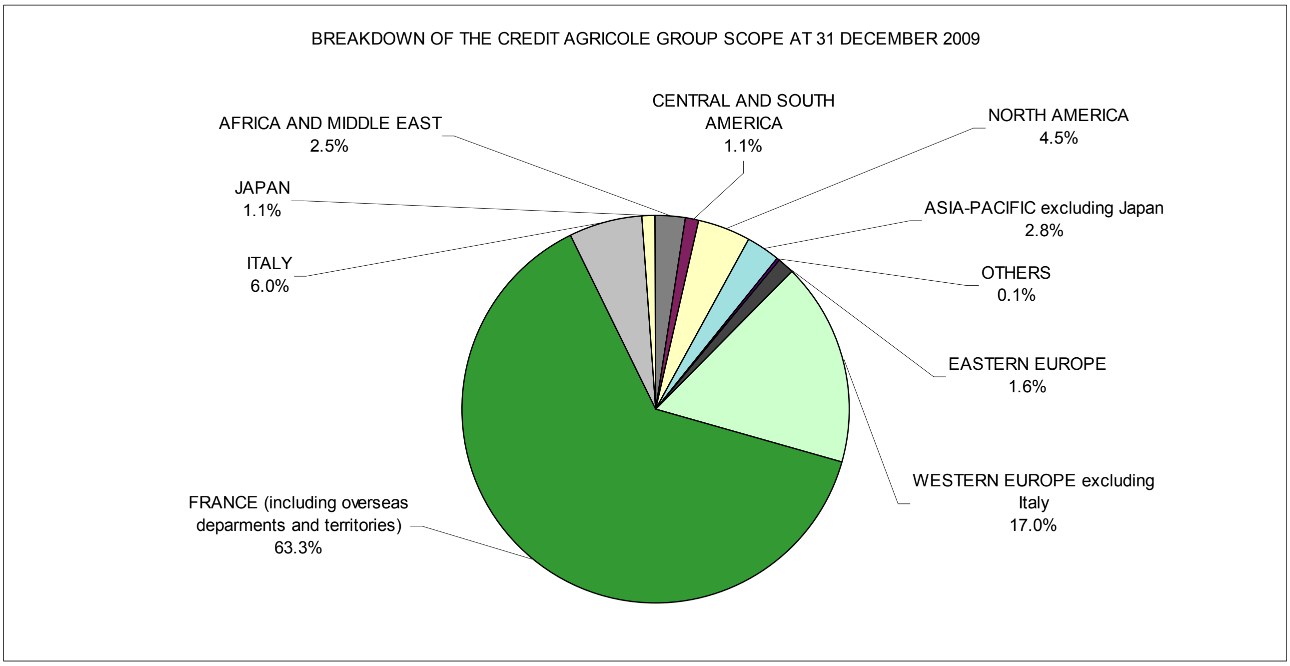
At 31 December 2010, total gross exposure for the defined scope was €1,375 billion, compared with €1,260.5 billion at 31 December 2009. The amount allocated by geographical area was €1,383.5 billion, compared with €1,257.2 billion at 31 December 2009.

> Breakdown of the Crédit Agricole Group scope at 31 December 2010



Prudential scope defined above, excluding securitisations assets and other non-credit obligation assets.

> Breakdown of the Crédit Agricole Group scope at 31 December 2009



Prudential scope defined above, excluding securitisations assets and other non-credit obligation assets.

As in 2009, the loan book is mainly concentrated in France (63.4%) and Western Europe in general (86.3%), a direct consequence of the predominance of European operations in Crédit Agricole's activities. This concentration again increased in 2010 in Asia-Pacific excluding Japan (+0.4%), France (+0.2%) and Italy (+0.2%), whereas the weights of Western Europe excluding Italy and North America fell respectively by 0.3% and 0.4%.

Total exposure to France includes 48% exposure to retail customers (-1.9% year-on-year) and 23.7% exposure to corporates (-0.9%), offset by +2.9% of sovereign debt exposure. In Italy – the Crédit Agricole Group's second largest market – the retail loan book accounted for 54.3% of total exposure, down 5.5% on 2009, again offset by +6% of sovereign debt exposure. Western Europe excluding France and Italy is skewed to corporate customers (45%) and institutions (26.1%), reflecting the Crédit Agricole Group's relations with major European banks.

Exposures by geographic area

(in %)	Central governments and central banks		Institutions		Corporates		Retail customers		Equity	
Geographic area of exposure	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
Africa and Middle East	1.7%	2.4%	2.5%	2.8%	4.9%	4.7%	0.5%	0.5%	0.3%	0.3%
Central and South America	1.1%	1.1%	0.4%	0.3%	2.7%	2.8%	0.1%	0.1%	0.0%	0.0%
North America	6.8%	10.2%	4.6%	5.7%	7.6%	7.5%	0.0%	0.0%	1.0%	0.7%
Asia-Pacific (excluding Japan)	2.0%	2.2%	3.7%	3.6%	6.8%	5.8%	0.1%	0.1%	0.4%	0.2%
Others	0.8%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Eastern Europe	0.8%	0.9%	0.8%	0.6%	2.9%	2.7%	1.2%	1.1%	0.0%	0.0%
Western Europe (excluding Italy)	15.0%	15.9%	27.2%	26.9%	22.8%	23.7%	8.0%	8.0%	3.6%	2.6%
France (incl. overseas departments and territories)	61.7%	56.9%	57.7%	57.6%	45.7%	46.4%	80.9%	80.9%	93.3%	95.1%
Italy	5.7%	3.3%	1.7%	1.6%	5.5%	5.4%	9.2%	9.3%	1.2%	0.9%
Japan	4.4%	6.0%	1.4%	0.9%	1.2%	1.0%	0.0%	0.0%	0.2%	0.2%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

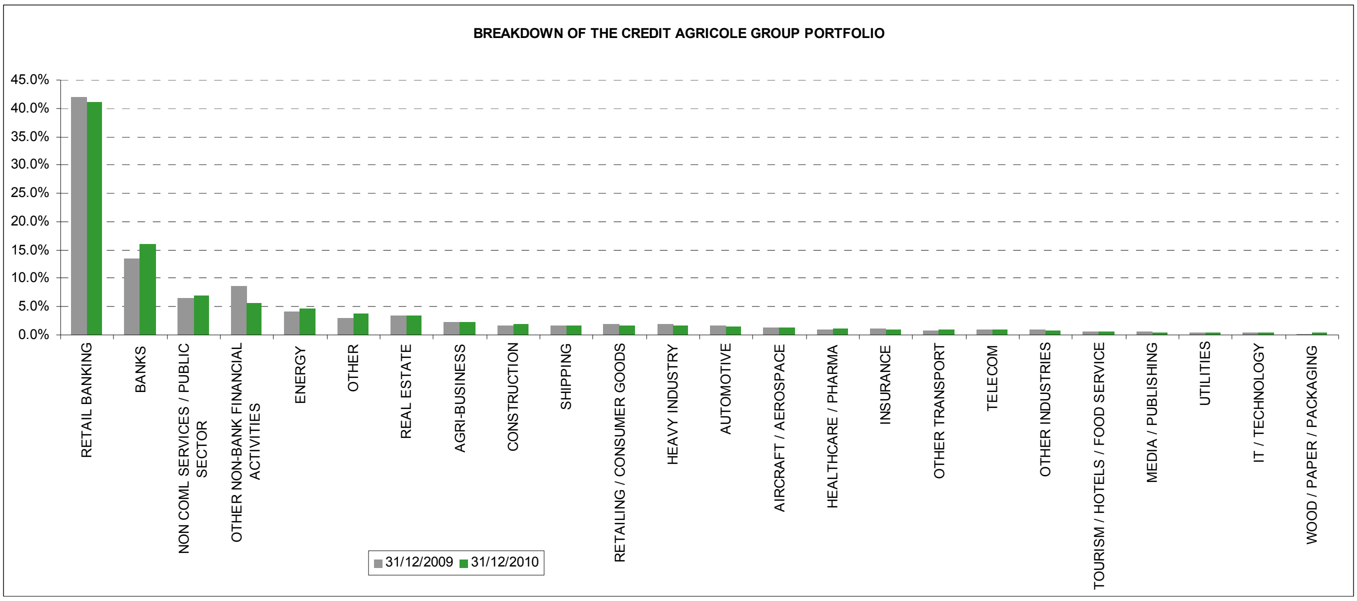
Prudential scope defined above, excluding securitisations assets and other non-credit obligation assets.

1.3 Exposures by business sector

The breakdown by business sector covers Crédit Agricole Group's exposures to central governments and central banks, institutions and corporate and retail customers. The retail customer portfolio is also broken down by Basel sub-portfolio (residential mortgages, revolving retail, other small business loans, farmers and other retail loans).

At 31 December 2010, total exposure for the scope defined above was €1,361.1 billion compared with €1,246.1 billion at 31 December 2009. The amount allocated by business sector was €1,266.1 billion at 31 December 2010 compared to €1,169.9 billion at 31 December 2009 and the unallocated amount was €95 billion compared to €76.1 billion at 31 December 2009.

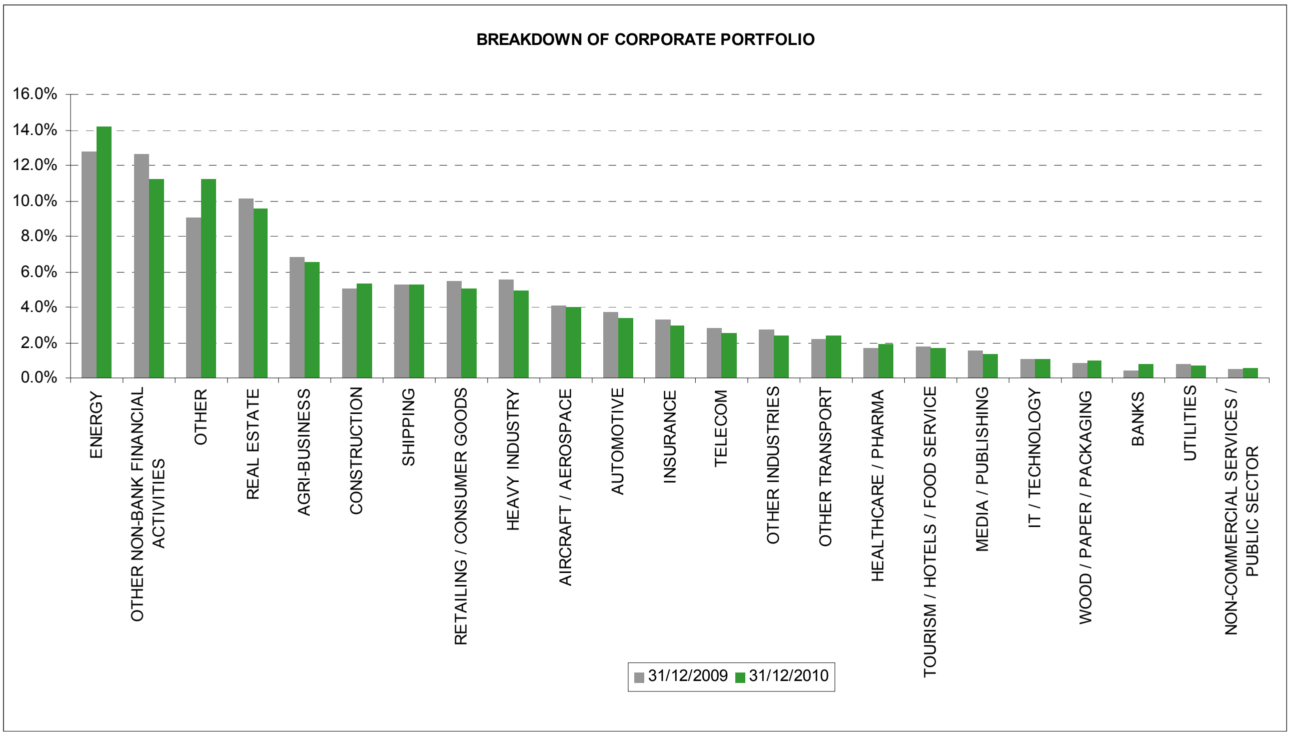
Breakdown of the Crédit Agricole Group portfolio



Prudential scope defined above, including central governments and central banks, institutions, corporates and retail customers.

The breakdown of the loan book by business sector shows a good level of risk diversification. Excluding retail customers and the financial and public sectors, the Corporates loan book shows a satisfactory level of risk diversification, the five main business sectors presenting an amount of credit risk globally stable compared to 2009 (about 74.5% of the loan book).

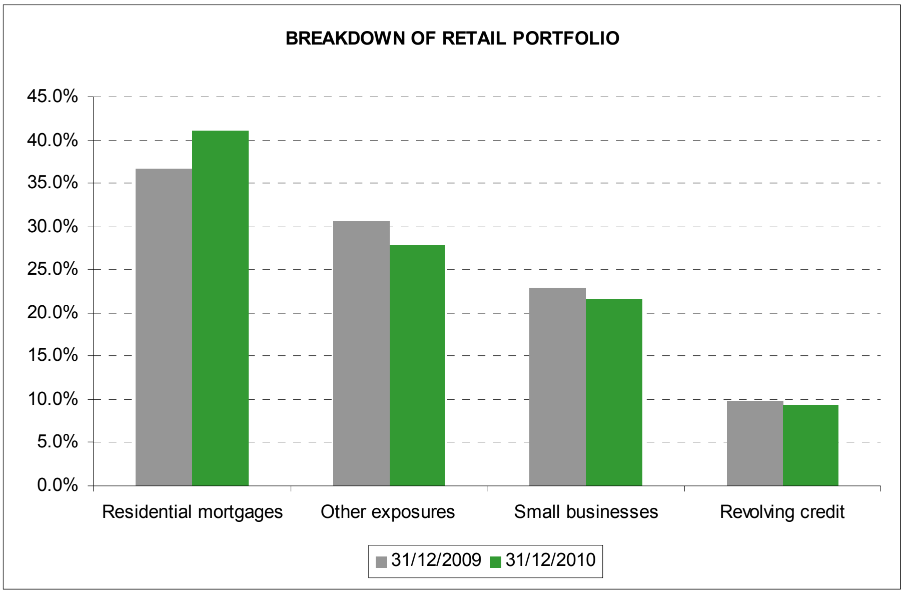
Breakdown of Corporate portfolio



The increase in the concentration in the energy sector is due mainly to the evolution of the oil prices. The +2.7% rise in the banking sector concentration was offset by the 2.9% fall in that of other non-bank financial activities.

Breakdown of Retail portfolio

The chart below shows a breakdown of the Crédit Agricole Group's retail portfolio exposures by Basel sub-portfolio (outstandings of €519 billion at 31 December 2010 compared with €492 billion at 31 December 2009).



The breakdown of the retail portfolio by Basel sub-portfolio shows a good balance between the various types of lending product. However, in 2010, the emphasis was on residential mortgages (up +4.4% year-on-year).

1.4 Exposures by residual maturity

The breakdown of exposures by residual maturity and by financial instrument is disclosed on an accounting basis in Note 3.3 to the financial statements on "Liquidity and financing risk".

2 Quality of exposures

2.1 Quality of exposures in standardised approach

Credit risk exposure in standardised approach

For central governments and central banks and institutions in the standardised approach, Crédit Agricole Group has chosen to use Moody's ratings for sovereign risk and the correspondence grid with the French Prudential Control Authority's credit quality assessment scale.

The Group does not use external credit rating agencies for Corporate exposures. Consequently, in accordance with the regulations, Corporates are assigned a 100% weighting or a 150% weighting when exposure to the country in which the company is based has a 150% weighting, with the exception of the LCL and the Regional Banks' scopes for which calculation of additional capital requirements in the standardised approach factors in the ratings provided by the Bank of France.

Breakdown of exposures and exposures at default by credit quality step

Central governments and central banks

(in billions of euros)	31/12/2010		31/12/2009	
Credit quality step	**Exposure amount**	**Exposure at risk**	**Exposure amount**	**Exposure at risk**
1	74.7	71.2	40.6	37.4
2	0.4	0.4	0.0	0.0
3	0.6	0.5	1.5	1.4
4	3.4	3.2	0.2	0.2
5	0.5	0.5	0.6	0.6
6				
TOTAL	**79.6**	**75.8**	**42.9**	**39.6**

Exposure to central governments and central banks in the standardised approach, mostly concentrated into the top credit quality step, rose strongly in 2010, reflecting the extent of operations in countries with a very good sovereign risk rating.

Institutions

(in billions of euros)	31/12/2010		31/12/2009	
Credit quality step	**Exposure amount**	**Exposure at risk**	**Exposure amount**	**Exposure at risk**
1	97.2	70.9	82.3	59.6
2	0.0	0.0	0.0	0.0
3	0.0	0.0	0.9	0.7
4	2.5	1.8	0.2	0.1
5	0.2	0.1	0.2	0.2
6				
TOTAL	**99.9**	**72.8**	**83.6**	**60.6**

Exposure to institutions in the standardised approach (up 19% year-on-year) remained, as in 2009, nearly entirely concentrated on the top credit quality step, reflecting the extent of business with very high quality institutions.

2.2 Quality of exposures in the internal ratings-based approach (IRB)

Presentation of the internal ratings system and procedure:

The internal ratings system and procedures are described in the section of the management report entitled "Risk Factors - Credit Risk – Risk Measurement methods and systems".

Exposure to credit risk by class of exposure and internal ratings

Exposure to credit risk by class of exposure and internal ratings at 31 December 2010

(in millions of euros)	Internal rating of counter-party	Gross exposure	EAD	EAD balance sheet	EAD off-balance sheet	RWA	Average LGD (in %)	Average RW (in %)	Expected Losses (EL)
Central governments and central banks	1	91,351.2	92,007.1	86,687.0	5,320.1	615.1	24.7	0.7	0.4
	2	823.2	845.5	711.0	134.5	109.6	25.2	13.0	0.1
	3	2,951.1	1,746.3	1,322.6	423.7	420.7	21.9	24.1	1.1
	4	680.6	292.2	250.8	41.4	311.2	42.1	106.5	1.5
	5	128.7	59.0	54.8	4.2	117.4	61.0	198.8	1.8
	6	278.4	162.6	117.2	45.4	385.0	40.9	236.9	6.5
Subtotal		**96,213.2**	**95,112.7**	**89,143.4**	**5,969.3**	**1,959.0**	**24.8**	**2.1**	**11.4**
Institutions	1	73,006.7	72,954.6	48,221.6	24,733.0	8,012.0	33.7	11.0	7.2
	2	17,957.6	17,231.0	8,295.1	8,935.9	2,210.2	27.5	12.8	2.6
	3	20,887.3	18,428.2	9,368.0	9,060.2	6,786.3	33.4	36.8	17.5
	4	1,679.0	1,294.6	765.5	529.1	1,136.1	49.5	87.8	6.3
	5	52.4	19.2	9.6	9.6	49.9	81.0	259.1	0.8
	6	1,284.6	714.9	536.6	178.3	1,725.9	43.4	241.4	59.8
Subtotal		**114,867.6**	**110,642.5**	**67,196.4**	**43,446.1**	**19,920.4**	**33.0**	**18.0**	**94.2**
Corporates	1	46,705.3	57,831.2	28,203.0	29,628.2	5,383.2	27.2	9.3	4.8
	2	54,053.8	42,007.6	19,231.7	22,775.9	7,872.5	39.5	18.7	9.7
	3	146,006.7	116,261.0	70,908.4	45,352.6	51,005.0	37.9	43.9	131.6
	4	64,291.5	50,434.8	35,869.4	14,565.4	42,710.9	31.9	84.7	237.0
	5	7,769.6	5,838.7	4,141.1	1,697.6	7,441.7	39.3	127.5	114.0
	6	11,317.2	9,714.9	7,450.5	2,264.5	17,415.3	37.1	179.3	592.5
Subtotal		**330,144.1**	**282,088.2**	**165,804.1**	**116,284.2**	**131,828.6**	**36.2**	**46.7**	**1,089.6**
Retail customers	1	531.4	526.3	510.4	15.9	3.6	6.4	0.7	0.0
	2	4,550.6	4,887.6	2,985.4	1,902.1	38.0	10.2	0.8	0.2
	3	216,975.6	210,289.9	194,060.5	16,229.3	13,994.8	10.9	6.7	81.7
	4	45,251.0	44,400.0	39,362.3	5,037.6	7,500.7	15.6	16.9	61.9
	5	91,026.6	90,450.4	82,286.5	8,163.9	24,442.2	16.3	27.0	368.4
	6	51,853.3	51,714.6	47,382.0	4,332.6	22,841.3	16.3	44.2	1,252.8
Subtotal		**410,188.5**	**402,268.8**	**366,587.1**	**35,681.4**	**68,820.6**	**13.3**	**17.1**	**1,765.0**
TOTAL		**951,413.4**	**890,112.2**	**688,731.0**	**201,381.0**	**222,528.6**	**24.2**	**25.0**	**2,960.2**

Exposure to credit risk by class of exposure and internal ratings at 31 December 2009

(in millions of euros)	Internal rating of counter-party	Gross exposure	EAD	EAD balance sheet	EAD off-balance sheet	RWA	Average LGD (in %)	Average RW (in %)	Expected Losses (EL)
Central governments and central banks	1	83,184.9	84,431.3	80,179.7	4,251.6	624.2	22.9	0.7	0.7
	2	1,143.1	1,083.3	710.4	372.9	89.0	92.2	8.2	0.1
	3	3,002.0	1,548.4	825.5	722.9	414.1	22.1	26.7	0.9
	4	944.7	565.8	501.9	63.9	541.9	43.8	95.8	12.7
	5	36.8	2.6	2.5	0.1	9.2	87.3	354.4	0.1
	6	364.5	189.7	168.7	20.9	441.8	40.8	232.9	15.2
Subtotal		**88,676.1**	**87,821.1**	**82,388.8**	**5,432.4**	**2,120.3**	**24.0**	**2.4**	**29.8**
Institutions	1	79,007.1	79,016.2	46,262.3	32,753.9	8,348.9	31.8	10.6	7.4
	2	14,778.5	14,212.8	4,620.7	9,592.1	1,946.5	26.3	13.7	2.2
	3	17,264.1	17,641.3	7,831.9	9,809.4	5,739.4	32.6	32.5	16.9
	4	2,561.1	1,892.5	1,029.9	862.6	1,752.5	45.2	92.6	90.6
	5	71.8	26.3	11.2	15.1	70.1	81.4	266.8	1.1
	6	1,694.5	941.4	736.4	204.9	2,286.9	43.9	242.9	78.5
Subtotal		**115,377.1**	**113,730.4**	**60,492.4**	**53,238.0**	**20,144.3**	**31.6**	**17.7**	**196.7**
Corporates	1	44,300.6	48,072.2	21,980.7	26,091.4	5,077.5	29.8	10.6	4.4
	2	42,299.9	36,773.3	15,796.7	20,976.6	6,788.4	38.5	18.5	8.3
	3	146,979.6	122,536.2	76,735.7	45,800.5	51,866.7	38.7	42.3	137.7
	4	59,308.7	48,167.4	34,090.0	14,077.4	42,546.8	41.2	88.3	239.0
	5	7,738.9	6,748.6	4,402.7	2,345.9	8,951.6	40.0	132.6	130.9
	6	15,390.6	11,314.3	8,163.0	3,151.3	19,559.9	37.6	172.9	653.6
Subtotal		**316,018.4**	**273,611.9**	**161,168.8**	**112,443.1**	**134,790.7**	**37.5**	**49.3**	**1,173.8**
Retail customers	1	2,196.5	988.8	526.0	462.9	10.9	33.5	1.1	0.1
	2	7,638.5	5,451.2	2,635.1	2,816.1	64.7	21.0	1.2	0.6
	3	206,650.6	197,155.9	182,087.9	15,068.0	13,389.9	12.4	6.8	80.4
	4	37,544.0	36,802.5	33,094.6	3,707.9	5,664.0	14.9	15.4	47.6
	5	100,139.7	98,674.6	89,933.8	8,740.8	26,390.3	17.1	26.7	422.2
	6	45,910.5	45,472.3	41,689.9	3,782.4	23,687.9	20.0	52.1	1,467.5
Subtotal		**400,079.8**	**384,545.4**	**349,967.3**	**34,578.0**	**69,207.7**	**14.9**	**18.0**	**2,018.5**
TOTAL		**920,151.4**	**859,708.8**	**654,017.3**	**205,691.5**	**226,263.1**	**25.3**	**26.3**	**3,418.8**

The breakdown of the large customer portfolios (exposure classes: central governments and central banks, institutions and corporates) by internal rating reflects good overall quality with 84% (82% in 2009) of exposures ranked Investment grade (internal ratings of 1 to 3).

Exposure to retail credit risk by exposure class and internal ratings at 31 December 2010

(in millions of euros)	Internal rating of counter-party	Gross exposure	EAD	EAD balance sheet	EAD off-balance sheet	RWA	Average LGD (in %)	Average RW (in %)	Expected Losses (EL)
Residential mortgages	1	-	-	-	-	-	-	-	-
	2	-	-	-	-	-	-	-	-
	3	128,815.9	128,815.9	122,706.7	6,109.2	8,491.9	9.6	6.6	48.0
	4	12,750.1	12,750.1	11,744.6	1,005.4	1,575.4	9.6	12.4	11.5
	5	34,438.9	34,438.9	32,146.3	2,292.5	8,983.7	12.1	26.1	89.1
	6	12,996.2	12,996.2	12,495.5	500.7	6,889.9	10.8	53.0	195.1
Subtotal		**189,001.1**	**189,001.1**	**179,093.1**	**9,907.8**	**25,940.9**	**10.2**	**13.7**	**343.7**
Revolving retail	1	-	-	-	-	-	-	-	-
	2	1,462.4	1,769.9	27.7	1,742.2	10.6	18.7	0.6	0.1
	3	13,271.4	6,541.0	731.2	5,809.7	286.6	36.5	4.4	5.3
	4	3,831.1	2,975.1	1,371.9	1,603.2	364.0	33.3	12.2	8.8
	5	4,727.4	4,164.1	2,779.6	1,384.5	1,465.3	41.2	35.2	48.0
	6	2,463.7	2,351.4	1,862.6	488.8	2,066.8	43.9	87.9	147.0
Subtotal		**25,756.0**	**17,801.5**	**6,773.0**	**11,028.4**	**4,193.3**	**36.3**	**23.6**	**209.2**
Other retail loans	1	531.0	525.9	510.4	15.5	3.6	6.3	0.7	0.0
	2	3,087.3	3,116.5	2,957.7	158.8	27.4	5.4	0.9	0.1
	3	60,139.9	60,195.2	57,241.4	2,953.8	3,674.8	10.6	6.1	21.9
	4	10,106.5	10,135.9	9,623.3	512.5	2,130.3	20.0	21.0	19.5
	5	23,188.4	23,217.2	22,404.4	812.8	6,768.0	20.6	29.2	129.6
	6	12,127.0	12,140.2	11,859.7	280.5	4,831.4	21.0	39.8	365.8
Subtotal		**109,180.1**	**109,330.9**	**104,596.9**	**4,733.9**	**17,435.5**	**14.6**	**15.9**	**536.9**
Small businesses	1	0.4	0.4	-	0.4	0.0	87.9	9.2	0.0
	2	0.9	1.2	0.0	1.1	0.0	14.6	1.7	-
	3	14,748.3	14,737.8	13,381.2	1,356.6	1,541.5	12.2	10.5	6.5
	4	18,563.3	18,538.9	16,622.5	1,916.4	3,431.0	14.5	18.5	22.1
	5	28,671.9	28,630.2	24,956.2	3,674.0	7,225.3	14.4	25.2	101.7
	6	24,266.3	24,226.8	21,164.1	3,062.6	9,053.2	14.2	37.4	544.9
Subtotal		**86,251.1**	**86,135.3**	**76,124.0**	**10,011.1**	**21,251.0**	**14.0**	**24.7**	**675.2**
TOTAL		**410,188.3**	**402,268.8**	**366,587.0**	**35,681.2**	**68,820.7**	**13.3**	**17.1**	**1,765.0**

Exposure to retail credit risk by exposure class and internal ratings at 31 December 2009

(in millions of euros)	Internal rating of counter-party	Gross exposure	EAD	EAD balance sheet	EAD off-balance sheet	RWA	Average LGD (in %)	Average RW (in %)	Expected Losses (EL)
Residential mortgages	1	-	-	-	-	-	n.m.	n.m.	-
	2	5.6	5.6	5.4	0.2	0.1	9.8	1.9	-
	3	108,994.7	108,994.7	105,444.2	3,550.5	6,801.7	10.6	6.2	37.4
	4	10,658.3	10,658.3	10,132.9	525.4	1,304.7	10.0	12.2	9.5
	5	31,341.8	31,341.8	30,083.5	1,258.3	8,355.3	12.9	26.7	85.0
	6	8,617.7	8,617.7	8,468.1	149.6	5,211.5	12.2	60.5	158.5
Subtotal		**159,618.1**	**159,618.1**	**154,134.1**	**5,484.0**	**21,673.2**	**11.1**	**13.6**	**290.4**
Revolving retail	1	1,627.2	430.5	0.7	429.8	6.9	68.2	1.6	0.1
	2	4,910.0	2,699.2	56.2	2,643.0	37.3	35.5	1.4	0.5
	3	18,439.6	8,888.6	1,476.3	7,412.3	488.5	37.6	5.5	9.6
	4	2,845.9	2,100.6	1,054.3	1,046.3	305.9	38.3	14.6	7.4
	5	7,874.7	6,403.4	4,077.4	2,326.0	2,448.5	44.2	38.2	80.9
	6	4,232.6	3,811.5	3,023.3	788.2	3,965.8	50.5	104.0	280.0
Subtotal		**39,930.0**	**24,333.7**	**9,688.2**	**14,645.5**	**7,252.9**	**41.7**	**29.8**	**378.4**
Other retail loans	1	569.0	558.0	525.2	32.8	4.0	6.7	0.7	0.0
	2	2,722.8	2,746.3	2,573.6	172.7	27.3	6.8	1.0	0.1
	3	64,347.5	64,421.0	61,798.5	2,622.6	4,271.8	11.9	6.6	24.9
	4	9,253.5	9,268.3	8,934.3	334.0	1,802.4	18.9	19.4	16.0
	5	25,776.6	25,820.8	25,002.1	818.7	6,928.4	19.4	26.8	123.3
	6	13,068.0	13,081.8	12,829.0	252.8	5,463.1	21.2	41.8	436.8
Subtotal		**115,737.4**	**115,896.2**	**111,662.7**	**4,233.5**	**18,497.1**	**15.0**	**16.0**	**601.2**
Small businesses	1	0.3	0.3	-	0.3	0.0	88.0	9.2	0.0
	2	0.2	0.2	0.0	0.2	0.0	15.1	2.1	-
	3	14,868.7	14,851.5	13,368.9	1,482.6	1,827.9	13.1	12.3	8.5
	4	14,786.2	14,775.3	12,973.2	1,802.2	2,251.0	12.7	15.2	14.7
	5	35,146.6	35,108.6	30,770.8	4,337.8	8,658.1	14.1	24.7	133.1
	6	19,992.3	19,961.3	17,369.5	2,591.9	9,047.5	16.6	45.3	592.2
Subtotal		**84,794.3**	**84,697.3**	**74,482.4**	**10,214.9**	**21,784.5**	**14.3**	**25.7**	**748.5**
TOTAL		**400,079.8**	**384,545.4**	**349,967.3**	**34,578.0**	**69,207.7**	**14.9**	**18.0**	**2,018.5**

As in 2009, there were significant disparities in the retail portfolio processed using the IRB method in terms of contribution to total expected losses: exposures to residential mortgages accounted for more than 45% of total retail customer exposure but less than 20% of expected losses.

3 Impaired exposures and value adjustments

Impaired exposures and value adjustments

Impaired exposures and value adjustments at 31 December 2010

(in billions of euros)	31/12/2010					
	Gross exposure	Impaired exposures			Individual value adjustments	Collective value adjustments
		Standardised approach*	IRB approach	Total		
Central governments and central banks	175.8	0.0	0.0	0.0	0.0	
Institutions	215.4	0.0	0.6	0.6	0.6	
Corporates	450.7	3.6	6.5	10.1	5.2	
Retail customers	519.2	10.2	13.3	23.5	12.5	
Small businesses	*112.1*	*2.2*	*4.7*	*6.9*	*4.3*	
Revolving retail	*48.8*	*1.4*	*0.7*	*2.1*	*1.3*	
Residential mortgages	*213.5*	*2.8*	*2.7*	*5.5*	*1.8*	
Other exposures	*144.8*	*3.8*	*5.2*	*9.0*	*5.1*	
TOTAL	**1,361.1**	**13.8**	**20.4**	**34.2**	**18.3**	**5.5**

* *More than 90 days past due.*

Impaired exposures and value adjustments at 31 December 2009

(in billions of euros)	31/12/2009					
	Gross exposure	Impaired exposures			Individual value adjustments	Collective value adjustments
		Standardised approach*	IRB approach	Total		
Central governments and central banks	131.7	0.0	0.1	0.1	0.1	
Institutions	199.6	0.1	0.6	0.6	0.4	
Corporates	422.8	2.9	7.4	10.4	4.8	
Retail customers	492.0	7.0	13.2	20.2	10.0	
Small businesses	*112.5*	*2.0*	*4.7*	*6.6*	*3.8*	
Revolving retail	*48.1*	*0.5*	*1.2*	*1.8*	*0.7*	
Residential mortgages	*180.7*	*1.4*	*2.2*	*3.6*	*1.2*	
Other exposures	*150.7*	*3.1*	*5.1*	*8.2*	*4.3*	
TOTAL	**1,246.1**	**10.0**	**21.3**	**31.3**	**15.3**	**5.1**

* *More than 90 days past due.*

Impaired exposure amounted to €34.2 billion at 31 December 2010, a rise of 9% over 31 December 2009 and almost equivalent to the rise in gross exposure (+9%). Impaired exposure rose by 16% for retail customers while the corporate portfolio fell slightly (-3%).

In parallel, individual value adjustments rose by 20%, in contrast with collective value adjustments which rose by 8% over the period.

Impaired exposures and value adjustments by geographic area

31/12/2010 *(in billions of euros)*	**Standardised approach** **Past due***	**Internal ratings approach** **Exposure at default**
Africa and Middle East	0.3	0.9
Central and South America	0.0	0.4
North America	0.0	0.4
Asia-Pacific (excluding Japan)	0.0	0.2
Eastern Europe	0.8	0.2
Western Europe (excluding Italy)	7.1	0.9
France (incl. overseas departments and territories)	2.4	15.0
Italy	3.3	2.1
Japan	0.0	0.1
TOTAL	**13.9**	**20.2**

* *More than 90 days past due.*

31/12/2009 *(in billions of euros)*	**Standardised approach** **Past due***	**Internal ratings approach** **Exposure at default**
Africa and Middle East	0.3	0.6
Central and South America	0.0	1.1
North America	0.0	0.7
Asia-Pacific (excluding Japan)	0.0	0.1
Eastern Europe	0.6	0.3
Western Europe (excluding Italy)	5.1	2.7
France (incl. overseas departments and territories)	1.4	14.4
Italy	2.6	1.4
Japan	0.0	0.0
TOTAL	**10.0**	**21.3**

* *More than 90 days past due.*

With no significant changes in terms of geographic breakdown compared to 2009, total exposure on default (using the standardised and IRB approaches) is mainly concentrated in France, and Western Europe excluding Italy and Italy. These regions account for 51%, 24% and 16% of the total amount of this type of exposure respectively. The overall increase compared with the end-2009 level is 9%.

4 Comparison between estimated and actual losses

The ratio of Expected Losses (EL) to Exposure at Default (EAD) was 1.68% at 31 December 2010, a moderate increase on the 1.59% registered at 31 December 2009. This ratio is calculated for the central government and central banks, institutions, corporates, retail customers and equity. It should be noted that compared to the sharp rise in this ratio between 2008 and 2009, the change registered in 2010 reflects the improving economic situation in 2010.

The changes observed were different for corporate customers where the EL/EAD rate continued to rise (1.04% at end-2010 compared to 0.89% at end-2009), while for the retail customer portfolio this rate remained stable (at 2.25% at 31 December 2009 and 2.26% at 31 December 2010).

The Pillar 3 working group of the European Banking Federation – EBF (see “Final Version of the EBF Report on the Alignment of Pillar 3 Disclosures”) suggests comparing the EL/EAD ratio with the amount of provisions as a percentage of gross exposure. The latter ratio was 1.86% at 31 December 2010 compared to 1.78% in 2009.

II. 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 the counterparty, thereby reducing the credit risk on an exposure;
- personal 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 risks on an exposure.

1 Collateral management system

The main categories of collateral taken by the bank are described in the section of the management report entitled “Risk Factors – Credit Risk – Collateral and guarantees Received”.

When a credit is granted, collateral is analysed 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 criterion 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 trading financing.

For financial collateral, a minimum loan to value ratio is usually included in the loan contract, with readjustment clauses. Financial collateral is revalued according to the frequency of margin calls and at least quarterly.

The minimum loan to value ratio (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 default date and the date on which asset liquidation starts, and the duration of the liquidation period. This haircut also applies for currency mismatch risk when the securities 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 risk group.

The initial value of real estate assets granted as collateral is based on acquisition or construction cost. It may subsequently be revalued using a statistical approach based on market indices or on the basis of an expert appraisal and at least annually.

For retail banking (LCL, Cariparma, Emporiki) revaluation is automatic based on changes in the property market indices. Conversely, for project-type property financing, assets are mainly revalued on the basis of an expert appraisal combining various approaches (asset value, rental value etc.) and including external benchmarks.

For minimum loan to value ratios (or the haircut applied to the collateral value under Basel II), Crédit Agricole CIB projects the value of the real estate asset between the revaluation date and the date on which the collateral is realised by modelling the asset value, and includes the repossession costs over that period. Assumptions regarding liquidation periods depend on the type of financing (project, property investment companies, property developers, etc.).

Other types of asset may also be pledged as collateral. This is notably the case for certain activities such as aircraft, shipping or commodities financing. These businesses are conducted by the middle offices, which have specific expertise in valuing the assets financed.

2 Protection providers

Two major types of guarantee are used (other than intra-Group guarantees): export credit insurance taken out by the bank and unconditional payment guarantees.

The main guarantee providers (excluding credit derivatives – see section below) are export credit agencies, most of which enjoy a good quality sovereign rating. The three major ones are Coface (France), Korea Export Insur (Korea) and Sace SPA (Italy).

Guarantees are also given by mutual guarantee companies such as Credit Logement or Interfimo, which cover low value loans but overall represent a significant amount of risk transference.

3 Use of credit derivatives for hedging purposes

The use of credit derivatives for hedging purposes is described in the section of the management report entitled "Risk Factors **–** Credit Risk **–** Credit risk mitigation mechanisms **–** Use of credit derivatives".

III. SECURITISATIONS

Securitisations are treated differently from traditional lending operations under the prudential requirements set out by the European directive as transposed by the decree of 20 February 2007. Two methods are used to measure exposure to securitisation risk: the standardised approach and the internal ratings-based approach. The weightings used in the standardised approach and the internal-based approach methods are not the same as those used for traditional lending operations and require specific treatment.

Definitions:

- **securitisation:** an operation or structure under which the credit risk associated with an exposure or pool of exposures is sub-divided into tranches with the following features:
  - cash flows from the underlying exposure or pool of exposures are used to make payments,
  - subordination of the tranches determines how losses are allocated during the period of the operation or structure;
- **traditional securitisation:** implies 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 securitisation:** 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;
- **tranche:** a contractually established portion of the credit risk associated with an exposure or pool of exposures. Each tranche has a specific credit risk depending on its subordination rank, independently of the credit protection obtained directly from third parties;
- **securitisation exposure:** an exposure to a securitisation operation or structure. This includes exposures to securitisations resulting from interest rate or exchange rate derivatives;

- **liquidity facility:** a securitisation exposure arising from a financing contract designed to ensure timely payments to investors;
- **asset-backed commercial paper programme (ABCP):** securitisation programme that mainly issues notes in the form of commercial paper with an initial maturity of less than or equal to one year.

The criteria for recognising these operations in the consolidated financial statements are described in Note 1.4 to the financial statements. Under these criteria, a securitisation operation is not considered as forming part of an off-balance sheet structure and is therefore added back into the consolidated financial statements when the Crédit Agricole S.A. Group exercises control in substance over the entity, even if there is no equity relationship.

Additional information concerning conduits sponsored by Crédit Agricole CIB for third parties are presented in the Risk Factors section, relating to the specific risks engendered by the financial crisis.

1 Internal ratings-based approach

Most of Crédit Agricole S.A. Group's securitisation exposures are measured using the IRB-securitisation approach, i.e.:

- Ratings-Based Approach (RBA) for exposures with a public external rating (directly or inferred). The external agencies used are Standard & Poor's, Moody's, Fitch Ratings and Dominion Bond Rating Services (DBRS);
- Internal Assessment Approach (IAA);
- Supervisory Formula Approach (SFA) for exposures with no public external rating.

1.1 Securitisation transactions on behalf of customers

The Crédit Agricole Group has carried out a number of securitisation operations on behalf of its customers:

- it sponsors multi-seller conduits (ABCP) and special purpose vehicles which issue long-term notes by providing liquidity facilities and letters of credit;
- it participates directly in the financing by holding ABCP and ABS notes.

The underlyings financed are diversified in terms of both asset classes and countries of origin. The largest asset class is trade receivables, followed by automobile loans. The countries of origin of the assets are mainly France, the United States and Italy.

Gross securitisation exposures

(in billions of euros)	**31/12/2010**	**31/12/2009**
TOTAL SECURITISATION EXPOSURES	**19.3**	**19.5**
On-balance sheet	1.9	2.0
Off-balance sheet	17.4	17.5

Aggregate securitisation exposures held or acquired (exposures at risk) by weighting category

(in billions of euros)	31/12/2010	31/12/2009
EXPOSURE AT DEFAULT	**18.7**	**18.9**
Ratings based approach	**5.1**	**4.6**
Weighting 6-10%	2.9	2.3
Weighting 12-35%	1.1	1.4
Weighting 50-75%	0.3	0.4
Weighting 100-650%	0.8	0.5
Weighting = 1,250%	-	-
Internal Assessment Approach	**12.8**	**13.8**
Weighting 6-10%	10.9	9.5
Weighting 12-35%	1.9	3.6
Weighting 50-75%	0.0	0.3
Weighting 100-650%	0.0	0.4
Supervisory Formula Approach	**0.8**	**0.5**
Risk-weighted exposure	**2.9**	**3.5**
Capital requirements	**0.2**	**0.3**

1.2 Securisation transactions on own account

Crédit Agricole CIB has two types of exposure to own account securisation:

- Crédit Agricole CIB uses securitisation techniques to manage its corporate financing portfolio. These securitisations are protection purchased to supplement a range of risk–transfer instruments (see “Credit risk – Use of credit derivatives” in the Risk management section of the Management Report).

  The aim is to reduce concentration of corporate credit exposures and to reduce loss levels. This business is managed by the Credit Portfolio Management (CPM) team. The internal ratings based approach is used to calculate the risk-weighted exposures on proprietary securitisation positions. In this business, the bank does not purchase or hold protection on all tranches. Hence, the bank’s exposure corresponds either to the share of the securitisations held for own account or to the sale of protection on the tranches for which the bank does not wish to hold protection;
- The second mainly comprises 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. These were segregated into a dedicated regulatory banking book in 2009.

Securitisation exposures held (after protection)

(in billions of euros)	31/12/2010	31/12/2009
TOTAL	**47.1**	**40.9**
Traditional securitisations	13.2	10.6
Synthetic securitisations	33.9	30.3

Exposure deductible from capital

At 31 December 2010, the total exposure held deductible from Basel II capital amounted to €2,573 million.

Aggregate securitisation exposures held or acquired (exposures at risk) by weighting category

(in billions of euros)	31/12/2010	31/12/2009
TOTAL	**38.0**	**30.0**
Ratings based approach	**7.3**	**5.2**
Weighting 6-10%	5.8	3.3
Weighting 12-35%	0.6	0.6
Weighting 50-75%	0.1	0.2
Weighting 100-650%	0.8	1.1
Weighting = 1,250%	0.0	0.0
Supervisory Formula Approach	**30.7**	**24.8**

Impaired assets, payment arrears exposure on securitised receivables and losses recognised over the period

After impairment of €186 million, the net exposure of impaired assets was €209 million at 31 December 2010.

2 Securitisation operations under the standardised approach

Gross securitisation exposures

(in millions of euros)	31/12/2010	31/12/2009
TOTAL SECURITISATION EXPOSURES	**714.9**	**365.4**
Traditional securitisations	714.9	365.4
Synthetic securitisations		

The gross amount of securitisation exposures in the standardised method is very small compared with gross exposures in the internal ratings based approach (see section on “Internal Ratings Based Approach”).

Aggregate securitisation exposures held or acquired (exposures at risk) by weighting category

(in millions of euros)	**31/12/2010**	**31/12/2009**
AGGREGATE OF SECURITISATION EXPOSURES HELD OR ACQUIRED	**701.4**	**343.4**
With external credit rating	683.3	311.2
Weighting 20%	*671.3*	*285.5*
Weighting 50%	*4.0*	*14.9*
Weighting 100%	*5.8*	*10.7*
Weighting 350%	*2.2*	*0.2*
Weighting = 1,250%	18.1	32.3
Transparency approach	0.0	0.0

Most of these exposures correspond to the securitisation portion of mutual funds held in the banking book and treated by transparency.

IV. EQUITY EXPOSURES IN THE BANKING BOOK

The Crédit Agricole S.A. Group's equity exposures, excluding the trading book, consist of securities "that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance". These mainly include:

- listed and non-listed equities and units in investment funds;
- options implicit in convertible, redeemable or exchangeable bonds;
- stock options;
- deeply subordinated notes.

Non–consolidated equity interests are acquired for management purposes (financial assets at fair value through profit or loss or designated as at fair value through profit or loss or held for trading, available-for-sale financial assets, held-to-maturity investments, loans and receivables) as described in Note 1.3 to the financial statements entitled "Significant Accounting Policies – Financial Instruments".

The accounting policies and valuation methods used are described in Note 1.3 to the financial statements "Significant Accounting Policies".

Gross exposure and exposure at default by exposure class

(in billions of euros)	**31/12/2010**		**31/12/2009**	
	Gross exposure	**Exposure at default**	**Gross exposure**	**Exposure at default**
Equity exposures in the internal ratings-based approach	**8.7**	**8.3**	**7.5**	**6.9**
Private equity exposures in sufficiently diversified portfolios	1.9	1.9	1.6	1.6
Listed equity exposures	3.6	3.5	2.3	2.2
Other equity exposures	3.2	2.9	3.6	3.1
Equity exposures in the standardised approach	**4.7**	**2.7**	**6.9**	**3.4**
TOTAL EQUITY EXPOSURE	**13.4**	**11.0**	**14.4**	**10.3**

Equity exposures in the standardised approach mainly include guarantees granted by Ségespar Finance, a subsidiary of Amundi, on behalf of certain mutual funds managed by Amundi. Given the regulatory credit conversion factor (CCF) for this exposure, the total exposure at default is much lower.

Equity exposures in the internal ratings-based approach mainly comprise the Regional Banks, Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Investissement et Finance portfolios. The carrying amount of equity exposures was €8.7 billion at 31 December 2010, compared with €7.5 billion at 31 December 2009.

The portion of unrealised gains on capital instruments neutralised in Tier 1 capital amounted to €0.4 billion at 31 December 2010 compared with €0.8 billion a year earlier.

The cumulative amount of gains or losses on disposals and liquidations in the period under review is disclosed in Note 4 to the financial statements, “Notes to the income statement”.

MARKET RISK

I. INTERNAL MODEL MARKET RISK MEASUREMENT AND MANAGEMENT METHODOLOGY

Market risk measurement and management internal methods are described in the section of the management report entitled “Risk Factors - Market Risk – Market risk measurement and management methodology”.

II. RULES AND PROCEDURES FOR VALUING THE TRADING BOOK

The rules for valuing the various items in the trading book are described in Note 1.3 to the financial statements, “Significant Accounting Policies”.

Measurement models are reviewed periodically as described in the section of the management report entitled “Risk Factors - Market Risk – Market Risk Measurement and Management Methodology”.

III. INTEREST RATE RISK FROM TRANSACTIONS OTHER THAN THOSE INCLUDED IN THE TRADING BOOK – GLOBAL INTEREST RATE RISK

The nature of interest rate risk, the main underlying assumptions retained and the frequency of interest rate risk measurements are described in the section of the management report entitled “Risk Factors – Asset/Liability Management – Global interest rate risk”.

OPERATIONAL RISK

I. ADVANCED MEASUREMENT APPROACH

The scope of application of the advanced measurement and standardised approaches and a description of the AMA methodology are provided in the section of the management report entitled “Risk Factors – Operational Risk – Methodology”.

II. INSURANCE TECHNIQUES FOR REDUCING OPERATIONAL RISK

The insurance techniques used to reduce operational risk are described in the section of the management report entitled “Risk Factors - Insurance and coverage of operational risks”.

CRÉDIT AGRICOLE GROUP FINANCIAL STATEMENTS

Consolidated financial statements for the year ended 31 December 2010

Approved by Crédit Agricole S.A. Board of Directors at its meeting of 23 February 2011

Contents

The consolidated financial statements consist of the general framework, the consolidated financial statements and the notes to the consolidated financial statements.

GENERAL FRAMEWORK

CRÉDIT AGRICOLE GROUP

Crédit Agricole Mutuel was instituted by the act of 5 November 1894, which introduced the principle of creating Crédit Agricole's Local Banks; the act of 31 March 1899, which federated the Local Banks into Regional Banks; and the act of 5 August 1920, which created *Office National du Crédit Agricole*. This latter institution subsequently became *Caisse Nationale de Crédit Agricole* and then Crédit Agricole S.A., whose role as central body was confirmed and specified by the *Code Monétaire et Financier*.

The Crédit Agricole Group consists of 2,533 Local Banks, 39 Regional Banks and the Crédit Agricole S.A. central body, along with their subsidiaries. It is a banking group with a central body as defined by the European Union's first directive (77/780/EEC).

- The commitments of the central entity and of the entities affiliated to it are joint and several;
- The solvency and liquidity of all affiliated entities are monitored together on the basis of consolidated financial statements.

For groups with a central entity, directive 86/635 relating to the financial statements of European credit institutions stipulates that the whole group, consisting of the central entity and its affiliated entities, must be covered by the consolidated financial statements prepared, audited and published in accordance with this directive.

In line with this directive, the central entity and its affiliated entities make up the reporting entity. This reporting entity represents the community of interests created in particular by the system of cross-guarantees, which ensure joint and several coverage of the Crédit Agricole Group's network's commitments. In addition, the various texts mentioned in the first paragraph explain and organise the community of interests that exists at the legal, financial, economic and political levels between Crédit Agricole S.A., the Regional Banks and the Local Banks of Crédit Agricole Mutuel. This community relies on a single financial relationship mechanism, on a single economic and commercial policy, and on joint decision-making authorities which, for over a century, have formed the basis of the Crédit Agricole Group.

In accordance with European regulation 1606/02, the reporting entity's consolidated financial statements are prepared under IFRS as adopted by the European Union. The reporting entity consists of the Local Banks, the Regional Banks and the central body "Crédit Agricole S.A."

CRÉDIT AGRICOLE INTERNAL RELATIONS

Internal financing mechanisms

Crédit Agricole has instituted a number of internal financing mechanisms specific to the Group.

Regional Banks' current accounts

Each Regional Bank holds a current account with Crédit Agricole S.A., which records the financial movements resulting from internal financial transactions within the Group. This account, which may be in credit or debit, is presented in the balance sheet under "Crédit Agricole internal transactions - Current Accounts" and integrated on a specific line item, either "Loans and receivables to credit institutions" or "Due to banks".

Special savings accounts

Funds held in special savings accounts (popular savings accounts, sustainable development passbook accounts (*Livret de développement durable* - LDD), home purchase savings plans and accounts, popular savings plans, youth passbook accounts and *Livret A* passbook accounts) are collected by the Regional Banks on behalf of Crédit Agricole S.A. These funds are required to be transferred to the latter. Crédit Agricole S.A. recognises them in its balance sheet as "Customer accounts".

Time deposits and advances

The Regional Banks collect savings funds (passbook accounts, bonds, certain time accounts and related accounts, etc.) on behalf of Crédit Agricole S.A. These funds are transferred to Crédit Agricole S.A. and are posted as such on its balance sheet.

Special savings accounts and time deposits and advances are used by Crédit Agricole S.A. to make “advances” (loans) to the Regional Banks to fund their medium- and long-term loans.

A series of four internal financial reforms has been implemented. These reforms have resulted in the transfer back to the Regional Banks, in the form of *"advances"* (loans), of a specific percentage of the funds collected by them (first 15%, 25%, then 33% and, lastly, with effect since 31 December 2001, 50%), via "mirror advances" with maturities and interest rates precisely matching those of the savings funds received, and which they are free to use at their discretion.

Since 1 January 2004, the financial margins generated from centralised management of funds collected (and not transferred back via mirror advances) are shared by the Regional Banks and Crédit Agricole S.A. and are determined by using replacement models and applying market rates.

Furthermore, 50% of new loans written since 1 January 2004 and falling within the field of application of financial relations between Crédit Agricole S.A. and the Regional Banks may be refinanced in the form of advances negotiated at market rates with Crédit Agricole S.A.

Hence, there are two types of advances at this time: advances governed by financial rules before 1 January, 2004 and those governed by the new rules.

Crédit Agricole S.A. may also make additional financing available to the Regional Banks at market rates.

Transfer of Regional Banks’ liquidity surpluses

The Regional Banks may use their monetary deposits (demand deposits, non-centralised time deposits and negotiable certificates of deposit) to finance lending to their customers. Surpluses must be transferred to Crédit Agricole S.A., where they are booked as current or time accounts, under “Crédit Agricole internal transactions”.

Investment of Regional Banks’ surplus capital with Crédit Agricole S.A.

Regional Banks’ available surplus capital may be invested with Crédit Agricole S.A. in the form of 3- to 10-year instruments, with the same characteristics of interbank money market transactions in all respects.

Foreign currency transactions

Crédit Agricole S.A. represents the Regional Banks with respect to the Bank of France and centralises their foreign currency transactions.

Medium and long-term notes issued by Crédit Agricole S.A.

These are placed mainly on the market or by the Regional Banks with their customers. They are booked by Crédit Agricole S.A. under liabilities either as “Debt securities” or as “Subordinated debt”, depending on the type of security issued.

Hedging of liquidity and solvency risks

In 2001, ahead of Crédit Agricole S.A.’s initial public offering, CNCA (which subsequently became Crédit Agricole S.A.) entered into an agreement with the Regional Banks governing internal relations within the Crédit Agricole Group. The agreement notably provided for the creation of a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any Regional Bank experiencing difficulties. The main provisions of this agreement are set out in Chapter III of the Registration document filed by Crédit Agricole S.A. with the *Commission des Opérations de Bourse* on 22 October 2001 under number R.01-453.

Furthermore, since CNCA's reorganisation as a mutual company in 1988, the Regional Banks have committed to making up any shortfall suffered by creditors should Crédit Agricole S.A. become insolvent or experience similar financial difficulties. The Regional Banks’ commitment under this guarantee is equal to the sum of their share capital and reserves.

RELATED PARTIES

Parties related to Crédit Agricole Group are those companies that are fully consolidated, proportionately consolidated or consolidated using the equity method, and Senior Executives of the Group.

Other shareholders' agreements

Shareholders' agreements subject to public disclosure and involving listed companies are disclosed below.

Crédit Agricole S.A. terminated a memorandum of agreement relating to Intesa Sanpaolo

Following the meeting of Crédit Agricole S.A.'s Board of Directors on 16 December 2010, Crédit Agricole S.A. brought an end to the mechanism which enabled its representation on the Supervisory Board of Intesa Sanpaolo S.p.A. This representation, resulting from the agreement signed with Intesa Sanpaolo S.p.A. on 17 February 2010, was due to end by 30 June 2011.

Crédit Agricole S.A., which promised the Italian authorities to sell the balance of its shares in Intesa by mid-2011, has not initiated proceedings to sell its stake in the company in the short term. In this prospect, it renounces the right to representation on the Supervisory Board of the Italian bank. This decision has resulted in a reclassification in the financial statements of Crédit Agricole S.A.'s 4.79% stake in Intesa Sanpaolo - with 4.99% of voting rights - from the category of equity affiliates to that of available-for-sale financial assets as indicated in Note 2.2 to the financial statements.

No other memorandum of agreement concerning Crédit Agricole S.A. had been made public or existed at 31 December 2010.

Relationships between controlled companies affecting the consolidated balance sheet

A list of Crédit Agricole Group companies can be found in Note 12 to the consolidated financial statements. Transactions and outstandings at the period end and between fully consolidated companies are eliminated in full on consolidation. Therefore, the Group's consolidated financial statements are only affected by those transactions between fully consolidated companies and proportionately consolidated companies to the extent of the interests held by other shareholders.

The main corresponding outstandings in the consolidated balance sheet at 31 December 2010 relate to the Newedge, UBAF, Menafinance, FGA Capital and Forso groups for the following amounts: loans and receivables to credit institutions: €3,966 million; loans and receivables to customers: €1,607 million; and due to banks: €3,502 million.

These transactions had no material impact on the income statement for the year ended 31 December 2010.

Management of retirement, early retirement and end-of-career allowances: internal hedging contracts within the Group

As presented in the section on significant accounting policies (Note 1.3), employees are provided with various types of post-employment benefits. These include:

- end-of-career allowances;
- pension plans, which may be either defined-contribution or defined-benefit plans.

Its liability in this respect is partially funded by collective insurance contracts taken out with Predica, Crédit Agricole Group's life insurance company.

These contracts govern:

- the setting up by the insurance company of mutual funds for investing contributions made by the employer to build up sufficient funds to cover end-of-career allowances or pension benefits;

- the management of the funds by the insurance company;
- the payment to the beneficiaries of the allowances and of the benefits due under the various plans.

Information on post-employment benefits is detailed in Note 7, “Employee benefits and other compensation” in paragraphs 7.3 and 7.4.

Relations with senior management

In view of the Crédit Agricole's mutual structure and the broad scope of the reporting entity, the notion of director as defined by IAS 24 is not representative of the rules of governance applied throughout the Crédit Agricole Group.

Therefore the information required by IAS 24 on directors' remuneration is not included.

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

(in millions of euros)	Notes	31/12/2010	31/12/2009
Interest receivable and similar income	4.1	42,180	44,545
Interest payable and similar expense	4.1	(19,796)	(23,268)
Commission and fee income	4.2	14,774	13,717
Commission and fee expense	4.2	(3,978)	(2,955)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	2,298	5,024
Net gains (losses) on available-for-sale financial assets	4.4-6.4	3,330	101
Income related to other activities	4.5	31,435	26,818
Expenses related to other activities	4.5	(36,037)	(32,677)
Net banking income		**34,206**	**31,305**
Total operating expenses	4.6-7.1-7.4-7.6	(19,725)	(18,596)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	4.7	(1,124)	(1,057)
Gross operating income		**13,357**	**11,652**
Cost of risk	4.8	(5,191)	(6,482)
Operating income		**8,166**	**5,170**
Share of profit in equity-accounted entities	2.3	(900) (5)	(6)
Net gains (losses) on disposal of other assets	4.9	(181) (3)	47 (1)
Change in value of goodwill	2.6	(477) (4)	(527) (4)
Pre-tax income		**6,608**	**4,684**
Income tax expense	4.10	(2,538)	(1,773)
After-tax income from discontinued or held-for-sale operations		21	158 (2)
Net income		**4,091**	**3,069**
Minority interests		480	322
NET INCOME – GROUP SHARE		**3,611**	**2,747**

(1) Mainly comprises gains on the leaseback of branches by Emporiki and disposal of PFI for €40 million and €5 million respectively and the recognition of accumulated losses for the first consolidation of CAL real estate - €7.7 million.

(2) Includes €145 million net gains on the disposal of Crédit du Sénégal, Union Gabonaise de Banque, Société Ivoirienne de Banque and Crédit du Congo and €13 million In after-tax net income for the retail banking network In West Africa.

(3) Mainly comprises income from the disposal of Intesa Sanpaolo securities.

(4) Mainly comprises goodwill Impairment on Emporiki.

(5) Includes the net impact of deconsolidation of Intesa Sanpaolo for - €1,243 million.

STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	Notes	31/12/2010	31/12/2009
Gains or losses on translation adjustments		151	(42)
Gains or losses on available-for-sale securities		(900)	3,114
Gains and losses on hedging derivative instruments		(98)	(101)
Actuarial gains or losses on post-employment benefits		(51)	
Other comprehensive income, excluding equity-accounted entities, Group share		**(898)**	**2,971**
Share of other comprehensive income from equity-accounted entities(1)		(62)	30
Total other comprehensive income, Group share	**4.11**	**(960)**	**3,001**
Net income, Group share		3,611	2,747
Net income and other comprehensive income, Group share		**2,651**	**5,748**
Net income and other comprehensive income, minority interests		540	369
NET INCOME AND OTHER COMPREHENSIVE INCOME		**3,191**	**6,117**

(1) The "Share of other comprehensive income from equity-accounted entities" is included in the Crédit Agricole Group's consolidated reserves.

Amounts are disclosed after tax.

BALANCE SHEET - ASSETS

(in millions of euros)	Notes	31/12/2010	31/12/2009
Cash, due from central banks	6.1	31,749	37,451
Financial assets at fair value through profit or loss	3.1-6.2	412,165	427,168
Hedging derivative instruments	3.1-3.2-3.4	25,205	24,649
Available-for-sale financial assets	6.4-6.6	244,646	231,341
Loans and receivables to credit institutions	3.1-3.3-6.5-6.6	101,759	90,154
Loans and receivables to customers	3.1-3.3-6.5-6.6	759,452	719,787
Revaluation adjustment on interest rate hedged portfolios		5,853	5,552
Held-to-maturity financial assets	6.6-6.8	26,186	27,642
Current and deferred tax assets	6.10	8,671	8,035
Accruals, prepayments and sundry assets	6.11	74,916	81,192
Non-current assets held for sale	6.12	1,610	627
Deferred profit sharing	6.15	1,477	
Investment in equity-accounted entities	2.3	4,359	7,080
Investment property	6.13	3,112	3,107
Property, plant & equipment	6.14	7,939	7,773
Intangible assets	6.14	1,876	1,830
Goodwill	2.6	19,871	20,375
TOTAL ASSETS		**1,730,846**	**1,693,763**

BALANCE SHEET - EQUITY AND LIABILITIES

(in millions of euros)	Notes	31/12/2010	31/12/2009
Due to central banks	6.1	979	2,252
Financial liabilities at fair value through profit or loss	6.2	341,366	365,375
Hedging derivative instruments	3.2-3.4	27,404	26,048
Due to credit institutions	3.3-6.7	123,189	111,675
Due to customers	3.1-3.3-6.7	623,299	577,926
Debt securities	3.2-3.3-6.9	188,463	196,116
Revaluation adjustment on interest rate hedged portfolio		3,019	2,861
Current and deferred tax liabilities	6.10	2,390	2,117
Accruals, prepayments and sundry liabilities	6.11	70,623	77,983
Liabilities associated with non-current assets held for sale	6.12	1,472	582
Insurance company technical reserves	6.15	231,994	215,465
Provisions	6.16	6,187	6,568
Subordinated debt	3.2-3.3-6.9	33,028	34,094
Total debts		**1,653,413**	**1,619,062**
Equity		**77,433**	**74,701**
Equity, Group share		71,483	68,780
Share capital and reserves		23,169	22,518
Consolidated reserves		43,788	41,689
Other comprehensive income		915	1,826
Net income for the financial year		3,611	2,747
Minority interests		5,950	5,921
TOTAL EQUITY AND LIABILITIES		**1,730,846**	**1,693,763**

STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	Share capital and reserves		Capital & consolidated reserves, Group share	Other comprehensive income	Net income, Group share	Total equity, Group share	Minority interests	Total equity
	Share capital 31/12/2010	Premiums and consolidated reserves (1)						
Equity at 1 January 2009	**6,887**	**57,934**	**64,821**	**(1,145)**		**63,676**	**5,324**	**69,000**
Capital increase	410	(249)	161			161		161
Change in treasury shares held		(32)	(32)			(32)		(32)
Dividends paid in 2009		(1,617)	(1,617)			(1,617)	(308)	(1,925)
Dividends received from Regional Banks and subsidiaries		923	923			923		923
Impact of acquisitions/disposals on minority interests		(111)	(111)			(111)	621	510
Changes due to share-based payments		27	27			27		27
Changes due to transactions with shareholders	***410***	***(1,059)***	***(649)***			***(649)***	***313***	***(336)***
Change in other comprehensive income				***2,971***		***2,971***	***47***	***3,018***
Share of changes in equity of equity-accounted entities (2)		(1)	(1)			(1)		(1)
Net income at 31/12/2009					2,747	2,747	322	3,069
Other changes		36	36			36	(85)	(49)
Equity at 31 December 2009	**7,297**	**56,910**	**64,207**	**1,826**	**2,747**	**68,780**	**5,921**	**74,701**
Allocation of 2009 results		*2,747*	*2,747*		*(2,747)*			
Equity at 1 January 2010	**7,297**	**59,657**	**66,954**	**1,826**		**68,780**	**5,921**	**74,701**
Capital increase	513	86	599			599		599
Change in treasury shares held		10	10			10		10
Dividends paid in 2010		(1,609)	(1,609)			(1,609)	(331)	(1,940)
Dividends received from Regional Banks and subsidiaries		932	932			932		932
Impact of acquisitions/disposals on minority interests		(20)	(20)			(20)	(150)	(170)
Changes due to share-based payments		48	48			48		48
Changes due to transactions with shareholders	***513***	***(553)***	***(40)***			***(40)***	***(481)***	***(521)***
Change in other comprehensive income				***(898)***		***(898)***	***60***	***(838)***
Share of changes in equity of equity-accounted entities (2)		(56)	(56)			(56)		(56)
Net income at 31/12/2010					3,611	3,611	480	4,091
Other changes		99	99	(13)		86	(30)	56
EQUITY AS AT 31 DECEMBER 2010	**7,810**	**59,147**	**66,957**	**915**	**3,611**	**71,483**	**5,950**	**77,433**

(1) Consolidated reserves before elimination of treasury shares.

(2) The line "Share of changes in equity of equity-accounted entities" includes share of changes to other comprehensive income of equity-accounted entities presented in Note 4.11 for an amount of -€62 million at 31 December 2010 and €30 million at 31 December 2009.

Consolidated reserves mainly include undistributed retained earnings, amounts arising from the first-time application of IFRS, and consolidation adjustments.

Amounts deducted from equity and transferred to the income statement and that relate to cash flow hedges are included under net banking income.

STATEMENT OF CASH FLOWS

The statement of cash flows is presented using the indirect method.

Operating activities shows the impact of cash inflows and outflows arising from the Crédit Agricole Group's income-generating activities, including those associated with assets classified as held-to-maturity securities.

Tax inflows and outflows are included in full within operating activities.

Investing activities shows the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant & equipment and intangible assets. This section includes strategic investments classified as available-for-sale securities.

Financing activities shows the impact of cash inflows and outflows associated with equity and long-term borrowing.

Net cash and cash equivalents include cash, debit and credit balances with central banks and debit and credit demand balances with banks.

(in millions of euros)	**31/12/2010**	**31/12/2009**
Pre-tax income	**6,608**	**4,684**
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	1,430	1,370
Impairment of goodwill and other fixed assets	476	527
Net charge to depreciation, amortisation and impairment	3,547	5,224
Share of profit in equity-accounted entities	900	6
Net income from investing activities	191	(128)
Net income from financing activities	4,067	(1,323)
Other movements	108	(106)
Total non-cash items included in pre-tax income and other adjustments	***10,719***	***5,570***
Change in interbank items	(2,818)	(43,034)
Change in customer items	(184)	30,635
Change in financial assets and liabilities	(40,169)	(10,308)
Change in non-financial assets and liabilities	17,612	18,695
Dividends received from equity-accounted entities (1)	136	75
Tax paid	(4,770)	(2,439)
Net decrease/(increase) in assets and liabilities used in operating activities	***(30,193)***	***(6,376)***
Total net cash generated by operating activities (A)	**(12,866)**	**3,878**
Change in equity investments (2)	***249***	***(781)***
Change in property, plant & equipment and intangible assets	***(1,282)***	***(1,337)***
Total net cash associated with investment activities (B)	**(1,033)**	**(2,118)**
Cash received from/(paid) to shareholders (3)	***(729)***	***(803)***
Other cash provided/(used) by financing activities (4)	***503***	***(6,797)***
Total net cash associated with financing activities (C)	**(226)**	**(7,600)**
Effect of exchange rate changes on cash and cash equivalents (D)	**1,507**	**(450)**
Net increase/(decrease) in cash & cash equivalents (A+B+C+D)	**(12,618)**	**(6,290)**
Cash and cash equivalents at beginning of period	**51,716**	**58,006**
Cash and due from central banks net balance*	35,317	51,388
Interbank demand net balance**	16,399	6,618
Cash and cash equivalents at end of period	**39,096**	**51,716**
Cash and due from central banks net balance*	31,092	35,317
Interbank demand net balance**	8,004	16,399
CHANGE IN NET CASH AND CASH EQUIVALENTS	**(12,620)**	**(6,290)**

* *Consisting of the net balance of "Cash and due from central banks", excluding accrued interest as detailed in Note 6.1 (and including cash of entities reclassified as held-for-sale operations).*

** *Comprises the balance of "performing current accounts in debit" and "performing overnight accounts and advances" as detailed in Note 6.5 and "current accounts in credit" and "daylight overdrafts and accounts" as detailed in Note 6.7 (excluding accrued interest and including Crédit Agricole internal transactions).*

(1) *For 2010, this amount includes notably dividend payments from Intesa Sanpaolo for €49 million and from Bank Saudi Fransi for €28 million.*

(2) *This line item shows the net effects on cash of acquisitions and disposals of equity investments. These external operations are described in Note 2.2. During 2010, the net impact of acquisitions and disposals of consolidated equity investments (subsidiaries and equity-accounted entities) on Group cash amounted to €340 million, mainly from the sale of additional Intesa Sanpaolo shares for €232 million and the additional acquisition of Bankinter shares for -€39 million.*

In the same period, the net impact of acquisitions and disposals of non-consolidated equity interests on Group cash amounted to -€93 million, mainly concerning the acquisition of shares in SCI Carpe diem for -€57 million offset by the sale of Attijariwafa bank shares for €65 million.

(3) *Cash flows received from or paid to shareholders includes 2010 dividend payments from the Crédit Agricole Group to its shareholders and mutual shareholders amounting to -€889 million, a capital increase for Local Banks of €474 million, an employee share issue in Crédit Agricole S.A. for €109 million and repayment of capital to minority of Calixis and Edelaar shareholders for -€153 million and -€80 million respectively.*

(4) *During 2010, net issues of bond debt amounted to €1,577 million. Net issues of subordinated debt amounted to €2,603 million.*

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES AND METHODS, ASSESSMENTS AND ESTIMATES

1.1. Applicable standards and comparability

Pursuant to Regulation EC 1606/2002, the annual financial statements have been prepared in accordance with IAS/IFRS and IFRIC interpretations applicable at 31 December 2010 and as adopted by the European Union (carve out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

These standards and interpretations are available on the European Commission website at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The standards and interpretations are the same as those applied in the Group's financial statements for the year ended 31 December 2009 with the exception of the method for recognising actuarial differences of post-employment defined-benefit plans. According to IAS 19, actuarial differences relating to defined-benefit plans may be recognised:

- in the income statement for their full amount;
- or in the income statement for a portion calculated using the corridor approach;
- or in other comprehensive income for their full amount.

Up until 31 December 2009, the Crédit Agricole Group imputed the actuarial adjustments in the result for the period during which they were noticed.

In order to provide information that is more comparable with the principles applied by other companies, Crédit Agricole Group has decided to register them in their entirety as "unrealised gains and losses recognised directly in equity". This method has been applied on a permanent and consistent basis to all pension schemes from 1 January 2010.

This change in accounting option is processed in accordance with the provisions of IAS 8 applied retrospectively.

The standards and interpretations used in the annual financial statements at 31 December 2009 have been supplemented by the IFRS standards as adopted by the European Union at 31 December 2010 and that must be applied for the first time in the financial year 2010. These cover the following:

Standards, Amendments or Interpretations	Date published by the European Union	Date when first applied: financial years from
Annual amendment to improve IFRS 5, relating to subsidiaries facing a sale plan entailing a loss of control, and related amendment to IFRS 1	23 January 2009 (EC 70/2009)	1 January 2010
Revised IAS 27 relating to consolidated and separate financial statements	3 June 2009 (EC 494/2009)	1 January 2010
Revised IFRS 3 relating to business combinations	3 June 2009 (EC 495/2009)	1 January 2010
The amendment to IAS 39 on items qualifying for hedging which clarify the application of hedge accounting to the inflation component of financial instruments	15 September 2009 (EC 839/2009)	1 January 2010
Revised IRFS 1, relating to the first application of international standards	25 November 2009 (EC 1136/2009) and 23 June 2010 (EC 550/2010)	1 January 2010
Annual amendment to improve and clarify nine standards and two interpretations resulting from the regulation of 23 March 2010 (EU 243/2010)	23 March 2010	1 January 2010
Amendment to IFRS 2, relating to share-based payment by substituting the interpretations IFRIC 8 and IFRIC 11	23 March 2010 (EU 244/2010)	1 January 2010
Interpretation of IFRIC 12, relating to concessions of services, and which does not concern the Group's businesses	25 March 2009 (EU 254/2009)	1 January 2010
Interpretation of IFRIC 16 relating to hedges of a net investment in a foreign operation	4 June 2009 (EU 460/2009)	1 January 2010
Interpretation of IFRIC 15, relating to agreements for real estate constructions, dealt with in IAS 11 Construction contracts and IAS 18 Revenue	22 July 2009 (EC 636/2009)	1 January 2010
Interpretation of IFRIC 17, relating to the distribution of non-cash assets to owners	26 November 2009 (EC 1142/2009)	1 January 2010
Interpretation of IFRIC 18, relating to the transfer of assets from customers, and which does not concern the Group's businesses	27 November 2009 (EC 1164/2009)	1 January 2010

The application of these new provisions has not had any significant impact on income and net assets for the period, except for the effects of the loss of significant influence on Intesa Sanpaolo.

The forward-looking application of revised IAS 27 and IFRS 3 to acquisition operations effective as of January 1, 2010 induces one change in the Group's accounting methods. The main points are:

- initial evaluation of minority interests: calculated, according to the acquirer's choice, in one of two ways:
  - fair value at the date of acquisition,
  - the share of the identifiable assets and liabilities of the acquired entity revalued at fair value.

  This option is exercisable acquisition by acquisition; the Group has opted to apply in advance the amendment to IFRS 3 revised for the 2010 annual improvements which states that this option does not apply to all equity instruments held by shareholders but to those which are current contributions and are entitled to a share of net assets in the event of liquidation;
- acquisition expenses: they cannot be activated in the goodwill and are required to be accounted for as expenses in full. When the operation has very high probability of being realised, they are recorded under "net gains or losses on other assets", otherwise they are recorded under "operating expenses";
- certain operations must now be accounted for separately from the business combination;
- the accounting methods for takeovers in stages or partial disposals leading to loss of control;
- the allocation of price adjustment clauses, when they are financial instruments, to the provisions of IAS 39.

Moreover, it is recalled that when the early application of standards and interpretations is optional for a period, this option is not selected by the Group, unless otherwise stated. This applies to:

Standards, Amendments or Interpretations	Date published by the European Union	Date of first mandatory application: financial year from
Amendment of IAS 32, relating to classification of rights issues	23 December 2009 (EU 1293/2009)	1 January 2011
Amendment to IFRS 1, relating to exemptions from supplying comparative information on financial instruments for first-time adopters	30 June 2010 (EU 574/2010)	1 January 2011
Amendment to IAS 24, relating to disclosures of related parties in a State-owned entity	19 July 2010 (EU 632/2010)	1 January 2011
Amendment to IFRIC 14, relating to recognition of defined-benefit plan assets.	19 July 2010 (EU 633/2010)	1 January 2011
Interpretation of IFRIC 19, relating to the extinction of financial liabilities with equity instruments.	23 July 2010 (EU 662/2010)	1 January 2011

The Group does not expect the application of these standards and interpretations to produce a significant impact on the net income or net assets.

Lastly, 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 2010.

1.2. Presentation of financial statements

In the absence of a prescribed presentation format under IFRS, the Crédit Agricole Group's complete set of financial statements (balance sheet, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows) has been presented in the format set out in CNC Recommendation 2009-R-04.

1.3. Significant accounting policies and principles

Use of assessments and estimates in the preparation of financial statements

A certain number of estimates have been made by management to draw up the financial statements. These estimates 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;
- pension plans and other future employee benefits;
- stock option plans;

- impairment of available-for-sale and held-to-maturity securities;
- impairment of unrecoverable debts;
- provisions;
- impairment of goodwill;
- deferred tax assets;
- valuation of equity-accounted entities.

The procedures for the use of assessments or estimates are described in the relevant sections below.

Financial instruments (IAS 32 and 39)

Financial assets and liabilities are treated in the financial statements in accordance with IAS 39 as endorsed by the European Commission.

At the time of initial recognition, financial assets and financial liabilities are measured at fair value including trading costs (with the exception of financial instruments recognised at fair value through profit or loss). Subsequently, financial assets and financial liabilities are measured according to their classification, either at fair value or at amortised cost based on 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 at market conditions.

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 obtain the net carrying amount of the financial asset or financial liability.

Securities classified as assets

Classification of securities classified as assets

Under IAS 39, securities are divided into four categories:

- financial assets at fair value through profit or loss classified as held for trading and financial assets designated as at fair value through profit or loss upon initial recognition;
- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets.

Financial assets at fair value through profit or loss classified as held for trading and financial assets designated as at fair value through profit or loss upon initial recognition

According to IAS 39, this portfolio comprises securities that are classified under financial assets at fair value through profit or loss upon initial recognition either as a result of a genuine intention to trade them or designated as at fair value by Crédit Agricole Group.

Financial assets at fair value through profit or loss classified as held for trading are assets acquired or generated by the enterprise primarily for the 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 or loss upon initial recognition when such designation meets the conditions defined in the standard in the following three cases: for hybrid instruments containing one or more embedded derivatives, to reduce any distortion of accounting treatment or in the case of a group of managed financial assets whose performance is measured at fair value. This method is generally used so that derivatives embedded in hybrid instruments do not have to be recognised and measured separately.

The Crédit Agricole Group has designated the following assets at fair value through profit or loss upon initial recognition:

- assets backing unit-linked contracts;
- Private Equity business portfolio.

Securities that are classified under financial assets at fair value through profit or loss are recognised at fair value at inception, excluding transaction costs attributable directly to their acquisition (which are taken directly to profit or loss) and including accrued interest.

They are subsequently carried at fair value and changes in fair value are taken to profit or loss.

No impairment losses are booked for this category of securities.

Outstanding syndication securities held for sale are recognised as “Financial assets at fair value through profit or loss” and are marked to market.

Held-to-maturity financial assets

The category "Held-to-maturity financial assets" (open to securities with fixed maturities) includes securities with fixed or determinable payments that the Crédit Agricole Group has the intention and ability to hold until maturity other than:

- those that are posted initially as financial assets at fair value through profit or loss at the time of initial recognition;
- 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 financial assets” category.

Classification as held-to-maturity means that the entity must abide by the prohibition on the sale of securities prior to maturity, except where allowed under IAS 39.

Hedging of interest rate risk on these securities is not allowed for hedge accounting under 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 method, including any premiums or discounts.

Impairment rules for this financial asset category are disclosed in the specific section dedicated to “impairment of securities” when securities are measured at amortised cost.

Loans and receivables

“Loans and receivables” comprise unlisted financial assets that generate fixed or determinable payments.

Securities of the “loans and receivables” portfolio 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 with amortisation of any premiums or discounts using the effective interest method adjusted for any impairment losses.

Impairment rules for this financial asset category are disclosed in the specific section dedicated to “impairment of securities” when securities are measured at amortised cost.

Available-for-sale financial assets

IAS 39 defines “available-for-sale financial assets” both as assets that are designated as available-for-sale and 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.

“Available-for-sale securities” are later estimated at fair value and subsequent changes in fair value are recorded in other comprehensive income.

If the securities are sold, these changes are transferred to the income statement.

Amortisation of any premiums or discounts on fixed-income securities is recognised in the income statement using the effective interest rate method.

Impairment rules for this financial asset category are disclosed in the specific section dedicated to “impairment of securities”.

Impairment of securities

Impairment shall be booked 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 assets measured as at fair value through profit or 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, Crédit Agricole Group 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. The Crédit Agricole Group may also take account of other factors such as financial difficulties of the issuer, or short term prospects.

Notwithstanding the above-mentioned criteria, Crédit Agricole Group recognises an impairment loss when there is a decline in the value of the equity instrument, higher than 50% or prolonged over three years.

For debt securities, impairment criteria are the same as for loans and receivables.

Such impairment is only recognised when it translates into a probable loss of all or part of the amount invested:

- 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 recovery in the price of the securities, the loss previously transferred to the income statement may be reversed when justified by circumstances for debt instruments.

Recognition date of securities

Crédit Agricole 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 trading date.

Reclassification of financial assets

In accordance with the amendment to IAS 39 as published and adopted by the European Union in October 2008, the following reclassifications are now allowed:

- from the "Financial assets held for trading" and "Available-for-sale financial assets" categories to the "Loans and receivables" category, if the entity has the intention and ability to hold the financial asset for the foreseeable future or until maturity and if the classification criteria for this category are met upon the transfer date (in particular, financial asset not quoted in an active market);
- in rare documented circumstances, from “Financial assets held for trading” to “Available-for-sale financial assets” or “Held-to-maturity financial assets” if the eligibility criteria are met upon the transfer date for each category.

The fair value on the date of reclassification becomes the new cost or amortised cost, as applicable, of the reclassified financial asset.

Information on reclassifications made by Crédit Agricole Group under the terms of the amendment to IAS 39 is provided in Note 9.

Temporary investments in/disposals of securities

Within the meaning of IAS 39, temporary sales of securities (securities lending/borrowing, repurchase agreements) do not fulfil the derecognition conditions of IAS 39 and are regarded as collateralised financing. Assets lent or sold under repurchase agreements are kept on the balance sheet. If applicable, amounts received, representing the liability to the transferee, are 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. Instead, if the items are subsequently sold, the transferee recognises the amount paid out representing its receivable from the transferor. Revenue and expenses relating to such transactions are taken to profit and loss on a *pro rata temporis* basis, except in the case of assets and liabilities recognised at fair value through profit or loss.

Lending operations

Loans are principally allocated to the “Loans and receivables” category. In accordance with IAS 39, they are initially valued at fair value and subsequently valued at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments to the original net loan amount. This rate includes the discounts and any transaction income or costs that are an integral part of the effective interest rate.

Syndication loans held for trading are classified as “Financial assets at fair value through profit or loss” and are marked to market.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type.

Income calculated based on the effective interest rate is recognised in the balance sheet under the appropriate category of loans and receivables and booked to the income statement.

Impaired loans or receivables

In accordance with IAS 39, loans recorded under "Loans and receivables" are impaired when one or more loss events occurs in the collection of such loans. Once these loans and receivables have been identified, they may be individually or collectively assessed for impairment. Foreseeable losses are assessed by recognition of impairment in an amount equal to the difference between the carrying amount of the loans (amortised cost) and the sum of estimated future cash flows, discounted at the original effective interest rate, or in the form of discounts on loans that have been restructured due to customer default.

The following distinctions are made:

- loans individually assessed for impairment: these are loans covered by impairment losses 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 a homogeneous 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 necessary individually impaired (part of the watch-list category).

Impairment losses are discounted and estimated on the basis of several factors, notably business- or sector-related. It is possible that future assessments of the credit risk may differ significantly from current estimates, which may lead to an increase or decrease in the amount of the impairment.

Probable losses in respect of off-balance sheet items are covered by provisions recognised as liabilities on the balance sheet.

Impairment losses and write-backs for non-recovery risk are recognised in cost of risk and any increase in the carrying amount of the loan arising from an impairment write-back or amortisation of the restructured receivables discount over time is recognised in net interest income.

Loans individually assessed for impairment

Loans and receivables of all kinds, even those which are guaranteed, are classified as doubtful if they carry an identified credit risk arising from one of the following events:

- the loan or receivable is at least three months in arrears (six months for mortgage loans and property lease finance and nine months for loans to local authorities, to take account of their specific characteristics);
- 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.

When a loan is recorded as impaired, all other loans or commitments relating to that borrower are deemed to be subject to contagion and also recorded in their entirety in this category, whether or not they are guaranteed.

In the case of restructured loans that are retained in the impaired loan category, the discount is not recognised as a separate item but through impairment.

Crédit Agricole Group takes impairment for all foreseeable losses in respect of impaired bad debts and doubtful debts, discounted at the initial effective interest rate.

Foreseeable losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than individually assessed.

In the case of restructured loans for which the entity has changed the initial terms (interest rate, term) due to borrower risk, the loans are reclassified as performing loans and the reduction in future cash flows granted to the borrower when the loan was restructured is recognised as a discount.

The discount recognised when a loan is restructured is recorded under cost of risk.

The discount represents future loss of cash flow discounted at the original effective interest rate.

It is equal to the difference between:

- the nominal value of the loan;
- the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined as of the date of the financing commitment).

Loans collectively assessed for impairment

Statistical and historical customer default experience shows that there is an identified risk of partial uncollectibility of loans non individually impaired. To cover these risks, which cannot by nature be allocated to individual loans, Crédit Agricole Group takes various collective impairment losses, calculated using models developed on the basis of these statistical data, by way of deduction from asset values, such as:

- impairment for past due exposures:

  Such impairment losses are calculated on the basis of Basel II models.

  As part of the implementation of Basel II, each Crédit Agricole Group entity calculates the amount of losses anticipated within one year, using statistical tools and databases, based on a variety of observation criteria that meet the definition of a "loss event" within the meaning of IAS 39.

  The amount of impairment is based on the probability of default in each rating class assigned to borrowers, and also on management’s experienced judgement.

  Impairment is calculated by applying a correction factor to the anticipated loss, based on management's experienced judgment, which factors in a number of variables that are not included in the Basel II models, such as the extension of the anticipated loss horizon beyond one year as well as other factors related to economic, business and other conditions;

- Other loans collectively assessed for impairment:

  Crédit Agricole Group also sets aside collective impairment losses to cover customer risks that are not allocated to individual loans, such as sector or country impairment losses. These provisions are intended to cover estimated risks based on a sector or geographical analysis for which there is statistical or historical risk of partial non-recovery.

Subsidised loans (IAS 20)

Under French government measures to support the agricultural and rural sector and to help home buyers, certain Crédit Agricole Group entities grant subsidised loans at rates fixed by the government. The government pays these entities the difference between the subsidised lending rate and a predetermined benchmark rate. Accordingly, no discounts are recognised against subsidised loans.

The subsidy system is periodically reviewed by the government.

In accordance with IAS 20, subsidies received from the government are recorded under “Interest and similar income” and deferred over the life of the corresponding loans.

Financial liabilities

IAS 39 as endorsed by the European Union recognises three categories of financial liabilities:

- financial liabilities at fair value through profit or loss. Fair value changes on this portfolio are recognised in profit or loss;
- financial liabilities designated as at fair value through profit or loss upon initial recognition. Financial assets may be designated as at fair value through profit and loss when such designation meets the conditions defined in the standard, in the following three cases: for hybrid instruments containing one or more embedded derivatives, to reduce any distortion of accounting treatment or in the case of a group of managed financial liabilities whose performance is measured at fair value. This method is generally used so that derivatives embedded in hybrid instruments do not have to be recognised and measured separately;
- 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 amortised cost using the effective interest method.

Crédit Agricole Group's structured issues are recognised as financial liabilities at fair value through profit or loss, classified as held for trading. Changes in fair value are taken to profit or loss.

In accordance with IAS 39, the Group values its structured issues recognised at fair value, by taking as its reference the spread that specialised participants accept to receive in order to acquire the Group’s new issues.

Securities classified as financial liabilities or equity

Distinction between liabilities and equity

A debt instrument or financial liability is a contractual obligation to:

- deliver cash or another financial asset;
- exchange instruments under potentially unfavourable conditions.

An equity instrument is a contract evidencing a residual interest in an enterprise after deduction of all of its liabilities (net assets).

Pursuant to these definitions, shares in the Regional Banks and Local Banks are considered as equity under IAS 32 and IFRIC 2, and are treated as such in the Group's consolidated financial statements.

According to amended IAS 32 as adopted by the European Union on 21 January 2009, it is now possible under certain conditions to classify as equity instruments some financial instruments that were previously classified as debt instruments. Such financial instruments are:

- instruments, issued by the issuer, repayable as the holder wishes;
- instruments that impose on the issuer an obligation to deliver to the holder a pro rata share of the net assets of the issuer only on liquidation.

Therefore, provided that conditions are satisfied, mutual fund securities shall now be classified as equity instruments on the issuer side.

Treasury shares buy-backs

Treasury shares (or equivalent derivative instruments, such as stock options) bought back by the Crédit Agricole Group, including shares held to hedge stock option plans, do not meet the definition of a financial asset and are deducted from equity. They do not generate any impact on the income statement.

Deposits

Deposits are recorded under "Due to customers" despite the characteristics of the collection system within the Crédit Agricole Group, with deposits originating from the Regional Banks centralised at Crédit Agricole S.A. from the Regional Banks. The ultimate counterparty for these deposits for the Group is indeed the end customer.

The deposits are initially measured at fair value and subsequently at amortised cost.

Regulated savings products are by nature deemed to be at market rates.

Provisions are taken where necessary against home loan savings plans and accounts as set out in Note 6.16.

Derivative instruments

Derivative instruments are financial assets or liabilities and are recognised on the balance sheet at fair value at inception of the transaction. At the end of each reporting period derivatives are measured at fair value, whether they are held for trading purposes or used for hedging.

Any change in the value of derivatives on the balance sheet is recorded in the income statement (except in the special case of a cash flow hedging relationship).

Hedge accounting

Fair value hedges are intended to provide protection from exposure to a change in the fair value of an asset or of a liability that has been recognised, or of a firm commitment that has not been recognised.

Cash flow hedges are intended to provide protection from a change in future cash flows from financial instruments associated with a recognised asset or liability (for example, with all or part of future interest payments on a floating-rate debt) or a projected transaction that is considered to be highly probable.

Hedges of net investments in a foreign operation are intended to provide protection from the risk of an adverse movement in fair value arising from the foreign exchange risks associated with a foreign investment in a currency other than the euro.

Hedges must meet the following criteria in order to be eligible for hedge accounting:

- the hedging instrument and the instrument hedged must be eligible;
- there must be formal documentation from inception, primarily including the individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk;
- the effectiveness of the hedge must be demonstrated, at inception and retrospectively, by testing at each reporting date.

For interest rate hedges for a portfolio of financial assets or financial liabilities, Crédit Agricole Group documents the hedging relationship for fair value hedges in accordance with the "carve-out" version of IAS 39 as endorsed by the European Union.

The Group also documents these hedging relationships based on its gross position in derivative instruments and hedged items.

The effectiveness of the hedging relationships is measured by maturity schedules.

The change in value of the derivative is recorded in the financial statements as follows:

- fair value hedges: the change in value of the derivative is recognised in the income statement symmetrically with the change in value of the hedged item in the amount of the hedged risk. Only the net amount of any ineffective portion of the hedge is recognised in the income statement;
- cash flow hedges: the change in value of the derivative is recognised in the balance sheet through a specific account in other comprehensive income for the efficient portion and any inefficient portion of the hedge is recognised in the income statement. Any profits or losses on the derivative accrued through other comprehensive income are then reclassified in the income statement when the hedged cash flows occur;
- hedge of a net investment in a foreign operation: the change in value of the derivative is recognised in the balance sheet in the translation adjustment equity account and any ineffective portion of the hedge is recognised in the income statement.

When the conditions for benefiting from hedging accounting are no longer met, the following accounting treatment must be applied prospectively;

- fair value hedges: only the hedging instrument continues to be revaluated through profit or loss. The hedging element is wholly accounted for according to its classification. For AFS securities, changes in fair value subsequent to the ending of the hedging relationship are recorded in other comprehensive income. For hedged elements valued at amortised cost, which were interest rate hedged, the valuation adjustment is amortised over the remaining life of those hedged elements;
- cash flow hedges: the hedging instrument is valued at fair value through profit or loss. The amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income until the hedged element affects profit or loss. For interest-rate hedged instruments, profit or loss is affected according to the payment of interest. The valuation adjustment is therefore amortised over the remaining life of those hedged elements;
- hedge of a net investment in a foreign operation: the amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income while the net investment is held. The income is recorded once the net investment in a foreign operation exits the scope of consolidation.

Embedded derivatives

An embedded derivative is a 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 or loss;
- the embedded component taken separately from the host contract has the characteristics 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 according to the provisions of IAS 39 and is presented following the hierarchy defined in IFRS 7.

To valuate some financial instruments at fair value, the Group also applies the 15 October 2008 recommendation from AMF, CNC and ACAM.

For financial instruments measured at fair value, IAS 39 considers that the best evidence of fair value is quoted prices published in an active market.

When such quoted prices are not available, IAS 39 requires fair value to be established by using a valuation technique based on observable data or unobservable inputs.

Level 1: fair value corresponding to quoted prices (unadjusted) in active markets

Level 1 is composed of financial instruments that are quoted 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, etc.); it also concerns fund securities quoted in an active market and listed derivatives such as futures.

A market is regarded as being active 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.

For financial assets and liabilities with offsetting market risks, Crédit Agricole Group uses mid-prices as a basis for establishing fair values for the offsetting risk positions. The Group applies the current bid price to asset held or liability to be issued (open long position) and the current asking price to 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 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices) generally meet the following characteristics: they are not entity-specific data but available and obtainable public data accordingly used by marked 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 for which fair value is established using a valuation methodology currently used by market participants (such as discounted cash flow techniques or the Black & Scholes model) and that is based on observable market data;
- instruments that are traded over the counter, of which fair value is measured thanks to models using observable market data, i.e. derived from various and independent available external sources. For example, interest rate swaps' fair value is generally derived from yield curves of market interest rates as observed at the reporting date.

When the models 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 or 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 assumptions, i.e. that cannot be observed on the market for an identical instrument. These instruments are disclosed within Level 3.

This mainly concerns 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.

Since the transaction price is deemed to reflect the fair value at initial recognition, any day one gain or loss recognition is deferred.

The day one gain or loss relating to these structured financial instruments is generally recognised through profit or loss over the period during which inputs are deemed unobservable. When market data become observable, the remaining day one gain or loss to be deferred is immediately recognised in profit or 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 setting a price. They shall be beforehand validated by an independent control. Fair value measurement includes both liquidity risk and counterparty risk.

Absence of accepted valuation method to determine equity instruments' 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 security is valued at cost and stays 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 of which fair value is difficult to measure reliably.

Net gains or losses on financial instruments

Net gains (losses) on financial instruments at fair value through profit or loss

For financial instruments designated at fair value through profit or loss and financial assets and liabilities held for trading, this heading mainly includes the following income statement items:

- dividends and other revenues from equities and other variable-income securities which are classified under financial assets at fair value through profit or loss;
- changes in fair value of financial assets or liabilities at fair value through profit or loss;
- gains and losses on disposal of financial assets at fair value through profit or loss;
- changes in fair value and gains and losses on termination of derivative instruments not included in a fair value or cash flow hedging relationship.

This heading also includes the inefficient portion of fair value hedges, cash flow hedges and hedges of net investments in foreign currencies.

Net gains (losses) on available-for-sale financial assets

For available-for-sale financial assets, this heading mainly includes the following income statement items:

- dividends and other revenues from equities and other variable-income securities which are classified under available-for-sale financial assets;
- gains and losses on disposal of fixed-income and variable-income securities which are classified under available-for-sale financial assets;
- losses in value of variable-income securities;
- net income on disposal or termination of instruments used for fair value hedges of available-for-sale financial assets when the hedged item is sold;
- gains and losses on disposal or termination of loans and receivables and held-to-maturity securities in those cases provided for by IAS 39.

Netting of financial assets and financial liabilities

In accordance with IAS 32, Crédit Agricole Group nets a financial asset and a financial liability and reports the net amount when, and only when, it has a legally enforceable right to offset the amounts reported and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial guarantees given

A financial guarantee contract is a contract that calls for specific payments to be made by the issuer to reimburse the holder for a loss incurred due to a specified debtor’s failure to make a payment when due under the initial or amended terms of a debt instrument.

Financial guarantee contracts are recognised at fair value initially then subsequently at the higher of:

- the amount calculated in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”; or
- the amount initially recognised, less any amortisation recognised in accordance with IAS 18 “Revenues from ordinary activities”.

Financing commitments that are not designated as fair value through profit or loss or not treated as derivative instruments within the meaning of IAS 39 are not recognised on the balance sheet. They are, however, covered by provisions 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 or 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 Group's continuing involvement in the asset.

A financial liability is fully or partially derecognised only if the liability is settled.

Provisions (IAS 37 and 19)

Crédit Agricole Group has identified 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 discounted where applicable whenever there is a material impact.

For obligations other than those related to credit risk, Crédit Agricole Group has set aside general provisions to cover:

- operational risks;
- employee benefits;
- financing commitment execution risks;
- claims and liability guarantees;
- tax risks;
- risks in connection with home purchase savings schemes.

The latter provision is designed to cover the Group's obligations in the event of unfavourable movements in home purchase savings schemes. These obligations are: i) to pay a fixed-rate of interest on the savings contract from inception for an undefined period of time; and ii) to grant a loan to home purchase savings scheme savers at a rate fixed at inception of the contract. The provision is calculated for each generation of home purchase savings plan and for all home-purchase savings accounts, with no netting of obligations between generations.

The amount of these obligations is calculated taking account notably of:

- saver behavior models, based on assumptions regarding customer behavior drawn from historical experience, which may not necessarily reflect actual trends in future behavior;
- an estimate of the amount and term of the loans that will be granted in the future, based on historical experience over an extended period of time;
- the yield curve for market rates and reasonably foreseeable trends.

Certain estimates may be made to determine the amount of the following provisions:

- the reserve for operational risks, which although subject to examination for identified risks, requires management to make assessments with regard to incident frequency and the potential financial impact;
- the reserve for legal risks, which is based on management's best estimate in light of the information in its possession as of the end of the reporting period.

Detailed information is provided in section 6.16.

Employee benefits (IAS 19)

In accordance with IAS 19, employee benefits are recorded in four categories:

- short-term employee benefits, such as salaries, social security contributions and variable compensation payable within twelve months after the end of the period;
- long-term employee benefits (long-service awards, variable compensation and compensation payable 12 months or more after the end of the period);
- termination benefits;
- post employment benefits, classed in two categories described below: defined-benefit plans and defined-contribution plans.

Long-term employee benefits

Long-term employee benefits are the employee benefits other than post-employment benefits or termination benefits and equity benefits but not fully due to employees within 12 months after the end of the period in which the related services have been rendered.

It concerns in particular variable compensation and other compensation deferred for more than 12 months.

The methods used to determine the amount and payment of deferred variable compensation by Crédit Agricole Group are in accordance with statutory provisions concerning compensation of employees whose activities could have a significant effect on the Group's risk exposure (ministerial order of 3 November 2009 and the industry professional standards of practical implementation issued by the FBF). They stipulate deferred variable compensation payment spread over several years and payable either in cash indexed on Crédit Agricole S.A. share price, or in Crédit Agricole S.A. shares.

The expenses are accounted for on a straight line basis in "Personnel costs" spread over the vesting period (between 3 and 4 years) to cover performance conditions and/or presence. For variable compensation paid in cash, the corresponding debt is revised up until its payment to account for not satisfying conditions and changes in the Crédit Agricole S.A. share value. For compensation paid in shares of Crédit Agricole S.A., the corresponding expense is revised if the 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 reporting date, Crédit Agricole Group sets aside reserves to cover its liabilities for retirement and similar benefits and all other employee benefits falling in the category of defined-benefit plans.

In keeping with IAS 19, these commitments are stated based on a set of actuarial, financial and demographic assumptions, and in accordance with the projected unit credit method. Under this method, for each year of service, a charge is booked in an amount corresponding to the employee’s vested benefits for the period. The charge is calculated based on the discounted future benefit.

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 years (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 anticipated return on plan assets is also estimated by management. Returns are estimated on the basis of expected returns on fixed-income securities, and notably bonds.

Crédit Agricole Group does not apply the optional corridor method and since 1 January 2010 the actuarial differences are booked in gains and losses recognised directly through other comprehensive income and no longer in the income statement.

The impact of this change in accounting method on the financial statements at 31 December 2009 is not significant.

The amount of the provision is equal to:

- the present value of the obligation to provide the defined-benefits as of the end of the reporting period, calculated in accordance with the actuarial method recommended by IAS 19;
- reduced, if necessary, by the fair value of assets allocated to cover these commitments. These may be represented by an eligible insurance policy. In the event that 100% of the obligation is covered by a policy that meets exactly the expense amount payable over the period for all or part of a defined-benefit plan 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.

For such obligations that are not covered, a provision for retirement benefits is recognised under “Provisions” on the liabilities side of the balance sheet. This provision is in an amount equal to Crédit Agricole Group's liabilities towards employees in service at the year-end, governed by the new Crédit Agricole Group collective agreement that came into effect on 1 January 2005.

A provision to cover the cost of early retirement commitments is also taken under the same “Provisions” heading. This provision covers the additional discounted cost of the various early retirement agreements signed by Crédit Agricole Group entities under which employees of eligible age may take early retirement.

Lastly, certain Group companies are liable to pay supplementary pension benefits. A provision is calculated on the basis of the Company’s actuarial liability for these benefits. These provisions are also shown on the liabilities side of the balance sheet under “Provisions”.

Pension schemes – Defined-contribution plans

"Employers" contribute to a variety of compulsory pension schemes. 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 Group has no liabilities in this respect other than their ongoing contributions.

Share-based payment (IFRS 2)

IFRS 2 on share-based payment requires share-based payment transactions to be measured and recognised in the income statement and balance sheet. The standard applies to plans granted after 7 November 2002, in accordance with the provisions of IFRS 2, and which had not yet vested at 1 January 2005 and covers two possible cases:

- share-based payment transactions settled in equity instruments;
- share-based payment transactions settled in cash.

Share-based payment plans initiated by the Crédit Agricole Group that are eligible for IFRS 2 are mainly transactions settled in equity instruments.

Options granted are measured at their fair value on the date of grant using the Black & Scholes model. These options are recognised as a charge under "Personnel costs", with a corresponding adjustment to equity, spread over the vesting period (four years for existing plans).

Employee share issues made as part of an employee savings scheme are also subject to the IFRS 2 standard. 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 per share acquired taking account of the lock-up period and the purchase price paid by the employee on the issue date multiplied by the number of shares issued.

A more detailed description of the plans and valuation methods is given in Note 7.6, "Share-based payment".

The Group carried out an employee share issue in 2010.

The cost of stock options unwound by Crédit Agricole S.A. equity instruments and the cost of share subscriptions are now recognised in the financial statements of the entities that employ the plan beneficiaries. The impact is recorded under "Personnel costs", with a corresponding increase in "Consolidated reserves (Group share)".

Current and deferred taxes

In accordance with IAS 12, the income tax charge includes all income taxes, whether current or deferred.

The standard defines current tax liability as "the amount of income tax expected to be paid to (recovered from) taxation authorities in a given accounting period". Taxable income is the profit (or loss) for a given accounting period measured in accordance with the rules determined by the taxation authorities.

The applicable rates and rules used to measure the current tax liability are those in effect in each country where the Group's companies are established.

The current tax liability relates to any income due or that will become due, for which payment is not subordinated to the completion of future transactions, even if payment is spread over several years.

The current tax liability must be recognised as a liability until it is paid. If the amount that has already been paid for the current year and previous years exceeds the amount due for these years, the surplus must be recognised under assets.

Moreover, certain transactions carried out by the entity may have tax consequences that are not taken into account in measuring the current tax liability. IAS 12 defines a difference between the carrying amount of an asset or liability and its tax basis as a temporary difference.

This standard requires that deferred taxes be recognised in the following cases:

A deferred tax liability should 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;
- the initial recognition of an asset or a liability in a transaction that is not a business combination and that does not affect either the accounting or the taxable profit (taxable loss) as of the transaction date.

A deferred tax asset should be recognised for any deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, insofar as it is deemed probable that a future taxable profit will be available against which such deductible temporary differences can be allocated.

A deferred tax asset should 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 any taxable temporary differences between the carrying amount of the asset and the tax base. As a result, 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 other comprehensive income. The tax charge or saving effectively borne by the entity arising from these unrealised gains or losses is reclassified as a deduction from these gains.

In France, all but 5% of long-term capital gains on the sale of investments in non-consolidated subsidiaries, as defined by the General Tax Code, are exempt from tax as from the tax year commencing on 1 January 2007; the 5% are taxed at the normally applicable rate. Accordingly, unrealised gains recognised at the end of the year generate a temporary difference requiring the recognition of deferred tax on this 5%.

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 other comprehensive income, during the same year or during another year, in which case it is directly debited or credited to other comprehensive income; 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 apply to taxes assessed by the same tax authority:

a) either for the same taxable entity, or

b) 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 during each future financial year in which it is expected that substantial deferred tax assets or liabilities will be paid or recovered.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax expense continues to be recognised under the "Income tax expense" heading in the income statement.

Treatment of fixed assets (IAS 16, 36, 38, AND 40)

Crédit Agricole Group applies component accounting for all of its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable amount takes account of the potential residual value of property, plant and equipment.

Land is measured at cost less any impairment losses.

Property used in operations, investment property and equipment are measured at cost less accumulated depreciation, amortisation and impairment losses since the time they were placed in service.

Purchased software is measured at purchase price less accumulated depreciation, amortisation and impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation, amortisation and impairment losses since completion.

Apart from software, intangible assets are mainly assets acquired during a business combination resulting from contract law (e.g. distribution agreement).

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by the Crédit Agricole Group following the application of the measures on component accounting for property, plant and equipment. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Not depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	4 to 7 years
Special 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.

Based on available information, the Crédit Agricole Group has concluded that impairment testing would not lead to any change in the existing amount of its fixed assets as of the end of the reporting period.

Currency transactions (IAS 21)

In accordance with IAS 21, a distinction is made between monetary and non-monetary items.

At the reporting date, assets and liabilities denominated in foreign currencies are converted at the closing price into Crédit Agricole Group's operating currency. The resulting conversion rate adjustments are recorded in the income statement. There are two exceptions to this rule:

- for available-for-sale financial assets, only the translation adjustments calculated on amortised cost is taken to the income statement; the balance is recorded in equity;
- translation adjustments on elements designated as cash flow hedges or forming part of a net investment in a foreign entity are recognised in equity.

Non-monetary items are treated differently depending on the type of items:

- items at historical cost are measured at the exchange rate on the transaction date;
- items at fair value are measured at the exchange rate on the closing rate.

Translation adjustments 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 equity if the gain or loss on the non-monetary item is recorded in equity.

Commissions and fees (IAS 18)

Commission and fee income and expense are recognised in income based on the nature of services with which they are associated:

- commission and fees that are an integral part of the effective yield on a financial instrument are recognised as an adjustment to the yield on the instrument and included in its effective interest rate;
- when the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised in "Commission and fees" by reference to the stage of completion of the transaction at the end of the reporting period:

a) commissions and fees paid or received in consideration for non- recurring services are fully recognised in the income statement.

Commissions and fees payable or receivable that are contingent upon meeting a performance target are recognised only if all the following conditions are met:

i) the amount of commission and fees can be reliably estimated,

ii) it is probable that the future economic benefits from the services rendered will flow to the Company,

iii) the stage of completion of the service can be reliably estimated, and the costs incurred for the service and the costs to complete it can be reliably estimated,

b) commissions and fees in consideration for ongoing services, such as commission and fees on payment instruments, are recognised in the income statement and spread over the duration of the service rendered.

Insurance businesses (IFRS 4)

Liabilities remain partially valued under French GAAP, as permitted by IAS and IFRS regulations, pending further amendments to the existing standards. Financial assets held by the Group's insurance companies have been reclassified into the financial assets categories set out in IAS 39.

Contracts containing discretionary participation features are collectively classified as a liability under insurance company technical reserves. They are recognised in the same way as insurance contracts. Premiums on these contracts are recognised as income and the increase in obligations to policyholders is recognised as an expense.

Life insurance technical reserves are conservatively estimated based on the technical rates defined in the contracts. Liabilities associated with contracts with or without discretionary participation features or guaranteed elements, are measured based on the fair value of the underlying assets or its equivalent at the end of the reporting period and are recorded under financial liabilities.

The financial margin on these policies is taken to profit or loss, after reversing out the technical items (premiums, benefits, etc.), according to deposit accounting principles.

Property and casualty insurance policy liabilities are estimated at the reporting date, without applying any discount. The costs for managing claims related to technical provisions posted on closure are provisioned in the financial statements.

For non-life insurance, acquisition costs are deferred in line with the acquisition of the premiums. For life insurance contracts, directly identifiable acquisition costs are deferred over the profit generation period.

Total expenses related to the insurance business are presented in Note 4.5 - Net income (expenses) on other activities.

As permitted by the extension of local GAAP precised by IFRS 4 and CRC regulation 2000-05 pertaining to consolidated financial statements for insurance companies, "shadow accounting" is used to account for insurance liabilities for contracts with discretionary participation features. Under this practice, positive or negative valuation differences in the corresponding financial assets that will potentially revert to policyholders are recognised in a "Deferred profit sharing" reserve.

The deferred profit sharing is recognised on the liabilities side of the balance sheet under insurance company technical reserves or on the asset side with an offsetting entry in the income statement or in the valuation reserve, in the same way as unrealised gains and losses on the underlying assets.

The deferred profit sharing is determined in two stages:

- by allocating unrealised gains and losses on the assets to insurance contracts with participation features on the basis of a three-year historic average;
- then by applying to the remeasurements of insurance contracts with participation features a historical distribution key observed over the past three years for redeemable securities and a 100% key for the other financial assets.

To determine whether the deferred profit-sharing asset is recoverable, tests are carried out to determine whether any unrealised losses can be applied to future surpluses before testing for liability shortfall in accordance with the CNC recommendation of 19 December 2008. These tests are based:

- first, on liquidity analyses of the Company, which show the enterprise's capacity to access funding sources to meet its obligations and its ability to hold assets with unrealised losses even if new production declines. The tests were performed with and without new production;
- second, on a comparison between the average value of future services measured by the internal model replicating the Company's management decisions and the value of the assets representing the obligations at fair value. This shows the enterprise's ability to meet its obligations.

Lastly, sensitivity tests on the ability to activate the deferred profit sharing are also carried out:

- in the event of a uniform 15% increase in redemptions applied to redemption rates drawn from scenarios similar to those used by the banking and insurance sector regulatory authority Presidential Control Authority (ACP);
- in the event of an additional 10% decline in the equity markets.

In accordance with IFRS 4, at each reporting date, the Group also ascertains that insurance liabilities (net of deferred acquisition costs and associated intangible assets) are adequate to meet estimated future cash flows.

The liability adequacy test used to verify this must meet the following minimum requirements, as defined in paragraph 16 of the standard:

- it must consider current estimates of all future contractual cash flows, including associated management costs, commission and fees as well as options and guarantees implicit in these contracts;
- if the test shows that the liability is inadequate, it is wholly provided for in profit or loss.

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 lease finance.

Lease finance operations are treated as an acquisition of a fixed asset by the lessee financed by a loan from the lessor.

In the lessor's financial statements, analysis of the economic substance of the transactions results in the following:

- recognition of a financial receivable from the customer, which is amortised by the lease payments received;
- lease payments are broken down into interest and principal, known as financial amortisation;
- recognition of a net lease reserve. This is equal to the difference between:

a) the net lease receivable: amount owned by the lessee, comprising outstanding capital and accrued interest at the reporting date,

b) the net carrying amount of the leased fixed assets,

c) the provision for deferred taxes.

In the lessee's financial statements, 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 financial liability, recording the purchased asset under assets and depreciating the asset.

In the income statement, the theoretical depreciation charge (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.

For operating leases, the lessee recognises payments as expenses and the lessor records the corresponding income under rents, and the leased assets on 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 of sale. A charge for impairment of unrealised gains is recognised in the income statement. Unrealised gains are no longer amortised when they are reclassified.

A discontinued operation is a component of the Group that has either been disposed of, or is classified as held for sale, according to the following situations:

- it represents a separate major business line or geographical area of operations;
- it is part of a single coordinated plan to dispose of a separate major business line or geographical area of operations; or
- it 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 or loss of discontinued operations until the date of disposal;
- the post-tax gain or loss recognised on the disposal or on measurement to fair value less costs of sale 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 of the Crédit Agricole Group include:

- the financial statements of Crédit Agricole S.A. as the central body;
- the financial statements for institutions affiliated to the central body under Directive 86/635, concerning the accounts of European lending banks, which together with Crédit Agricole S.A., the Regional Banks and the Local Banks form the "reporting entity";
- and all the companies in which, according to IAS 27, IAS 28 and IAS 31 standards, Credit Agricole S.A., the Regional Banks and Local Banks have a controlling interest. This control is presumed when Crédit Agricole S.A., the Regional Banks or Local Banks hold, directly or indirectly, at least 20% of the existing or potential voting rights.

Definitions of control

In compliance with international standards, all entities under exclusive control, under joint control or under significant influence are consolidated, provided that their contribution is deemed material and that they are not covered under the exclusions below.

Materiality is assessed in the light of three main criteria representing a percentage of the consolidated balance sheet, the consolidated net assets and the consolidated results.

Exclusive control is presumed to exist when Crédit Agricole S.A. and the Regional Banks hold over half of the voting rights in an entity, whether directly or indirectly through subsidiaries, except in exceptional circumstances when it can be clearly demonstrated that such ownership does not give it control. Exclusive control also exists when Crédit Agricole S.A. and the Regional Banks own half or less than half of the voting rights or potential voting rights in an entity, but holds a majority within the 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 influence but not control a company's financial and operational policies. Crédit Agricole S.A. and the Regional Banks are presumed to have significant influence if they hold 20% or more of the voting rights in an entity, whether directly or indirectly through subsidiaries.

Consolidation of *ad hoc* Entities

The consolidation of *ad hoc* Entities (entities created to manage a given transaction or a set of similar transactions), and more specifically of funds held under exclusive control, is specified by SIC 12.

In accordance with SIC 12, *ad hoc* Entities are consolidated when the Crédit Agricole Group exercises control in substance over the entity, even if there is no equity relationship. This applies primarily to dedicated mutual funds.

Whether or not an *ad hoc* Entity is controlled in substance is determined by considering the following criteria:

- Activities of *ad hoc* Entities are organised on behalf of a company in the Crédit Agricole Group depending on its specific business needs, such that this company obtains benefits from the ad hoc entity's activities;
- the company, in substance, has the decision-making powers to obtain a majority of the benefits of the *ad hoc* company's activities or has delegated such decision-making powers by establishing an "autopilot" mechanism;
- the company, in substance, has rights to obtain a majority of the benefits of the *ad hoc* entity's activities and as a result may be exposed to the risks related to the *ad hoc* entity's activities; or
- the company, in substance, retains the majority of the residual risks or risks arising from ownership relating to the *ad hoc* entity 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, minority interests held by venture capital entities are also excluded from the scope of consolidation insofar as they are classified under financial assets designated as at fair value through profit or loss (including financial assets at fair value through profit or loss and financial assets designated at fair value through profit or loss upon initial recognition).

Consolidation methods

Consolidation methods are defined by IAS 27, 28 and 31 respectively. They result from the type of control exercised by the reporting entity over entities that can be consolidated, regardless of the business or whether or not they have legal entity status:

- full consolidation, for entities under exclusive control, including entities with different financial statement structures, even if their business is not an extension of that of the reporting entity;
- proportional consolidation, for entities under joint control, including entities with different financial statement structures, even if their business is not an extension of that of the reporting entity;
- the equity method, for the entities over which significant influence is exercised.

Full consolidation consists in substituting for the value of the securities each of the assets and liabilities items carried by each subsidiary. The share of the minority interests in equity and income is separately identified in the consolidated balance sheet and income statement.

Minority interests correspond to the holdings that do not allow control as defined by IAS 27 and incorporate the instruments that are shares of current interests and that give right to a proportional share of net assets in the event of liquidation and the other equity instruments issued by the subsidiary and not held by the Group.

Proportional consolidation consists of eliminating the carrying amount of the shares held in the consolidating company's financial statements and of adding a proportion of the assets, liabilities and profit of the consolidated company representing the consolidating company's interest.

The equity method consists of substituting for the value of shares the Group's proportional share of the equity and income of the companies concerned.

Adjustments and eliminations

Adjustments are made to harmonise the methods of valuating the consolidated companies, unless they are deemed to be non-material.

Group internal transactions affecting the consolidated balance sheet and income statement are eliminated.

Capital gains or losses arising from intra-Group asset transfers are eliminated; any potential lasting impairment measured at the time of disposal in an internal transaction is recognised.

Translation of foreign subsidiaries' financial statements (IAS 21)

Financial statements of subsidiaries denominated in foreign currencies are translated into euros in two stages:

- if applicable, the local currency, in which the financial statements are prepared, is translated into the functional currency (currency of the main business environment of the entity) using the historical cost method, and all translation adjustments are fully and immediately recognised in the income statement;
- the functional currency is translated into euros, the currency in which the Group's consolidated financial statements are presented. Assets and liabilities are translated at the closing rate. Income and expenses included in the income statement are translated at the average exchange rate for the period. Translation adjustments for assets, liabilities and income statement items are recorded under a specific item in equity.

Business combinations - Goodwill

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control (in particular mergers of Regional Banks) which are excluded from the field of application of IFRS 3. These transactions are entered at net carrying amount in accordance with French GAAP, as allowed by IAS 8.

On the date of acquisition the identifiable assets, liabilities and contingent liabilities of the acquired entity which satisfy the conditions for recognition set out in IFRS 3 are recognised at their fair value.

Notably, restructuring liabilities are only recognised as a liability of the acquired entity if, at the date of acquisition, the acquiree is under an obligation to complete the restructuring.

Price adjustment clauses are, for the transactions conducted after 1 January 2010, recognised at their fair value (if it can be reliably determined) even if their application is not probable. Subsequent changes in the fair value of clauses if they are financial debts are recognised in the income statement.

For the transactions conducted prior to 31 December 2009, these clauses were only incorporated in the acquisition cost of the entity acquired when their application became probable even after the 12 month allocation period.

The initial assessment of assets, liabilities and contingent liabilities may be revised within a period of 12 months after the date of acquisition.

Since January 1, 2010, the portion of holdings not allowing control that are shares of current interests giving rights to a share of the net asset in the event of liquidation may be measured, at acquirer's choice, in two ways:

- at fair value on the date of acquisition;
- at the share of identifiable assets and liabilities of the acquired entity revalued at fair value.

The option may be exercised by acquisition.

The balance of interests not allowing control (equity instruments issued by the subsidiary and not held by the Group) should be recognised for its fair value on the date of acquisition.

The initial assessment of assets, liabilities and contingent liabilities may be revised within a maximum period of twelve months after the date of acquisition.

Some transactions relating to the acquired entity are recognised separately from the consolidation. This applies primarily to:

- transactions that end an existing relationship between the acquired company and the acquiring company;
- transactions that compensate employees or shareholders of the acquired company for future services;
- transactions whose aim is to have the acquired company or its former shareholders repay expenses borne by the acquirer.

These separate transactions are generally recognised in the income statement at the acquisition date.

The transferred counterparty at the time of a business combination (the acquisition cost) is measured as the total of fair values transferred by the acquirer, on the date of acquisition in exchange for control of the acquired entity (for example: cash, equity instruments, etc.).

For transactions conducted prior to 31 December 2009, the acquisition cost also contained the costs directly attributable to the business combination.

For transactions conducted starting 1 January 2010, the costs directly attributable to the business combination shall be recognised as expenses, separately from the business combination. If the transaction has very strong possibilities of occurring, they are recognised under the heading “Net gains (losses) on disposal of other assets”, otherwise they are recognised under the heading “Operating expenses”.

The spread between the cost of acquisition and interests that do not allow control and the net balance on the date of acquisition of acquired identifiable assets and liabilities taken over, valued at their fair value is recognised, when it is positive, in the assets side of the consolidated balance sheet, under the heading “Goodwill” when the acquired entity is fully or proportionately consolidated and in the heading “Investments in equity-accounted companies” when the acquired company is consolidated using the equity method. Any negative goodwill is recognised immediately through profit or loss.

Goodwill is carried in the balance sheet at its initial amount in the currency of the acquired entity and translated at the closing rate.

When control is taken by stages, the interest held before taking control is revaluated at fair value through profit or loss at the date of acquisition and the goodwill is calculated once, using the fair value at the date of acquisition of acquired assets and liabilities taken over.

It is tested for impairment whenever there is objective evidence of a loss of value and at least once a year.

The choices and assumptions used in assessing the holdings that do not allow control at the date of acquisition may influence the amount of initial goodwill and any impairment resulting from a loss of value.

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.

The recoverable amount of the CGU is defined as the higher of market value and value in use. The value in use is the present value of the future cash flows 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, a corresponding impairment loss is recognised for the goodwill allocated to the CGU. This impairment is irreversible.

In the case of an increase in the percentage of interest of the Group in an entity that is already exclusively controlled, the difference between the acquisition cost and the share of net assets resulting from this increase is recognised under the item “Consolidated reserves, Group share”. In the event that the Group’s percentage of ownership interest in an entity that remains under its exclusive control declines, the difference between the selling price and the carrying amount of the minority interests sold is also recognised directly under “Consolidated reserves, Group share”. The expenses arising from these transactions are recognised in equity.

When there is a change in the percentage of interest in an entity already exclusively controlled, the value of goodwill as an asset is unchanged but is reallocated between the equity, Group share and the interests that do not allow control.

Crédit Agricole Group has granted, to shareholders of certain subsidiaries consolidated by full integration, commitments to buyback their interests in these subsidiaries, whose price is established using a predefined formula that incorporates the future changes in the activity of the subsidiaries concerned. These commitments are effectively sale options granted to minority shareholders, that lead, in compliance with IAS 32, to giving the minority interests concerned the status of liabilities and not equity.

The accounting treatment of sale options granted to minority shareholders is as follows:

- when a sale option is granted to the minority shareholders of a fully consolidated subsidiary, a liability is recognised in the balance sheet; on initial recognition, the liability is measured at the estimated present value of the exercise price of the options granted. Against this liability, the share of net assets belonging to the minority shareholders concerned is reduced to zero and the remainder is deducted from equity;
- subsequent changes in the estimated value of the exercise price will affect the amount of the liability, offset by an equity adjustment. Symmetrically, subsequent changes in the share of net assets due to minority shareholders are cancelled, offset in equity.

When there is a loss of control, the proceeds from the disposal are calculated on the entirety of the entity sold and any investment share kept is recognised in the balance sheet at its fair value on the date control was lost.

2. SCOPE OF CONSOLIDATION

The scope of consolidation at 31 December 2010 is shown in detail at the end of the notes to the consolidated financial statements.

2.1 Changes in the scope of consolidation during the financial year

I - Newly consolidated companies at 31 December 2010

Companies consolidated following creation, acquisition or acquisition of additional shares, application of materiality threshold

French retail banking

- Regional Banks subsidiaries
  - Anjou Maine Gestion
  - CA Aquitaine Agences Immobilières
  - CA Aquitaine Immobilier
  - CAP Actions 2
  - CAP Obligataire
  - Financière PCA
  - Nord Est Optimo S.A.S.
  - Sud Rhône Alpes Placement
  - Toulouse 31 Court Terme
  - Toulouse 31 Obligations
  - Val de France Rendement

Specialised financial services

- Crédit Agricole Leasing & Factoring
  - New Theo
  - Tunisia Factoring
- Crédit Agricole Consumer Finance
  - Emporiki Rent Long Term Leasing of Vehicles S.A. (ex Antena)
  - GAC – Sofinco Auto Finance Co. Ltd.

Asset management, insurance and private banking

- Amundi
  - SGAM Iberia
- Crédit Agricole Assurances
  - SAS CAAGIS
  - Predica
    - FCPR Roosevelt Investissements
    - Predica 2010 FCPR A1
    - Predica 2010 FCPR A2
    - Predica 2010 FCPR A3
    - Predica Secondaires I A1
    - Predica Secondaires I B1
    - Prediquant Stratégies

Corporate and investment bank

- Crédit Agricole CIB
  - Cheuvreux/CLSA Global Portfolio Trading Pte Ltd.
  - Crédit Agricole CIB Services Private Ltd.

Corporate centre

- Other
  - SCI D2 CAM

II - Removal at 31 December 2010

Sales of companies outside the Group and deconsolidation following a loss of control

International retail banking

- Other
  - Banque Indosuez Mer Rouge

Specialised financial services

- Crédit Agricole Consumer Finance
  - Carrefour Servizi Finanziari S.p.A.

Corporate and investment banking

- Crédit Agricole CIB
  - Crédit Agricole CIB Saudi Fransi Ltd.

Corporate centre

- Other
  - Intesa Sanpaolo S.p.A. (loss of significant influence)

Application of materiality threshold or discontinued operations:

French retail banking

- Regional Banks subsidiaries
  - Force Aquitaine
  - Force CAM Guadeloupe Avenir
  - SCI Les Palmiers du Petit Pérou

Specialised financial services

- Crédit Agricole Consumer Finance
  - GEIE Argence Management
  - Credigen Bank
  - Sofilead
  - Sofiliance
  - SSF (Sofinco Saudi Fransi)

Corporate and investment banking

- Crédit Agricole CIB
  - Calyon Bank Polska S.A.
  - Chauray
  - EDELAAR EESV

Corporate centre

- Other
  - G.F.E.R (Groupement de Financement des Entreprises Régionales)

Merger with or takeover by a Group company:

French retail banking

- Regional Banks subsidiaries
  - Caisse régionale Sud Rhône Alpes takes over SCI Hautes Faventines, SCI du Vivarais and Creagrisere

Specialised financial services

- Crédit Agricole Consumer Finance
  - Antena Emporiki Rent Long Term Leasing of Vehicles S.A. (ex Antena) takes over Emporiki Rent
  - Sofinco takes over CACF and Finaref S.A.
  - FGA Capital S.p.A. Group:
    - Leasys S.p.A. takes over Savarent S.p.A.

Asset management, insurance and private banking

- Amundi
  - AMUNDI takes over CAAM Financial Solutions
  - AMUNDI Iberia S.G.I.I.C S.A. takes over CAAM ESPANA S.L. and CAAM DISTRIBUTION A.V.
  - AMUNDI Intermédiation takes over SGAM Négociation
  - AMUNDI Japan takes over CA Asset Management Japan Ltd.
  - AMUNDI Luxembourg S.A. takes over SGAM Luxembourg
  - AMUNDI SGR S.p.A. takes over SGAM Italia
- CACEIS
  - CACEIS (USA) Inc. takes over Olympia Capital Associates L.P., Olympia Capital Inc., and Brooke Securities Inc.
- Crédit Agricole Assurances
  - Pacifica takes over Assurances du CA Nord-Pas de Calais

Corporate centre

- Tourism - property development
  - UNIMO takes over AEPRIM
- Other
  - Unibiens takes over Crédit Agricole Immobilier Transaction

Transfer of all assets and liabilities to a Group company:

Specialised financial services

- Crédit Agricole Leasing & Factoring
  - Transfer of all assets and liabilities of Unimat and Slibail Longue Durée (SLD) to Lixxbail

Corporate and investment banking

- Crédit Agricole CIB
  - Transfer of all assets and liabilities of Doumer Philemon to Crédit Agricole CIB S.A.

III - Change of company name

French retail banking

- Regional Banks subsidiaries
  - CAP Actions renamed CAP Régulier 1
  - Force Midi renamed Force Languedoc
  - Participex renamed Nord Capital Investissement

Specialised financial services

- Crédit Agricole Consumer Finance
  - Antena renamed Emporiki Rent Long Term Leasing of Vehicles S.A.
  - CA Deveurop B.V. renamed Crédit Agricole Consumer Finance Nederland
  - Emporiki Credicom renamed Credicom Consumer Finance Bank S.A.
  - FGA Capital S.p.A. Group:
    - Fiat Distribudora Portugal renamed FGA Distribudora
    - Fidis Leasing Polska Sp. Zo.o. renamed FGA Leasing Polska
    - Fidis Retail IFIC S.A. renamed FGA Capital IFIC
  - InterBank N.V. Group
    - Passive Portfolio B.V. renamed Krediet '78 B.V.
  - Sofinco renamed Crédit Agricole Consumer Finance
- Crédit Agricole Leasing & Factoring
  - Crédit Agricole Leasing renamed Crédit Agricole Leasing & Factoring
  - InterFactor Europa (Spain) renamed Eurofactor Hispania S.A.

Asset management, insurance and private banking

- Amundi
  - CA Asset Management Hong Kong Ltd. renamed AMUNDI Hong Kong Ltd.
  - CA Asset Management Ltd. renamed AMUNDI (UK) Ltd.
  - CA Asset Management Luxembourg renamed AMUNDI Luxembourg S.A.
  - CA Asset Management Singapore Ltd. renamed AMUNDI Singapore Ltd.
  - CAAM AI Ltd. renamed AMUNDI Alternative Investments Ltd.
  - CAAM AI S Inc. renamed AMUNDI Alternative Investments Services Inc.
  - CAAM AI S.A.S. renamed AMUNDI AI S.A.S.
  - CAAM AI Inc. renamed AMUNDI Alternative Investments Inc.
  - CAAM FONDOS S.G.I.I.C renamed AMUNDI Iberia S.G.I.I.C S.A.
  - CAAM AI Holding renamed AMUNDI AI Holding
  - CAAM Real Estate Italia SGR renamed AMUNDI Real Estate Italia SGR S.p.A.
  - CAAM Securities Company Japan KK renamed AMUNDI Japan Securities Cy Ltd.

- CAAM SGR renamed AMUNDI SGR S.p.A.
- CASAM Advisers LLC renamed AMUNDI Investment Solutions Americas LLC
- CASAM Americas Inc. renamed AMUNDI Investment Solutions Americas Holding Inc.
- Emporiki Asset Management A.E.D.A.K renamed AMUNDI Hellas MFMC S.A.
- Nonghyup-CA renamed NH-CA Asset Management Ltd.
- Segespar Finance renamed AMUNDI Finance
- Segespar Intermédiation renamed Amundi Intermédiation
- SGAM Japan renamed AMUNDI Japan
- SGAM North Pacific Ltd. renamed AMUNDI Japan Holding

Corporate and investment banking

- Crédit Agricole CIB
  - Banco Calyon Brasil renamed Banco Crédit Agricole Brasil S.A.
  - CA Cheuvreux renamed Crédit Agricole Cheuvreux S.A.
  - CA Cheuvreux España S.A. renamed Crédit Agricole Cheuvreux Espana S.A.
  - CA Preferred Funding renamed Crédit Agricole CIB Preferred Funding LLC
  - CA Preferred Funding II renamed Crédit Agricole CIB Preferred Funding II LLC
  - CAC International Ltd. renamed Crédit Agricole Cheuvreux International Ltd.
  - CAC Nordic AB renamed Crédit Agricole Cheuvreux Nordic AB
  - CAC North America Inc. renamed Crédit Agricole Cheuvreux North America Inc.
  - Calyon Air Finance S.A. renamed Crédit Agricole CIB Air Finance S.A.
  - Calyon Asia Shipfinance Service Ltd. renamed Crédit Agricole Asia Shipfinance Ltd.
  - Calyon Australia Ltd. renamed Crédit Agricole CIB Australia Ltd.
  - Calyon Bank Ukraine renamed PJSC Crédit Agricole CIB Ukraine
  - Calyon Capital Market Asia BV renamed Crédit Agricole CIB Capital Market Asia BV
  - Calyon China Limited renamed Crédit Agricole CIB China Ltd.
  - Calyon CLP renamed Crédit Agricole CIB LP
  - Calyon Financial Solutions renamed Crédit Agricole CIB Financial Solutions
  - Calyon Global Banking renamed Crédit Agricole CIB Global Banking
  - Calyon Global Partners Group renamed Crédit Agricole CIB Global Partners Inc. Group
  - Calyon Holdings renamed Crédit Agricole CIB Holdings Ltd.
  - Calyon Investments renamed Crédit Agricole CIB UK IH
  - Calyon Merchant Bank Asia Ltd. renamed Crédit Agricole CIB Merchant Bank Asia Ltd.
  - Calyon Rusbank S.A. renamed Crédit Agricole CIB ZAO Russia
  - Calyon Saudi Fransi Limited renamed Crédit Agricole CIB Saudi Fransi Ltd.
  - Calyon Securities Japan renamed Crédit Agricole Securities Asia BV (Tokyo)
  - Calyon Securities USA Inc. renamed Crédit Agricole Securities USA Inc.
  - Calyon Yatirim Bankasi Turk A.S. renamed Crédit Agricole Yatirim Bankasi Turk A.S.
  - Financière Immobilière Calyon renamed Financière Immobilière Crédit Agricole CIB

Corporate centre

- Tourism - property development
  - UNIMO renamed CA Immobilier Promotion
- Other
  - IDIA Agricapital renamed IDIA-Sodica

IV - Change of consolidation method

Asset management, insurance and private banking

- Amundi
  - Fund Channel is now consolidated by the equity method.

2.2 Main acquisitions during the financial year

Italian operations

Sale of Intesa Sanpaolo shares

In the first quarter of 2010 Crédit Agricole S.A. sold a block of 97,000,000 shares of Intesa Sanpaolo, representing 0.8% of the capital of Intesa Sanpaolo, then in July 2010, sold an additional 1,000,000 shares. After these sales, the percentage of control of Crédit Agricole S.A. in the capital of Intesa Sanpaolo became 4.79%.

The loss incurred by the Group on these sales of Intesa Sanpaolo shares was €171 million recognised under "Net gains (losses) on other assets".

Crédit Agricole S.A. terminates its representation on the Supervisory Board of Intesa Sanpaolo S.p.A

Following the meeting of Crédit Agricole S.A.'s Board of Directors on 16 December 2010, Crédit Agricole S.A. brought an end to the mechanism which enabled its representation on the Supervisory Board of Intesa Sanpaolo S.p.A. This representation, resulting from the agreement signed with Intesa Sanpaolo S.p.A. on 17 February 2010, was due to end by 30 June 2011.

This decision has resulted in a reclassification in the financial statements of Crédit Agricole S.A.'s 4.79% stake in Intesa Sanpaolo - with 4.99% of voting rights - from the category of equity affiliates to that of available-for-sale financial assets.

The fourth quarter 2010 impact on the net income of Intesa Sanpaolo was a negative €1,243 million, due primarily to the revaluation of this interest at fair value on 17 December 2010 (date of the loss of significant influence) presented in the "Share of profit in equity-accounted entities" item. After that date, Intesa Sanpaolo shares were valued in compliance with the principles described in Note 1.3 – Securities classified as assets.

Merger of Sofinco and Finaref

On 1 April 2010, the General Meetings of Shareholders of Sofinco and of Finaref approved the merger of these two companies to create Crédit Agricole Consumer Finance, the new leader in consumer finance in France and Europe: Sofinco took over Finaref and Crédit Agricole Consumer Finance and then changed names for Crédit Agricole Consumer Finance. This transaction has no impact on the Crédit Agricole Group consolidated financial statements.

Emporiki impairment

Emporiki Bank, a subsidiary of Crédit Agricole S.A., updated its Restructuring and development plan for the 2009-2013 period. The goal, which is unchanged, is to address the issue of profitability and see a return to profit by 2012 in order to create a solid basis for sustainable growth.

The update of this plan resulted in an additional €445 million impairment charge being recognised against the value of the Crédit Agricole Group's interest in Emporiki, which was taken into account in the Crédit Agricole Group's income statement for the first half of 2010.

Sale of Credit Uruguay Banco (IFRS 5)

Continuing its withdrawal from countries States and territories that are non-cooperative in tax matters, on 4 May 2010 Crédit Agricole S.A. signed an agreement for the sale by Crédit Agricole S.A. to Banco Bilbao Vizcaya Argentaria Uruguay of 100% of the capital of Credit Uruguay Banco, its subsidiary retail bank in Uruguay for €75 million.

In application of IFRS 5 "Non current assets held for sale and discontinued activities", the assets and liabilities of Credit Uruguay Banco were reclassified in the second half of 2010 in Income, non-current assets and liabilities held for sale.

This agreement remained subject to validation by the Uruguayan and Spanish financial and regulatory authorities at 31 December 2010.

The effective sale occurred on 18 January 2011 and the income from the sale will be recognised in the first quarter of 2011.

Sale of Banque Indosuez Mer Rouge (IFRS 5)

On 2 August 2010, Bank of Africa Group and Crédit Agricole S.A. announced the signing of an agreement regarding the acquisition by Bank of Africa of 100% of the capital of Banque Indosuez Mer Rouge (BIMR), Crédit Agricole S.A.'s 100%-owned banking subsidiary in Djibouti.

The effective completion of this transaction occurred in the fourth quarter of 2010, following validation by the financial and regulatory authorities to which the transaction was submitted.

This sale is part of the refocusing by Crédit Agricole S.A. Group of its international retail operations on Europe and the Mediterranean basin, a process announced as part of the capital increase carried out by Crédit Agricole S.A. in 2008.

The disposal generated gains of €11 million that is included in "After-tax income from discontinued or held-for-sale operations".

Partnership between CITIC Securities and Crédit Agricole CIB of their equity activities around the world

On 3 May 2010, CITIC Securities and Crédit Agricole Corporate & Investment Bank signed a letter of intent documenting the start of their exclusive negotiations in order to explore the opportunity of combining their strengths in global equity brokerage and investment banking. The activities covered by this partnership are equity brokerage, customer-oriented equity derivatives and pan Asian investment banking (advisory and equity capital markets, "ECM").

By combining their respective strengths, the mutual ambition is to create a leading pan-Asian brokerage and investment bank, to seize the ever greater opportunities on the Asian capital markets, especially in China.

This partnership opportunity is still subject to approval by the regulatory authorities, and will undergo the necessary consultation process (in particular with the employee representatives). It will have no impact on the consolidated financial statements of the Crédit Agricole Group at 31 December 2010.

2.3 Investment in equity-accounted entities

(in millions of euros)	31/12/2010					
	Equity-accounted value	**Market value**	**Total assets**	**Net banking income**	**Net income**	**Share of net income**
Financial institutions	**3,659**					**(896)**
Bank Al Saudi Al Fransi	1,067	2,007	24,589	887	566	141
B.E.S.	1,273	801	83,655	2,367	511	118
Bankinter (1)	1,084	486	54,025	1,102	151	(19)
Intesa Sanpaolo S.p.A. (2)						(1,153)
Other	235					17
Non-finance companies	**700**					**(4)**
Eurazeo (3)	634	599	15,032	2,959	10	(5)
Other	66					1
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES	**4,359**					**(900)**

The change in the line item "Investments in equity-accounted entities" in the 2010 financial year is mainly due to deconsolidation of the investment in Intesa Sanpaolo S.p.A, following the Group's decision, on 16 December 2010, to bring an end to the mechanism which enabled its representation on the Supervisory Board of that company.

(1) Including impairment of the equity-accounted value of €209 million, of which €57 million corresponds to the current financial year.

(2) The investment in Intesa Sanpaolo S.p.A., consolidated using the equity method since 30 June 2009, was reclassified as a non-consolidated company ("Available-for-sale financial assets") in December 2010. The equity-accounted income for 2010 of -€1,153 million incorporates income revaluation of that investment at its fair value on 17 December 2010 (date of loss of significant influence).

(3) Total assets data are those published by the company at 30 June 2010. NBI and net income are those published by the company in the second half-year of 2009 and first half-year of 2010.

The market value shown in the table above corresponds to the quoted price of the shares on the market at 31 December 2010. This value may not be representative of the selling value since the value in use of equity-accounted entities may be different from the equity-accounted value.

This value may not be representative of the value of equity-accounted securities determined in compliance with IAS 28.

(in millions of euros)	31/12/2009					
	Equity-accounted value	**Market value**	**Total assets**	**Net banking income**	**Net income**	**Share of net income**
Financial institutions	**6,341**					**30**
Bank Al Saudi Al Fransi	861	1,703	22,314	820	471	118
B.E.S.	1,277	1,273	82,297	2,419	522	133
Bankinter (1)	1,134	793	54,468	1,245	254	4
Intesa Sanpaolo S.p.A. (2)	2,946	2,220	631,608	13,416	2,262	(232)
Other	123					7
Non-finance companies	**739**					**(36)**
Eurazeo (3)	635	506	15,297	1,792	(178)	(35)
Other	104					(1)
NET CARRYING VALUE OF INTERESTS IN EQUITY-ACCOUNTED COMPANIES	**7,080**					**(6)**

(1) Including a €153 million impairment of the equity-accounted value.

(2) Including a €379 million impairment of the equity-accounted value.
Intesa Sanpaolo S.p.A. was consolidated for the first time at 30 June 2009.
Total assets, net banking income and net income are based on figures reported by Company for the period ended 30 September 2009.

(3) Total assets, net banking income and net income are based on figures reported by Company for the period ended 30 June 2009.

2.4 Securitisation transactions

Securitisation transactions carried out on behalf of customers

Information on securitisation transactions carried out on behalf of customers is provided in the management report in the section entitled “Risk factors - Particular risks attributable to the financial crisis”.

Securitisation transactions on own account

The Crédit Agricole Consumer Finance Group carries out securitisation transactions on own account. At 31 December 2010, the Crédit Agricole Consumer Finance Group managed 14 consolidated vehicles for the securitisation of retail consumer loans and dealer financing in Europe. The carrying amounts of the relevant assets (net of related liabilities) amounted to €13,974 million at 31 December 2010 compared with €11,050 million at 31 December 2009. They included customer loans with a net carrying amount of €12,130 million at 31 December 2010 compared with €10,569 million at 31 December 2009.

All securitisation transactions performed within the Crédit Agricole Consumer Finance Group are not considered as forming part of deconsolidation transactions under IFRS, and have therefore been reinstated in the Crédit Agricole Group’s consolidated financial statements.

2.5 Investments in non-consolidated companies

These investments, which are included in the portfolio of “Available-for-sale assets”, consist of variable-income securities representing a significant percentage of the share capital of the companies that issued them and are intended to be held for the long term.

This line item (including accrued interest) amounted to €7,324 million at 31 December 2010, compared with €5,925 million at 31 December 2009.

The change in this line item mainly concerns reclassification of the 4.79% interest in Intesa Sanpaolo for €1,311 million (the fair value at 17 December 2010), equity-accounted at end-2009 and reclassified following the

Group's decision, taken on 16 December 2010, to bring an end to the mechanism which enabled its representation on the Supervisory Board of that company.

At 31 December 2010, the main investment in a non-consolidated company where percentage of control is greater than 20%, and which has significant value on the balance sheet, was Crédit Logement (A and B shares). The Group's investment amounts to €476 million.

These shares represent 33% of the share capital of Crédit Logement but do not confer any significant influence on that entity which is jointly held by various French banks.

The amount of net charges for the durable impairment of investments in non-consolidated companies over the 2010 financial year was €64 million, as recognised in the income statement.

2.6 Goodwill

(in millions of euros)	31/12/2009 Gross	31/12/2009 Net	Increases (Acquisitions)	Decreases (Disposals)	Impairment losses during the period (2)	Translation adjustments	Other movements (1)	31/12/2010 Gross	31/12/2010 Net
French retail banking	**5,594**	**5,592**	**4**		**(4)**		**(5)**	**5,593**	**5,587**
• o/w LCL Group	5,560	5,560					**(2)**	5,558	5,558
Specialised financial services	**3,474**	**3,328**	**8**			**3**	**26**	**3,511**	**3,365**
• o/w Consumer Finance	3,013	3,013	5			3	26	3,047	3,047
• o/w Leasing & Factoring	461	315	3					464	318
Asset management, insurance and private banking	**4,774**	**4,774**	**5**			**10**	**(81)**	**4,708**	**4,708**
• o/w asset management	2,183	2,183				8	(59)	2,132	2,132
• o/w investor services	682	682	5				(22)	665	665
• o/w insurance	1,274	1,274						1,274	1,274
• o/w international private banking	635	635				2		637	637
Corporate and investment banking	**2,527**	**2,513**				**6**	**(8)**	**2,525**	**2,511**
International retail banking	**4,952**	**4,093**			**(473)**	**8**		**4,966**	**3,628**
• o/w Greece	1,628	824			(445)			1,628	379
• o/w Italy	2,618	2,618						2,618	2,618
• o/w Poland	264	264						264	264
Corporate centre	**77**	**75**		**(2)**			**(1)**	**72**	**72**
TOTAL	**21,398**	**20,375**	**17**	**(2)**	**(477)**	**27**	**(69)**	**21,375**	**19,871**

(1) Goodwill adjustments occurring during the period allowed for allocating goodwill: essentially, the identification of an intangible asset at Amundi corresponding to the fair value of the distribution contract in Société Générale Group networks, which reduces goodwill by €79 million after tax.

(2) €445 million for impairment of goodwill on Emporiki Bank, €27 million for Crédit Agricole Banka Srbija a.d. Novi Sad, and €4 million for Nord de France Immobilier.

Goodwill at 1 January 2010 was subject to impairment testing 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. The following assumptions were used:

- estimated future flows: projected data over three years based on the Group's development project. Five-year projected data can be used for some CGUs within which new strategic directions are implemented;
- perpetuity growth rates: rates varying depending on the CGU, as shown in the table below;
- discount rate: rates varying depending on the CGU, as shown in the table below:

In 2010	Perpetuity growth rates	Discount rate
Retail banking (French & International)	2% to 3%	9.2 % to 15.6 %
Specialised financial services	2% to 2.5 %	9.2 % to 12.2 %
Asset management, insurance and private banking	2 %	9.7 % to 10.1 %
Corporate and investment bank	1 %	12.6 %
Corporate centre	2 %	11.8 %

These tests resulted in the recording of impairment charges of €477 million during the 2010 financial year, mainly in relation to Emporiki Bank and Crédit Agricole Banka Srbija a.d. Novi Sad, where the charges amounted to €445 million and €27 million respectively.

The stress tests performed show that:

- a change of +5% in the discount rates would result in an additional impairment expense amounting to 0.6% of the net value of goodwill;
- a 5% decrease in the discount rate would lead to a situation of unrealised gains on all of our CGUs.

3. FINANCIAL MANAGEMENT, EXPOSURE TO RISK AND HEDGING POLICY

The Crédit Agricole S.A. Financial Management Department is responsible for structuring financial flows within the Crédit Agricole Group, defining and implementing refinancing rules, asset and liability management, and managing prudential ratios. It sets out the principles and ensures a cohesive financial management system throughout the Group.

The Group's banking risk management is handled by the Group Risk Management and Permanent Controls department (DRG). This department reports to the Chief Executive Officer, and its task is to control credit, financial and operational risks and to oversee projects affecting management of these risks.

A description of these processes and the related comments now feature in the management report in the section entitled "Risk factors", as allowed by IFRS 7. Nonetheless, the accounting breakdowns are still presented in the financial statements.

3.1. Credit risk

(see Chapter on "Crédit Agricole Group Risk Factors – Credit Risk" in the management report

Credit risk occurs when a counterparty is unable to honour its obligations and when the carrying amount of these obligations in the bank's records is positive. The counterparty may be a bank, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person.

The exposure may be a loan, debt security, deed of property, performance exchange contract, performance bond or unused confirmed 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.

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.

(in millions of euros)	**31/12/2010**	**31/12/2009**
Financial assets at fair value through profit or loss (excluding variable-income securities and assets backing unit-linked contracts)	344,189	365,808
Hedging derivative instruments	25,205	24,649
Available-for-sale assets (excluding variable-income securities)	215,115	195,809
Loans and receivables to credit institutions	101,759	90,154
Loans and receivables to customers	759,452	719,787
Held-to-maturity financial assets	26,186	27,642
Exposure to on-balance sheet commitments (net of impairments)	**1,471,906**	**1,423,849**
Financing commitments given	232,646	222,203
Financial guarantee commitments given	102,894	98,111
Provisions – Financing commitments	(416)	(684)
Exposure to off-balance sheet commitments (net of provisions)	**335,124**	**319,630**
TOTAL NET EXPOSURE	**1,807,030**	**1,743,479**

An analysis of risk by type of concentration provides information on diversification of risk exposure.

Concentration of lending by customer type

Loans and receivables to credit institutions and customers by customer type

(in millions of euros)	31/12/2010				
	Gross outstanding	**o/w gross loans and receivables individually impaired**	**Individual impairment**	**Collective impairment**	**Total**
Central governments	10,047	173	98	30	9,919
Central banks	19,800				19,800
Credit institutions	82,145	561	493	10	81,642
Institutions other than credit institutions	98,164	2,083	1,184	986	95,994
Large corporates	253,646	10,210	5,507	2,553	245,586
Retail customers	418,233	18,398	9,802	3,248	405,183
Total*	**882,035**	**31,425**	**17,084**	**6,827**	**858,124**
Net accrued interest					**2,904**
CARRYING AMOUNT					**861,028**

* *Including €3,017 million in restructured (unimpaired) performing loans.*

(in millions of euros)	31/12/2009				
	Gross outstanding	**o/w gross loans and receivables individually impaired**	**Individual impairment**	**Collective impairment**	**Total**
Central governments	6,336	105	87	24	6,225
Central banks (1)	7,357	32	32		7,325
Credit institutions (1)	83,111	554	394		82,717
Institutions other than credit institutions	71,112	1,353	659	762	69,691
Large corporates	258,796	8,811	5,040	2,836	250,920
Retail customers	401,437	14,927	8,393	2,959	390,085
Total (2)	**828,149**	**25,782**	**14,605**	**6,581**	**806,963**
Net accrued interest					**2,978**
CARRYING AMOUNT					**809,941**

(1) In the notes to the consolidated financial statements at 31 December 2009, transactions with "credit institutions" and "central banks" were shown as an aggregate on the same line.

(2) Including €2,592 million in restructured (unimpaired) performing loans.

Commitments given to customers by customer type

(in millions of euros)	**31/12/2010**	**31/12/2009**
Financing commitments given to customers		
Central governments	4,675	3,870
Institutions other than credit institutions	28,030	19,175
Large corporates	121,816	126,164
Retail customers	64,034	58,832
TOTAL	**218,555**	**208,040**
Guarantee commitments given to customers		
Central governments	494	752
Institutions other than credit institutions	5,343	8,594
Large corporates	46,421	40,433
Retail customers	39,888	37,555
TOTAL	**92,146**	**87,334**

Due to customers by customer type

(in millions of euros)	**31/12/2010**	**31/12/2009**
Central governments	3,006	7,652
Institutions other than credit institutions	100,851	48,700
Large corporates	131,451	145,410
Retail customers	385,895	373,893
TOTAL	**621,203**	**575,655**
Accrued interest	**2,096**	**2,271**
CARRYING AMOUNT	**623,299**	**577,926**

Concentration of lending business by geographical area

Loans and receivables to credit institutions and to customers by geographical area

(in millions of euros)	31/12/2010				
	Gross outstanding	**o/w gross loans and receivables individually impaired**	**Individual impairment**	**Collective impairment**	**Total**
France (incl. overseas departments and territories)	561,557	14,443	8,974	4,564	548,019
Other EU countries	182,552	13,815	6,220	978	175,354
Rest of Europe	17,230	448	257	138	16,835
North America	44,835	419	307	787	43,741
Central and South America	18,156	856	553	33	17,570
Africa and Middle East	24,688	1,137	620	181	23,887
Asia-Pacific (ex. Japan)	22,030	264	137	99	21,794
Japan	10,987	44	15	48	10,924
Supranational organisations					
Total (1)	**882,035**	**31,426**	**17,083**	**6,828**	**858,124**
Net accrued interest					**2,904**
CARRYING AMOUNT					**861,028**

(1) *Including €3,017 million in restructured (unimpaired) performing loans.*

(in millions of euros)	31/12/2009				
	Gross outstanding	**o/w gross loans and receivables individually impaired**	**Individual impairment**	**Collective impairment**	**Total**
France (incl. overseas departments and territories)	527,209	13,781	8,444	5,982	512,783
Other EU countries	181,827	9,217	4,708	465	176,654
Rest of Europe	16,006	443	236	42	15,728
North America	38,965	642	310	18	38,637
Central and South America	14,909	765	370		14,539
Africa and Middle East	19,989	765	459	70	19,460
Asia-Pacific (ex. Japan)	17,768	162	76	4	17,688
Japan	10,177	7	2		10,175
Supranational organisations	1,299				1,299
Total (1)	**828,149**	**25,782**	**14,605**	**6,581**	**806,963**
Net accrued interest					**2,978**
CARRYING AMOUNT					**809,941**

(1) *Including €2,592 million in restructured (unimpaired) performing loans.*

Commitments given to customers by geographical area

(in millions of euros)	31/12/2010	31/12/2009
Financing commitments given to customers		
France (incl. overseas departments and territories)	121,927	122,657
Other EU countries	49,665	45,190
Rest of Europe	7,096	5,762
North America	19,822	19,645
Central and South America	5,808	4,756
Africa and Middle East	3,797	3,777
Asia-Pacific (ex. Japan)	9,407	5,563
Japan	1,033	690
TOTAL	**218,555**	**208,040**
Guarantee commitments given to customers		
France (incl. overseas departments and territories)	61,561	54,258
Other EU countries	13,328	17,824
Rest of Europe	2,249	2,320
North America	6,479	4,470
Central and South America	1,209	1,211
Africa and Middle East	2,509	2,779
Asia-Pacific (ex. Japan)	4,023	3,924
Japan	788	548
TOTAL	**92,146**	**87,334**

Due to customers by geographical area

(in millions of euros)	31/12/2010	31/12/2009
France (incl. overseas departments and territories)	433,263	420,191
Other EU countries	87,284	78,186
Rest of Europe	6,722	6,548
North America	59,350	37,365
Central and South America	6,422	7,272
Africa and Middle East	15,214	13,724
Asia-Pacific (ex. Japan)	9,338	9,598
Japan	3,610	2,720
Supranational organisations		51
TOTAL	**621,203**	**575,655**
Accrued interest	**2,096**	**2,271**
CARRYING AMOUNT	**623,299**	**577,926**

Information on past due or individually impaired financial assets

Analysis of past due or impaired financial assets by customer type

(in millions of euros)	**31/12/2010**						
	Payment arrears on past due loans					**Net carrying value of individually impaired financial assets**	**Impairment of individually and collectively tested financial assets**
	≤ 90 days	**> 90 days up to ≤ 180 days**	**> 180 days up to ≤ 1 year**	**> 1 year**	**Net carrying amount of past due financial assets**		
Equity instruments						3,131	1,575
Debt instruments						141	298
Central administrations						13	2
Central banks							
Credit institutions						59	93
Institutions other than credit institutions							32
Large corporates						69	171
Retail customers							
Loans and receivables	15,547	621	368	345	16,881	14,468	25,330
Central administrations	126	6	4	19	155	77	128
Central banks							
Credit institutions	201	8	48	58	315	69	566
Institutions other than credit institutions	1,096	63	5	4	1,168	902	2,190
Large corporates	4,965	138	189	238	5,530	4,745	8,474
Retail customers	9,159	406	122	26	9,713	8,675	13,972
TOTAL	**15,547**	**621**	**368**	**345**	**16,881**	**17,740**	**27,203**

(in millions of euros)	31/12/2009						
	Payments arrears on past due loans					**Net carrying amount of individually impaired financial assets**	**Impairment of individually and collectively tested financial assets**
	≤ 90 days	**> 90 days up to ≤ 180 days**	**> 180 days up to ≤ 1 year**	**> 1 year**	**Net carrying amount of past due financial assets**		
Equity instruments						4,927	2,330
Debt instruments						351	320
Central administrations						98	14
Central banks [(1)]							
Credit institutions [(1)]						125	89
Institutions other than credit institutions						61	4
Large corporates						67	213
Retail customers							
Loans and receivables	18,618	687	627	125	20,057	11,288	22,597
Central administrations	82	1	22	8	113	19	111
Central banks [(1)]							55
Credit institutions [(1)]	283	3	65	9	360	159	430
Institutions other than credit institutions	1,292	6	160		1,458	699	1,439
Large corporates	7,394	184	199	90	7,867	3,825	8,274
Retail customers	9,567	493	181	18	10,259	6,586	12,288
TOTAL	**18,618**	**687**	**627**	**125**	**20,057**	**16,566**	**25,247**

(1) In notes to consolidated financial statements at 31 December 2009, transactions with "central banks" were included under "credit institutions" transactions.

Derivative instrument transactions – Counterparty risk

The counterparty risk on derivative instruments is established according to market value and potential credit risk calculated and weighted in accordance with prudential standards.

The impacts of netting and collateralisation contracts, which reduce this risk, are also presented for information.

(in millions of euros)	31/12/2010			31/12/2009		
	Market value	**Potential credit risk**	**Total counter-party risk**	**Market value**	**Potential credit risk***	**Total counter-party risk**
Risk regarding OECD governments, central banks and similar organisations	2,488	2,339	4,827	1,758	1,154	2,912
Risks regarding OECD financial institutions and similar organisations	132,113	78,419	210,532	148,551	85,746	234,297
Risk regarding other counterparties	20,634	13,241	33,875	23,233	13,721	36,954
TOTAL	**155,235**	**93,999**	**249,234**	**173,542**	**100,621**	**274,163**
Risks on contracts involving:						
• interest rate, exchange rate and commodities	132,316	70,143	202,459	137,898	71,345	209,243
• equity and index derivatives	9,148	5,721	14,869	12,188	7,591	19,779
• credit derivatives	13,771	18,135	31,906	23,456	21,685	45,141
TOTAL	**155,235**	**93,999**	**249,234**	**173,542**	**100,621**	**274,163**
Impact of netting and collateralisation contracts	**130,912**	**54,007**	**184,919**	**147,740**	**54,978**	**202,718**
Total after impact of netting and collateralisation contracts	**24,323**	**39,992**	**64,315**	**25,802**	**45,643**	**71,445**

* *Contracts among members of the network are excluded as they do not carry any counterparty risk.*

3.2. Market risk

(see Chapter on “Crédit Agricole Group Risk Factors - Market Risk” in the management report)

Market risk is the risk of a negative impact on the income statement or balance sheet of adverse fluctuations in the value of financial instruments following changes in market parameters, inter alia:

– interest rates: interest rate risk is the risk of a change in fair value or the risk of a change in future cash flows of a financial instrument due to a change in interest rates;

– exchange rates: foreign exchange risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates;

– pricing: price risk is the risk of a change in the price or volatility of equities and commodities, baskets of equities and stock indices. The instruments most exposed to this risk are variable-income securities, equity derivatives and commodity derivatives.

Derivative instruments: analysis by remaining maturity

The breakdown of market values of derivative instruments is shown by remaining contractual maturity.

Hedging derivative instruments – Fair value of assets

(in millions of euros)	31/12/2010							31/12/2009
	Exchange-traded			Over-the-counter			Total market value	Total market value
	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years		
Interest rate instruments:				**3,857**	**9,190**	**11,141**	**24,188**	**23,624**
• Interest rate swaps				3,771	8,979	10,633	23,383	22,874
• Interest rate options						79	79	52
• Caps-floors-collars				72	211	365	648	675
• Other options				14		64	78	23
Currency and gold:				**227**	**316**	**10**	**553**	**347**
• Currency futures				227	316	10	553	347
• Currency options								
Other:				**17**	**18**	**120**	**155**	**180**
• Equity and index derivatives				17	18	120	155	180
Subtotal				**4,101**	**9,524**	**11,271**	**24,896**	**24,151**
• Forward currency transactions				215	11	83	309	498
NET CARRYING AMOUNT				**4,316**	**9,535**	**11,354**	**25,205**	**24,649**

Hedging derivative instruments – Fair value of liabilities

(in millions of euros)	31/12/2010							31/12/2009
	Exchange-traded			Over-the-counter			Total market value	Total market value
	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years		
Interest rate instruments:				**3,379**	**9,680**	**13,068**	**26,127**	**24,938**
• Interest rate swaps				3,242	9,451	12,985	25,678	24,487
• Interest rate options						37	37	23
• Caps-floors-collars				136	229	5	370	403
• Other options				1		41	42	25
Currency and gold:				**221**	**37**	**4**	**262**	**745**
• Currency futures				221	37	4	262	745
Other:		**15**		**34**	**5**		**54**	**12**
• Equity and index derivatives		15		34	5		54	
• Other								180
• Forward currency transactions				845	38	78	961	353
NET CARRYING AMOUNT		**15**		**4,479**	**9,760**	**13,150**	**27,404**	**26,048**

Derivative instruments held for trading – Fair value of assets

(in millions of euros)	31/12/2010							31/12/2009
	Exchange-traded			Over-the-counter			Total market value	Total market value
	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years		
Interest rate instruments:	**1**			**19,119**	**57,734**	**101,439**	**178,293**	**184,560**
• Futures	1						1	
• F.R.A.s				245	77		322	575
• Interest rate swaps				17,153	45,215	77,947	140,315	140,792
• Interest rate options				24	3,653	20,169	23,846	26,713
• Caps-floors-collars				1,697	8,788	3,269	13,754	16,417
• Other options					1	54	55	63
Currency and gold:				**5,140**	**2,522**	**2,214**	**9,876**	**10,159**
• Currency futures				2,836	6	144	2,986	2,407
• Currency options				2,304	2,516	2,070	6,890	7,752
Other:	**2,303**	**2,848**	**371**	**5,960**	**17,044**	**6,476**	**35,002**	**48,661**
• Equity and index derivatives	2,251	2,839	371	2,527	5,836	678	14,502	18,384
• Commodities derivatives	52			2,870	1,195	71	4,188	4,328
• Credit derivatives				563	10,011	5,704	16,278	25,907
• Other		9			2	23	34	42
• Forward currency transactions				9,820	1,942	268	12,030	8,830
NET CARRYING AMOUNT	**2,304**	**2,848**	**371**	**40,039**	**79,242**	**110,397**	**235,201**	**252,210**

Derivative instruments held for trading – Fair value of liabilities

(in millions of euros)	31/12/2010							31/12/2009
	Exchange-traded			Over-the-counter			Total market value	Total market value
	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years		
Interest rate instruments:	**4**			**21,761**	**53,409**	**102,413**	**177,587**	**189,686**
• Futures	4						4	
• F.R.A.s				234	62		296	515
• Interest rate swaps				19,503	39,416	76,241	135,160	142,902
• Interest rate options				38	3,905	21,387	25,330	28,242
• Caps-floors-collars				1,979	10,025	4,784	16,788	18,006
• Other options				7	1	1	9	21
Currency and gold:				**5,449**	**2,817**	**2,014**	**10,280**	**10,468**
• Currency futures				2,771	72	36	2,879	2,666
• Currency options				2,678	2,745	1,978	7,401	7,802
Other:	**1,666**	**3,624**	**306**	**7,116**	**14,965**	**5,340**	**33,017**	**41,626**
• Equity and index derivatives	1,624	3,619	306	2,562	4,164	786	13,061	16,218
• Commodities derivatives	42			3,057	1,164	55	4,318	3,646
• Credit derivatives				1,435	9,418	4,471	15,324	21,382
• Other		5		62	219	28	314	380
• Forward currency transactions				7,301	1,724	245	9,270	7,999
NET CARRYING AMOUNT	**1,670**	**3,624**	**306**	**41,627**	**72,915**	**110,012**	**230,154**	**249,779**

Derivative instruments: total commitments

(in millions of euros)	31/12/2010	31/12/2009
	Total notional amount outstanding	Total notional amount outstanding
Interest rate instruments:	**12,991,352**	**11,789,487**
• Futures	415,168	313,593
• F.R.A.s	1,044,016	1,192,058
• Interest rate swaps	8,234,630	7,601,694
• Interest rate options	1,034	992
• Caps-floors-collars	1,393,042	1,299,212
• Other options	1,903,462	1,381,938
Currency and gold:	**2,344,425**	**1,934,428**
• Currency futures	1,620,662	1,267,345
• Currency options	723,763	667,083
Other:	**1,086,387**	**1,342,088**
• Equity and index derivatives	208,230	281,099
• Precious metal derivatives	205	284
• Commodities derivatives	59,888	52,181
• Credit derivatives	817,118	1,007,495
• Other	946	1,029
Subtotal	**16,422,164**	**15,066,003**
• Forward currency transactions	863,509	621,022
TOTAL	**17,285,673**	**15,687,025**

Foreign exchange risk

Analysis of the consolidated balance sheet by currency

(in millions of euros)	31/12/2010		31/12/2009	
	Assets	Liabilities	Assets	Liabilities
EUR	1,354,889	1,337,206	1,338,539	1,314,570
Other EU currencies	29,896	31,085	32,393	38,880
USD	227,518	260,920	220,147	259,895
JPY	44,508	42,322	38,516	33,757
Other currencies	74,035	59,313	64,168	46,661
BALANCE SHEET TOTAL	**1,730,846**	**1,730,846**	**1,693,763**	**1,693,763**

Breakdown of bonds and subordinated debt by currency

(in millions of euros)	31/12/2010			31/12/2009		
	Bonds	**Fixed-term subordi-nated debt**	**Perpetual subordi-nated debt**	**Bonds**	**Fixed-term subordi-nated debt**	**Perpetual subordi-nated debt**
EUR	54,395	20,602	4,145	55,266	19,253	6,582
Other EU currencies	93	1,173	1,950	1,495	1,076	1,888
USD	30	732	3,086	3,178	976	3,020
JPY				353		
Other currencies	159	140	283	363	129	247
TOTAL	**54,677**	**22,647**	**9,464**	**60,655**	**21,434**	**11,737**

(Total principal outstanding, excluding unallocated accrued interest)

Debt issues related to assets held by Group insurers on behalf of policyholders, included in unit-linked contracts, are not eliminated. This has no material impact on the Group's consolidated financial statements.

3.3. Liquidity and financing risk

(see Management report, "Crédit Agricole Group Risk Factors – Asset/Liability Management")

Liquidity and financing risk is the risk of loss if the Company is unable to meet its financial commitments in timely fashion and at reasonable prices when they reach maturity.

These commitments include obligations to depositors and suppliers, as well as commitments in respect of loans and investments.

Loans and receivables to credit institutions and to customers by remaining maturity

(in millions of euros)	31/12/2010				
	≤ 3 months	**> 3 months up to ≤ 1 year**	**> 1 year up to ≤ 5 years**	**> 5 years**	**Total**
Loans and receivables to credit institutions	81,088	6,703	13,129	1,209	102,129
Loans and receivables to customers (o/w lease finance)	153,292	79,535	249,486	297,776	780,089
TOTAL	**234,380**	**86,238**	**262,615**	**298,985**	**882,218**
Accrued interest	**4,048**	**14**	**15**	**246**	**4,323**
Impairment					**(25,330)**
NET CARRYING AMOUNT					**861,211**

(in millions of euros)	31/12/2009				
	≤ 3 months	**> 3 months up to ≤ 1 year**	**> 1 year up to ≤ 5 years**	**> 5 years**	**Total**
Loans and receivables to credit institutions	78,237	4,362	5,549	2,319	90,467
Loans and receivables to customers (o/w lease finance)	130,129	85,397	244,172	277,984	737,682
Total	**208,366**	**89,759**	**249,721**	**280,303**	**828,149**
Accrued interest					**4,389**
Impairment					**(22,597)**
NET CARRYING AMOUNT					**809,941**

Due to banks and customers by residual maturity

(in millions of euros)	31/12/2010				
	≤ 3 months	**> 3 months up to ≤ 1 year**	**> 1 year up to ≤ 5 years**	**> 5 years**	**Total**
Due to banks	94,745	10,939	7,690	9,417	122,791
Due to customers	467,654	59,169	69,214	25,168	621,205
Total	**562,399**	**70,108**	**76,904**	**34,585**	**743,996**
Accrued interest					**2,492**
CARRYING AMOUNT					**746,488**

(in millions of euros)	31/12/2009				
	≤ 3 months	**> 3 months up to ≤ 1 year**	**> 1 year up to ≤ 5 years**	**> 5 years**	**Total**
Due to banks	76,282	16,699	9,546	8,583	111,110
Due to customers	408,205	68,537	73,401	25,511	575,654
Total	**484,487**	**85,236**	**82,947**	**34,094**	**686,764**
Accrued interest					**2,837**
CARRYING AMOUNT					**689,601**

Debt securities and subordinated debt

(in millions of euros)	31/12/2010				
	≤ 3 months	**> 3 months up to ≤ 1 year**	**> 1 year up to ≤ 5 years**	**> 5 years**	**Total**
Debt securities					
Interest bearing notes	213	319	1,021	161	1,714
Money-market instruments	61	569	1,612	3,801	6,043
Negotiable debt securities	84,915	30,718	3,028	3,220	121,881
Bonds (1)	1,856	8,795	29,263	14,763	54,677
Other debt securities	776	252		1,634	2,662
Total	**87,821**	**40,653**	**34,924**	**23,579**	**186,977**
Accrued interest					**1,486**
CARRYING AMOUNT					**188,463**
Subordinated debt					
Fixed-term subordinated debt	254	37	5,227	17,129	22,647
Perpetual subordinated debt				9,464	9,464
Mutual security deposits				120	120
Participating securities and loans	2			197	199
Total	**256**	**37**	**5,227**	**26,910**	**32,430**
Accrued interest					**598**
CARRYING AMOUNT					**33,028**

(1) Debt issues related to assets held by Group insurers on behalf of policyholders, included in unit-linked contracts, are not eliminated. This has no material impact on the Group's consolidated financial statements.

(in millions of euros)	31/12/2009				
	≤ 3 months	**> 3 months up to ≤ 1 year**	**> 1 year up to ≤ 5 years**	**> 5 years**	**Total**
Debt securities					
Interest bearing notes	182	1,366	241	33	1,822
Money-market instruments	84	285	1,000	3,730	5,099
Negotiable debt securities	86,779	29,637	3,557	4,401	124,374
Bonds	4,442	13,816	22,648	19,749	60,655
Other debt securities	956	292	1	1,903	3,152
Total	**92,443**	**45,396**	**27,447**	**29,816**	**195,102**
Accrued interest					**1,014**
CARRYING AMOUNT					**196,116**
Subordinated debt					
Fixed-term subordinated debt	508	390	5,642	14,894	21,434
Perpetual subordinated debt				11,737	11,737
Mutual security deposits			1	112	113
Participating securities and loans	2			197	199
Total	**510**	**390**	**5,643**	**26,940**	**33,483**
Accrued interest					**611**
CARRYING AMOUNT					**34,094**

Financial guarantees at risk given by maturity

The amounts presented correspond to the expected amount of the call of financial guarantees at risk, that are guarantees that have been impaired or are on watch-list.

The financial guarantees at risk presented are now limited to the portion of the guarantee covered by the provision alone; the remainder is not considered at risk.

The 2009 amounts have thus been restated.

(in millions of euros)	31/12/2010				
	≤ 3 months	**> 3 months up to ≤ 1 year**	**> 1 year up to ≤ 5 years**	**> 5 years**	**Total**
Financial guarantees given	**206**	**45**			**251**

(in millions of euros)	31/12/2009				
	≤ 3 months	**> 3 months up to ≤ 1 year**	**> 1 year up to ≤ 5 years**	**> 5 years**	**Total**
Financial guarantees given	**28**	**67**			**95**

The remaining contractual maturities of derivative instruments are shown in Note 3.2 “Market Risk”.

3.4. Cash flow and fair value interest rate and foreign exchange hedging

(see Chapter on "Crédit Agricole Group Risk Factors – Balance Sheet Management" in the management report)

Derivative financial instruments used in a **hedging relationship** are designated according to the intended purpose:

– fair value hedge;

– cash flow hedge;

– hedge of a net investment in foreign currency.

Each hedging relationship is formally documented describing the strategy, item hedged and hedging instrument, and method of measuring effectiveness.

Fair value hedges

A fair value hedge modifies the risk of changes in the fair value of a fixed-rate financial instrument caused by changes in interest rates. Fair value hedges transform fixed-rate assets or liabilities into floating-rate assets or liabilities.

Items hedged are principally fixed-rate loans, securities, deposits and subordinated debt.

Cash flow hedges

A cash flow hedge modifies the risk related to variability in cash flows arising from floating-rate financial instruments.

Items hedged are principally floating-rate loans and deposits.

Hedge of a net investment in foreign currency

A hedge of a net investment in foreign currency protects the Group against fluctuations in exchange rates arising from assets or liabilities held in currencies other than the euro.

Hedging derivative instruments

(in millions of euros)	31/12/2010			31/12/2009		
	Market value		Notional amount	Market value		Notional amount
	positive	negative		positive	negative	
Fair value hedges	**24,574**	**27,111**	**1,146,284**	**23,981**	**25,780**	**1,134,977**
Interest rate	23,560	26,009	1,029,236	22,979	24,724	1,022,249
Equity	155	21	996	180	12	1,995
Currency	859	1,081	115,147	822	1,044	110,401
Credit						
Commodities			2			
Other			903			332
Cash flow hedges	**629**	**178**	**16,014**	**664**	**233**	**22,895**
Interest rate	629	118	15,740	645	215	22,522
Equity		33	116			
Currency		27	158	19	18	373
Credit						
Commodities						
Other						
Hedges of net investments in foreign operations	**2**	**115**	**4,825**	**4**	**35**	**2,502**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**25,205**	**27,404**	**1,167,123**	**24,649**	**26,048**	**1,160,374**

3.5. Operational risk

(see Chapter on “Crédit Agricole Group Risk Factors – Operational Risk” in the management report)

Operational risk is the possibility of loss resulting from failings in internal procedures or inadequate systems, human error or external events that are not linked to a credit, market or liquidity risk.

3.6. Capital management and regulatory ratios

The amendment to IAS 1 adopted by the European Union on 11 January 2006 requires disclosure of information on the entity’s capital and management of its capital. The purpose of the amendment is to disclose to users information on the entity’s objectives, policies and processes for managing capital. It requires disclosure of qualitative and quantitative information in the notes to the financial statements, including: summary quantitative data about what the entity manages as capital, a description of any externally imposed requirements on the entity's capital (such as regulatory requirements), indication as to whether the entity has complied with regulatory requirements, and, if it has not complied, the consequences of such non-compliance.

In accordance with prudential regulations applicable to banks, which transpose into French regulations the European Directive on "the capital adequacy of investment firms and credit institutions" and "financial conglomerates", the Crédit Agricole Group must comply with the solvency ratio, with liquidity ratios and with rules on the division of risks and balance sheet management.

The Crédit Agricole Group manages its capital so as to comply with regulatory capital requirements within the meaning of Regulation 90/02, as required by the French Prudential Control Authority, so as to cover risk-weighted assets for credit risk, operational risk and market risk.

The decree of 20 February 2007 transposed the European CRD (Capital Requirements Directive) (2006/48/EC and 2006/49/EC) into French regulations. The decree defines the “capital requirements applicable to credit institutions and investment companies” and the methods of calculating the solvency ratio as from 1 January 2008.

In compliance with these provisions, the Crédit Agricole Group incorporated, in 2007, the impacts of the transition to the new European CRD directive into its capital and risk management process.

However, the regulator maintained the additional capital requirements until 31 December 2011 relating to floors (the Basel II requirement cannot be less than 80% of the Basel I requirement).

Regulatory capital breaks down into three categories:

- Tier 1 capital, calculated based on the Group's equity and adjusted notably for unrealised gains and losses;
- Tier 2 capital, which is limited to 100% of the amount of Tier 1 capital and consists primarily of subordinated debt;
- Tier 3 capital included in the ratio, which consists primarily of subordinated debt with a shorter maturity.

Deductions for equity investments in other credit institutions reduce the total of this capital and are now allocated directly to the amount of Tier 1 and Tier 2 capital, in accordance with regulations.

Application of the "Conglomerate Directive" involves, for Crédit Agricole Group, the deduction of the investment in equity-accounted insurance companies. In accordance with regulations, this deduction applies to 100% of the capital funds of entities acquired before 1 January 2007.

In accordance with regulations, the Crédit Agricole Group must maintain a core capital ratio of at least 4% and a solvency ratio of 8%. The Crédit Agricole Group fulfilled these regulatory requirements for both 2009 and 2010.

4. NOTES TO THE INCOME STATEMENT

4.1 Interest income and expense

(in millions of euros)	**31/12/2010**	**31/12/2009**
Interbank transactions	1,578	2,445
Crédit Agricole internal transactions	2	1
Customer transactions	27,372	29,128
Accrued interest receivable on available-for-sale financial assets	7,640	6,770
Accrued interest receivable on held-to-maturity financial assets	1,197	1,171
Accrued interest receivable on hedging instruments	3,040	3,706
Lease finance	1,325	1,290
Other interest and similar income	26	34
INTEREST INCOME (1)	**42,180**	**44,545**
Interbank transactions	(1,930)	(3,218)
Crédit Agricole internal transactions	(2)	0
Customer transactions	(8,142)	(8,932)
Debt securities	(3,867)	(4,456)
Subordinated debt	(1,956)	(1,890)
Accrued interest payable on hedging instruments	(3,556)	(4,486)
Lease finance	(325)	(272)
Other interest and similar expense	(18)	(14)
INTEREST EXPENSE	**(19,796)**	**(23,268)**

(1) Including €637 million on individually impaired receivables at 31 December 2010 compared with €650 million at 31 December 2009.

4.2 Net commission and fee income

(in millions of euros)	31/12/2010			31/12/2009		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	195	(62)	133	164	(98)	66
Crédit Agricole internal transactions	3	(3)	0	16	(17)	(1)
Customer transactions	3,424	(197)	3,227	3,429	(133)	3,296
Securities transactions	1,194	(547)	647	1,004	(409)	595
Foreign exchange transactions	50	(17)	33	42	(13)	29
Derivative instruments and other off-balance sheet items	2,174	(583)	1,591	2,151	(764)	1,387
Payment instruments and other banking and financial services	4,869	(2,045)	2,824	4,688	(1,313)	3,375
Mutual funds management, fiduciary and similar operations	2,865	(524)	2,341	2,223	(208)	2,015
NET COMMISSION AND FEE INCOME	**14,774**	**(3,978)**	**10,796**	**13,717**	**(2,955)**	**10,762**

4.3 Net gains (losses) on financial instruments at fair value through profit or loss

(in millions of euros)	31/12/2010	31/12/2009
Dividends received	320	133
Unrealised or realised gains or losses on assets/liabilities at fair value through profit or loss classified as held for trading	(174)	1,332
Unrealised or realised gains or losses on assets/liabilities designated as at fair value through profit or loss upon initial recognition	1,584	3,312
Net gains (losses) on foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	572	221
Gains or losses from hedge accounting	(4)	26
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS(1)	**2,298**	**5,024**

Changes in issuer spreads resulted in a charge of -€33 million (taken to net banking income) at 31 December 2010 on structured issues measured at fair value, compared with a charge of -€504 million on 31 December 2009.

(1) *Including €1 billion in 2010 and €4.6 billion in 2009 on financial assets owned by insurance companies.*

Analysis of net gains (losses) from hedge accounting:

(in millions of euros)	31/12/2010		
	Gains	**Losses**	**Net**
Fair value hedges	**8,562**	**(8,589)**	**(27)**
Change in fair value of hedged items attributable to hedged risks	*4,426*	*(5,298)*	*(872)*
Change in fair value of hedging derivatives (including sales of hedges)	*4,136*	*(3,291)*	*845*
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	**9,102**	**(9,079)**	**23**
Change in fair value of hedged items	4,778	(4,205)	573
Change in fair value of hedging derivatives	4,324	(4,874)	(550)
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments			
Change in fair value of hedging instrument - ineffective portion			
TOTAL GAINS OR LOSSES FROM HEDGE ACCOUNTING	**17,664**	**(17,668)**	**(4)**

(in millions of euros)	31/12/2009		
	Gains	**Losses**	**Net**
Fair value hedges	**8,999**	**(8,966)**	**33**
Change in fair value of hedged items attributable to hedged risks	*4,359*	*(4,360)*	*(1)*
Change in fair value of hedging derivatives (including sales of hedges)	*4,640*	*(4,606)*	*34*
Cash flow hedges	**0**	**0**	**0**
Change in fair value of hedging derivatives - ineffective portion			*0*
Hedges of net investments in foreign operations	**0**	**0**	**0**
Change in fair value of hedging derivatives - ineffective portion			*0*
Fair value hedge of the interest rate exposure of a portfolio of financial instruments	**7,750**	**(7,757)**	**(7)**
Change in fair value of hedged items	3,435	(4,033)	(598)
Change in fair value of hedging derivatives	4,315	(3,724)	591
Cash flow hedge of the interest rate exposure of a portfolio of financial instruments	***0***	***0***	***0***
Change in fair value of hedging instrument - ineffective portion			*0*
TOTAL GAINS OR LOSSES FROM HEDGE ACCOUNTING	**16,749**	**(16,723)**	**26**

4.4 Net gains or losses on available-for-sale financial assets

(in millions of euros)	**31/12/2010**	**31/12/2009**
Dividends received	749	639
Realised gains or losses on available-for-sale financial assets (1) (2)	2,779	137
Impairment losses on equity investments	(160)	(628)
Gains or losses on disposal of held-to-maturity financial assets and on loans and receivables	(38)	(47)
NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	**3,330**	**101**

(1) Excluding realised gains or losses on impaired fixed-income securities recognised as available-for-sale financial assets mentioned in Note 4.8.

(2) The €2.6 billion increase is mainly due to insurance activities.

4.5 Net income (expenses) on other activities

(in millions of euros)	**31/12/2010**	**31/12/2009**
Gains or losses on fixed assets not used in operations	39	106
Policyholder profit participation	(5,179)	(5,170)
Other net income from insurance activities [(1)]	18,199	13,733
Change in insurance technical reserves	(18,371)	(15,193)
Net income from investment properties	66	188
Other net income (expense)	644	477
INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES	**(4,602)**	**(5,859)**

(1) Of which €29 billion of earned premiums in 2010 (€24.7 billion in 2009), and -€10.9 billion in claims costs in 2010 (-€10.9 billion in 2009). See Note 5.3.

4.6 General operating expenses

(in millions of euros)	**31/12/2010**	**31/12/2009**
Personnel costs	(11,929)	(11,162)
Taxes other than on income or payroll-related	(632)	(637)
External services and other general operating expenses	(7,164)	(6,797)
OPERATING EXPENSES	**(19,725)**	**(18,596)**

The breakdown of fees paid to Statutory Auditors by firm and type of engagement by fully and proportionately consolidated Crédit Agricole Group companies in 2010 is provided below:

in thousands of euros (ex tax)	**Ernst & Young**	**Pricewaterhouse Coopers**	**Mazars & Guerard**	**KPMG**	**Deloitte**	**Other**	**2010 TOTAL**	**2009 TOTAL**
Independent audit, certification, review of separate and consolidated financial statements	20,246	16,073	2,710	1,925	1,466	3,657	46,077	47,894
Ancillary assignments and services directly linked to the mission of independent audit	6,539	4,481	341	8	146	3	11,518	5,277
TOTAL	**26,785**	**20,554**	**3,051**	**1,933**	**1,612**	**3,660**	**57,595**	**53,171**

4.7 Depreciation, amortisation and impairment of property, plant & equipment and intangible assets

(in millions of euros)	31/12/2010	31/12/2009
Depreciation and amortisation	**(1,118)**	**(1,060)**
• property, plant & equipment	(822)	(810)
• intangible assets	(296)	(250)
Impairment losses	**(6)**	**3**
• property, plant & equipment	2	6
• intangible assets	(8)	(3)
TOTAL	**(1,124)**	**(1,057)**

4.8 Cost of risk

(in millions of euros)	31/12/2010	31/12/2009
Charge to provisions and impairment	**(9,029)**	**(10,193)**
Fixed-income available-for-sale financial assets	(42)	(96)
Loans and receivables	(8,249)	(9,237)
Held-to-maturity financial assets	0	(25)
Other assets	(44)	(75)
Financing commitments	(255)	(323)
Risks and expenses	(439)	(437)
Write-backs of provisions and impairment	**4,138**	**3,755**
Fixed-income available-for-sale financial assets	56	4
Loans and receivables	3,496	3,230
Held-to-maturity financial assets	21	10
Other assets	12	14
Financing commitments	205	129
Risks and expenses	348	368
Net charge to impairment and provisions	**(4,891)**	**(6,438)**
Realised gains or losses on impaired fixed-income available-for-sale financial assets	(52)	(1)
Bad debts written off - not provided for	(312)	(193)
Recoveries on bad debts written off	250	255
Discounts on restructured loans	(75)	(79)
Losses on financing commitments	(44)	(1)
Other losses	(67)	(25)
COST OF RISK	**(5,191)**	**(6,482)**

4.9 Net gains (losses) on other assets

(in millions of euros)	**31/12/2010**	**31/12/2009**
Property, plant & equipment and intangible assets used in operations	**9**	**51**
Gains on disposals	29	64
Losses on disposals	(20)	(13)
Consolidated equity investments	**(190)**	**(4)**
Gains on disposals	6	10
Losses on disposals (1)	(196)	(14)
Net income (expense) on combinations		
NET GAINS (LOSSES) ON OTHER ASSETS	**(181)**	**47**

(1) Essentially corresponds to loss on the sale of 0.8% of Intesa Sanpaolo shares.

4.10 Income tax expense

Tax charge

(in millions of euros)	**31/12/2010**	**31/12/2009**
Current tax charge	(1,575)	(2,983)
Deferred tax charge	(963)	1,210
TAX CHARGE FOR THE PERIOD	**(2,538)**	**(1,773)**

Reconciliation of theoretical tax rate and effective tax rate

At 31 December 2010

(in millions of euros)	**Base**	**Tax rate**	**Tax**
Income before tax, goodwill impairment, discontinued operations and share of profit in equity-accounted entities	7,985	34.43%	(2,749)
Impact of permanent differences (1)		(2.93%)	234
Impact of different tax rates on foreign subsidiaries		(1.35%)	108
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences (2)		1.43%	(114)
Impact of reduced tax rate (3)		0.44%	(35)
Impact of other items		(0.23%)	18
EFFECTIVE TAX RATE AND TAX CHARGE		**31.79%**	**(2,538)**

(1) Including €442 million related to new tax regulations for the insurance capitalisation reserve and -€97 million related to provisions for risks and expenses.

(2) Including -€211 million related to non-activation of deferred uses on non-deductible provisions for risks and expenses at Emporiki Bank.

(3) Including -€50 million related to the disposal of 0.8% of Intesa Sanpaolo shares.

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 2010.

At 31 December 2009

(in millions of euros)	**Base**	**Tax rate**	**Tax**
Income before tax, impairment of goodwill, discontinued activities, and share of profit in equity-accounted entities	5,216	34.43%	(1,796)
Impact of permanent differences [(1)]		3.03%	(158)
Impact of different tax rates on foreign subsidiaries		(3.62%)	189
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		(0.68%)	35
Impact of reduced tax rate		(0.85%)	45
Impact of other items		1.69%	(88)
EFFECTIVE TAX RATE AND TAX CHARGE		**34.00%**	**(1,773)**

(1) Including €134 million of deferred taxes on the amortisation of the trade goodwill of Ducato, -€149 million of current tax on the dividends and -€40 million on non-deductible provisions.

4.11 Change in other comprehensive income

The following table shows a breakdown of other comprehensive income for the period, after tax.

(in millions of euros)	Other comprehensive income				Other comprehensive income excl. equity-accounted entities	Share of other comprehensive income of equity-accounted entities
	Due to change in translation adjustments	Change in fair value of available-for-sale financial assets [1]	Change in fair value of hedging derivatives	Actuarial gains and losses on post-employment benefits		
Change in fair value		(704)	(109)		(813)	
Reclassified to profit or loss [1]		(196)	11		(185)	
Change in translation adjustments	151				151	
Change in actuarial gains or losses on post-employment benefits				(51)		
Share in other comprehensive income of equity-accounted entities						(62)
Other comprehensive income for the 2010 financial year (Group share)	**151**	**(900)**	**(98)**	**(51)**	**(898)**	**(62)**
Other comprehensive income for the 2010 financial year (minority interests)	**125**	**(66)**	**3**	**(2)**	**60**	
TOTAL OTHER COMPREHENSIVE INCOME FOR THE 2010 FINANCIAL YEAR [2]	**276**	**(966)**	**(95)**	**(53)**	**(838)**	**(62)**
Change in fair value		**3,070**	**(102)**		**2,968**	
Reclassified to profit or loss		**44**	**1**		**45**	
Change in translation adjustments	**(42)**				**(42)**	
Change in actuarial gains or losses on post-employment benefits						
Share in other comprehensive income of equity-accounted entities						**30**
Other comprehensive income for the 2009 financial year (Group share)	**(42)**	**3,114**	**(101)**		**2,971**	**30**
Other comprehensive income for the 2009 financial year (minority interests)	**(53)**	**111**	**(11)**		**47**	
TOTAL OTHER COMPREHENSIVE INCOME FOR THE 2009 FINANCIAL YEAR [2]	**(95)**	**3,225**	**(112)**		**3,018**	**30**

(1) *This amount includes capital gains of €2.8 billion from disposals (see Note 4.4), insurance policyholder profit-sharing of -€2.3 billion and the associated -€0.2 billion tax expense.*

(2) *Data included under "total gains and losses recognised in other comprehensive income for available-for-sale financial assets" is detailed below:*

	31/12/2010	**31/12/2009**
Gross amount	(1,337)	4,129
Tax	371	(904)
NET TOTAL	(966)	3,225

5. SEGMENT REPORTING

Definition of operating segments

According to IFRS 8, information disclosed is based on the internal reporting that is used by the Executive Committee to manage the Crédit Agricole Group, to assess performance and to make decisions about resources to be allocated to the identified operating segments.

Operating segments according to the internal reporting consist of the business lines of the Group

Crédit Agricole's business activities are organised into seven operating segments:

- Six business lines:
  - French retail banking – Regional Banks,
  - French retail banking – LCL Network,
  - International retail banking,
  - Specialised financial services,
  - Asset management, insurance and private banking,
  - Corporate and investment banking;
- plus the "**Corporate centre**".

Presentation of business lines

1. French retail banking - Regional Banks

This business line comprises the Regional Banks and their subsidiaries.

The Regional Banks provide banking services for individual customers, farmers, small businesses, corporates and local authorities, with a very strong local presence.

The Crédit Agricole Regional Banks provide a full range of banking and financial services, including savings products (money market, bonds, equity), life insurance, lending (particularly mortgage loans and consumer finance), and payment services. In addition to life insurance, they also provide a broad range of property & casualty and death & disability insurance.

2. French retail banking - LCL Network

This business line comprises the LCL branch network in France, which has a strong focus on urban areas and a segmented customer approach (individual customers, small businesses and small and medium-sized enterprises).

LCL offers a full range of banking products and services, together with asset management, insurance and wealth management products.

3. International retail banking

International retail banking encompasses foreign subsidiaries and investments - fully consolidated or equity-accounted entities - that are mainly involved in retail banking.

These subsidiaries and investments are mostly in Europe (Emporiki Bank in Greece, Cariparma and FriulAdria in Italy, Lukas Bank in Poland, Banco Espirito Santo in Portugal, Bankoa and Bankinter in Spain, Crédit Agricole Belge in Belgium, Index Bank in Ukraine, Crédit Agricole Banka Srbija a.d. Novi Sad in Serbia) and, to a lesser extent, in the Middle East and Africa (Crédit du Maroc and Crédit Agricole Egypt, etc.). The foreign subsidiaries in consumer finance, financial leasing and factoring (subsidiaries of Crédit Agricole Consumer Finance, of CAL&F and EFL in Poland, etc.) are however not included in this division but are reported in the "Specialised financial services" segment.

4. Specialised financial services

Specialised financial services comprises the Group subsidiaries that provide banking products and services to individual customers, small businesses, corporates and local authorities in France and abroad. These include:

- consumer finance companies belonging to Crédit Agricole Consumer Finance in France and held through its subsidiaries or partnerships in countries other than France (Agos-Ducato, Forso, Credit-Plus, Ribank, Credibom, Dan Aktiv, Interbank Group, Emporiki Credicom, FGA Capital Spa);
- specialised financial services for companies such as factoring and lease finance (CA Leasing & Factoring Group and EFL).

5. Asset management, insurance and private banking

This business line encompasses:

- the asset management activities of the Amundi group and BFT Gestion, offering savings solutions for individuals and investment solutions for institutions;
- investor services: CACEIS Bank for custody and CACEIS Fastnet for fund administration;
- personal insurance (Predica and Médicale de France in France, CA Vita in Italy and BES Vida in Portugal);
- casualty insurance (Pacifica, and BES Seguros in Portugal);
- creditor insurance activities (conducted by Crédit Agricole Creditor Insurance);
- private banking activities conducted mainly by Banque de Gestion Privée Indosuez (BGPI) and by Crédit Agricole CIB subsidiaries (Crédit Agricole Suisse, Crédit Agricole Luxembourg and Crédit Foncier de Monaco, etc.).

6. Corporate and investment banking

Corporate and investment banking operations are divided into two main activities, most of them carried out by Crédit Agricole CIB:

- capital markets and investment banking, encompassing all capital markets activities, equity and futures brokerage, primary equity markets and mergers & acquisitions;
- financing activities, encompassing traditional commercial banking and structured finance: project, asset, real-estate and hotel finance, as well as management of Crédit Agricole CIB's portfolio of impaired assets.

7. Corporate centre

This business segment encompasses mainly Crédit Agricole S.A.'s central body function, asset and liability management and management of debt connected with acquisitions of subsidiaries or equity investments.

It also includes the results of the private equity business and various other Crédit Agricole Group companies (Uni-éditions, Foncaris, etc).

This segment also includes the income from resource pooling companies, real-estate companies holding properties used in operations by several business lines and activities undergoing reorganisation.

Lastly, it also includes the net impact of group tax consolidation for the Crédit Agricole Group, as well as differences between the "standard" tax rates for each business line and the actual tax rates applied to each subsidiary.

5.1 Operating segment information

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.

(in millions of euros)	31/12/2010							
	French retail banking		Interna-tional retail banking	Speciali-sed financial services	Asset manage-ment, insurance and private banking	Corporate and investment bank	Corporate centre	Total
	Regional Banks	LCL network						
Net banking income	13,807	3,945	3,292	3,945	4,978	5,315	(1,076)	34,206
Operating expenses	(7,477)	(2,575)	(2,165)	(1,734)	(2,488)	(3,507)	(903)	(20,849)
Gross operating income	**6,330**	**1,370**	**1,127**	**2,211**	**2,490**	**1,808**	**(1,979)**	**13,357**
Cost of risk	(1,382)	(359)	(1,475)	(1,298)	(24)	(623)	(30)	(5,191)
Operating income	**4,948**	**1,011**	**(348)**	**913**	**2,466**	**1,185**	**(2,009)**	**8,166**
Share of profit in equity-accounted entities	2		98	12	3	139	(1,154)	(900)
Net gains (losses) on other assets	(5)	(2)	8		(8)	(6)	(168)	(181)
Change in value of goodwill	(5)		(472)					(477)
Pre-tax income	**4,940**	**1,009**	**(714)**	**925**	**2,461**	**1,318**	**(3,331)**	**6,608**
Income tax expense	(1,637)	(303)	(203)	(330)	(800)	(305)	1,040	(2,538)
Net gains (losses) on discontinued operations			21		1		(1)	21
Net income for the period	**3,303**	**706**	**(896)**	**595**	**1,662**	**1,013**	**(2,292)**	**4,091**
Minority interests	1		66	59	147	17	190	480
NET INCOME, GROUP SHARE	**3,302**	**706**	**(962)**	**536**	**1,515**	**996**	**(2,482)**	**3,611**
Segment assets								
• of which investments in equity-accounted entities	62		2,389	163	17	1,095	633	4,359
• of which goodwill	30	5,557	3,629	3,364	4,708	2,511	72	19,871
TOTAL ASSETS	**470,842**	**116,613**	**111,564**	**124,870**	**351,810**	**890,573**	**(335,426)**	**1,730,846**

(in millions of euros)	31/12/2009 [1]							
	French retail banking		Interna-tional retail banking	Speciali-sed financial services	Asset manage-ment, insurance and private banking	Corporate and investment bank	Corporate centre	Total
	Regional Banks	LCL network						
Net banking income	12,912	3,849	3,239	3,679	3,916	4,156	(446)	31,305
Operating expenses	(7,191)	(2,551)	(2,187)	(1,705)	(1,982)	(3,181)	(856)	(19,653)
Gross operating income	**5,721**	**1,298**	**1,052**	**1,974**	**1,934**	**975**	**(1,302)**	**11,652**
Cost of risk	(1,750)	(435)	(1,132)	(1,320)	(7)	(1,769)	(69)	(6,482)
Operating income	**3,971**	**863**	**(80)**	**654**	**1,927**	**(794)**	**(1,371)**	**5,170**
Share of profit in equity-accounted entities	1		135	10	1	115	(268)	(6)
Net gains (losses) on other assets	(5)		45	1		12	(6)	47
Change in value of goodwill			(525)				(2)	(527)
Pre-tax income	**3,967**	**863**	**(425)**	**665**	**1,928**	**(667)**	**(1,647)**	**4,684**
Income tax expense	(1,510)	(259)	(189)	(136)	(535)	355	501	(1,773)
Net gains (losses) on discontinued operations			158					158
Net income for the financial year	**2,457**	**604**	**(456)**	**529**	**1,393**	**(312)**	**(1,146)**	**3,069**
Minority interests	1		22	73	28	8	190	322
NET INCOME, GROUP SHARE	**2,456**	**604**	**(478)**	**456**	**1,365**	**(320)**	**(1,336)**	**2,747**
Segment assets								
of which investments in equity-accounted entities	60		2,422	125	11	880	3,582	7,080
of which goodwill	34	5,558	4,092	3,329	4,774	2,513	75	20,375
TOTAL ASSETS	**442,797**	**110,064**	**106,002**	**117,345**	**326,409**	**845,902**	**(254,756)**	**1,693,763**

(1) Following the creation of Amundi, BFT (Banque Financement et Trésorerie) is now included in the "Corporate centre" business line instead of in "Asset management, insurance and private banking". Results by business line for 2009 have been restated to reflect that transfer.

5.2 Segment information: geographical analysis

The geographical analysis of segment assets and results is based on the place where operations are booked for accounting purposes.

(in millions of euros)	31/12/2010				31/12/2009 (1)			
	Net income Group share	O/w net banking income	Segment assets	O/w goodwill	Net income Group share	O/w net banking income	Segment assets	O/w goodwill
France (incl. overseas departments and territories)	2,928	24,050	1,362,935	13,505	2,279	21,806	1,351,856	13,615
Other European Union countries	(206)	6,693	216,473	5,524	(125)	6,632	210,890	5,934
Rest of Europe	116	730	18,850	581	163	783	15,994	582
North America	252	951	62,508	25	(11)	516	53,339	24
Central and South America	15	62	1,799	22	19	109	1,377	18
Africa and Middle East	215	486	13,086	175	214	467	12,263	172
Asia-Pacific (excl. Japan)	294	1,033	34,571	2	263	923	28,581	
Japan	(3)	201	20,624	37	(55)	69	19,463	30
TOTAL	**3,611**	**34,206**	**1,730,846**	**19,871**	**2,747**	**31,305**	**1,693,763**	**20,375**

(1) By application of IFRS 8, regional segment reporting is presented following elimination of intra-group transactions. Figures for 2009 have therefore been restated.

5.3 Insurance activities

Gross income from insurance activities

Insurance activities *(in millions of euros)*	31/12/2010	31/12/2009
Premium written	29,191	24,580
Change in unearned premiums	(168)	(364)
Earned premiums	**29,023**	**24,216**
Other operating income	**236**	**266**
Investment income	7,410	7,162
Investment expenses	(441)	(606)
Gains and losses on disposal of investments net of impairment and amortisation write-backs	2,546	110
Change in fair value of investments at fair value through profit or loss	984	4,450
Change in impairment on investments	(23)	(627)
Investment income after expenses	**10,476**	**10,489**
Claims paid (1)	**(34,713)**	**(30,862)**
Income on business ceded to reinsurers	391	405
Expenses on business ceded to reinsurers	(517)	(438)
Net expense or income on business ceded to reinsurers	**(126)**	**(33)**
Contract acquisition costs	(2,017)	(1,767)
Amortisation of investment securities and similar	(9)	(11)
Administration expenses	(1,083)	(812)
Other current operating income (expense)	(122)	(170)
Other operating income (expense)	(31)	2
Operating income	**1,634**	**1,318**
Financing costs	(116)	(71)
Share of profit of associates		
Income tax expense	(491)	(296)
Consolidated net income	**1,027**	**951**
Minority interests	**15**	**23**
NET INCOME, GROUP SHARE	**1,012**	**928**

(1) Of which -€10.9 billion in claims costs in 2010 (-€10.9 billion in2009), -€5.2 billion in change in policyholder profit-sharing in 2010 (-€5.2 billion in 2009) and -€18.4 billion in change to technical reserves in 2010 (-€15.2 billion in 2009).

Insurance company investments

(in millions of euros) IFRS Classification	31/12/2010		31/12/2009 [2]	
	Net value	Unrealised gains	Net value	Unrealised gains
Available-for-sale assets	**140,389**		**138,831**	
Equities	19,974		27,705	
Bonds	70,588		77,828	
Treasury bills and similar securities	49,827		33,298	
Held-to-maturity assets	**21,225**	**506**	**21,168**	**1,080**
Bonds	139	3	3,228	165
Treasury bills and similar securities	21,086	503	17,940	915
Financial assets at fair value through profit and loss classified as held for trading and financial assets designated as at fair value through profit or loss upon initial recognition	**25,444**		**28,201**	
Equities	8,302		9,452	
Bonds	8,724		14,329	
Treasury bills and similar securities	7,477		3,515	
Derivative instruments	941		905	
Other assets at fair value	**41,389**		**38,507**	
Assets backing unit-linked contracts [1]	41,496		38,492	
Hedging derivative instruments	(107)		15	
Loans and receivables	**3,483**		**3,537**	
Investment property	**2,468**	**1,782**	**2,500**	**1,848**
TOTAL INSURANCE COMPANY INVESTMENTS	**234,398**	**2,288**	**232,744**	**2,928**

(1) Debt issues related to assets held by Group insurers on behalf of policyholders, included in unit-linked contracts, are not eliminated. This has no material impact on the Group's consolidated financial statements.

(2) This note sets out insurance company investments in Crédit Agricole Group. The published figures for 2009 for the Crédit Agricole Assurances scope have been restated so that they are comparable with the new presentation format applied from 31 December 2010.

6. NOTES TO THE BALANCE SHEET

6.1 Cash due from central banks

(in millions of euros)	31/12/2010		31/12/2009	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Cash	3,227		3,357	
Central banks [(1)]	28,522	979	34,094	2,252
CARRYING AMOUNT	**31,749**	**979**	**37,451**	**2,252**

(1) Accrued interest is no longer separated, the amounts published at 31 December 2009 have been reclassified.

6.2 Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss

(in millions of euros)	**31/12/2010**	**31/12/2009**
Financial assets held for trading	366,983	384,116
Financial assets designated as at fair value through profit or loss upon initial recognition	45,182	43,052
CARRYING AMOUNT	**412,165**	**427,168**
Of which lent securities	2,999	674

Financial assets held for trading

(in millions of euros)	**31/12/2010**	**31/12/2009**
Loans and receivables to customers	435	318
Securities bought under repurchase agreements	35,556	27,759
Securities held for trading	95,791	103,829
• Treasury bills and similar securities	42,634	43,033
• Bonds and other fixed-income securities	28,061	39,174
• Shares and other variable- income securities	25,096	21,622
Derivative instruments	235,201	252,210
CARRYING AMOUNT	**366,983**	**384,116**

Financial assets designated as at fair value through profit or loss upon initial recognition

(in millions of euros)	**31/12/2010**	**31/12/2009**
Loans and receivables to customers	5	108
Asset backing unit-linked contracts	41,496	38,493
Securities designated as at fair value through profit or loss upon initial recognition	3,681	4,451
• Treasury bills and similar items	22	21
• Bonds and other fixed-income securities	2,276	3,185
• Shares and other variable- income securities	1,383	1,245
CARRYING AMOUNT	**45,182**	**43,052**

Financial liabilities at fair value through profit or loss

(in millions of euros)	**31/12/2010**	**31/12/2009**
Financial liabilities held for trading	340,764	364,795
Financial liabilities designated as at fair value upon initial recognition	602	580
CARRYING AMOUNT	**341,366**	**365,375**

Financial liabilities held for trading

(in millions of euros)	**31/12/2010**	**31/12/2009**
Securities sold short	25,797	28,858
Securities sold under repurchase agreements	54,601	56,264
Debt securities	30,212	29,894
Derivative instruments	230,154	249,779
CARRYING AMOUNT	**340,764**	**364,795**

Detailed information on trading derivatives is provided in Note 3.2 on market risk, in particular with regard to interest rates.

Financial liabilities designated as at fair value upon initial recognition

(in millions of euros)	**31/12/2010**		**31/12/2009**	
	Fair value on balance sheet	**Difference between carrying value and amount owed at maturity**	**Fair value on balance sheet**	**Difference between carrying value and amount owed at maturity**
Debt securities	**602**	**25**	**580**	**49**
CARRYING AMOUNT	**602**	**25**	**580**	**49**

6.3 Hedging derivative instruments

Detailed information is provided in Note 3.4 on cash flow and fair value hedges, and more particularly with respect to interest rates and foreign exchange rates.

6.4 Available-for-sale financial assets

(in millions of euros)	31/12/2010			31/12/2009 [1]		
	Fair value on balance sheet	**Gains recogni-sed in other comprehen-sive income**	**Losses recogni-sed in other comprehen-sive income**	**Fair value on balance sheet**	**Gains recogni-sed in other comprehen-sive income**	**Losses recogni-sed in other comprehen-sive income**
Treasury bills and similar securities	88,442	780	(3,212)	65,794	1,076	(102)
Bonds and other fixed-income securities	126,533	2,243	(1,041)	129,828	4,405	(636)
Shares and other variable-income securities	22,207	807	(112)	29,654	594	(297)
Non-consolidated investments [4]	7,324	1,168	(355)	5,925	1,201	(321)
Available-for-sale receivables	140			140	1	
Total available-for-sale securities	**244,506**	**4,998**	**(4,720)**	**231,201**	**7,276**	**(1,356)**
Total available-for-sale receivables	**140**			**140**	**1**	
CARRYING AMOUNT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS [3]	**244,646**	**4,998**	**(4,720)**	**231,341**	**7,277**	**(1,356)**
Income tax expense		**(1,411)**	**1,383**		**(2,189)**	**309**
Gains and losses on available-for-sale financial assets recognised in other comprehensive income (net of income tax) [2]		**3,587**	**(3,337)**		**5,088**	**(1,047)**

(1) Accrued interest is no longer separated. The amounts published at 31/12/2009 have therefore been reclassified.

(2) At 31 December 2010, the net unrealised gain amount of €0.2 billion (€4 billion at 31 December 2009) included both a net unrealised loss of €0.5 billion recognised as an after-tax deferred profit-sharing asset for the Group insurance companies (net after-tax deferred profit-sharing liability of €2.3 billion at 31 December 2009) and a net €0.8 billion unrealised gain recognised in recyclable equity as at 31 December 2010 (€1.7 billion as at 31 December 2009).

(3) Of which €0.1 billion of impaired available-for-sale debt securities and €3.1 billion for impaired available-for-sale variable-income securities.

(4) Including reclassification of the Crédit Agricole S.A. investment in Intesa Sanpaolo S.p.A., presented In 2009 under "Investments In equity-accounted entities" and transferred to "Non- consolidated investments", for €1.3 billion. This reclassification is undertaken following the Group decision taken on 16 December 2010 to terminate the arrangement ensuring its representation on the Supervisory Board of that company.

6.5 Loans and receivables to credit institutions and customers

Loans and receivables to credit institutions

(in millions of euros)	**31/12/2010**	**31/12/2009**
Credit institutions		
Loans and receivables:	52,313	50,047
of which performing current accounts in debit	*19,874*	*32,291*
of which performing overnight accounts and advances	*6,062*	*2,556*
Pledged securities	290	548
Securities bought under repurchase agreements	48,445	37,942
Subordinated loans	525	663
Securities not traded in an active market	482	1,057
Other loans and receivables	74	211
TOTAL	**102,129**	**90,468**
Accrued interest	**186**	**171**
Impairment	**556**	**485**
Carrying amount	**101,759**	**90,154**

Loans and receivables to customers

(in millions of euros)	**31/12/2010**	**31/12/2009**
Loans and receivables to customers		
Customer receivables	13,704	12,978
Other customer loans	670,850	635,075
Securities bought under repurchase agreements	42,172	36,954
Subordinated loans	499	498
Securities not traded in an active market	11,790	12,663
Insurance receivables	514	563
Reinsurance receivables	223	235
Advances in associates current accounts	1,069	940
Current accounts in debit	19,954	19,252
TOTAL	**760,775**	**719,158**
Accrued interest	**3,757**	**3,815**
Impairment	**24,444**	**21,805**
Net amount	**740,088**	**701,168**
Lease finance transactions		
Property leasing	**7,552**	**7,255**
Equipment leasing, operating leases and similar transactions	**11,761**	**11,268**
TOTAL	**19,313**	**18,523**
Accrued interest	**381**	**403**
Impairment	**330**	**307**
Net amount	**19,364**	**18,619**
Carrying amount	**759,452**	**719,787**

6.6 Impairment deducted from financial assets

(in millions of euros)	31/12/2009	Changes in scope	Impairment losses Increases	Write-backs	Translation adjustments	Other movements	31/12/2010
Loans and receivables to credit institutions	485		91	(36)	25	(9)	556
Customer loans (1)	21,805	(39)	8,399	(5,911)	188	2	24,444
of which collective impairment	*6,581*	*(8)*	*1,190*	*(1,049)*	*98*	*15*	*6,827*
Lease finance transactions	307	(7)	245	(213)	1	(3)	330
Held-to-maturity securities	44			(21)			23
Available-for-sale assets (2)	2,606	4	202	(835)	(149)	22	1,850
Other financial assets	165		55	(50)	1	(3)	168
TOTAL IMPAIRMENT OF FINANCIAL ASSETS	**25,412**	**(42)**	**8,992**	**(7,066)**	**66**	**9**	**27,371**

Changes in scope

(1) The €39 million included under "Changes in Scope" essentially includes the exclusion of impairment of customer loans for BIMR (€12 million), sold in 2010, as well as impairment losses for SSF and Credigen (€18 million), both deconsolidated in 2010.

Write-backs and use of impairments on available-for-sale assets

(2) Write-backs and use of impairments on available-for-sale assets essentially correspond to the full or partial disposal of securities and UCITS.

Other movements

(2) These movements mainly include transfers to impairment of available-for-sale securities: at Crédit Agricole CIB (€7 million resulting from impairment of credit institution receivables) and at Emporiki (€6 million resulting from impairment of customer receivables), as well as €2 million in fair value adjustments to the CA Vita portfolio.

(in millions of euros)	31/12/2008	Changes in scope	Impairment losses Increases	Write-backs	Translation adjustments	Other movements	31/12/2009
Loans and receivables to credit institutions	341		161	(22)	1	4	485
Customer loans (1)	18,192	(69)	9,295	(5,756)	(26)	169	21,805
of which collective impairment	*5,384*	*1*	*1,883*	*(679)*	*(21)*	*13*	*6,581*
Lease finance transactions	221	44	263	(205)	(1)	(15)	307
Held-to-maturity securities	29		25	(10)			44
Available-for-sale assets (2)	2,958	64	724	(1,154)	7	7	2,606
Other financial assets	139	(8)	58	(23)		(1)	165
TOTAL IMPAIRMENT OF FINANCIAL ASSETS	**21,880**	**31**	**10,526**	**(7,170)**	**(19)**	**164**	**25,412**

Other movements

(1) Including €140 million representing the fair value of the Ducato loans and receivables as of the acquisition date.

(2) Including €19 million in fair value adjustments for securities in CA Vita's portfolio.

Changes in scope

(1) Including €41 million reclassified into lease finance transactions by Emporiki Leasing arising from the break-up of the Emporiki subgroup.

(2) Including €51 million in impairment recognised on the four entities deconsolidated by Emporiki before the break-up of the subgroup.

Write-backs

(2) Including €933 million from disposals of impaired securities by Predica.

6.7 Due to credit institutions and to customers

Due to banks

(in millions of euros)	**31/12/2010**	**31/12/2009**
Credit institutions		
Deposits:	78,674	75,968
of which current accounts in credit	*5,765*	*7,461*
of which daylight overdrafts and accounts	*12,002*	*10,993*
Pledged securities	11,936	11,346
Securities sold under repurchase agreements	32,183	23,796
Subtotal	**122,793**	**111,110**
Accrued interest	**396**	**565**
TOTAL	**123,189**	**111,675**

Due to customers

(in millions of euros)	**31/12/2010**	**31/12/2009**
Current accounts in credit	183,019	168,005
Special savings accounts	222,530	213,366
Other due to customers (1)	153,729	140,495
Securities sold under repurchase agreements	59,602	52,299
Direct insurance liabilities	1,927	892
Reinsurance liabilities	389	594
Cash deposits received from cedants and retrocessionaires against technical insurance commitments	7	4
TOTAL	**621,203**	**575,655**
Accrued interest	**2,096**	**2,271**
CARRYING AMOUNT	**623,299**	**577,926**

(1) Security deposits connected with certain services, previously allocated to "Miscellaneous creditors" under "Accruals, deferred income and sundry liabilities" (Note 6.11) have been reallocated to "Other due to customers". The net amount of security deposits amounts to €46 million at 31/12/2010, and to €478 million at 31/12/2009.

6.8 Held-to-maturity financial assets

(in millions of euros)	31/12/2010	31/12/2009 [1]
Treasury bills and similar securities	22,078	18,308
Bonds and other fixed-income securities	4,131	9,378
TOTAL	**26,209**	**27,686**
Impairment	(23)	(44)
NET CARRYING AMOUNT	**26,186**	**27,642**

(1) Accrued interest is no longer separated. The amounts published in financial statements at 31/12/2009 have therefore been reclassified.

6.9 Debt securities and subordinated debt

(in millions of euros)	31/12/2010	31/12/2009
Debt securities		
Interest bearing notes	1,714	1,822
Money-market instruments	6,043	5,099
Negotiable debt securities	121,881	124,374
Bonds [1]	54,677	60,655
Other debt securities	2,662	3,152
TOTAL	**186,977**	**195,102**
Accrued interest	1,486	1,014
CARRYING AMOUNT	**188,463**	**196,116**
Subordinated debt		
Fixed-term subordinated debt [2]	22,647	21,434
Perpetual subordinated debt [3]	9,464	11,737
Mutual security deposits	120	113
Participating securities and loans	199	199
TOTAL	**32,430**	**33,483**
Accrued interest	598	611
CARRYING AMOUNT	**33,028**	**34,094**

(1) Includes issues of covered bonds.
(2) Includes issues of redeemable subordinated notes "TSR".
(3) Includes deeply subordinated note (TSS) and perpetual subordinated note (TSDI) issues.
Debt issues related to assets held by Group insurers on behalf of policyholders, included in unit-linked contracts, are not eliminated. This has no material impact on the Group's consolidated financial statements.

At 31 December 2010, the outstanding of deeply subordinated notes outstanding was €7,069 million.

Subordinated debt issues

All banks adjust the volume and nature of their liabilities continuously according to developments in their uses of funds.

Subordinated debt thus plays a part in regulatory capital management while contributing to refinancing all of Crédit Agricole S.A.'s operations.

The Crédit Agricole Group has issued various kinds of subordinated debt, which are described below.

Redeemable subordinated notes

Redeemable subordinated notes (TSR) issued by Crédit Agricole S.A. are usually fixed-rate and pay interest on a quarterly or annual basis.

They are issued either on the French market under French law or in the international markets under UK law, under the Euro medium-term notes (EMTN) programme.

These notes differ from traditional bonds in terms of their ranking as defined by the subordination clause.

In the case of notes issued by Crédit Agricole S.A., in the event of liquidation, the Redeemable Subordinated Notes (TSR) will be repaid after all other secured and unsecured creditors, but before either borrowings with participating feature provided to the issuer, or any participating notes issued by the Bank, as well as any deeply subordinated notes according to Article L. 228-97 of the French Commercial Code. Interest payments are not usually subject to a subordination clause. Where one exists, it generally refers to events outside the Company's control.

Radian has been issuing Redeemable Subordinated Notes since the company was founded, which are mainly used to raise equity on behalf of the Regional Banks. At 31 December 2010, 17 issues amounting to €2,431 million were still outstanding.

Perpetual subordinated notes

Perpetual subordinated notes (TSDI) issued by Crédit Agricole S.A. are usually fixed-rate and pay interest quarterly. They are only redeemable in the event of the issuer's liquidation or on expiry of the issuer's term as indicated in Crédit Agricole S.A.'s Articles of Association, unless they contain a contractually defined early redemption clause. The subordination clause may apply to principal and interest. Namely, the coupon may be suspended if the General Meeting of Shareholders duly notes that there were no distributable earnings for the relevant financial year.

Note: TSDI rank senior to shares, TSS and participating notes and securities issued by the issuer; they rank *pari passu* with TSR, and are subordinated to all other debt.

Deeply subordinated note (TSS) issues

The deeply subordinated notes issued by Crédit Agricole S.A. are either fixed or floating-rate and perpetual (unless they contain a contractually defined early redemption clause). They are senior to shares but subordinated to all other subordinated debt. The coupons are non-cumulative, and payment of a dividend by Crédit Agricole S.A. involves obligation to pay the coupon on the deeply subordinated notes. There are also redemption options with or without step-up.

Early redemption at the issuer's discretion

Redeemable Subordinated notes (TSR), Perpetual Subordinated Notes (TSDI) and Deeply Subordinated Notes (TSS) may be early redeemed, through buy-back transactions, either on the market through public takeover bids or exchange offers or over-the-counter, subject to prior approval by the regulatory authority and at the issuer's initiative, in accordance with the contractual clauses applicable to each issue.

Furthermore, for contracts containing specific early redemption clauses (call options), after securing approval from the regulatory authority, Crédit Agricole S.A. is entitled to redeem the notes prior to their maturity, under the conditions and at the times defined by the contractual terms of the issue.

Early payability

Existing debt instruments may become due and payable immediately under certain circumstances, for example upon non-payment of principal and interest, after a predetermined grace period elapsed, following which they become due and payable, the insolvency of Crédit Agricole S.A. as issuer, and in the case of breach by Crédit Agricole S.A. of its other contractual obligations.

Covered bond issues

In order to increase the amount of medium-to-long term financing, the Group issues covered bonds through its subsidiary Crédit Agricole Covered Bonds.

The initial issue was launched in January 2009. A total of €9,857 billion has thus been raised at 31 December 2010.

6.10 Current and deferred tax assets and liabilities

(in millions of euros)	**31/12/2010**	**31/12/2009**
Current tax	1,715	1,294
Deferred tax	6,956	6,741
TOTAL CURRENT AND DEFERRED TAX ASSETS	**8,671**	**8,035**
Current tax	1,027	1,644
Deferred tax	1,363	473
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**2,390**	**2,117**

Net deferred tax assets and liabilities break down as follows:

(in millions of euros)	**31/12/2010**	**31/12/2009**
Temporary timing differences	**6,470**	**7,811**
Non-deductible accrued expenses	434	381
Non-deductible provisions for liabilities and charges	4,462	3,917
Other temporary differences (1)	1,574	3,513
Deferred tax/Reserves for unrealised gains or losses	**255**	**(193)**
Available-for-sale assets	12	(391)
Cash Flow Hedges	221	198
Gains and losses/Actuarial gains or losses	22	
Deferred tax/Income	**(1,132)**	**(1,350)**
TOTAL DEFERRED TAX	**5,593**	**6,268**

(1) The portion of deferred tax related to tax loss carry-forwards for 2010 is €996 million.

Deferred tax assets are netted on the balance sheet by taxable entity.

6.11 Accrued income and expenses and other assets and liabilities

Accruals, prepayments and sundry assets

(in millions of euros)	**31/12/2010**	**31/12/2009**
Other assets	**58,873**	**64,998**
Inventory accounts and miscellaneous	464	508
Collective management of “Sustainable Development Passbook” account securities	50	50
Miscellaneous debtors	45,222	47,976
Settlement accounts	11,778	15,166
Due from shareholders - unpaid capital		6
Other insurance assets	341	324
Reinsurers’ share of technical reserves	1,018	968
Accruals and deferred income	**16,043**	**16,194**
Items in course of transmission from other banks	9,665	10,804
Adjustment and suspense accounts	967	905
Accrued income	2,273	2,096
Prepaid expenses	460	469
Other accruals and prepayments	2,678	1,920
NET CARRYING AMOUNT	**74,916**	**81,192**

Accruals, deferred income and sundry liabilities

(in millions of euros)	**31/12/2010**	**31/12/2009**
Other liabilities (1)	**47,331**	**55,461**
Settlement accounts	14,048	21,270
Miscellaneous creditors (2)	32,863	33,166
Liabilities related to trading securities	324	267
Other insurance liabilities	96	758
Other		
Accruals and deferred expenses	**23,292**	**22,522**
Items in course of transmission to other banks	9,411	11,180
Adjustment and suspense accounts	3,179	2,051
Unearned income	4,066	3,550
Accrued expenses	4,791	4,379
Other accruals and deferred income	1,845	1,362
CARRYING AMOUNT	**70,623**	**77,983**

(1) Amounts include accrued interest.

(2) Security deposits connected with certain services, previously allocated to "Miscellaneous creditors" have been reallocated to "Other due to customers" under "Due to customers" (Note 6.7). The net amount of security deposits amounts to €46 million at 31 December 2010, and to €478 million at 31 December 2009.

6.12 Non-current assets held for sale and associated liabilities

(in millions of euros)	31/12/2010	31/12/2009
Non-current assets held for sale	1,610	627
Liabilities associated with non-current assets held for sale	1,472 (2)	582 (1)

(1) These items fully relate to the sale of the retail banking network in West Africa.

(2) These items concern SCB Cameroun, Crédit Uruguay Banco and Winchester Global Trust Company Ltd.

6.13 Investment property

(in millions of euros)	31/12/2009	Change in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements (2)	Balance at 31/12/2010
Investment property							
Gross amount	3,446	(2)	225	(291)		120	3,498
Depreciation, amortisation and impairment	(339)	1	(34)	23		(37)	(386)
CARRYING AMOUNT (1)	**3,107**	**(1)**	**191**	**(268)**		**83**	**3,112**

(1) Including investment property let to third parties.

(2) For Predica, reclassification of investment property to property used in operations for -€110 million, following entry of Crédit Agricole Assurance, and for SCI current accounts reclassification from property used in operations to investment property of €128 million.

Inclusion of temporarily vacant investment property corresponding to expired or terminated lease financing contracts, for €55 million.

(in millions of euros)	31/12/2008	Change in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	Balance at 31/12/2009
Investment property							
Gross amount	3,395	(5)	455	(431)		32	3,446
Depreciation, amortisation and impairment	(312)	1	(35)	13		(6)	(339)
CARRYING AMOUNT (1)	**3,083**	**(4)**	**420**	**(418)**		**26**	**3,107**

(1) Including investment property let to third parties.

Investment properties are valued by expert appraisers.

The market value of investment properties recognised at amortised cost, as valued by expert appraisers, was €5,156 million at 31 December 2010 compared with €5,033 million at 31 December 2009.

6.14 Property, plant & equipment and intangible assets (excluding goodwill)

(in millions of euros)	**31/12/2009**	**Change in scope**	**Increases (acquisitions, business combinations)**	**Decreases (disposals and redemptions)**	**Translation adjustments**	**Other movements [(2)]**	**Balance at 31/12/2010**
Property, plant & equipment							
Gross amount	15,861	1	1,424	(1,109)	91	277	16,545
Depreciation and impairment [(1)]	(8,088)	44	(1,039)	687	(40)	(170)	(8,606)
NET CARRYING AMOUNT	**7,773**	**45**	**385**	**(422)**	**51**	**107**	**7,939**
Intangible assets							
Gross amount	4,271	34	356	(188)	25	137	4,635
Depreciation, amortisation and impairment	(2,441)	3	(413)	122	(15)	(15)	(2,759)
NET CARRYING AMOUNT	**1,830**	**37**	**(57)**	**(66)**	**10**	**122**	**1,876**

(1) Including depreciation on fixed assets let to third parties.

(2) Inclusion of temporarily vacant property corresponding to expired or terminated lease financing contracts for €279 million.

Identification in Amundi of an intangible asset corresponding to a distribution contract in Société Générale group networks, at fair value, for €161 million. Intangible assets arising from mark-to-market adjustments to assets and liabilities acquired are amortised over the same period and in accordance with the same method used to amortise other intangible assets of the same class.

(in millions of euros)	31/12/2008	Change in scope	Increases (acquisitions, business combinations)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	Balance at 31/12/2009
Property, plant & equipment							
Gross amount	14,949	1	1,761 (3)	(1,043)	(10)	203	15,861
Depreciation and impairment (1)	(7,534)	2	(1,061)	595	5	(95)	(8,088)
NET CARRYING AMOUNT	**7,415**	**3**	**700**	**(448)**	**(5)**	**108**	**7,773**
Intangible assets							
Gross amount	3,657	115	339	(88)	(3)	251 (2)	4,271
Depreciation, amortisation and impairment	(2,107)	(10)	(323)	21	1	(23)	(2,441)
NET CARRYING AMOUNT	**1,550**	**105**	**16**	**(67)**	**(2)**	**228**	**1,830**

(1) Including depreciation on fixed assets let to third parties.

(2) The change in other movements is due mainly to the allocation of goodwill to the commercial contracts of Agos S.p.A (+€129 million) and of Forso Sweden (+€32 million) and to the Customer Portfolio transferred by Natixis to CACEIS (+€95 million). Intangible assets arising from mark-to-market adjustments to assets and liabilities acquired are amortised for the same duration and using the same method as other intangible assets of the same kind.

(3) Including the acquisition of the Evergreen real estate complex for €387 million.

6.15 Insurance company technical reserves

Breakdown of insurance technical reserves

(in millions of euros)	31/12/2010				
	Life	Non-life	International	Creditor	Total
Insurance contracts	101,334	3,321	8,509	1,302	114,466
Investment contracts with discretionary participation features	103,442		6,451		109,893
Investment contracts without discretionary participation features	1,749		5,710		7,459
Deferred participation liability (1)		19			19
Other technical reserves					
TOTAL TECHNICAL RESERVES	**206,525**	**3,340**	**20,670**	**1,302**	**231,837**
Deferred profit-sharing asset (1)	(1,353)		(143)		(1,496)
Reinsurers' share of technical reserves	(444)	(205)	(100)	(270)	(1,019)
NET TECHNICAL RESERVES (2)	**204,728**	**3,135**	**20,427**	**1,032**	**229,322**

(1) Including deferred asset on revaluation of AFS securities of €0.8 billion before tax, that is €0.5 billion after tax (see Note 6.4 Available-for-sale financial assets).

(2) Reinsurers' share in technical reserves and other Insurance liabilities are recognised under "Accrued Income and other assets".

(in millions of euros)	31/12/2009				
	Life	**Non-life**	**International**	**Creditor**	**Total**
Insurance contracts	87,422	2,870	7,062	1,134	98,488
Investment contracts with discretionary participation features	103,743		5,056		108,799
Investment contracts without discretionary participation features	1,812		5,609		7,421
Deferred participation liability (1)	1,329		(15)		1,314
Other technical reserves					
TOTAL TECHNICAL RESERVES	**194,306**	**2,870**	**17,712**	**1,134**	**216,022**
Reinsurers' share of technical reserves	(388)	(179)	(95)	(296)	(958)
NET TECHNICAL RESERVES (2)	**193,918**	**2,691**	**17,617**	**838**	**215,064**

(1) Including liability for deferred participation on the revaluation of AFS securities of €3.5 billion before tax, i.e. of €2.3 billion after tax (see Note 6.4 Available-for-sale financial assets).

(2) Reinsurers' share in technical reserves and other Insurance liabilities are recognised under "Accrued Income and other assets".

Deferred participation assets at 31 December 2010 and deferred participation liabilities at 31 December 2009 break down as follows:

Deferred participation asset	**31/12/2010**
Deferred participation on AFS securities mark-to-market adjustment	(792)
Deferred participation on trading securities mark-to-market adjustment	(870)
Other deferred participation (liquidity risk reserve cancellation)	185
TOTAL (1) (2)	**(1,477)**
Deferred participation liability	**31/12/2009**
Deferred participation on AFS securities mark-to-market adjustment	3,514
Deferred participation on trading securities mark-to-market adjustment	(2,095)
Other deferred participation (liquidity risk reserve cancellation)	(105)
TOTAL (1) (2)	**1,314**

(1) Situation reversed in comparison with 31 December 2009: for CAA group, excluding consolidation of UCITSs, other deferred participation changes from a liability of €1.3 billion in 2009 to an asset of €1.5 billion at 31 December 2010. For 2010, Group portfolios changed from a position of unrealised gain to unrealised loss.

(2) Deferred participation asset on revaluation of AFS securities of €0.8 billion before tax, that is €0.5 billion after tax, at 31 December 2010, compared with a deferred participation liability relating on revaluation of AFS securities of €3.5 billion before tax, that is €2.3 billion after tax, at 31 December 2009 (see Note 6.4 Available-for-sale financial assets).

The recoverable nature of this asset was determined by tests carried out as described in Note 1.3 on insurance activities, in accordance with the CNC recommendation of 19 December 2008.

6.16 Provisions

(in millions of euros)	31/12/2009	Change in scope	Impairment losses Increases	Write-back amounts used	Write-back amounts not used	Translation adjustments	Other movements [4]	31/12/2010
Home purchase savings plans	843		243		(215)			871
Financing commitment execution risks	684		255	(247)	(206)	1	(71)	416
Operational risk [1]	554	2	172	(147)	(68)		(1)	512
Employee retirement and similar benefits [2]	2,075	(3)	193	(389)	(111)	21	88	1,874
Litigation	1,104	(2)	321	(82)	(201)	17	95	1,252
Equity investments	27	4	1	(1)	(4)		2	29
Restructuring [3]	45		2	(15)	(14)			18
Other risks	1,236	5	527	(142)	(341)	3	(73)	1,215
TOTAL	**6,568**	**6**	**1,714**	**(1,023)**	**(1,160)**	**42**	**40**	**6,187**

(1) The main contributors are LCL and Specialised Financial Services (leasing, factoring and investor services) and the Regional Banks.

(2) "Employee retirement and similar benefits" includes post-employment benefits under defined-benefit plans as well as provisions for obligations to employees arising from the LCL competitiveness plan.

(3) The provision for restructuring includes €7 million for Caceis Bank Deutschland, €5 million for LCL, and €3 million for Crédit Agricole Consumer Finance.

(4) Other movements:

- *financing commitment execution risks: -€71 million are mainly due to transfers from liabilities to assets (customer loan Impairment) for Crédit Agricole CIB (-€50 million) and for LCL (-€17 million).*
- *employee retirement and similar benefits: €88 million are mainly due to actuarial gains or losses on commitments related to defined-benefit plans at 31 December 2010.*
- *litigation: €95 million essentially concern reclassification of amounts from other risks to litigation, comprising €41 million for Crédit Agricole CIB, €39 million for Cariparma and €10 million for Amundi;*
- *other risks (-€73 million) notably include the following reclassifications: -€41 million for Crédit Agricole CIB, -€39 million for Cariparma and -€10 million for Amundi, in addition to €14 million transferred for Emporiki from impairment of customer loans and receivables to other risks.*

(in millions of euros)	31/12/2008	Change in scope	Impairment losses Increases	Write-back amounts used	Write-back amounts not used	Translation adjustments	Other movements	31/12/2009
Home purchase savings plans	918		60		(135)			843
Bank guarantee execution risks	522		324	(24)	(130)		(8)	684
Operational risk (1)	**508**	**7**	**129**	**(30)**	**(67)**		**7**	**554**
Employee retirement and similar benefits (2)	**2,256**	**10**	**182**	**(321)**	**(89)**		**37**	**2,075**
Litigation	1,185	(9)	285	(190)	(201)	7	27	1,104
Equity investments	47	11	4		(31)		(4)	27
Restructuring (3)	**9**		**39**	**(1)**	**(2)**			**45**
Other risks (4)	**1,499**	**(3)**	**455**	**(250)**	**(356)**	**(1)**	**(108)**	**1,236**
TOTAL	**6,944**	**16**	**1,478**	**(816)**	**(1,011)**	**6**	**(49)**	**6,568**

(1) The main contributors are Specialised Financial Services (leasing and factoring), asset management, LCL, and the Regional Banks.

(2) "Employee retirement and similar benefits" includes post-employment benefits under defined-benefit plans, as detailed In Note 7.4, and provisions for liabilities to employees arising from the LCL competitiveness plan.

(3) Restructuring provisions include €21 million for Sofinco, mainly in connection with expenses incurred as part of the Sofinco Finaref combination, which are not related to future business operations. They also include €13 million recognised by CACEIS Bank Deutschland.

(4) This line includes provisions for sundry risks, primarily in connection with LCL's new real estate master plan in Paris region. In 2009, other movements included for €69 million a reclassification to social deferred tax reserves in the Regional Bank Nord de France.

Tax audit

In 2007 and 2008, Crédit Agricole CIB underwent a tax audit covering the years 2004 and 2005.

The tax adjustment notice received at the end of December 2008 has given rise to exchanges with the Administration which in December 2010 resulted in payment of corresponding notice of collection. The recognised provision was thus reversed.

Crédit Agricole CIB, at the end of 2010 following a tax audit, received a tax adjustment notice for the year 2005 issued by the Italian tax authorities.

Crédit Agricole CIB is ready to defend its position and challenge it in full.

The provision set aside for this takes into consideration the total risk estimated by the Crédit Agricole CIB Tax department.

In 2009, Predica underwent a tax audit covering 2006 and 2007.

At the end of December 2009, it received a tax adjustment notice applying to one provision item.

This tax adjustment is related to a recent market litigation and Predica has defended its position and challenged it in full. Pending a resolution to this litigation, Predica has booked a charge to provision for this tax adjustment.

Provision for home-purchase saving schemes

Deposits collected under home-purchase savings schemes during the savings phase

(in millions of euros)	31/12/2010	31/12/2009
Home purchase savings plans		
Under 4 years old		
Between 4 and 10 years old	48,236	44,676
Over 10 years old	20,904	21,359
Total home purchase savings plans	**69,140**	**66,035**
Total home purchase savings accounts	**14,032**	**14,260**
TOTAL DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS SCHEMES	**83,172**	**80,295**

Age is determined in accordance with CRC Regulation 2007-01 of 14 December 2007.

Customer deposits outstanding are based on the carrying amount at the end of November 2010 for the financial data at 31 December 2010 and on the carrying amount at the end of November 2009 for the financial data at 31 December 2009, and do not include the Government subsidy.

Outstanding loans granted to holders of home purchase savings schemes

(in millions of euros)	31/12/2010	31/12/2009
Home purchase savings plans	1,027	1,262
Home purchase savings accounts	3,447	3,767
TOTAL OUTSTANDING LOANS GRANTED TO HOLDERS OF HOME-PURCHASE SAVINGS CONTRACTS	**4,474**	**5,029**

Provisions for home purchase savings schemes

(in millions of euros)	31/12/2010	31/12/2009
Home purchase savings plans		
Under 4 years old		
Between 4 and 10 years old	104	122
Over 10 years old	663	320
Total home purchase savings plans	**767**	**442**
Total home purchase savings accounts	**104**	**401**
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS SCHEMES	**871**	**843**

Age is determined in accordance with CRC Regulation 2007-01 of 14 December 2007.

(in millions of euros)	31/12/2009	Impairment losses Increases	Write-backs	Other movements	31/12/2010
Home purchase savings plans	442	326		(1)	767
Home purchase savings accounts	401		(297)		104
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS SCHEMES	**843**	**326**	**(297)**	**(1)**	**871**

6.17 Breakdown of financial assets and liabilities by contractual maturity

The breakdown of balance sheet financial assets and liabilities is made according to maturity date.

The maturities of derivative instruments held for trading and for hedging correspond to their date of contractual maturity.

Equities and other variable-income securities are by nature without maturity; they are classified as “Undefined”.

(in millions of euros)	31/12/2010					
	≤ 3 months	**> 3 months up to ≤ 1 year**	**> 1 year up to ≤ 5 years**	**> 5 years**	**Undefined**	**TOTAL**
Due from central banks	31,749					31,749
Financial assets at fair value through profit or loss	75,121	43,229	102,807	123,705	67,303	412,165
Hedging derivative instruments	2,647	1,670	9,535	11,200	153	25,205
Available-for-sale financial assets	9,676	19,047	52,968	121,339	41,616	244,646
Loans and receivables to credit institutions	80,728	6,694	13,133	1,045	159	101,759
Loans and receivables to customers	143,359	78,378	246,146	285,401	6,168	759,452
Valuation adjustment on portfolios of hedged items	5,853					5,853
Held-to-maturity financial assets	104	2,530	5,389	18,163		26,186
TOTAL FINANCIAL ASSETS BY MATURITY	**349,237**	**151,548**	**429,978**	**560,853**	**115,399**	**1,607,015**
Due to central banks	979					979
Financial liabilities at fair value through profit or loss	83,913	31,849	97,710	127,870	24	341,366
Hedging derivative instruments	2,264	2,215	9,776	13,103	46	27,404
Due to banks	94,853	11,044	7,699	9,486	107	123,189
Due to customers	469,589	59,185	69,273	14,124	11,128	623,299
Debt securities	88,061	40,867	35,169	24,365	1	188,463
Subordinated debt	307	36	5,071	27,324	290	33,028
Valuation adjustment on portfolios of hedged items	3,019					3,019
TOTAL FINANCIAL LIABILITIES BY MATURITY	**742,985**	**145,196**	**224,698**	**216,272**	**11,596**	**1,340,747**

(in millions of euros)	31/12/2009					
	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Undefined	TOTAL
Due from central banks	37,451					37,451
Financial assets at fair value through profit or loss	52,292	51,978	129,728	129,971	63,200	427,168
Hedging derivative instruments	3,468	1,660	8,578	10,918	26	24,649
Available-for-sale financial assets	9,593	15,603	52,603	106,707	46,835	231,341
Loans and receivables to credit institutions	77,961	4,363	5,531	1,143	1,155	90,154
Loans and receivables to customers	123,935	84,057	240,628	267,647	3,520	719,787
Valuation adjustment on portfolios of hedged items	5,552					5,552
Held-to-maturity financial assets	297	1,331	7,562	18,355	96	27,642
TOTAL FINANCIAL ASSETS BY MATURITY	**310,550**	**158,991**	**444,630**	**534,741**	**114,832**	**1,563,744**
Due to central banks	1,719	533				2,252
Financial liabilities at fair value through profit or loss	76,048	30,532	127,904	130,765	126	365,375
Hedging derivative instruments	2,620	2,266	9,301	11,793	68	26,048
Due to banks	76,492	16,943	9,636	6,733	1,871	111,675
Due to customers	409,956	68,574	73,631	17,608	8,157	577,926
Debt securities	92,953	45,543	27,607	29,885	128	196,116
Subordinated debt	560	931	5,657	26,778	168	34,094
Valuation adjustment on portfolios of hedged items	2,861					2,861
TOTAL FINANCIAL LIABILITIES BY MATURITY	**663,209**	**165,322**	**253,735**	**223,563**	**10,519**	**1,316,347**

7. EMPLOYEE BENEFITS AND OTHER COMPENSATION

7.1 Analysis of personnel costs

(in millions of euros)	31/12/2010	31/12/2009
Salaries (1)	(7,728)	(7,249)
Contributions to defined-contribution plans	(675)	(583)
Contributions to defined-benefit plans	(97)	(94)
Other social security expenses	(2,050)	(1,980)
Profit-sharing and incentive plans	(761)	(646)
Payroll-related tax	(618)	(610)
TOTAL PERSONNEL COSTS	**(11,929)**	**(11,162)**

(1) Salaries include expenses related to shared-based payments for:

- *in respect of stock option plans, Crédit Agricole S.A. Group has recognised an expense of €21.2 million at 31 December 2010 compared with €27 million at 31 December 2009;*
- *in respect of deferred variable compensation paid to market professionals, Crédit Agricole S.A. Group has recognised an expense of €81 million at 31 December 2010.*

Obligations concerning public pension schemes in Greece (Emporiki Bank)

The supplementary pension plan for employees of Emporiki Bank (TEAPETE) is subject to Greek Acts no. 3371/2005 and 3455/2006. These Acts have a) reduced the disadvantages for Emporiki Bank arising from the payment of higher social security contributions and b) induced the transparency of Emporiki Bank's actuarial loss estimates.

In accordance with the provisions of the new act 3371/2005, an economic study has been carried out by independent specialist actuaries, in order to determine the cost of including the TEAPETE plan in the aforementioned supplementary plans (IKA-ETEAM and ETAT). The study was completed in the first quarter of 2006, approved by the relevant Committee of the Greek economy and finance ministry, and ratified by act no. 3455/2006. According to this study, Emporiki Bank will pay a special contribution into the IKA-ETEAM and ETAT plans with respect to its retired employees, totalling €786.3 million, either upfront or over 10 years at an interest rate of 3.53%. In addition, Emporiki Bank will have to pay contributions over and above those specified by the ETEAM regulations with respect to employees hired before 31/12/2004 until their retirement. The conditions for paying additional contributions were not defined by act no. 3371/2005, but by ministerial order IKA Φ20203/19189/931/7.11.06. Emporiki Bank is making the payments as defined in the aforementioned economic report. Obligations outstanding at 31/12/2009 totalled €408.2 million.

The union opposed this change, and brought legal action. In one set of proceedings, the Athens court of first instance ruled (decision no. 116/2008) that act no. 3455/2006 was unconstitutional and that the termination of contracts between Emporiki Bank, the union and TEAPETE was improper. Emporiki Bank appealed against the decision which was judged on 24/03/2009. During the lawsuit, the Greek government supported Emporiki Bank in the appeal. However, the court rejected Emporiki Bank's appeal (decision no. 4007/2009, published on 30/06/2009) and upheld the first-instance decision. In December 2009, Emporiki Bank filed another appeal, this time with Greece's Supreme Court. As of this date, the hearing date has not been set. The economic impact of the decision cannot currently be assessed.

7.2 Headcount at year-end

Number of employees	31/12/2010	31/12/2009
France	113,786	115,087
Outside France	47,490	48,584
TOTAL	**161,276**	**163,671**

7.3 Post-employment benefits, defined contribution plans

French employers contribute to a variety of compulsory pension schemes. 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 cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole Group companies have no liability in this respect other than contributions payable.

Within the Group, there are several compulsory defined-contribution plans, the main ones being AGIRC/ARRCO, which are French supplementary pension plans, and some supplementary plans in place notably within UES Crédit Agricole S.A.

Analysis of supplementary pension plans in France

Business line	Entity	Compulsory supplementary retirement plan	Number of employees covered Estimate at 31/12/2010	Number of employees covered Estimate at 31/12/2009
Central support functions	UES Crédit Agricole S.A.	Agriculture industry plan 1.24%	3,284	3,413
CIB	CA CIB	"Article 83" type plan	4,493	4,304
	BGPI	"Article 83" type plan	445	452
Insurance	PREDICA/CAA/CAAGIS	Agriculture industry plan 1.24%	1,260	791
	PACIFICA/SIRCA	Agriculture industry plan 1.24%	1,362	1,277
		"Article 83" type plan	11	11
Number of employees on the payroll				

7.4 Post-employment benefits, defined-benefit plans

(in millions of euros)		31/12/2010	31/12/2009
Change in actuarial liability	**Actuarial liability at 31/12/n-1**	2,962	2,892
	Translation adjustments	99	19
	Current service cost during the period	129	120
	Interest cost	128	114
	Employee contributions	11	10
	Benefit plan changes and settlement	(38)	35
	Changes in scope	68	39
	Benefits paid (mandatory)	(360)	(276)
	Actuarial gains (losses)	92	9
	Actuarial liability at 31/12/n	**3,091**	**2,962**
(in millions of euros)		**31/12/2010**	**31/12/2009**
Breakdown of net charge recognised in the income statement	Service cost	128	104
	Interest cost	127	113
	Expected return on plan assets	(82)	(74)
	Amortisation of past service cost	6	12
	Net actuarial gains/(losses)		59
	Amortisation of gains/(losses) generated by benefit plan changes, withdrawals and settlement	(40)	(1)
	Gains/(losses) due to asset restriction changes		
	Net charge recognised in income statement	**139**	**213**
(in millions of euros)		**31/12/2010**	**31/12/2009**
Change in fair value of plan assets and reimbursement rights	**Fair value of assets/reimbursement rights at 31/12/n-1**	**1,773**	**1,769**
	Translation adjustments	90	20
	Expected return on plan assets	83	68
	Actuarial gains/(losses)	11	(26)
	Employer contributions	183	104
	Employee contributions	11	8
	Benefit plan changes, withdrawals and settlement		(29)
	Changes in scope	19	11
	Benefits paid out under the benefit plan	(175)	(152)
	Fair value of assets/reimbursement rights at 31/12/n	**1,995**	**1,773**
(in millions of euros)		**31/12/2010**	**31/12/2009**
Net position	**Closing actuarial liability**	3,091	2,962
	Unrecognised past service costs (plan changes)	(2)	(28)
	Impact of asset restriction		
	Fair value of assets at end of period	**3,093**	**1,773**
	Net position of assets/(liabilities) at end of period	1,098	**1,161**

Items recognised immediately through SoRIE and booked in comprehensive income (*Amounts in millions of euros*)	**31/12/2010**	**31/12/2009**
Actuarial gains or losses generated by post-employment benefit plans	79	
Asset restriction adjustments (including impact of IFRIC 14)		
Total items immediately recognised through SoRIE during the financial year	**79**	
Aggregate amount of actuarial gains or losses in SoRIE at end of year	**138**	

Information on plan assets	**31/12/2010**	**31/12/2009**
Breakdown of assets		
% Bonds	83.6%	77.0%
% Shares	9.6%	15.7%
% other assets	6.8%	7.3%

Defined benefit plans: principal actuarial assumptions	**31/12/2010**	**31/12/2009**
Discount rate (1)	3.65% to 4.01%	4.15% to 5.5%
Expected return on plan assets and reimbursement rights	3.50% to 3.60%	3,5%
Actual return on plan assets and reimbursement rights	3.50% to 3.60%	4,0%
Expected salary increases (2)	2.50% to 5.20%	1.5% to 6.9%
Rate of change in medical costs	n.m.	4,5%

(1) Discount rates are determined based on the average duration of the commitment, that is, the arithmetic mean of the durations calculated between the valuation date and the payment date weighted by employee turnover assumptions.

(2) As a function of the relevant employee category (managerial or non-managerial).

7.5 Other employee benefits

Among the various collective variable compensation plans within the Group, the Crédit Agricole S.A. Rémunération variable collective (RVC) is a global plan encompassing the discretionary incentive scheme and the compulsory profit-sharing scheme. The amount is calculated in accordance with the Company's performance as measured on the basis of Crédit Agricole S.A.'s net income, Group share.

A given level of net income, Group share will give rise to an entitlement equal to a given percentage of the total payroll.

The amount of the profit-sharing component is calculated in accordance with the standard legal formula and is deducted from the total RVC to obtain the amount of the discretionary incentive entitlement.

Other employee benefits: in France, the Group's main entities pay long-service awards. The amounts vary according to practices and collective bargaining agreements in place.

7.6 Share-based payments

The Board of Directors of Crédit Agricole S.A. has implemented various stock option plans using the authorities granted by the Extraordinary General Meetings of Shareholders of 21 May 2003 and 17 May 2006.

At 31 December 2010, seven stock option plans were implemented by the Board of Directors of Crédit Agricole S.A. No new plan has been implemented in 2010.

Stock option plan for 2004

On 23 June 2004, the Board of Directors created a stock option plan for Executive Officers and certain senior managers of Crédit Agricole S.A. and its subsidiaries, using the authority granted by the Extraordinary General Meeting of Shareholders held on 21 May 2003. In addition, some of these options resulted from the conversion of stock option plans granted by the BFT subsidiary as part of the continued harmonisation of stock option plans within the Group. The total number of shares that may potentially be issued under this plan is 10,861,220 at a price of €20.48, which is equal to the average price quoted during the 20 trading sessions preceding the date of the Board Meeting, with no discount.

Stock option plan for 2005

On 25 January 2005, the Board of Directors converted the existing plan at the CL Suisse subsidiary by granting 25,296 Crédit Agricole S.A. options to the beneficiaries using the authority granted by the Extraordinary General Meeting of Shareholders of 21 May 2003. The exercise price is €22.57, which is equal to the average price quoted during the twenty trading sessions preceding the date of the Board Meeting, with no discount. On 19 July 2005 and 16 November 2005, the Board of Directors granted options to two new employees. The first received 5,000 options at an exercise price of €20.99 and the second received 15,000 options at an exercise price of €24.47, which is equal to the average price quoted during the 20 trading sessions preceding the date of each Board Meeting, with no discount.

Stock option plan for 2006

Pursuant to the authorisation granted by the Extraordinary General Meeting of Shareholders of 17 May 2006, the Board of Directors of Crédit Agricole S.A. set the terms and conditions for granting a stock option plan and granted the necessary powers to its Chairman to carry out this plan.

The Board of Directors thus created a stock option plan for Executive Officers and certain senior managers of Crédit Agricole S.A. and its subsidiaries, for 12,029,500 options at a price of €33.61 per share, for 1,745 beneficiaries.

Stock option plan for 2007

Pursuant to the authorisation granted by the Extraordinary General Meeting of Shareholders of 17 May 2006, at its meeting of 17 July 2007, the Board of Directors of Crédit Agricole S.A. created a stock option plan for six employees who had joined the Group, at the exercise price of €29.99 per share, which is equal to the average price quoted during the 20 trading sessions preceding the date of the Board Meeting, with no discount.

Stock option plan for 2008

Pursuant to the authorisation granted by the Extraordinary General Meeting of Shareholders of 17 May 2006, at its meeting of 15 July 2008, the Board of Directors of Crédit Agricole S.A. created a stock option plan, effective on 16 July 2008, for three employees who had joined the Group, at the exercise price of €14.42 per share, which is equal to the higher of: 1) the undiscounted average opening price quoted during the 20 trading sessions preceding the date of the Board Meeting, or 2) 80% of the average purchase price for Crédit Agricole S.A. treasury shares.

Following the capital transactions of January 2007 and June 2008, the Board of Directors of Crédit Agricole S.A. adjusted the number of options and the exercise prices under the plans implemented in 2004, 2005, 2006 and 2007.

The following tables show the attributes and general terms and conditions of the plans in place at 31 December 2010:

Description of Crédit Agricole S.A. stock option plans

Crédit Agricole S.A. stock option plans	2004	2005			2006	2007	2008	Total
Date of General Meeting of Shareholders that authorised the plan	21/05/2003	21/05/2003	21/05/2003	21/05/2003	17/05/2006	17/05/2006	17/05/2006	
Date of Board Meeting	23/06/2004	25/01/2005	19/07/2005	16/11/2005	18/07/2006	17/07/2007	15/07/2008	
Option grant date	05/07/2004	25/01/2005	19/07/2005	16/11/2005	06/10/2006	17/07/2007	16/07/2008	
Term of plan	7 years	7 years	7 years	7 years	7 years	7 years	7 years	
Lock-up period	4 years	4 years	4 years	4 years	4 years	4 years	4 years	
First exercise date	05/07/2008	25/01/2009	19/07/2009	16/11/2009	06/10/2010	17/07/2011	16/07/2012	
Expiry date	05/07/2011	25/01/2012	19/07/2012	16/11/2012	05/10/2013	16/07/2014	15/07/2015	
Number of beneficiaries	1,488	17	1	1	1,745	6	3	
Number of options granted	11,843,796	27,600	5,452	15,000	13,116,803	136,992	74,000	25,219,643
Exercise price	18.78 €	20.70 €	19.25 €	24.57 €	30.83 €	27.91 €	14.42 €	
Performance conditions	No	No	No	No	No	No	No	
Conditions in case of departure from Group								
Resignation	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	
Dismissal	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	Forfeit	
Retirement	Retain	Retain	Retain	Retain	Retain	Retain	Retain	
Death	Retain (1)	Retain (1)	Retain (1)	Retain (1)	Retain (1)	Retain (1)	Retain (1)	
Number of options								
Granted to Executive Officers	152,642				185,336	0	0	
Granted to the ten largest grantees	621,471	44,150			861,262	136,992	74,000	
Exercises in 2010								
Forfeited and exercised since inception	1,382,917	2,532		15,000	1,577,253	32,233		3,009,935
NUMBER OF OPTIONS IN PLACE AT 31 DECEMBER 2010	10,460,879	25,068	5,452	0	11,539,550	104,759	74,000	22,209,708
Fair value (as a% of purchase price)	18.00%	18.30%	18.30%	18.30%	28.60%	22.70%	24.30%	
Valuation method used	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	Black & Scholes	

(1) If heirs and successors exercise within six months of death.

Statistics on Crédit Agricole S.A. stock option plans

Crédit Agricole S.A. stock option plans	2004	2005			2006	2007	2008	Total
	05/07/2004	25/01/2005	19/07/2005	16/11/2005	06/10/2006	17/07/2007	16/07/2008	
Options in place at 31 December 2009	10,460,879	25,068	5,452	0	11,539,550	136,992	74,000	22,241,941
Options cancelled in 2010	0	0	0		0	32,233	0	32,233
Options exercised in 2010								0
Options in place at 31 December 2010	10,460,879	25,068	5,452	0	11,539,550	104,759	74,000	22,209,708

Hedging of Crédit Agricole S.A. stock option plans

The 2004 stock option plan (maturity: 2011) and the 2006 stock option plan (maturity: 2013) are hedged through Crédit Agricole S.A. options to buy existing shares.

The other stock option plans are covered by treasury shares held directly by Crédit Agricole S.A.

Key assumptions used to value the stock option plans

Crédit Agricole S.A. values the options granted and recognises an expense determined on the date of grant of the plans based on the market value of the options on that date. The only assumptions that may be revised during the vesting period giving rise to an adjustment to the expense are those relating to the beneficiaries (options forfeited on resignation or dismissal).

Stock option plans

Date of grant	05/07/2004	25/01/2005	19/07/2005	16/11/2005	06/10/2006	17/07/2007	16/07/2008
Estimated life	5 years	5 years			7 years	7 years	7 years
Rate of forfeiture	5%	5%			1.25%	1.25%	1.25%
Estimated dividend rate	3.34%	3.22%			3.03%	4.20%	6.37%
Volatility on the date of grant	25%	25%			28%	28%	40%

The Black & Scholes model has been used for all Crédit Agricole S.A. stock option plans.

Stock options and share subscriptions proposed to employees as part of the employee share ownership plan

The 2010 capital increase for employees was subscribed by 20,700 employees for a total amount of €111 million, and an average subscription amount of €5,374. The shares were subscribed at a price of €7.11(€8.35 in the United States). This price is equal to the average of the 20 opening prices of the Crédit Agricole S.A. share on the securities exchanges from 24 May to 18 June 2010 inclusively, to which a 20% discount was applied (15% for the United States).

The calculation used to value the benefit granted consisted of assessing the lock-up cost from a strategy relying on future sales of locked-up shares and the cash purchase of the same number of shares, financed by a loan.

The average of rates used to assess the cost of this financing is established at 5.9% (risk-free rate of the five-year OAT increased by an average spread).

The cost of lock-up was thus assessed at 22.5% of the price of an undiscounted share. Since the cost of lock up was higher than the subscription discount, no expense was recognised in 2010.

8. FINANCING AND GUARANTEE COMMITMENTS AND OTHER GUARANTEES

Commitments given and received

(in millions of euros)	**31/12/2010**	**31/12/2009**
Commitments given		
Financing commitments	**232,646**	**222,203**
• Commitments given to credit institutions	14,091	14,163
• Commitments given to customers	218,555	208,040
Confirmed credit lines	176,406	166,960
• Documentary credits	12,745	9,763
• Other confirmed credit lines	163,661	157,197
Other commitments given to customers	42,149	41,080
Guarantee commitments	**102,894**	**98,111**
• Credit institutions	10,748	10,777
Confirmed documentary credit lines	2,726	2,708
Other	8,022	8,069
• Customers	92,146	87,334
Property guarantees	4,989	4,385
Financial guarantees	7,848	7,295
Other customer guarantees	79,309	75,654
Commitments received		
Financing commitments	**82,254**	**70,329**
• Commitments received from credit institutions	69,820	64,645
• Commitments received from customers	12,434	5,684
Guarantee commitments	**242,514**	**213,063**
• Commitments received from credit institutions	54,197	47,257
• Commitments received from customers	188,317	165,806
Guarantees received from government bodies or similar	35,810	29,677
Other guarantees received	152,507	136,129

Assets pledged as collateral for liabilities

(in millions of euros)	**31/12/2010**	**31/12/2009**
Securities lent	10,557	6,253
Deposits on market transactions	18,428	19,269
Securities sold under repurchase agreements	158,317	143,709
TOTAL ASSETS PLEDGED AS COLLATERAL FOR LIABILITIES	**187,302**	**169,231**

Guarantees held and assets received as collateral

Guarantees held and assets received as collateral by the Crédit Agricole S.A. Group which it is allowed to sell or to use as collateral amount to €237.9 billion at 31 December 2010, mostly within Crédit Agricole CIB (€109.4 billion). The majority of these guarantees consist of mortgage liens, collateral or guarantees received, regardless of the quality of the assets guaranteed. They are mainly to repurchase agreements and securities pledged to guarantee brokerage transactions. Crédit Agricole S.A. also has €102 billion in assets received as collateral. The majority of these are receivables pledged as collateral by the Regional Banks to Crédit Agricole S.A., as Crédit Agricole S.A. acts as the centralising body for the external refinancing organisations.

The Crédit Agricole Group's policy is to sell seized collateral as soon as possible. Crédit Agricole CIB and Crédit Agricole S.A. had no such assets at 31 December 2010.

Receivables received and pledged as collateral

The Crédit Agricole Group participates in the refinancing facilities provided by *Société de financement de l'économie française* (SFEF). Under the terms of this transaction, the Regional Banks and certain Group subsidiaries pledge receivables as collateral to Crédit Agricole S.A., which in turn pledges them to SFEF to guarantee the loans granted by SFEF to the Group. In 2010, total receivables of €30.8 billion were pledged to SFEF as part of this transaction (€33.3 billion in 2009).The Regional Banks and the subsidiaries retain all risks and rewards associated with these receivables.

The €30.8 billion in receivables pledged as collateral to SFEF in 2010, including €19 billion pledged by the Regional Banks, enabled SFEF to grant loans totalling €20 billion to Crédit Agricole S.A. Of this amount, €13 billion was returned to the Regional Banks in the form of advances and allocated in proportion to the amount of the receivables pledged as collateral.

The Crédit Agricole S.A. Group contributed €54.5 billion in receivables at 31 December 2010 for refinancing transactions to the Banque de France via Crédit Agricole S.A., compared to €49.2 billion in 2009. Finally, €9.7 billion in receivables was directly contributed to Banque de France by subsidiaries at 31 December 2010.

The Crédit Agricole S.A. Group contributed €16.4 billion at 31 December 2010 for refinancing transactions to *Caisse de Refinancement de l'Habitat* via Crédit Agricole S.A., compared to €17.8 billion in 2009. Finally, €8.3 billion in receivables was directly contributed to *Caisse de Refinancement de l'Habitat* by LCL at 31 December 2010.

9. RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Principles adopted by the Crédit Agricole Group

The Group decided on and carried out certain reclassifications from the "Financial assets held for trading" category, in compliance with the conditions set out in the amendment to IAS 39 adopted by the European Union on 15 October 2008. They were recognised in their new accounting category at fair value on the reclassification date.

Reclassifications carried out by the Crédit Agricole group

Pursuant to the amendment to IAS 39 published and adopted by the European Union on 15 October 2008, Crédit Agricole S.A. Group made reclassifications in 2010, as well as in previous years, as allowed by the amendment of IAS 39.

Information on these reclassifications is shown below.

Description, grounds for and amount of reclassifications

In 2010, the Group reclassified from “Financial assets at fair value through profit or loss” to the “Loans and receivables” category certain financial assets for which the intention of the Crédit Agricole Group had changed. It now plans to hold these financial assets for the foreseeable future and no longer to sell them in the short term.

These reclassifications made during the period concern syndication operations.

For the assets reclassified during 2010, the table below shows the fair value at the date of the reclassification and their value at close. Likewise, also shown in the table is the value, at 31 December 2010 of assets reclassified prior to 2010 and still included in the Group's assets at that date:

(in millions of euros)	Total reclassified assets			Assets reclassified in 2010			Assets reclassified before 2009		
	Carrying amount 31/12/2010	Estimated market value at 31/12/2010	Reclassification value	Carrying amount 31/12/2010	Estimated market value 31/12/2010	Carrying amount 31/12/2010	Estimated market value 31/12/2010	Carrying amount 31/12/2009	Estimated market value 31/12/2009
Financial assets at fair value through profit or loss reclassified as loans and receivables	7,647	7,061	76	76	76	7,571	6,985	8,904	8,097
TOTAL RECLASSIFIED ASSETS	**7,647**	**7,061**	**76**	**76**	**76**	**7,571**	**6,985**	**8,904**	**8,097**

Change in fair value of reclassified assets recognised in profit or loss

Changes in fair value recognised in profit or loss are disclosed below for financial assets reclassified in 2010.

(in millions of euros)	**Change in fair value recognised**	
	In 2010, as of reclassification date	**In 2009**
Financial assets at fair value through profit or loss reclassified as loans and receivables	-	(3)
TOTAL RECLASSIFIED ASSETS	**-**	**(3)**

Contribution of reclassified assets to net income since the reclassification date

The contribution of the reclassified assets since the date of reclassification to net income for the year includes all gains, losses, income and expenses recognised in profit or loss or in other comprehensive income.

(in millions of euros)	Impact on pre-tax income since reclassification date							
	Assets reclassified in 2010		Assets reclassified before 2010					
	2010 impact		Cumulative impact at 31/12/2009		2010 impact		Cumulative impact at 31/12/2010	
	Actual income and expenses recognised	If asset had been retained in its former category (change in fair value)	Actual income and expenses recognised	If asset had been retained in its former category (change in fair value)	Actual income and expenses recognised	If asset had been retained in its former category (change in fair value)	Actual income and expenses recognised	If asset had been retained in its former category (change in fair value)
Financial assets at fair value through profit or loss reclassified as loans and receivables	-	-	(19)	(836)	47	238	28	(598)
TOTAL RECLASSIFIED ASSETS	**-**	**-**	**(19)**	**(836)**	**47**	**238**	**28**	**(598)**

Additional information

As of the reclassification date, the financial assets reclassified in 2010 carried effective interest rates ranging from 1.7% to 2.2% inclusive with estimated undiscounted future cash flows of €80 million.

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 estimated below.

10.1 Fair value of financial assets and liabilities measured at amortised cost

(in millions of euros)	31/12/2010		31/12/2009	
	Carrying amount	**Estimated market value**	**Carrying amount**	**Estimated market value**
Assets				
Loans and receivables to credit institutions	101,759	101,824	90,154	92,262
Loans and receivables to customers	759,452	773,510	719,787	729,244
Held-to-maturity financial assets	26,186	26,759	27,642	28,784
Liabilities				
Due to banks	123,189	122,766	111,675	111,515
Due to customers	623,299	623,460	577,926	573,557
Debt securities	188,463	189,623	196,116	195,835
Subordinated debt	33,028	32,876	34,094	33,571

For financial instruments that are traded in an active market (i.e. prices are quoted and disseminated), the best estimate of fair value is their market price.

In the absence of a market and of reliable data, fair value is determined using an appropriate method that is consistent with the valuation methods used in financial markets: market value of a comparable instrument, discounted future cash flows, or valuation models.

Where it is necessary to assess market value, the discounted cash flow method is the most commonly used.

In addition, it should be noted that the Crédit Agricole Group took into account the experts' report published by the IASB on 31 October 2008 on the valuation of certain financial instruments at fair value listed on markets that are no longer active.

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;
- regulated instruments (e.g.: regulated savings accounts) where prices are fixed by the government;
- demand liabilities;
- transactions for which there are no reliable observable data.

10.2 Information about financial instruments measured at fair value

Financial instruments measured at fair value broken down by fair value hierarchy

Financial assets measured at fair value

Amounts presented below include accrued interest and are net of impairment.

(in millions of euros)	Total 31/12/2010	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3	Total 31/12/2009	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial assets held for trading	**366,983**	**90,202**	**266,428**	**10,353**	**384,116**	**88,970**	**282,614**	**12,532**
Loans and receivables to customers	435		435		318		318	
Securities bought under repurchase agreements	35,556		35,556		27,760		27,760	
Securities held for trading	95,792	83,965	8,772	3,055	103,828	81,494	19,993	2,341
Treasury bills and similar securities	42,634	42,631	3		43,033	41,693	1,340	
Bonds and other fixed-income securities	28,061	22,197	4,651	1,213	39,174	26,234 (1)	12,167 (1)	773
Shares and other variable-income securities	25,097	19,137	4,118	1,842	21,621	13,567	6,486	1,568
Derivative instruments	235,200	6,237	221,665	7,298	252,210	7,476	234,543	10,191
Financial assets designated as at fair value through profit or loss upon initial recognition	**45,182**	**31,579**	**11,982**	**1,621**	**43,052**	**34,953**	**6,954**	**1,145**
Loans and receivables to customers	5			5	108		108	
Asset backing unit-linked contracts	41,496	30,869	10,261	366	38,493	32,875	5,541	77
Securities designated as at fair value through profit or loss upon initial recognition	3,681	710	1,721	1,250	4,451	2,078	1,305	1,068
Treasury bills and similar securities	22	22			21	21		
Bonds and other fixed-income securities	2,276	655	1,611	10	3,186	2,040	1,141	5
Shares and other variable-income securities	1,383	33	110	1,240	1,244	17	164	1,063
Available-for-sale financial assets	**244,646**	**207,595**	**35,228**	**1,823**	**231,341**	**139,930**	**89,063** (1)	**2,348** (1)
Treasury bills and similar securities	88,442	88,194	235	13	65,794	65,228 (1)	553 (1)	13
Bonds and other fixed-income securities	126,533	100,130	26,098	305	129,828	51,356	77,887	585
Shares and other variable-income securities	29,531	19,271	8,755	1,505	35,580	23,342	10,488	1,750
Available-for-sale receivables	140		140		139	4	135	
Hedging derivative instruments	**25,205**	**166**	**25,039**		**24,649**	**2,731**	**21,918**	
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**682,016**	**329,542**	**338,677**	**13,797**	**683,158**	**266,584**	**400,549**	**16,025**

(1) Amounts adjusted compared to the financial statements

Financial liabilities measured at fair value

Amounts presented below include accrued interest.

(in millions of euros)	Total 31/12/2010	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3	Total 31/12/2009	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Financial liabilities held for trading	**340,764**	**5,915**	**330,807**	**4,042**	**364,795**	**8,997**	**348,531**	**7,267**
Securities sold short	25,796	311	25,485		28,848	162	28,686	
Securities sold under repurchase agreements	54,601		54,601		56,264	1,245	55,019	
Debt securities	30,212		30,212		29,894		29,894	
Derivative instruments	230,155	5,604	220,509	4,042	249,789	7,590	234,932	7,267
Financial liabilities designated as at fair value upon initial recognition	**602**		**602**		**580**		**580**	
Hedging derivative instruments	**27,404**	**230**	**27,174**		**26,048**	**4,106**	**21,942**	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**368,770**	**6,145**	**358,583**	**4,042**	**391,423**	**13,103**	**371,053**	**7,267**

Market data used for valuation techniques are regarded as observable if the Market Risks department can obtain data from several sources independent of the front offices on a regular basis (daily if possible), for example from brokers or pricing services that collect data from a sufficient number of market participants. A dedicated team, which reports to the Market Risks department, regularly checks the relevance of data obtained in this way and formally documents it.

Conversely, some complex products with a basket component, where valuation requires correlation or volatility data that are not directly comparable with market data, may be classified as non-observable.

Transfers between levels

In 2009, during the credit crisis a certain number of corporate bonds had to be reclassified to Level 2, due to the absence of liquidity of these securities.

Improvements in credit conditions and the market for debt issues in 2010 led to reclassifications in Level 1, for bonds listed on an active market.

Financial instruments valued on a level 3 model

Most of these instruments valued on a Level 3 model are complex fixed-income instruments, structured credit instruments (including some correlation instruments whose measurement incorporates non-observable credit spreads), equity derivatives (including some instruments with multiple underlyings), or hybrid contracts and instruments linked to risk capital and, to a lesser extent, foreign exchange and commodities products. Some financial instruments that are themselves standard but with long maturities may also be classified as Level 3 if the only market data available to measure them are for maturities that are shorter than the contractual maturity and must be extrapolated in order to measure fair value.

At 31 December 2010, financial instruments whose measurement is based on unobservable data (Level 3) mainly included:

- CDOs 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);
- venture capital funds;
- 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 factors” - “Particular risk attributable to the financial crisis” section 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 corporates). Since 2009, Crédit Agricole CIB adjusted its model to take this factor into account. 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.
- The fair value of venture capital funds (FCPR) is measured based on the valuation of the portfolio of equity investments.

  For investments in unlisted companies, the assessment is based on models using factors such as discounted cash flows, earnings multiples, or net asset value, etc.

  The net asset value of FCPR is obtained from the sum of valuations of holdings restated to account for any liabilities.

Net variations in financial instruments measured according to Level 3

Financial assets measured at fair value according to Level 3

		Financial assets held for trading				Financial assets designated as at fair value through profit or loss upon initial recognition					Available-for-sale financial assets		
(in millions of euros)	TOTAL	Bonds and other fixed-income securities	Shares and other variable-income securities	Securities held for trading	Derivative instru-ments	Loans and receivables to customers	Assets backing unit–linked investments	Bonds and other fixed-income securities	Shares and other variable-income securities	Securities designated as at fair value through profit or loss upon initial recognition	Treasury bills and similar securities	Bonds and other fixed-income securities	Shares and other variable-income securities
Opening balance (01/01/2010)	**16,025**	***773***	***1,568***	**2,341**	**10,191**		**77**	***5***	***1,063***	**1,068**	**13**	**585**	**1,750**
Gains or losses for the period	(1,828)	*(92)*	*98*	6	(1,848)	-	(31)	*1*	*(14)*	(13)	-	25	33
Recognised in profit or loss (1)	(1,873)	*(92)*	*98*	6	(1,848)		(31)	*1*	*(14)*	(13)		10	3
Recognised in other comprehensive income (2)	45			-						-		15	30
Purchases	1,703	*557*	*267*	824	417	5	55		*245*	245		40	117
Sales	(1,344)	*(25)*	*(42)*	(67)	(1,075)		(43)		*(54)*	(54)		(18)	(87)
Settlements	(464)			-	(401)		(1)			-		(62)	,
Changes associated with scope for the period	(126)			-	,					-		(185)	59
Transfers	(169)	-	*(49)*	(49)	14	-	309	*4*	-	4	-	(80)	(367)
Transfers to Level 3	798			-	137		364	*4*		4			293
Transfers out of Level 3	(967)		*(49)*	(49)	(123)		(55)			-		(80)	(660)
CLOSING BALANCE (31/12/2010)	**13,797**	***1,213***	***1,842***	**3,055**	**7,298**	**5**	**366**	***10***	***1,240***	**1,250**	**13**	**305**	**1,505**

(1) Gains and losses for the period recognised in profit or loss deriving from assets held at the end of the reporting period amount to -€1,511 million.

(2) Gains and losses for the period recognised in equity deriving from assets held at the end of the reporting period amount to €49 million.

Financial liabilities measured at fair value according to Level 3

(in millions of euros)	TOTAL	Financial liabilities held for trading Derivative instruments
Opening balance (01/01/2010)	**7,267**	**7,267**
Gains or losses for the period	(1,468)	(1,468)
Recognised in profit or loss [1]	(1,468)	(1,468)
Purchases	414	414
Sales	(1,938)	(1,938)
Settlements	(156)	(156)
Transfers	(77)	(77)
Transfers to Level 3	133	133
Transfers out of Level 3	(210)	(210)
CLOSING BALANCE (31/12/2010)	**4,042**	**4,042**

(1) Gains and losses for the period recognised in profit or loss deriving from liabilities held at the end of the reporting period amount to -€1,148 million.

Gains or losses relating to assets and liabilities on the balance sheet at year-end (negative €0.4 billion) mainly comprise:

- the impact of changes in values recognised on CDOs with US real-estate underlyings and the related hedges, for approximately +€1.8 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 in 2008, for -€2.3 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 amount of financial instruments transferred out of Level 3 was approximately €1.2 billion. These transfers are mainly due to the restored observability of some valuation inputs as they get closer to their maturity date over time.

The fair value of financial instruments transferred to Level 3 was €931 million. These transfers are linked to changes in certain valuation data that became unobservable in 2010.

Sensitivity analysis for financial instruments measured using Level 3 valuation techniques

At 31 December 2010, at Crédit Agricole CIB, the sensitivity to variables used in the models based on reasonable alternative assumptions amounted to approximately €209 million (most of it for discontinuing operations): €108 million on CDOs with American residential underlyings and €89 million on corporate CDO activities).

Sensitivity is calibrated independently of the front office, based primarily on consensus data:

- **CDO corporate:** the extent of uncertainty over the default correlation (an unobservable input) is determined based on the standard deviation between the consensus data compared to standard indices;
- **super-senior ABS CDO tranches:** the extent of uncertainty is estimated based on a set rate (10% change in loss scenarios);
- **equity derivatives:** the method is the same as that used for corporate CDOs (standard deviation relative to consensus estimates) but applied to dividend volatility and standard correlation inputs;
- **fixed-income derivatives:** a 2% shock is applied to the main correlations (Interest rate/exchange rate and Interest rate/Interest rate).

Estimated impact of inclusion of the margin at inception

(in millions of euros)	31/12/2010	31/12/2009

Deferred profit at 1 January	**297**	**361**
Profit generated by new transactions during the year	51	93
Recognised in net income for the period		
Amortisation and cancelled/reimbursed/matured transactions	(107)	(157)
Effects of inputs or products reclassified as observable during the year		
DEFERRED PROFIT AT END OF PERIOD	**241**	**297**

11. SUBSEQUENT EVENTS

Another major step forward in Crédit Agricole's expansion in Italy

As planned, Crédit Agricole is pursuing its expansion strategy in Italy. In accordance with the agreement signed on 17 February 2010 with Intesa Sanpaolo S.p.A., The Crédit Agricole Group through its 85%-owned subsidiary, Cariparma, on 3 January 2011 acquired a 79.9% stake in Cassa di Risparmio della Spezia, at market conditions.

Cassa di Risparmio della Spezia operates a network of 76 branches in Liguria, Tuscany and Emilia-Romagna.

With a view to extending this network, it is also planned that Intesa Sanpaolo S.p.A will transfer 96 branches to Cariparma within the next few months. The acquisition price of these two entities is €738 million.

Further to these two deals, the Crédit Agricole Group will have a network of 902 retail banking branches in Italy. The Crédit Agricole Group thereby enlarges its retail client base by around twenty five percent, with a total of 1.8 million clients, and become the seventh-largest banking group in Italy. With all of its activities in Italy - banking, insurance, asset management, corporate and investment banking, leasing and factoring, and specialised financial services - the Crédit Agricole Group is now one of the major players in the Italian banking market.

12. SCOPE OF CONSOLIDATION AT 31 DECEMBER 2010

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
RETAIL BANKING IN FRANCE							
Banks and financial institutions							
2,533 Local Banks		France	Parent company	100.0	100.0	100.0	100.0
39 Regional Banks		France	Parent company	100.0	100.0	100.0	100.0
Banque Chalus		France	Full	100.0	100.0	100.0	100.0
Banque Thémis		France	Full	100.0	100.0	100.0	100.0
B for Bank S.A.		France	Full	100.0	100.0	100.0	100.0
Cofam		France	Full	100.0	100.0	100.0	100.0
Interfimo		France	Full	99.0	99.0	99.0	99.0
LCL		France	Full	100.0	100.0	100.0	100.0
Mercagentes		Spain	Full	82.4	82.4	82.4	82.4
Sircam		France	Full	100.0	100.0	100.0	100.0
Lease finance companies							
Locam		France	Full	100.0	100.0	100.0	100.0
Investment companies							
Bercy Participations		France	Full	100.0	100.0	100.0	100.0
CA Centre France Développement		France	Full	100.0	100.0	100.0	100.0
CACF Immobilier		France	Full	100.0	100.0	100.0	100.0
CADS Développement		France	Full	100.0	100.0	100.0	100.0
Calixte Investissement		France	Full	100.0	100.0	100.0	100.0
Cofinep		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole Centre Est Immobilier		France	Full	100.0	100.0	100.0	100.0
L'Immobilière d'A Côté		France	Full	100.0	100.0	100.0	100.0
Nord Capital Investissement (Formerly Participex)		France	Full	96.9	94.7	97.5	94.7
Nord Est Champagne Agro Partenaires		France	Full	100.0	100.0	100.0	100.0
Prestimmo		France	Full	100.0	100.0	100.0	100.0
Sepi		France	Full	100.0	100.0	100.0	100.0
Sequana		France	Full	100.0	100.0	100.0	100.0
Socadif		France	Full	91.3	91.3	91.3	91.3
Vauban Finance		France	Full	100.0	100.0	97.5	100.0
Insurance							
Assurances du CA Nord-Pas de Calais	Out [4]	France	Full		97.5		97.5
Groupe CAMCA		France	Full	100.0	100.0	100.0	100.0
Other							
Adret Gestion		France	Full	100.0	100.0	100.0	100.0
Alsace Elite		France	Full	94.9	94.9	94.9	94.9
Anjou Maine Gestion	In	France	Full	100.0		100.0	
C.L. Verwaltungs und Beteiligungsgesellschaft GmbH		Germany	Full	100.0	100.0	100.0	100.0
CA Aquitaine Agences Immobilières	In	France	Full	100.0		100.0	
CA Aquitaine Immobilier	In	France	Full	100.0		100.0	
CA Participations		France	Full	100.0	100.0	100.0	100.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Caapimmo 4		France	Full	99.0	99.0	99.0	99.0
Caapimmo 6		France	Full	100.0	100.0	100.0	100.0
CAL Immobilier		France	Full	100.0	100.0	100.0	100.0
CAP Actions 2	In	France	Full	100.0		100.0	
CAP Obligataire	In	France	Full	100.0		100.0	
CAP Régulier 1 (Formerly CAP Actions)		France	Full	100.0	100.0	100.0	100.0
CAPI Centre-Est		France	Full	100.0	100.0	100.0	100.0
Caryatides Finance		France	Full	88.0	88.0	88.0	88.0
Centre France Location Immobilière		France	Full	100.0	100.0	100.0	100.0
Creagrisere	Out (4)	France	Full		100.0		100.0
Crédit Lyonnais Développement Économique (CLDE)		France	Full	100.0	100.0	100.0	100.0
Crédit Lyonnais Europe		France	Full	100.0	100.0	100.0	100.0
Crédit Lyonnais Preferred Capital		United States	Full	100.0	100.0	0.0	0.0
Créer S.A.S.		France	Equity	30.0	30.0	30.0	30.0
Europimmo		France	Full	100.0	100.0	100.0	100.0
Financière PCA	In	France	Full	100.0		100.0	
Finarmor Gestion		France	Full	100.0	100.0	100.0	100.0
Fonds dédié Elstar		France	Full	100.0	100.0	100.0	100.0
Fonds diversifiés Centre Loire		France	Full	100.0	100.0	100.0	100.0
Force Alsace		France	Full	100.0	100.0	100.0	100.0
Force Aquitaine	Out (3)	France	Full		100.0		100.0
Force CACF		France	Full	100.0	100.0	100.0	100.0
Force CAM Guadeloupe Avenir	Out (3)	France	Full		100.0		100.0
Force Charente Maritime Deux Sèvres		France	Full	100.0	100.0	100.0	100.0
Force Iroise		France	Full	100.0	100.0	100.0	100.0
Force Languedoc (Formerly Force Midi)		France	Full	100.0	100.0	100.0	100.0
Force Lorraine Duo		France	Full	100.0	100.0	100.0	100.0
Force Profile 20		France	Full	100.0	100.0	99.9	99.9
Force Run		France	Full	100.0	100.0	100.0	100.0
Force Toulouse Diversifié		France	Full	100.0	100.0	100.0	100.0
Force 4		France	Full	100.0	100.0	100.0	100.0
Green Island		France	Full	100.0	100.0	100.0	100.0
Inforsud Gestion		France	Full	88.9	88.4	88.9	88.4
Morbihan Gestion		France	Full	100.0	100.0	100.0	100.0
NACARAT		France	Equity	30.8	30.8	30.8	30.8
NMP Gestion		France	Full	100.0	100.0	100.0	100.0
Nord de France Immobilier		France	Full	100.0	100.0	100.0	100.0
Ozenne Institutionnel		France	Full	100.0	100.0	100.0	100.0
PCA IMMO		France	Full	100.0	100.0	100.0	100.0
PG IMMO		France	Full	100.0	100.0	100.0	100.0
Pyrénées Gascogne Gestion		France	Full	100.0	100.0	100.0	100.0
S.A.S. Immnord		France	Full	100.0	100.0	100.0	100.0
SCI Capimo		France	Full	100.0	100.0	100.0	100.0
SCI du Vivarais	Out (4)	France	Full		100.0		100.0
SCI Euralliance Europe		France	Full	100.0	100.0	100.0	100.0
SCI Hautes Faventines	Out (4)	France	Full		100.0		100.0
SCI Les Fauvins		France	Full	100.0	100.0	100.0	100.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
SCI Les Palmiers du Petit Pérou	Out [3]	France	Full		100.0		100.0
Scica HL		France	Full	100.0	100.0	100.0	100.0
SNC Kalliste Assur		France	Full	100.0	100.0	100.0	100.0
Société Immobilière de Picardie		France	Full	100.0	100.0	100.0	100.0
Société Picarde de Développement		France	Full	100.0	100.0	100.0	100.0
Sud Rhône Alpes Placement	In	France	Full	98.7		98.7	
Toulouse 31 Court Terme	In	France	Full	100.0		100.0	
Toulouse 31 Obligations	In	France	Full	100.0		100.0	
Val de France Rendement	In	France	Full	100.0		100.0	
Tourism - property development							
Franche Comté Développement Foncier		France	Full	100.0	100.0	100.0	100.0
Franche Comté Développement Immobilier		France	Full	100.0	100.0	100.0	100.0
Nord Est Optimo S.A.S.	In	France	Full	100.0		100.0	
S.A. Foncière de l'Erable		France	Full	100.0	100.0	100.0	100.0
S.A.S. Arcadim Fusion		France	Full	100.0	100.0	100.0	100.0
SCI Crystal Europe		France	Full	100.0	100.0	100.0	99.9
SCI Quartz Europe		France	Full	100.0	100.0	100.0	99.9
INTERNATIONAL RETAIL BANKING							
Banks and financial institutions							
Banca Popolare Friuladria S.p.A.		Italy	Full	79.1	79.1	67.2	67.2
Bankinter		Spain	Equity	24.7	23.4	24.7	23.4
Bankoa		Spain	Full	99.6	99.6	99.6	99.6
Banque Indosuez Mer Rouge	Out [2]	Djibouti	Full		100.0		100.0
BES (Banco Espirito Santo)		Portugal	Equity	10.8	10.8	23.8	23.9
BNI Madagascar		Madagascar	Full	51.0	51.0	51.0	51.0
Cariparma		Italy	Full	85.0	85.0	85.0	85.0
Crédit Agricole Egypt S.A.E.		Egypt	Full	60.5	60.2	60.5	60.2
Crédit Agricole Financement		Switzerland	Full	100.0	100.0	100.0	100.0
Crédit Agricole Banka Srbija a.d. Novi Sad		Serbia	Full	100.0	100.0	100.0	100.0
Crédit du Maroc		Morocco	Full	76.7	76.7	76.7	76.7
Crédit Uruguay Banco		Uruguay	Full	100.0	100.0	100.0	100.0
Emporiki Bank		Greece	Full	96.0	91.5	96.0	91.5
Emporiki Bank Albania S.A.		Albania	Full	100.0	100.0	96.0	91.5
Emporiki Bank Bulgaria E.A.D.		Bulgaria	Full	100.0	100.0	96.0	91.5
Emporiki Bank Cyprus		Cyprus	Full	96.6	93.7	92.7	85.7
Emporiki Bank Romania S.A.		Romania	Full	99.6	99.4	95.6	90.9
Europabank	[5]	Belgium	Full	50.0	50.0	66.7	66.7
JSC Index-Bank HVB		Ukraine	Full	100.0	100.0	100.0	100.0
Lukas Bank		Poland	Full	100.0	100.0	100.0	100.0
Lukas S.A.		Poland	Full	100.0	100.0	100.0	100.0
S.A.Crédit Agricole (Belgique)		Belgium	Full	50.0	50.0	66.7	66.7
SCB Cameroun		Cameroon	Full	65.0	65.0	65.0	65.0
Other							
Belgium CA S.A.S.		Belgium	Full	100.0	100.0	100.0	100.0
Bespar		Portugal	Equity	32.6	32.6	32.6	32.6
Emporiki Development & Real Estate Management		Greece	Full	100.0	100.0	96.0	91.5

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Emporiki Group Finance P.l.c.		United Kingdom	Full	100.0	100.0	96.0	91.5
IUB Holding		France	Full	100.0	100.0	100.0	100.0
Keytrade	(5)	Belgium	Full	50.0	50.0	66.7	66.7
SPECIALISED FINANCIAL SERVICES							
Banks and financial institutions							
Aetran Administrative Dientverlening B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Agos S.p.A.		Italy	Full	61.0	61.0	61.0	61.0
Alsolia		France	Equity	20.0	20.0	20.0	20.0
Antera Incasso B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Assfibo Financieringen B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
BC Finance		France	Full	55.0	55.0	55.0	55.0
CACF	Out (4)	France	Full		100.0		100.0
Carrefour Servizi Finanziari S.p.A.	Out (2)	Italy	Equity		40.0		24.4
CREALFI		France	Full	51.0	51.0	51.0	51.0
Credibom		Portugal	Full	100.0	100.0	100.0	100.0
Credicom Consumer Finance Bank S.A. (Formerly Emporiki Credicom)		Greece	Full	100.0	100.0	100.0	100.0
Crediet Maatschappij “De Ijssel” B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Credigen Bank	Out (3)	Hungary	Full		100.0		100.0
Crédit Agricole Consumer Finance (Formerly Sofinco)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole Consumer Finance Nederland (Formerly CA Deveurop BV)		Netherlands	Full	100.0	100.0	100.0	100.0
Crédit Lift S.p.A.		Italy	Full	100.0	100.0	61.0	61.0
Creditplus Bank AG		Germany	Full	100.0	100.0	100.0	100.0
Credium Slovakia, a.s.		Slovakia	Full	100.0	100.0	100.0	100.0
Dan-Aktiv		Denmark	Full	100.0	100.0	100.0	100.0
DMC Groep N.V.		Netherlands	Full	100.0	100.0	100.0	100.0
DNV B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
EFL Services		Poland	Full	100.0	100.0	100.0	100.0
Eurofactor AG (Allemagne)		Germany	Full	100.0	100.0	100.0	100.0
Eurofactor France		France	Full	100.0	100.0	100.0	100.0
Eurofactor Italia S.p.A.		Italy	Full	100.0	100.0	100.0	100.0
Eurofactor S.A./NV (Belgique)		Belgium	Full	100.0	100.0	100.0	100.0
Eurofactor UK (Angleterre)		United Kingdom	Full	100.0	100.0	100.0	100.0
Eurofactor S.A. (Portugal)		Portugal	Full	100.0	100.0	100.0	100.0
Eurofintus Financieringen B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Euroleenlijn B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
FC France S.A.		France	Proportionate	50.0	50.0	50.0	50.0
FGA Bank Germany GmbH		Germany	Proportionate	50.0	50.0	50.0	50.0
FGA Bank GmbH		Austria	Proportionate	50.0	50.0	50.0	50.0
FGA Capital Belgium S.A.		Belgium	Proportionate	50.0	50.0	50.0	50.0
FGA Capital Danmark A/S		Denmark	Proportionate	50.0	50.0	50.0	50.0
FGA Capital Hellas S.A.		Greece	Proportionate	50.0	50.0	50.0	50.0
FGA Capital IFIC (Formerly Fidis Retail IFIC S.A.)		Portugal	Proportionate	50.0	50.0	50.0	50.0
FGA Capital Ireland Plc		Ireland	Proportionate	50.0	50.0	50.0	50.0
FGA Capital Lux S.A.		Luxembourg	Proportionate	50.0	50.0	50.0	50.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
FGA Capital Netherlands B.V.		Netherlands	Proportionate	50.0	50.0	50.0	50.0
FGA Capital Re Limited		Ireland	Proportionate	50.0	50.0	50.0	50.0
FGA Capital S.p.A.		Italy	Proportionate	50.0	50.0	50.0	50.0
FGA Capital Spain EFC S.A.		Spain	Proportionate	50.0	50.0	50.0	50.0
FGA Capital UK Ltd.		United Kingdom	Proportionate	50.0	50.0	50.0	50.0
FGA Distribudora (Formerly Fiat Distribudora Portugal)		Portugal	Proportionate	50.0	50.0	50.0	50.0
FGA Insurance Hellas S.A.		Greece	Proportionate	50.0	50.0	50.0	50.0
FGA Leasing Polska (Formerly Fidis Leasing Polska Sp. Zo.o.)		Poland	Proportionate	50.0	50.0	50.0	50.0
FGA LeasingGmbH		Austria	Proportionate	50.0	50.0	50.0	50.0
FGA Wholesale UK Ltd.		United Kingdom	Proportionate	50.0	50.0	50.0	50.0
Fiat Bank Polska S.A.		Poland	Proportionate	50.0	50.0	50.0	50.0
Fidis Finance Polska Sp. Zo.o.		Poland	Proportionate	50.0	50.0	50.0	50.0
Fidis Finance S.A.		Switzerland	Proportionate	50.0	50.0	50.0	50.0
Finalia		Belgium	Equity	49.0	49.0	49.0	49.0
Financieringsmaatschappij Mahuko N.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Finaref AB		Sweden	Full	100.0	100.0	100.0	100.0
Finaref AS		Norway	Full	100.0	100.0	100.0	100.0
Finaref OY		Finland	Full	100.0	100.0	100.0	100.0
Finaref S.A.	Out (4)	France	Full		100.0		100.0
Finata Bank N.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Finata Sparen N.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Finata Zuid-Nederland B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
FL Auto S.N.C		France	Proportionate	50.0	50.0	50.0	50.0
FL Location SNC		France	Proportionate	50.0	50.0	50.0	50.0
FORSO Denmark		Denmark	Proportionate	50.0	50.0	50.0	50.0
FORSO Finland		Finland	Proportionate	50.0	50.0	50.0	50.0
FORSO Norway		Norway	Proportionate	50.0	50.0	50.0	50.0
FORSO Sweden		Sweden	Proportionate	50.0	50.0	50.0	50.0
GAC - Sofinco Auto Finance Co. Ltd.	In	China	Equity	50.0		50.0	
IDM Finance B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
IDM Financieringen B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
IDM lease maatschappij N.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Iebe Lease B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
InterBank N.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Eurofactor Hispania S.A.(Formerly Inter-Factor Europa (SPAIN))		Spain	Full	100.0	100.0	100.0	100.0
J.J.P. Akkerman Financieringen B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Krediet '78 B.V. (Formerly Passive Portfolio B.V.)		Netherlands	Full	100.0	100.0	100.0	100.0
Logos Finanziaria S.p.A.		Italy	Full	94.8	94.8	57.8	57.8
Mahuko Financieringen B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Matriks N.V.		Netherlands	Full	100.0	100.0	100.0	100.0
MENAFINANCE		France	Proportionate	50.0	50.0	50.0	50.0
New Theo	In	United Kingdom	Full	50.0		50.0	
NVF Voorschotbank B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Regio Kredietdesk B.V.		Netherlands	Full	100.0	100.0	100.0	100.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Ribank		Netherlands	Full	100.0	100.0	100.0	100.0
Sedef		France	Full	100.0	100.0	100.0	100.0
SSF (Sofinco Saudi Fransi)	Out (3)	Saudi Arabia	Full		100.0		65.5
Tunisie Factoring	In	Tunisia	Equity	36.4		36.4	
VoordeelBank B.V.		Netherlands	Full	100.0	100.0	100.0	100.0
Wafasalaf		Morocco	Equity	49.0	49.0	49.0	49.0
Lease finance companies							
Auxifip		France	Full	100.0	100.0	100.0	100.0
CAREFLEET S.A.		Poland	Full	100.0	100.0	100.0	100.0
Climauto		France	Full	100.0	100.0	100.0	99.9
Crédit Agricole Leasing & Factoring (Formerly Crédit Agricole Leasing)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole Leasing Italia		Italy	Full	100.0	100.0	87.2	87.2
Crédit du Maroc Leasing		Morocco	Full	100.0	100.0	84.5	84.4
Credium		Czech Republic	Full	100.0	100.0	100.0	100.0
Emporiki Leasing S.A.		Greece	Full	100.0	100.0	100.0	100.0
Emporiki Rent	Out (4)	Greece	Full		100.0		100.0
Emporiki Rent Long Term Leasing of Vehicles S.A. (Formerly Antena)	In	Greece	Full	99.6		99.6	
Etica		France	Full	100.0	100.0	100.0	100.0
Europejski Fundusz Leasingowy (E.F.L.)		Poland	Full	100.0	100.0	100.0	100.0
FAL Fleet Services S.A.S.		France	Proportionate	50.0	50.0	50.0	50.0
FGA Capital Services Spain S.A.		Spain	Proportionate	50.0	50.0	50.0	50.0
FGA Contracts UK Ltd.		United Kingdom	Proportionate	50.0	50.0	50.0	50.0
Finamur		France	Full	100.0	100.0	100.0	100.0
Leasys S.p.A.		Italy	Proportionate	50.0	50.0	50.0	50.0
Lixxbail		France	Full	100.0	100.0	100.0	100.0
Lixxcourtage		France	Full	100.0	100.0	100.0	100.0
Lixxcredit		France	Full	99.9	99.9	99.9	99.9
NVA (Négoce Valorisation des actifs)		France	Full	99.9	99.9	99.9	99.9
Savarent S.p.A.	Out (4)	Italy	Proportionate		50.0		50.0
Slibail Longue Durée (SLD)	Out (4)	France	Full		100.0		100.0
Ucalease		France	Full	100.0	100.0	100.0	100.0
Unifergie		France	Full	100.0	100.0	100.0	100.0
Unimat	Out (4)	France	Full		100.0		100.0
Investment companies							
Argence Investissement S.A.S.		France	Full	100.0	100.0	100.0	100.0
Argence Participation		France	Full	100.0	100.0	100.0	100.0
Nordic Consumer Finans		Denmark	Full	100.0	100.0	100.0	100.0
Insurance							
Arès		Ireland	Full	100.0	100.0	61.0	61.0
Other							
CCDS (Carte Cadeaux Distribution Services)		France	Equity	49.0	49.0	49.0	49.0
CLIENTYS		France	Full	100.0	54.9	100.0	54.9
Crédit LIFT		France	Full	100.0	100.0	100.0	100.0
Eda		France	Full	100.0	100.0	100.0	100.0
EFL Finance S.A.		Poland	Full	100.0	100.0	100.0	100.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Emporiki Credicom Insurance Brokers S.A.		Greece	Full	100.0	100.0	100.0	100.0
GEIE Argence Développement		France	Full	100.0	100.0	100.0	100.0
GEIE Argence Management	Out (3)	France	Full		100.0		100.0
SOFILEAD	Out (3)	France	Full		100.0		100.0
SOFILIANCE	Out (3)	France	Full		100.0		100.0
Sofinco Participations		France	Full	100.0	100.0	100.0	100.0
Valris		France	Full	100.0	100.0	100.0	100.0
ASSET MANAGEMENT, INSURANCE AND PRIVATE BANKING							
Banks and financial institutions							
AMUNDI		France	Full	100.0	100.0	75.0	75.0
AMUNDI (UK) Ltd. (Formerly CA Asset Management Ltd.)		United Kingdom	Full	100.0	100.0	75.0	75.0
AMUNDI AI Holding (Formerly CAAM AI Holding)		France	Full	100.0	100.0	75.0	75.0
AMUNDI AI S.A.S. (Formerly CAAM AI S.A.S.)		France	Full	100.0	100.0	75.0	75.0
AMUNDI Alternative Investments Inc. (Formerly CAAM AIInc.)		United States	Full	100.0	100.0	75.0	75.0
AMUNDI Alternative Investments Ltd. (Formerly CAAM AI Ltd.)		Bermuda	Full	100.0	100.0	75.0	75.0
AMUNDI Finance (Formerly Segespar Finance)		France	Full	100.0	100.0	75.0	75.0
AMUNDI Group		France	Full	75.0	75.0	75.0	75.0
AMUNDI Hellas MFMC S.A. (Formerly Emporiki Asset Management A.E.D.A.K)		Greece	Full	100.0	100.0	75.0	75.0
AMUNDI Hong Kong Ltd. (Formerly CA Asset Management Hong Kong Ltd.)		Hong Kong	Full	100.0	100.0	75.0	75.0
AMUNDI Intermédiation (Formerly Segespar Intermédiation)		France	Full	100.0	100.0	75.0	75.0
AMUNDI Japan (Formerly SGAM Japan)		Japan	Full	100.0	100.0	75.0	75.0
AMUNDI Japan Holding (Formerly SGAM North Pacific Ltd.)		Japan	Full	100.0	100.0	75.0	75.0
AMUNDI Japan Securities Cy Ltd. (Formerly CAAM Securities Company Japan KK)		Japan	Full	100.0	100.0	75.0	75.0
AMUNDI Luxembourg S.A. (Formerly CA Asset Management Luxembourg)		Luxembourg	Full	100.0	100.0	75.0	75.0
AMUNDI Private Equity Funds		France	Full	100.0	100.0	75.0	75.0
AMUNDI Real Estate Italia SGR S.p.A. (Formerly CAAM Real Estate Italia SGR)		Italy	Full	100.0	100.0	75.0	75.0
AMUNDI SGR S.p.A. (Formerly CAAM SGR)		Italy	Full	100.0	100.0	75.0	75.0
AMUNDI Singapore Ltd. (Formerly CA Asset Management Singapore Ltd.)		Singapore	Full	100.0	100.0	75.0	75.0
BFT Gestion		France	Full	100.0	100.0	100.0	100.0
BGP Indosuez		France	Full	100.0	100.0	100.0	100.0
Brooke Securities Inc.	Out (4)	United States	Full		100.0		85.0
CA (Suisse) Bahamas		Bahamas	Full	100.0	100.0	100.0	100.0
CA (Suisse) S.A.		Switzerland	Full	100.0	100.0	100.0	100.0
CA Asset Management Japan Ltd.	Out (4)	Japan	Full		100.0		75.0
CA Luxembourg		Luxembourg	Full	100.0	100.0	100.0	100.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
CACEIS (Bermuda) Ltd.		Bermuda	Full	100.0	100.0	85.0	85.0
CACEIS (Canada) Ltd.		Canada	Full	100.0	100.0	85.0	85.0
CACEIS (USA) Inc.		United States	Full	100.0	100.0	85.0	85.0
CACEIS Bank		France	Full	100.0	100.0	85.0	85.0
CACEIS Bank Deutschland GmbH		Germany	Full	100.0	100.0	85.0	85.0
CACEIS Bank Luxembourg		Luxembourg	Full	100.0	100.0	85.0	85.0
CACEIS Corporate Trust		France	Full	100.0	100.0	85.0	85.0
CACEIS Fastnet		France	Full	100.0	93.8	85.0	79.8
CACEIS Fastnet Irlande Ltd.		Ireland	Full	100.0	100.0	85.0	85.0
CACEIS Fastnet Suisse		Switzerland	Full	100.0	100.0	85.0	85.0
CPR AM		France	Full	100.0	100.0	75.0	75.0
Crédit Foncier de Monaco		Monaco	Full	70.1	70.1	69.0	68.9
CREELIA		France	Full	100.0	100.0	75.0	75.0
E.P.E.M. Inc.		United States	Full	100.0	100.0	75.0	75.0
Etoile Gestion		France	Full	100.0	100.0	75.0	75.0
Fastnet Belgique		Belgium	Full	52.2	52.2	44.4	44.4
Fastnet Luxembourg		Luxembourg	Full	100.0	52.2	85.0	44.4
Fastnet Pays-Bas		Netherlands	Full	52.2	52.2	44.3	44.3
Finanziaria Indosuez International Ltd.		Switzerland	Full	100.0	100.0	100.0	100.0
Fund Channel		Luxembourg	Equity	50.0	50.0	37.5	37.5
Gestion Privée Indosuez (G.P.I)		France	Full	100.0	100.0	100.0	100.0
IKS KB		Czech Republic	Full	100.0	100.0	75.0	75.0
Investor Service House S.A.		Luxembourg	Full	100.0	100.0	85.0	85.0
NH-CA Asset Management Ltd. (Formerly Nonghyup-CA)		South Korea	Equity	40.0	40.0	30.0	30.0
Olympia Capital Associates L.P.	Out (4)	United States	Full		100.0		85.0
Olympia Capital Inc.	Out (4)	United States	Full		100.0		85.0
Olympia Capital Ltd. Cayman		Cayman Islands	Full	100.0	100.0	85.0	85.0
Partinvest S.A.		Luxembourg	Full	100.0	100.0	85.0	85.0
SGAM Deutschland		Germany	Full	100.0	100.0	75.0	75.0
SGAM Iberia	In	Spain	Full	100.0		86.2	
SGAM Italia	Out (4)	Italy	Full		100.0		75.0
SGAM Luxembourg	Out (4)	Luxembourg	Full		100.0		75.0
SGAM Négociation (RTO)	Out (4)	France	Full		100.0		75.0
SGAM Singapore Ltd		Singapore	Full	100.0	100.0	75.0	75.0
Société Générale Gestion (S2G)		France	Full	100.0	100.0	75.0	75.0
Winchester Fiduciary Services Ltd.		Bermuda	Full	100.0	100.0	85.0	85.0
Winchester Global Trust Company Ltd.		Bermuda	Full	100.0	100.0	85.0	85.0
Investment companies							
AMUNDI Investment Solutions		France	Full	100.0	100.0	75.0	75.0
AMUNDI Investment Solutions Americas Holding Inc. (Formerly CASAM AmericasInc.)		United States	Full	100.0	100.0	75.0	75.0
AMUNDI Investment Solutions Americas LLC (Formerly CASAM Advisers LLC)		United States	Full	100.0	100.0	75.0	75.0
CACEIS S.A.		France	Full	85.0	85.0	85.0	85.0
CAI BP Holding		France	Full	100.0	100.0	100.0	100.0
Lyra Capital LLC		United States	Full	100.0	100.0	75.0	75.0
Insurance							

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Assurances Mutuelles Fédérales		France	Full	100.0	100.0	100.0	100.0
BES Seguros		Portugal	Full	50.0	50.0	56.0	56.0
BES Vida		Portugal	Full	50.0	50.0	61.9	61.9
BFT opportunité		France	Full	100.0	100.0	100.0	100.0
CA Assicurazioni		Italy	Full	100.0	100.0	100.0	100.0
CACI Gestion		France	Full	100.0	100.0	99.0	88.0
CACI LIFE LIMITED		Ireland	Full	100.0	100.0	100.0	100.0
CACI NON LIFE LIMITED		Ireland	Full	100.0	100.0	100.0	100.0
CACI RE		Ireland	Full	100.0	100.0	100.0	100.0
Crédit Agricole Assurances (CAA)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole Assurances Italia Holding		Italy	Full	100.0	100.0	100.0	100.0
Crédit Agricole Creditor Insurance (CACI)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole Life Insurance Company Japan Ltd.		Japan	Full	100.0	100.0	100.0	100.0
Crédit Agricole Life Insurance Europe		Luxembourg	Full	100.0	100.0	100.0	100.0
Crédit Agricole Reinsurance S.A.		Luxembourg	Full	100.0	100.0	100.0	100.0
Crédit Agricole Vita S.p.A.		Italy	Full	100.0	100.0	92.5	92.5
Dolcea Vie		Italy	Full	100.0	100.0	100.0	100.0
Edram opportunités		France	Full	100.0	100.0	100.0	100.0
Emporiki Life		Greece	Full	100.0	100.0	100.0	100.0
FCPR Roosevelt Investissements	In	France	Full	100.0		100.0	
Federval		France	Full	100.0	100.0	100.0	100.0
Finaref Assurances		France	Full	100.0	100.0	100.0	100.0
Finaref Risques Divers		France	Full	100.0	100.0	100.0	100.0
Finaref Vie		France	Full	100.0	100.0	100.0	100.0
Foncière Hypersud		France	Proportionate	51.4	51.4	51.4	51.4
GRD1		France	Full	100.0	100.0	100.0	100.0
GRD10		France	Full	100.0	100.0	100.0	100.0
GRD11		France	Full	100.0	100.0	100.0	100.0
GRD12		France	Full	100.0	100.0	100.0	100.0
GRD14		France	Full	100.0	100.0	100.0	100.0
GRD16		France	Full	100.0	100.0	100.0	100.0
GRD17		France	Full	100.0	100.0	100.0	100.0
GRD18		France	Full	100.0	100.0	100.0	100.0
GRD19		France	Full	100.0	100.0	100.0	100.0
GRD2		France	Full	100.0	100.0	100.0	100.0
GRD20		France	Full	100.0	100.0	100.0	100.0
GRD3		France	Full	100.0	100.0	100.0	100.0
GRD4		France	Full	100.0	100.0	100.0	100.0
GRD5		France	Full	100.0	100.0	100.0	100.0
GRD7		France	Full	100.0	100.0	100.0	100.0
GRD8		France	Full	100.0	100.0	100.0	100.0
GRD9		France	Full	100.0	100.0	100.0	100.0
Médicale de France		France	Full	99.8	99.8	99.8	99.8
Pacifica		France	Full	100.0	100.0	100.0	100.0
Predica		France	Full	100.0	100.0	100.0	100.0
Predica 2005 FCPR A		France	Full	100.0	100.0	100.0	100.0
Predica 2006 FCPR A		France	Full	100.0	100.0	100.0	100.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Predica 2006-2007 FCPR		France	Full	100.0	100.0	100.0	100.0
Predica 2007 FCPR A		France	Full	100.0	100.0	100.0	100.0
Predica 2007 FCPR C		France	Full	100.0	100.0	100.0	100.0
Predica 2008 FCPR A1		France	Full	100.0	100.0	100.0	100.0
Predica 2008 FCPR A2		France	Full	100.0	100.0	100.0	100.0
Predica 2008 FCPR A3		France	Full	100.0	100.0	100.0	100.0
Predica 2010 FCPR A1	In	France	Full	100.0		100.0	
Predica 2010 FCPR A2	In	France	Full	100.0		100.0	
Predica 2010 FCPR A3	In	France	Full	100.0		100.0	
Predica Secondaires I A1	In	France	Full	100.0		100.0	
Predica Secondaires I B1	In	France	Full	100.0		100.0	
Prediquant actions Amérique		France	Full	100.0	100.0	100.0	100.0
Prediquant actions Asie		France	Full	100.0	100.0	100.0	100.0
Prediquant actions Europe		France	Full	100.0	100.0	100.0	100.0
Prediquant opportunité		France	Full	100.0	100.0	100.0	100.0
Prediquant reflex-100		France	Full	100.0	100.0	100.0	100.0
Prediquant Stratégies	In	France	Full	100.0		100.0	
SAS CAAGIS	In	France	Full	100.0		100.0	
Space Holding (Ireland) Limited		Ireland	Full	100.0	100.0	100.0	100.0
Space Lux		Luxembourg	Full	100.0	100.0	100.0	100.0
Via Vita		Italy	Full	100.0	100.0	100.0	100.0
Other							
AMUNDI Alternative Investments Services Inc. (Formerly CAAM AIS Inc.)		United States	Full	100.0	100.0	75.0	75.0
AMUNDI Iberia S.G.I.I.C S.A. (Formerly CAAM FONDOS S.G.I.I.C)		Spain	Full	100.0	100.0	86.2	86.2
AMUNDI Immobilier		France	Full	100.0	100.0	75.0	75.0
CAAM DISTRIBUTION A.V.	Out (4)	Spain	Full		100.0		86.2
CAAM ESPANA S.L.	Out (4)	Spain	Full		100.0		86.2
CAAM FINANCIAL SOLUTIONS	Out (4)	France	Full		100.0		75.0
Ideam		France	Full	100.0	100.0	75.0	75.0
SCI La Baume		France	Full	100.0	100.0	100.0	100.0
Segespar Informatique Technique Services		France	Full	99.8	99.8	77.2	77.1
CORPORATE AND INVESTMENT BANKING							
Banks and financial institutions							
Aguadana S.L.		Spain	Full	100.0	100.0	100.0	100.0
Al BK Saudi Al Fransi - BSF		Saudi Arabia	Equity	31.1	31.1	31.1	31.1
Calyon Algérie		Algeria	Full	100.0	100.0	100.0	100.0
Calyon Bank Polska S.A.	Out (3)	Poland	Full		100.0		100.0
Crédit Agricole CIB Australia Ltd. (Formerly Calyon Australia Ltd.)		Australia	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB China Ltd. (Formerly Calyon China Limited)		China	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Merchant Bank Asia Ltd. (Formerly Calyon Merchant Bank Asia Ltd.)		Singapore	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB S.A.		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Saudi Fransi Ltd. (Formerly Calyon Saudi Fransi Limited)	Out (2)	Saudi Arabia	Proportionate		55.0		55.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Crédit Agricole CIB Services Private Ltd.	In	India	Full	100.0		100.0	
Crédit Agricole CIB ZAO Russia (Formerly Calyon Rusbank S.A.)		Russia	Full	100.0	100.0	100.0	100.0
Crédit Agricole Yatirim Bankasi Turk A.S. (Formerly Calyon Yatirim Bankasi Turk A.S.)		Turkey	Full	100.0	100.0	100.0	100.0
HIMALIA P.l.c.		United Kingdom	Full	100.0	100.0	100.0	100.0
INCA SARL		Luxembourg	Full	65.0	65.0	65.0	65.0
LF Investments		United States	Full	99.0	99.0	99.0	99.0
LYANE BV		Luxembourg	Full	65.0	65.0	65.0	65.0
Newedge Group		France	Proportionate	50.0	50.0	50.0	50.0
PJSC Crédit Agricole CIB Ukraine (Formerly Calyon Bank Ukraine)		Ukraine	Full	100.0	100.0	100.0	100.0
Stockbrokers							
Cheuvreux/CLSA Global Portfolio Trading Pte Ltd.	In	Singapore	Full	100.0		100.0	
Crédit Agricole Cheuvreux Espana S.A. (Formerly CA Cheuvreux España S.A.)		Spain	Full	100.0	100.0	100.0	100.0
Crédit Agricole Cheuvreux International Ltd. (Formerly CAC International Ltd.)		United Kingdom	Full	100.0	100.0	100.0	100.0
Crédit Agricole Cheuvreux Nordic AB (Formerly CAC Nordic AB)		Sweden	Full	100.0	100.0	100.0	100.0
Crédit Agricole Cheuvreux North America Inc. (Formerly CAC North America Inc.)		United States	Full	100.0	100.0	100.0	100.0
Crédit Agricole Chevreux S.A. (Formerly CA Cheuvreux)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole Securities Asia BV (Tokyo) (Formerly Calyon Securities Japan)		Japan	Full	100.0	100.0	100.0	100.0
Lease finance companies							
Cardinalimmo		France	Full	49.6	49.6	49.6	49.6
Financière Immobilière Crédit Agricole CIB (Formerly Financière Immobilière Calyon)		France	Full	100.0	100.0	100.0	100.0
Investment companies							
Banco Crédit Agricole Brasil S.A. (Formerly Banco Calyon Brasil)		Brazil	Full	100.0	100.0	100.0	100.0
Cafi KEDROS		France	Full	100.0	100.0	100.0	100.0
CALYCE P.l.c.		United Kingdom	Full	100.0	100.0	100.0	100.0
Calyon Capital Market International (CCMI)		France	Full	100.0	100.0	100.0	100.0
CLIFAP		France	Full	100.0	100.0	100.0	100.0
CLINFIM		France	Full	100.0	100.0	100.0	100.0
Compagnie Française de l'Asie (CFA)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Air Finance S.A. (Formerly Calyon Air Finance S.A.)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Capital Market Asia BV (Formerly Calyon Capital Market Asia BV)		Netherlands	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Finance (Guernsey) Ltd.		United Kingdom	Full	99.9	99.9	99.9	99.9

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Crédit Agricole CIB Financial Prod. (Guernsey) Ltd.		United Kingdom	Full	99.9	99.9	99.9	99.9
Crédit Agricole CIB Global Banking (Formerly Calyon Global Banking)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Global Partners Inc. Group (Formerly Calyon Global PartnersGroup)		United States	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Holdings Ltd. (Formerly Calyon Holdings)		United Kingdom	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB UK IH (Formerly Calyon Investments)		United Kingdom	Full	100.0	100.0	100.0	100.0
Crédit Agricole Securities USA Inc. (Formerly Calyon Securities USA Inc.)		United States	Full	100.0	100.0	100.0	100.0
Crédit Lyonnais Securities Asia BV		Hong Kong	Full	100.0	100.0	98.9	98.9
Doumer Finance S.A.S.		France	Full	100.0	100.0	100.0	100.0
Doumer Philemon	Out (4)	France	Full		100.0		100.0
EDELAAR EESV	Out (3)	Netherlands	Full		90.0		80.0
Ester Finance		France	Full	100.0	100.0	100.0	100.0
Fininvest		France	Full	98.3	98.3	98.3	98.3
Fletirec		France	Full	100.0	100.0	100.0	100.0
I.P.F.O.		France	Full	100.0	100.0	100.0	100.0
Mescas		France	Full	100.0	100.0	100.0	100.0
Safec		Switzerland	Full	100.0	100.0	100.0	100.0
SNC Shaun		France	Full	100.0	100.0	100.0	100.0
Insurance							
CAIRS Assurance S.A.		France	Full	100.0	100.0	100.0	100.0
Other							
Alcor		Hong Kong	Full	98.8	98.8	98.8	98.8
Aylesbury		United Kingdom	Full	100.0	100.0	100.0	100.0
Bletchley Investments Limited		United Kingdom	Full	82.2	82.2	100.0	100.0
C.A.P.B. Levante		Spain	Full	100.0	100.0	100.0	100.0
C.A.P.B. Norte		Spain	Full	100.0	100.0	100.0	100.0
CA Conseil S.A.		Luxembourg	Full	100.0	100.0	100.0	100.0
Calixis Finance		France	Full	100.0	89.8	100.0	89.8
Calliope SRL		Italy	Full	100.0	90.0	67.0	60.3
Chauray	Out (3)	France	Proportionate		34.0		34.0
Crédit Agricole Asia Shipfinance Ltd. (Formerly Calyon Asia Shipfinance Service Ltd.)		Hong Kong	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Financial Solutions (Formerly Calyon Financial Solutions)		France	Full	99.7	99.7	99.7	99.7
Crédit Agricole CIB LP (Formerly Calyon CLP)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Preferred Funding II LLC (Formerly CA Preferred Funding II)		United States	Full	100.0	100.0	100.0	100.0
Crédit Agricole CIB Preferred Funding LLC (Formerly CA Preferred Funding)		United States	Full	100.0	100.0	100.0	100.0
DGAD International SARL		Luxembourg	Full	100.0	100.0	100.0	100.0
European NPL S.A.		Luxembourg	Full	60.0	60.0	67.0	67.0
Immobilière Sirius S.A.		Luxembourg	Full	100.0	100.0	100.0	100.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Indosuez Finance Limited		United Kingdom	Full	100.0	100.0	100.0	100.0
Indosuez Holding SCA II		Luxembourg	Full	100.0	100.0	100.0	100.0
Indosuez Management LuxembourgII		Luxembourg	Full	100.0	100.0	100.0	100.0
Island Refinancing SRL		Italy	Full	100.0	100.0	67.0	67.0
Korea 21st Century TR		South Korea	Full	100.0	100.0	100.0	100.0
LSF Italian Finance Cpy SRL		Italy	Full	100.0	100.0	67.0	67.0
MERISMA		France	Full	100.0	100.0	100.0	100.0
Sagrantino		Netherlands	Full	100.0	100.0	67.0	67.0
Sagrantino Italy SRL		Italy	Full	100.0	100.0	67.0	67.0
SNC Doumer		France	Full	99.9	99.9	99.9	99.9
SPV LDF 65		Luxembourg	Full	64.9	65.0	64.9	65.0
UBAF		France	Proportionate	47.0	47.0	47.0	47.0
CORPORATE CENTRE							
Crédit Agricole							
Crédit Agricole S.A.		France	Parent company	100.0	100.0	100.0	100.0
Banks and financial institutions							
BFC Antilles Guyane		France	Full	100.0	100.0	100.0	100.0
BFT (Banque Financement et Trésorerie)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole Covered Bonds		France	Full	100.0	100.0	100.0	100.0
FIA-NET		France	Full	100.0	100.0	100.0	100.0
Foncaris		France	Full	100.0	100.0	100.0	100.0
G.F.E.R (Groupement de Financement des Entreprises Régionales)	Out (3)	France	Full		100.0		100.0
Intesa Sanpaolo S.p.A.	Out (3)	Italy	Equity		5.8		5.6
Radian		France	Full	100.0	100.0	100.0	100.0
Sacam Developpement		France	Full	100.0	100.0	100.0	100.0
Sacam International		France	Full	100.0	100.0	100.0	100.0
SNC Courcelles		France	Full	100.0	100.0	100.0	100.0
Investment companies							
Crédit Agricole Capital Investissement et Finance (CACIF)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole Private Equity		France	Full	100.0	100.0	100.0	100.0
Delfinances		France	Full	100.0	100.0	100.0	100.0
Eurazeo		France	Equity	25.0	24.7	19.2	18.8
IDIA-Sodica (formerly IDIA Agricapital)		France	Full	100.0	100.0	100.0	100.0
S.A.S. La Boétie		France	Parent company	100.0	100.0	100.0	100.0
Sacam Assurance Cautions		France	Full	100.0	100.0	100.0	100.0
Sacam Participations		France	Full	100.0	100.0	100.0	100.0
Other							
AEPRIM	Out (4)	France	Full		100.0		100.0
CA Brasil DTVM		Brazil	Full	100.0	100.0	100.0	100.0
CA Grands Crus		France	Full	100.0	100.0	100.0	100.0
CA Preferred Funding LLC		United States	Full	100.0	100.0	6.5	6.5
Cedicam		France	Full	100.0	100.0	100.0	100.0
CPR Holding (CPRH)		France	Full	100.0	100.0	100.0	100.0
CPR Investissement (INVT)		France	Full	100.0	100.0	100.0	100.0
Crédit Agricole Immobilier		France	Full	100.0	100.0	100.0	100.0

Crédit Agricole Group – Consolidation Scope	(a)	Country	Method at 31/12/2010	% control		% interest	
				31/12/2010	31/12/2009	31/12/2010	31/12/2009
Crédit Agricole Immobilier Transaction	Out (4)	France	Full		100.0		100.0
Finasic		France	Full	100.0	100.0	100.0	100.0
GIE Silca		France	Full	100.0	100.0	100.0	100.0
S.A.S. Evergreen Montrouge		France	Full	100.0	100.0	100.0	100.0
S.A.S. SACAM AVENIR		France	Full	100.0	100.0	100.0	100.0
SCI D2 CAM	In	France	Full	100.0		100.0	
SCI Max Hymans		France	Full	100.0	100.0	100.0	100.0
SCI Pasteur 3		France	Full	100.0	100.0	100.0	100.0
SCI Quentyvel		France	Full	100.0	100.0	100.0	100.0
SCI Raspail		France	Full	100.0	100.0	100.0	100.0
SIS (Société Immobilière de la Seine)		France	Full	100.0	100.0	100.0	100.0
UI Vavin1		France	Full	100.0	100.0	100.0	100.0
Unibiens		France	Full	100.0	100.0	100.0	100.0
Uni-Édition		France	Full	100.0	100.0	100.0	100.0
Tourism - property development							
France Capital S.A.		France	Full	100.0	100.0	100.0	100.0
Monné-Decroix Courtage S.A.S.		France	Full	100.0	100.0	100.0	100.0
Monné-Decroix Gestion S.A.S.		France	Full	100.0	100.0	100.0	100.0
Monné-Decroix Promotion S.A.S.		France	Full	100.0	100.0	100.0	100.0
Monné-Decroix Résidences S.A.S.		France	Full	100.0	100.0	100.0	100.0
Selexia S.A.S.		France	Full	100.0	100.0	100.0	100.0
CA Immobilier Promotion (ex-Unimo)		France	Full	100.0	100.0	100.0	100.0

(1) Entries (In) and exits (Out) from scope of consolidation.
(2) Sale to non-Group companies and deconsolidation following loss of[1] control.
(3) Deconsolidated due to non-materiality or discontinuation of business.
(4) Merged with another consolidated entity.
(5) Level of control adjusted according to published scope of consolidation
In (*) / Out (*) previously consolidated at intermediate level

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French. It is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information required specifically by French law in such reports, whether qualified or not. This information presents below the opinion on the consolidated financial statements and 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 and construed in accordance with French law and professional auditing standards applicable in France.

Year ended 31 December 2010

Dear Sirs:

In compliance with the assignment entrusted to us, we hereby report to you , for the year ended 31 December 2010 on:

- the audit of the accompanying consolidated financial statements of the Crédit Agricole Group;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors of Crédit Agricole S.A. Our role is to express an opinion on these consolidated financial statements based on our audit.

As stated in the "General Framework" section of the financial statements, the consolidated financial statements of the Credit Agricole Group reporting entity, which is a network with a central body, are prepared on the basis of a community of interest consisting of the Local Banks, the Regional Banks and Crédit Agricole S.A.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform procedures to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities and of the financial position of the Group as of 31 December 2010 as well as of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion expressed above, we draw your attention to the matter set out in the Note 1.1 to the consolidated financial statements, which describes the change in accounting method for the recognition of actuarial gains or losses of post-employment defined benefit plans and new standards and interpretations applied particularly the amendments to IAS 27 "Consolidated and Separate Financial Statements" and IFRS 3 "Business Combinations".

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de Commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- The Crédit Agricole Group accounts for impairment reserves to cover identified credit risk, which are inherent to its business activities. We have reviewed the procedures implemented by the management to identify and assess 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 comply with the principles described in Note 1.3 to the consolidated financial statements.
- As stated in Notes 1.3 and 10.2 to the consolidated financial statements, the Crédit Agricole Group uses internal models to assess the fair value of certain financial instruments that are not traded on an active market. We have reviewed the control procedures around these models, the assumptions used and the way the risks associated with such instruments are taken into consideration.
- As stated in Note 1.3 to the consolidated financial statements, the Crédit Agricole Group has made estimates in order to factor in changes in its own credit risk into the valuation of issued securities accounted for at fair value through profit and loss. We have assessed the appropriateness of the parameters used for this purpose.
- As stated in Notes 1.3, 2.3 and 2.6 to the consolidated financial statements, the Crédit Agricole Group has performed impairment tests on goodwills and investments in equity affiliates. We have reviewed the terms and conditions related to these tests, the main parameters and assumptions used, and have verified that the presentation in the notes to the consolidated financial statements was appropriate.
- As part of its process of preparation of the consolidated financial statements, the Crédit Agricole Group has made other accounting estimates, as explained in Note 1.3 to the consolidated financial statements, in particular regarding the valuation and impairment of non-consolidated equity securities, the pension and future employee benefits engagements, reserves for operational risks, reserves for legal risks, deferred taxes assets and the recognition of the deferred profit sharing reserve and the justification of the recoverable nature of that asset. We have reviewed the methods and assumptions used and ensured that the accounting estimates are appropriately documented in conformity with the principles described in Note 1.3 of the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the management report of the Crédit Agricole Group.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine, March 24, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit
Catherine Pariset

ERNST & YOUNG et Autres
Pierre Hurstel

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ITS UPDATES

M. Jean-Paul Chifflet, Chief Executive Officer, Crédit Agricole S.A.

Responsibility statement

I hereby certify that, to my knowledge and after all due diligence, the information contained in this update is true and accurate and contains no omissions likely to affect the import thereof.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and results of the Company and all entities included in the consolidated group, and that the management report herewith provides a true and fair view of the business trends, results and financial condition of the Company data and all entities included in the consolidated group, together with a description of the main risks and uncertainties that they face.

I have obtained a letter from the Statutory Auditors, PricewaterhouseCoopers Audit and Ernst & Young et Autres, 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 update and read the registration document and update A.01 as a whole.

The statutory auditors have issued a report on Crédit Agricole Group's consolidated financial statements for the year ended 31 December 2010, appearing in this update, which contains one observation.

Executed in Paris, on 28 March 2011

The Chief Executive Officer of Crédit Agricole S.A.

Jean-Paul Chifflet

STATUTORY AUDITORS

Statutory Auditors

Ernst & Young et Autres	**PricewaterhouseCoopers Audit**
Represented by Pierre Hurstel	Represented by Catherine Pariset
41, rue Ybry 92576 Neuilly-sur-Seine Cedex	63, rue de Villiers 92200 Neuilly-sur-Seine
Statutory Auditors, member, Compagnie régionale des Commissaires aux comptes de Versailles	Statutory Auditors, member, Compagnie régionale des Commissaires aux comptes de Versailles

Alternate Auditors

Picarle et Associés	**Pierre Coll**
Represented by Denis Picarle	
11, allée de l'Arche 92400 Courbevoie	63, rue de Villiers 92200 Neuilly-sur-Seine
Statutory Auditors, member, Compagnie régionale des Commissaires aux comptes de Versailles	Statutory Auditors, member, Compagnie régionale des Commissaires aux comptes de Versailles

Barbier, Frinault et Autres was appointed Statutory Auditor at the Ordinary General Meeting of 31 May 1994 for a term of six years, which was renewed for six years at the Ordinary General Meeting of 25 May 2000. This term of office was renewed for a further six years at the Combined General Meeting of 17 May 2006.

The Company has been a member of the Ernst & Young network since 5 September 2002.

It adopted the name "**Ernst & Young et Autres**" on 1 July 2006.

Ernst & Young et Autres is represented by Pierre Hurstel.

Alain Grosmann was appointed Alternate Auditor at the Ordinary General Meeting of 31 May 1994 for a term of six years, which was renewed for six years at the Ordinary General Meeting of 25 May 2000. His term of office expired at the end of the Combined General Meeting of 17 May 2006.

Picarle et Associés was appointed Alternate Auditor for Ernst & Young et Autres for a term of six years at the Combined General Meeting of 17 May 2006.

PricewaterhouseCoopers Audit was appointed Statutory Auditor at the Ordinary General Meeting 19 May 2004. This term of office was renewed for a further six years at the Combined General Meeting of 17 May 2006.

PricewaterhouseCoopers Audit is represented by Catherine Pariset.

Pierre Coll was appointed Alternate Auditor for PricewaterhouseCoopers Audit at the Ordinary General Meeting 19 May 2004. This term of office was renewed for a further six years at the Combined General Meeting of 17 May 2006.

Crédit Agricole S.A.

A French limited company with share capital of 7,204,980,873 euros

Paris Trade and Company Registry No 784 608 416

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